

THIRTY-SIXTH DAY

St. Paul, Minnesota, Friday, April 21, 1989

The Senate met at 12:45 p.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by Senator Dean E. Johnson.

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

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

Mr. Anderson, Mrs. McQuaid, Messrs. Johnson, D.J. and Solon were excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 18, 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
	322	34	1458 hours April 17	April 17
112		35	1700 hours April 17	April 17
699		36	1701 hours April 17	April 17
382		37	1701 hours April 17	April 17
390		38	1707 hours April 17	April 17
831		39	1710 hours April 17	April 17
203		40	1704 hours April 17	April 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 Files, herewith returned: S.F. Nos. 361 and 1051.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 20, 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. 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.

Senate File No. 104 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 20, 1989

Mr. Beckman moved that the Senate do not concur in the amendments by the House to S.F. No. 104, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 166, 1338, 1665, 557, 831, 996, 472, 786, 811, 1530, 1355, 1440 and 1472.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 20, 1989

FIRST READING OF HOUSE BILLS

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

H.F. No. 166: A bill for an act relating to state agencies; providing that certain information submitted to department of transportation is public data; providing for development of internal auditing standards; classifying certain internal auditing data as other than public; 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; providing for suspension of registration of interstate authority for failure to maintain insurance; amending Minnesota Statutes 1988, sections 13.72, by adding subdivisions; 16A.055, subdivision 1; 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 by adding a subdivision; and 221.60, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 13; 65B; and 221.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 985, now on General Orders.

H.F. No. 1338: 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 Rules and Administration for comparison with S.F. No. 1563.

H.F. No. 1665: 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 Judiciary.

H.F. No. 557: A bill for an act relating to retirement; providing additional resources for the public employees insurance plan; amending Minnesota Statutes 1988, sections 43A.316, subdivision 9; 69.031, subdivision 5; and 353.65, subdivisions 1 and 6, and by adding a subdivision.

Referred to the Committee on Governmental Operations.

H.F. No. 831: A bill for an act relating to game and fish; Mom Fishing Weekend; season opening date for certain game fish; amending Minnesota Statutes 1988, sections 97A.445, by adding a subdivision; and 97C.395, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 996: 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 Rules and Administration for comparison with S.F. No. 1321, now on General Orders.

H.F. No. 472: A bill for an act relating to transportation; motor carriers; increasing maximum length of certain semitrailers; defining mobile cranes and providing for their maximum length; requiring a highway cost allocation study; amending Minnesota Statutes 1988, sections 169.01, by adding a subdivision; 169.81, subdivision 2; and 169.86, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 512.

H.F. No. 786: A bill for an act relating to employment; requiring the hiring of local workers and the payment of wages equal to those of railroad workers on certain railroad projects assisted with state money; amending Minnesota Statutes 1988, section 222.50, subdivision 5.

Referred to the Committee on Finance.

H.F. No. 811: A bill for an act relating to natural resources; changing certain provisions relating to the taking of turtles; amending Minnesota Statutes 1988, sections 97A.475, subdivision 41; 97C.605, subdivisions 2 and 3; and 97C.611; repealing Minnesota Statutes 1988, section 97C.615.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1085, now on General Orders.

H.F. No. 1530: 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 Rules and Administration for comparison with S.F. No. 1441, now on General Orders.

H.F. No. 1355: 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 Rules and Administration for comparison with S.F. No. 1184, now on General Orders.

H.F. No. 1440: 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 Rules and Administration for comparison with S.F. No. 1408.

H.F. No. 1472: A resolution memorializing the President and Congress to assure fair treatment for Minnesota dairy farmers.

Referred to the Committee on Agriculture and Rural Development.

REPORTS OF COMMITTEES

Mr. Merriam 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. 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.

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

Page 1, lines 12 and 25, delete "\$5,000" and insert "\$3,000"

Page 1, after line 19, insert:

"Sec. 2. Minnesota Statutes 1988, section 487.30, subdivision 8, is amended to read:

Subd. 8. [COSTS AND DISBURSEMENTS FOR PREVAILING PARTY ON REMOVAL.] (a) The prevailing party in a removed cause may tax and recover from the other party costs as provided by rules of the supreme court; except that if the prevailing party, on appeal, is not the aggrieved party in the original action, the court ~~may, in its discretion, shall~~ allow such prevailing party to tax and recover from the aggrieved party an amount ~~not to exceed \$50 of \$200~~ as costs.

(b) For the purpose of this subdivision, an "aggrieved party" means the party who demands removal to county court and means the first party who serves, or files in lieu of serving, a demand for removal if another party also demands removal, and an "opposing party" means any party as to whom the aggrieved party seeks a reversal in whole or in part by removal of the cause to county court.

(c) The aggrieved party is the prevailing party in county court:

(1) if the aggrieved party recovers any amount or any property in county court when the aggrieved party had been denied recovery of any amount or any property by the conciliation judge,

(2) if the opposing party does not recover any amount or any property from the aggrieved party in county court when the opposing party had recovered some amount or some property by the order of the conciliation judge,

(3) if the aggrieved party recovers an amount or value of property in county court which is at least ~~\$25~~ *the greater of 20 percent or \$200* in excess of the amount or value of property which the aggrieved party recovered by the order of the conciliation judge, or

(4) if the opposing party recovers from the aggrieved party an amount or value of property in county court which is at least ~~\$25~~ *the greater of 20 percent or \$200* less than the amount or value of property which the

opposing party recovered by the order of the conciliation judge.

(d) In all other situations the opposing party shall be deemed to be the prevailing party in county court.

(e) Costs or disbursements in the conciliation or county court shall not be considered in determining whether there was a recovery by either party in either court or in determining the difference in recovery under this subdivision."

Page 3, lines 22 and 31, delete "\$5,000" and insert "\$3,000"

Page 3, after line 25, insert:

"Sec. 5. Minnesota Statutes 1988, section 488A.17, subdivision 10, is amended to read:

Subd. 10. [COSTS AND DISBURSEMENTS FOR PREVAILING PARTY.]

(a) The prevailing party in a removed cause may tax and recover from the other party \$5 as costs together with the prevailing party's disbursements incurred in conciliation and municipal court; except that if the prevailing party, on appeal, is not the aggrieved party in the original action, the court ~~may, in its discretion,~~ shall allow such prevailing party to tax and recover from the aggrieved party an amount ~~not to exceed \$50~~ of \$200 as costs.

(b) For the purpose of this subdivision, an "aggrieved party" means the party who demands removal to municipal court and means the first party who serves, or files in lieu of serving, a demand for removal if another party also demands removal, and an "opposing party" means any party as to whom the aggrieved party seeks a reversal in whole or in part by removal of the cause to municipal court.

(c) The aggrieved party is the prevailing party in municipal court:

(1) If the aggrieved party recovers any amount or any property in municipal court when the aggrieved party had been denied recovery of any amount or any property by the conciliation judge,

(2) If the opposing party does not recover any amount or any property from the aggrieved party in municipal court when the opposing party had recovered some amount or some property by the order of the conciliation judge,

(3) If the aggrieved party recovers an amount or value of property in municipal court which is at least ~~\$25~~ *the greater of 20 percent or \$200* in excess of the amount or value of property which the aggrieved party recovered by the order of the conciliation judge or

(4) If the opposing party recovers from the aggrieved party an amount or value of property in municipal court which is at least ~~\$25~~ *the greater of 20 percent or \$200* less than the amount or value of property which the opposing party recovered by the order of the conciliation judge.

(d) In all other situations the opposing party shall be deemed to be the prevailing party in municipal court.

(e) Costs or disbursements in the conciliation or municipal court shall not be considered in determining whether there was a recovery by either party in either court or in determining the difference in recovery under this subdivision."

Page 5, line 18, delete "\$5,000" and insert "\$3,000"

Page 5, after line 21, insert:

"Sec. 8. Minnesota Statutes 1988, section 488A.34, subdivision 9, is amended to read:

Subd. 9. [COSTS AND DISBURSEMENTS FOR PREVAILING PARTY.]

(a) The prevailing party in a removed cause may tax and recover from the other party costs and disbursements as though the action was originally commenced in the municipal court; except that if the prevailing party, on appeal, is not the aggrieved party in the original action, the court ~~may, in its discretion,~~ shall allow such prevailing party to tax and recover from the aggrieved party an amount ~~not to exceed \$50 of \$200~~ as costs.

(b) For the purpose of this subdivision, an "aggrieved party" means the party who demands removal to municipal court and means the first party who serves, or files in lieu of serving, a demand for removal if another party also demands removal, and an "opposing party" means any party as to whom the aggrieved party seeks a reversal in whole or in part by removal of the cause to municipal court.

(c) The aggrieved party is the prevailing party in municipal court:

(1) if the aggrieved party recovers any amount or any property in municipal court when the aggrieved party had been denied recovery of any amount or any property by the conciliation judge,

(2) if the opposing party does not recover any amount or any property from the aggrieved party in municipal court when the opposing party had recovered some amount or some property by the order of the conciliation judge,

(3) if the aggrieved party recovers an amount or value of property in municipal court which is at least ~~\$25~~ *the greater of 20 percent or \$200* in excess of the amount or value of property which the aggrieved party recovered by the order of the conciliation judge, or

(4) if the opposing party recovers from the aggrieved party an amount or value of property in municipal court which is at least ~~\$25~~ *the greater of 20 percent or \$200* less than the amount or value of property which the opposing party recovered by the order of the conciliation judge.

(d) In all other situations the opposing party shall be deemed to be the prevailing party in municipal court.

(e) Costs or disbursements in the conciliation or municipal court shall not be considered in determining whether there was a recovery by either party in either court or in determining the difference in recovery under this subdivision."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "modifying standards for the award of costs for conciliation court appeals;"

Page 1, line 4, delete "subdivision" and insert "subdivisions"

Page 1, line 5, before the first semicolon, insert "and 8" and after "6;" insert "488A.17, subdivision 10;"

Page 1, line 6, delete "and" and before the period, insert "; and 488A.34, subdivision 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. 1369: A bill for an act relating to state parks; special permits for handicapped users; amending Minnesota Statutes 1988, section 85.053, subdivision 7.

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

Page 1, line 13, after "vehicle" insert "(i)"

Page 1, line 15, after "or" insert "(ii)"

Page 1, line 18, after "*purchased*" insert "*or proof of a leasehold interest in the vehicle for a term at least as long as the term of the permit*"

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. 1447: A bill for an act relating to resource development; requiring a research study on the effect of aspen thinning; 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. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

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.

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

Delete everything after the enacting clause and insert:

"Section 1. Laws 1983, chapter 342, article 19, section 4, is amended to read:

Sec. 4. [ALLOCATION OF REVENUES.]

Subdivision 1. [USE OF PROCEEDS.] Revenues received from taxes authorized by sections 1 and 2 shall be used to pay the costs of collecting the taxes, capital and administrative costs of improvements to the city park and recreation system and flood control improvements for which the city voters at a special election held on November 2, 1982, approved the issuance of general obligation bonds, and to pay debt service on the bonds. The total capital and administrative expenditures payable from bond proceeds and revenues received from the taxes authorized by sections 1 and 2, excluding investment earnings thereon, shall not exceed \$16,000,000 for improvements to the city park and recreation system and \$16,000,000 for flood control improvements.

Subd. 2. [PROCEEDS OF CONTINUED LEVY.] Notwithstanding subdivision 1, if the city council elects under section 5, subdivision 2, to continue imposing the tax after \$16,000,000 has been collected for the park and recreation system and \$16,000,000 for flood control improvements, the revenues must be used to pay the city's share of the flood control project or for other flood control purposes, including additional construction or restoration, repairs and maintenance of existing flood control improvements, or to pay the cost of cleanup and repair of flood damages.

Sec. 2. Laws 1983, chapter 342, article 19, section 5, is amended to read:

Sec. 5. [TERMINATION OF TAXES.]

*Subdivision 1. [MAXIMUM REVENUES.] The taxes imposed pursuant to sections 1 and 2 shall terminate on the first day of the second month next succeeding a determination by the city council that sufficient funds have been received from the taxes and bond proceeds to finance capital and administrative costs of \$16,000,000 for improvements to the city park and recreation system and \$16,000,000 for flood control improvements and to prepay or retire at maturity the principal, interest, and premium due on any bonds issued for the improvements. ~~Any funds remaining after completion of the improvements and retirement or redemption of the bonds may be placed in the general fund of the city.~~ *If the city elects to extend the tax under subdivision 2, the funds must be allocated as provided in section 4, subdivision 2.**

Subd. 2. [ELECTION TO CONTINUE TAX.] Upon termination of the taxes under subdivision 1, the city council may, by resolution, continue to impose the taxes. If the city elects to continue imposing the taxes, the taxes terminate on December 31, 1992.

Sec. 3. [EFFECTIVE DATE.]

This act is effective upon compliance by the city council of Rochester with Minnesota Statutes, section 645.021."

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. 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.

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

Page 7, line 7, after the period, insert "A licensed peace officer who works in a jail and who satisfactorily completes a training course or program may be granted credit toward hourly training requirements for both peace officer and jail employee licensing if each licensing board approves the training course or program."

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. 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.

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. Chmielewski from the Committee on Employment, to which was re-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 do pass and be re-referred to the Committee on Rules and Administration. Report adopted.

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

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.

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 169.01, is amended by adding a subdivision to read:

Subd. 74. [MOBILE CRANE.] “Mobile crane” means a vehicle (1) not designed or used to transport persons or property, (2) operated only incidentally on the highway and not subject to vehicle registration under chapter 168, and (3) comprising a boom and hoisting mechanism used in the construction industry. Mobile crane does not include a motor vehicle, designed to transport persons or property, to which a boom, hoist, crane, or other machinery has been attached.”

Page 1, line 9, strike “45” and insert “48”

Page 2, after line 26, insert:

"Sec. 3. 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).

(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~~ mobile 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 limitations on axles	Cost Per Mile For Each Group Of:		
	Two consecutive axles spaced within 8 feet or less	Three consecutive axles spaced within 9 feet or less	Four consecutive axles spaced within 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. 4. [COST ALLOCATION STUDY.]

Subdivision 1. [STUDY REQUIRED.] The commissioner of transportation shall contract with a qualified and impartial consultant to conduct a study of how the costs of state and local highways in Minnesota, including costs and revenues attributable to federal aid programs, are allocated among users. This study shall:

(1) determine the costs of designing, constructing, administering, and maintaining state and local highways in Minnesota;

(2) determine the extent to which those costs are attributable to various classes of vehicles using those highways;

(3) determine the extent to which various classes of vehicles contribute revenue, including federal highway user taxes, for the design, construction, administration, and maintenance of those highways; and

(4) recommend changes in highway financing that would make the payments of various classes of vehicles for the design, construction, administration, and maintenance of state and local highways more nearly equal the costs those classes impose on those highways.

The commissioner shall regularly consult with the commissioner's motor carrier advisory board on the design of the request for proposals for the

study, the selection of the consultant to perform the study, and the periodic review and evaluation of the study.

Subd. 2. [REPORT.] The commissioner shall report the results of the study to the chairs of the senate and house of representatives committees on transportation not later than October 1, 1991."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "defining mobile cranes and providing for their maximum length; requiring a highway cost allocation study;"

Page 1, line 4, delete everything after the first comma and insert "sections 169.01, by adding a subdivision; 169.81, subdivision 2; and 169.86, subdivision 5."

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. 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; providing for a study on the effects of a runway expansion at Airlake airport; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Page 2, line 8, delete "3" and insert "4" and delete "4" and insert "5"

Page 4, after line 19, insert:

"Sec. 3. Minnesota Statutes 1988, section 473.608, subdivision 1, is amended to read:

Subdivision 1. The corporation, subject to the conditions and limitations prescribed by law, shall possess all the powers as a body corporate necessary and convenient to accomplish the objects and perform the duties prescribed by sections 473.601 to 473.679, including but not limited to those hereinafter specified. These powers, except as limited by section 473.622 otherwise provided in sections 473.601 to 473.679, may be exercised at any place within 35 miles of the city hall of either Minneapolis or St. Paul, and in the metropolitan area."

Page 5, line 13, delete "4" and insert "5"

Page 6, line 20, delete "4" and insert "5"

Page 7, line 12, delete "3" and insert "4"

Page 8, lines 1, 8, 11, 14, and 19, delete "4" and insert "5"

Page 9, line 24, delete "5" and insert "6"

Page 9, line 27, delete "3" and insert "4" and delete "4" and insert "5"

Page 10, line 29, delete "3" and insert "4"

Page 10, line 30, delete "4" and insert "5"

Page 11, line 10, delete "8" and insert "9"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "amending Minnesota Statutes 1988, sections 473.604, subdivision 1; 473.608, subdivision 1; and 473.621, subdivision 1a;"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred S.F. No. 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.

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

Page 1, lines 10 and 11, strike "Notwithstanding the provisions of any other law,"

Page 1, line 15, before "Information" insert "The registrar may not furnish" and after "concerning" insert "registered owners of"

Page 1, line 16, delete "automobile owners" and insert "automobiles"

Page 1, line 17, delete "may not be furnished"

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. 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.

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.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 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, speaker of the house, and majority leader of the senate shall each appoint two members to a six-member advisory committee to screen applicants for appointment to the court and to 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. 2 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. 3 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. [WCCA; 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 Minnesota Statutes, 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 act is effective July 1, 1989."

Amend the title as follows:

Page 1, line 7, after "sections" insert "15A.083, subdivision 7;"

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. 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.

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 144A.01, subdivision 5, is amended to read:

Subd. 5. "Nursing home" means a facility or that part of a facility which provides nursing care to five or more persons. "Nursing home" does not include a facility or that part of a facility which is a hospital, a hospital with approved swing beds as defined in section 144.562, clinic, doctor's office, diagnostic or treatment center, or a residential ~~facility~~ *program* licensed pursuant to sections ~~245.781 to 245.812~~ *245A.01 to 245A.16* or 252.28.

Sec. 2. Minnesota Statutes 1988, section 245.73, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER'S DUTY.] The commissioner shall establish a statewide program to assist counties in ensuring provision of services to adult mentally ill persons. The commissioner shall make grants to county boards to provide community based services to mentally ill persons through ~~facilities~~ *programs* licensed under sections ~~245.781 to 245.812~~ *245A.01 to 245A.16*.

Sec. 3. Minnesota Statutes 1988, section 245.73, subdivision 2, is amended to read:

Subd. 2. [APPLICATION; CRITERIA.] County boards may submit an application and budget for use of the money in the form specified by the commissioner. The commissioner shall make grants only to counties whose applications and budgets are approved by the commissioner for residential ~~facilities~~ *programs* for adult mentally ill persons to meet licensing requirements pursuant to sections ~~245.781 to 245.812~~ *245A.01 to 245A.16*. Funds shall not be used to supplant or reduce local, state, or federal expenditure levels supporting existing resources unless the reduction in available moneys is the result of a state or federal decision not to refund an existing program. State funds received by a county pursuant to this section shall be used only for direct service costs. Both direct service and other costs, including but not limited to renovation, construction or rent of buildings, purchase or lease of vehicles or equipment as required for licensure as a ~~facility~~ *residential program* for adult mentally ill persons under sections ~~245.781 to 245.812~~ *245A.01 to 245A.16*, may be paid out of the matching funds required under subdivision 3. Neither the state funds nor the matching funds shall be used for room and board costs.

Sec. 4. Minnesota Statutes 1988, section 245A.02, subdivision 3, is amended to read:

Subd. 3. [APPLICANT.] "Applicant" means an individual, corporation, partnership, voluntary association, *controlling individual*, or other organization that has applied for licensure under sections 245A.01 to 245A.16 and the rules of the commissioner.

Sec. 5. Minnesota Statutes 1988, section 245A.02, is amended by adding a subdivision to read:

Subd. 5a. [CONTROLLING INDIVIDUAL.] "Controlling individual" means a public body, governmental agency, business entity, officer, program administrator, or director whose responsibilities include the direction of the management or policies of a program. Controlling individual also means an individual who, directly or indirectly, beneficially owns an interest in a corporation, partnership, or other business association that is a controlling individual. Controlling individual does not include:

(1) a bank, savings bank, trust company, building and loan association, savings and loan association, credit union, industrial loan and thrift company, investment banking firm, or insurance company unless the entity operates a program directly or through a subsidiary;

(2) an individual who is a state or federal official, or state or federal employee, or a member or employee of the governing body of a political subdivision of the state or federal government that operates one or more programs, unless the individual is also an officer or director of the program, receives remuneration from the program, or owns any of the beneficial interests not excluded in this subdivision;

(3) an individual who owns less than five percent of the outstanding common shares of a corporation:

(i) whose securities are exempt under section 80A.15, subdivision 1, clause (f); or

(ii) whose transactions are exempt under section 80A.15, subdivision 2, clause (b); or

(4) an individual who is a member of an organization exempt from taxation under section 290.05, unless the individual is also an officer or director of the program or owns any of the beneficial interests not excluded in this subdivision. This clause does not exclude from the definition of controlling individual an organization that is exempt from taxation.

Sec. 6. Minnesota Statutes 1988, section 245A.02, subdivision 9, is amended to read:

Subd. 9. [LICENSE HOLDER.] "License holder" means an individual, corporation, partnership, voluntary association, or other organization that is legally responsible for the operation of the program ~~and~~, has been granted a license by the commissioner under sections 245A.01 to 245A.16 and the rules of the commissioner, *and is a controlling individual.*

Sec. 7. Minnesota Statutes 1988, section 245A.02, subdivision 10, is amended to read:

Subd. 10. [NONRESIDENTIAL PROGRAM.] "Nonresidential program" means care, supervision, rehabilitation, training or habilitation of a person provided outside the person's own home and provided for fewer than 24 hours a day, including adult day care programs; a nursing home that receives public funds to provide services for five or more persons whose primary diagnosis is mental retardation *or a related condition* or mental illness and who do not have a significant physical or medical problem that necessitates nursing home care; a nursing home or hospital that was licensed by the commissioner on July 1, 1987, to provide a program for persons with a physical handicap that is not the result of the normal aging process and considered to be a chronic condition; and chemical dependency or chemical abuse programs that are located in a nursing home or hospital

and receive public funds for providing chemical abuse or chemical dependency treatment services under chapter 254B. Nonresidential programs include home and community-based services and semi-independent living services for persons with mental retardation *or a related condition* that are provided in or outside of a person's own home.

Sec. 8. Minnesota Statutes 1988, section 245A.02, subdivision 14, is amended to read:

Subd. 14. [RESIDENTIAL PROGRAM.] "Residential program" means a program that provides 24-hour-a-day care, supervision, food, lodging, rehabilitation, training, education, habilitation, or treatment outside a person's own home, including a nursing home or hospital that receives public funds, administered by the commissioner, to provide services for five or more persons whose primary diagnosis is mental retardation *or a related condition* or mental illness and who do not have a significant physical or medical problem that necessitates nursing home care; *a program in an intermediate care facility for four or more persons with mental retardation or a related condition*; a nursing home or hospital that was licensed by the commissioner on July 1, 1987, to provide a program for persons with a physical handicap that is not the result of the normal aging process and considered to be a chronic condition; and chemical dependency or chemical abuse programs that are located in a hospital or nursing home and receive public funds for providing chemical abuse or chemical dependency treatment services under chapter 254B. Residential programs include home and community-based services and semi-independent living services for persons with mental retardation *or a related condition* that are provided in or outside of a person's own home.

Sec. 9. Minnesota Statutes 1988, section 245A.03, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] Unless licensed by the commissioner, an individual, corporation, partnership, voluntary association ~~or~~, other organization, *or controlling individual* must not:

- (1) operate a residential or a nonresidential program;
- (2) receive a child or adult for care, supervision, or placement in foster care or adoption;
- (3) help plan the placement of a child or adult in foster care or adoption;
or
- (4) advertise *a* residential or nonresidential program.

Sec. 10. Minnesota Statutes 1988, section 245A.03, subdivision 2, is amended to read:

Subd. 2. [EXCLUSION FROM LICENSURE.] Sections 245A.01 to 245A.16 do not apply to:

- (1) residential or nonresidential programs that are provided to a person by an individual who is related;
- (2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;
- (3) residential or nonresidential programs that are provided to adults who do not abuse chemicals or who do not have a chemical dependency, a mental illness, mental retardation or a related condition, a functional

impairment, or a physical handicap;

(4) sheltered workshops or work activity programs that are certified by the commissioner of jobs and training;

(5) programs for children enrolled in kindergarten to the 12th grade and prekindergarten special education programs that are operated by the commissioner of education or a school as defined in section 120.101, subdivision 4;

(6) nonresidential programs for children that provide care or supervision for periods of less than three hours a day while the child's parent or legal guardian is in the same building or present on property that is contiguous with the physical facility where the nonresidential program is provided;

(7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;

(8) board and lodge facilities licensed by the commissioner of health that provide services for five or more persons whose primary diagnosis is mental illness who have refused an appropriate residential program offered by a county agency. This exclusion expires on July 1, ~~1989~~ 1990;

(9) homes providing programs for persons placed there by a licensed agency for legal adoption, unless the adoption is not completed within two years;

(10) programs licensed by the commissioner of corrections;

(11) recreation programs for children or adults that operate for fewer than 40 calendar days in a calendar year;

(12) programs ~~not located in family or group family day care homes whose primary purpose is to provide social or recreational activities outside of the regular school day for adults or school-age children age five and older, until such time as appropriate rules have been adopted by the commissioner such as scouting, boys clubs, girls clubs, sports, or the arts, except that if a program is operating in a school building, the program is not excluded unless the program is approved by the district's school board;~~

(13) head start nonresidential programs which operate for less than 31 days in each calendar year;

(14) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or mental retardation;

(15) nonresidential programs for nonhandicapped children provided for a cumulative total of less than 30 days in any 12-month period; ~~or~~

(16) residential programs for persons with mental illness, that are located in hospitals, until the commissioner adopts appropriate rules;

(17) *the religious instruction of school-age children; Sabbath or Sunday schools; nonresidential programs for children that are operated by a church or religious organization solely for the purpose of providing instruction in religious doctrine; or the congregational care of children by a church, congregation, or religious society during the period used by the church, congregation, or religious society for its regular worship;*

(18) *camps licensed by the commissioner of health under Minnesota Rules, chapter 4630;*

(19) until July 1, 1991, nonresidential programs for persons with mental illness; or

(20) residential programs serving school-age children whose sole purpose is cultural or educational exchange, until the commissioner adopts appropriate rules.

Sec. 11. Minnesota Statutes 1988, section 245A.03, subdivision 3, is amended to read:

Subd. 3. [UNLICENSED PROGRAMS.] (a) It is a misdemeanor for an individual, corporation, partnership, voluntary association, ~~or~~ other organization, *or a controlling individual* to provide a residential or nonresidential program without a license and in willful disregard of sections 245A.01 to 245A.16 unless the program is excluded from licensure under subdivision 2.

(b) If, after receiving notice that a license is required, the individual, corporation, partnership, voluntary association, ~~or~~ other organization, *or controlling individual* has failed to apply for a license, the commissioner may ask the appropriate county attorney or the attorney general to begin proceedings to secure a court order against the continued operation of the program. The county attorney and the attorney general have a duty to cooperate with the commissioner.

Sec. 12. Minnesota Statutes 1988, section 245A.04, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION FOR LICENSURE.] (a) An individual, corporation, partnership, voluntary association, ~~or~~ other organization *or controlling individual that is* subject to licensure under section 245A.03 must apply for a license. The application must be made on the forms and in the manner prescribed by the commissioner. The commissioner shall provide the applicant with instruction in completing the application and provide information about the rules and requirements of other state agencies that affect the applicant.

The commissioner shall act on the application within 90 working days after a complete application and any required reports have been received from other state agencies or departments, counties, municipalities, or other political subdivisions.

(b) An application for licensure must specify one or more controlling individuals as an agent who is responsible for dealing with the commissioner of human services on all matters provided for in this chapter and on whom service of all notices and orders must be made. The agent must be authorized to accept service on behalf of all of the controlling individuals of the program. Service on the agent is service on all of the controlling individuals of the program. It is not a defense to any action arising under this chapter that service was not made on each controlling individual of the program. The designation of one or more controlling individuals as agents under this paragraph does not affect the legal responsibility of any other controlling individual under this chapter.

Sec. 13. Minnesota Statutes 1988, section 245A.04, subdivision 3, is amended to read:

Subd. 3. [STUDY OF THE APPLICANT.] (a) Before ~~issuing~~ *the commissioner issues* a license, the commissioner shall conduct a study of the ~~applicant~~ *individuals specified in clauses (1) to (4) according to rules of*

the commissioner. The applicant, license holder, the bureau of criminal apprehension, county attorneys, county sheriffs, and county agencies, and local chiefs of police, after written notice to the individual who is the subject of the data study, shall help with the study by giving the commissioner criminal conviction data, arrest information, and reports about abuse or neglect of children or adults, and investigation results available from local, state, and national criminal record repositories, including the criminal justice data communications network, about substantiated under section 626.557 and the maltreatment of minors substantiated under section 626.556. The following individuals must be studied:

(1) the applicant;

(2) persons over age 13 who are living in the household where the licensed program will be provided;

(3) current employees or contractors of the applicant who will have direct contact with persons served by the program; and

(4) volunteers who have direct contact with persons served by the program to provide program services, if the contact is not directly supervised by the individuals listed in clause (1) or (3).

~~The commissioner and agencies required to help conduct the study may charge the applicant or the subject of the data a reasonable fee for conducting the study.~~

(b) For purposes of this subdivision, "direct contact" means providing face-to-face care, training, supervision, counseling, consultation, or medication assistance to persons served by a program. For purposes of this subdivision, "directly supervised" means an individual listed in paragraph (a), clause (1) or (3), is within sight or hearing of a volunteer to the extent that the individual listed in paragraph (a), clause (1) or (3), is capable at all times of intervening to protect the health and safety of the persons served by the program who have direct contact with the volunteer.

(c) A study of an individual in paragraph (a), clauses (1) to (4), must be conducted on at least an annual basis. No applicant, license holder, or individual who is the subject of the study may be required to pay any fees required to conduct the study.

(d) The individual who is the subject of the study must provide the applicant or license holder with sufficient information to ensure an accurate study including the individual's first, middle, and last name; home address, city, county, and state of residence; zip code; sex; date of birth; and driver's license number. The applicant or license holder shall provide this information about an individual in paragraph (a), clauses (1) to (4), on forms prescribed by the commissioner. The commissioner may request additional information of the individual, which is optional for the individual to provide, such as the individual's social security number or race.

(e) A study must meet the following minimum criteria:

(1) if the subject of the data has resided in the same county for at least the past five years, the study must include information from the county sheriff, the local chief of police, and the county agency

(2) if the subject of the data has resided in the state, but not in the same county, for the past five years, the study must include agency's record of substantiated abuse of adults, neglect of adults, and the maltreatment of

minors, and information from the agencies listed in clause (1) and the bureau of criminal apprehension; and

(3) if the subject of the data has not resided in the state for at least five years, the study must include information from the agencies listed in clauses (1) and (2) and the national criminal records repository and the state law enforcement agencies in the states where the subject of the data has maintained a residence during the past five years. The commissioner may also review arrest and investigative information from the bureau of criminal apprehension, a county attorney, county sheriff, county agency, local chief of police, other states, the courts, or a national criminal record repository if the commissioner has reasonable cause to believe the information is pertinent to the disqualification of an individual listed in paragraph (a), clauses (1) to (4).

(e) (f) An applicant's or license holder's failure or refusal to cooperate with the commissioner is reasonable cause to deny an application or immediately suspend, suspend, or revoke or ~~suspend~~ a license. Failure or refusal of an individual to cooperate with the study is just cause for denying or terminating employment of the individual if the individual's failure or refusal to cooperate could cause the applicant's application to be denied or the license holder's license to be immediately suspended, suspended, or revoked.

(d) (g) The commissioner shall not consider an application to be complete until all of the information required to be provided under this subdivision has been received.

(h) No person in paragraph (a), clause (1), (2), (3), or (4), who is disqualified as a result of this act may be retained by the agency in a position involving direct contact with persons served by the program.

(i) The commissioner shall not implement the procedures contained in this subdivision until appropriate rules have been adopted, except for the applicants and license holders for child foster care, adult foster care, and family day care homes.

(j) Applicants or license holders are not civilly liable for termination of persons in paragraph (a), clause (1), (2), (3), or (4), made in good faith reliance on a notice of disqualification provided by the commissioner.

(k) The commissioner may establish records to fulfill the requirements of this section. The information contained in the records is only available to the commissioner for the purpose authorized in this section.

Sec. 14. Minnesota Statutes 1988, section 245A.04, is amended by adding a subdivision to read:

Subd. 3a. [NOTIFICATION TO SUBJECT OF STUDY RESULTS.] The commissioner shall notify the applicant or license holder and the individual who is the subject of the study, in writing, of the results of the study. When the study is completed, a notice that the study was undertaken and completed must be maintained in the personnel files of the program. The commissioner shall notify the individual studied if the information contained in the study could cause disqualification from direct contact with persons served by the program. The commissioner shall disclose the information to the individual studied. An applicant or license holder who is not the subject of the study must be informed that the commissioner has found information that could cause disqualification of the subject from direct contact with persons served by the program. However, the applicant or

license holder may not be told what that information is unless the data practices act provides for release of the information and the individual studied authorizes the release of the information.

Sec. 15. Minnesota Statutes 1988, section 245A.04, is amended by adding a subdivision to read:

Subd. 3b. [RECONSIDERATION OF DISQUALIFICATION.] (a) Within 30 days after receiving notice of possible disqualification under subdivision 3a, the individual who is the subject of the study may request reconsideration of the notice of possible disqualification. The individual must submit the request for reconsideration to the commissioner in writing. The individual must present information to show that:

(1) the information the commissioner relied upon is incorrect; or

(2) the subject of the study does not pose a risk of harm to any person served by the applicant or license holder.

(b) The commissioner may set aside the disqualification if the commissioner finds that the information the commissioner relied upon is incorrect or the individual does not pose a risk of harm to any person served by the applicant or license holder and rules adopted by the commissioner do not preclude reconsideration. The commissioner shall review the consequences of the event or events that could lead to disqualification, the vulnerability of the victim at the time of the event, the time elapsed without a repeat of the same or similar event, and documentation of successful completion by the individual studied of training or rehabilitation pertinent to the event.

(c) The commissioner shall respond in writing to all reconsideration requests within 15 working days after receiving the request for reconsideration. If the disqualification is set aside, the commissioner shall notify the applicant or license holder in writing of the decision.

(d) Except as provided in subdivision 3c, the commissioner's decision to grant or deny a reconsideration of disqualification under this subdivision, or to set aside or uphold the results of the study under subdivision 3, is the final administrative agency action.

(e) Persons whose employment is terminated based on a notice of disqualification from the commissioner are not eligible for benefits under sections 268.03 to 268.231 with respect to the individual's unemployment, if the disqualification resulted from "gross misconduct" as defined in section 268.09, subdivision 1, clause (d), or if the disqualification resulted from an act of "abuse" of a "vulnerable adult," as defined in section 626.557, or "sexual abuse" or "physical abuse" of a child as defined in section 626.556.

Sec. 16. Minnesota Statutes 1988, section 245A.04, is amended by adding a subdivision to read:

Subd. 3c. [CONTESTED CASE.] If a disqualification is not set aside, a person who, on or after the effective date of rules adopted under subdivision 3, paragraph (i), is an employee of an employer, as defined in section 179A.03, subdivision 15, may request a contested case hearing under chapter 14. Rules adopted under this chapter may not preclude an employee in a contested case hearing for disqualification from submitting evidence concerning information gathered under subdivision 3, paragraph (e).

Sec. 17. Minnesota Statutes 1988, section 245A.04, subdivision 5, is amended to read:

Subd. 5. [COMMISSIONER'S RIGHT OF ACCESS.] When the commissioner is exercising the powers conferred by sections 245A.01 to 245A.15, the commissioner must be given access to the physical plant and grounds where the program is provided, documents, persons served by the program, and staff whenever the program is in operation and the information is relevant to inspections or investigations conducted by the commissioner. The commissioner must be given access without prior notice and as often as the commissioner considers necessary if the commissioner is conducting an investigation of allegations of abuse, neglect, *maltreatment*, or other violation of applicable laws or rules. In conducting inspections, the commissioner may request and shall receive assistance from other state, county, and municipal governmental agencies and departments. The applicant or license holder shall allow the commissioner to photocopy, photograph, and make audio and video tape recordings during the inspection of the program at the commissioner's expense. The commissioner shall obtain a court order or the consent of the subject of the records or the parents or legal guardian of the subject before photocopying hospital medical records.

Persons served by the program have the right to refuse to consent to be interviewed, photographed, or audio or videotaped. Failure or refusal of an applicant or license holder to fully comply with this subdivision is reasonable cause for the commissioner to deny the application or immediately suspend or revoke the license.

Sec. 18. Minnesota Statutes 1988, section 245A.04, subdivision 6, is amended to read:

Subd. 6. [COMMISSIONER'S EVALUATION.] Before granting, suspending, revoking, or making probationary a license, the commissioner shall evaluate information gathered under this section. The commissioner's evaluation shall consider facts, conditions, or circumstances concerning the program's operation, the well-being of persons served by the program, consumer evaluations of the program, and information about the character and qualifications of the personnel employed by the applicant or license holder.

The commissioner shall evaluate the results of the study required in subdivision 3 and determine whether a risk of harm to the persons served by the program exists. In conducting this evaluation, the commissioner shall apply the disqualification standards set forth in rules adopted under this chapter. If any rule currently does not include these disqualification standards, the commissioner shall apply the standards in section 364.03, subdivision 2 3, until the rule is revised to include disqualification standards. The commissioner shall revise all rules authorized by this chapter to include disqualification standards. *Prior to the adoption of rules establishing disqualification standards, the commissioner shall forward the proposed rules to the commissioner of human rights for review and recommendation concerning the protection of individual rights. The recommendation of the commissioner of human rights is not binding on the commissioner of human services.* The provisions of chapter 364 do not apply to applicants or license holders governed by sections 245A.01 to 245A.16 except as provided in this subdivision.

Sec. 19. Minnesota Statutes 1988, section 245A.04, subdivision 7, is amended to read:

Subd. 7. [ISSUANCE OF A LICENSE; PROVISIONAL LICENSE.] (a) If the commissioner determines that the program complies with all applicable rules and laws, the commissioner shall issue a license. At minimum, the license shall state:

- (1) the name of the license holder;
- (2) the address of the program;
- (3) the effective date and expiration date of the license;
- (4) the type of license;
- (5) the maximum number and ages of persons that may receive services from the program; and
- (6) any special conditions of licensure.

(b) The commissioner may issue a provisional license for a period not to exceed one year if:

(1) the commissioner is unable to conduct the evaluation or observation required by subdivision 4, paragraph (a), clauses (3) and (4), because the program is not yet operational;

(2) certain records and documents are not available because persons are not yet receiving services from the program; and

(3) the applicant complies with applicable laws and rules in all other respects.

A provisional license must not be issued except at the time that a license is first issued to an applicant.

A license shall not be transferable to another individual, corporation, partnership, voluntary association or, other organization, or *controlling individual*, or to another location. All licenses expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must apply for and be granted a new license to operate the program or the program must not be operated after the expiration date.

Sec. 20. Minnesota Statutes 1988, section 245A.06, subdivision 1, is amended to read:

Subdivision 1. [CONTENTS OF CORRECTION ORDERS.] (a) If the commissioner finds that the applicant or license holder has failed to comply with an applicable law or rule and this failure does not imminently endanger the health, safety, or rights of the persons served by the program, the commissioner may issue a correction order to the applicant or license holder. The correction order must state:

- (1) the conditions that constitute a violation of the law or rule;
- (2) the specific law or rule violated; and
- (3) the time allowed to correct each violation.

(b) *Nothing in this section prohibits the commissioner from proposing a sanction as specified in section 245A.07, prior to issuing a correction order or fine.*

Sec. 21. Minnesota Statutes 1988, section 245A.06, subdivision 5, is amended to read:

Subd. 5. [FORFEITURE OF FINES.] The license holder shall pay the fines assessed ~~within 15 calendar days of receipt of notice of on or before the payment date specified in the commissioner's order.~~ If the license holder fails to fully comply with the order, the commissioner shall suspend the license until the license holder complies. If the license holder receives state funds, the state, county, or municipal agencies or departments responsible for administering the funds shall withhold payments and recover any payments made while the license is suspended for failure to pay a fine.

Sec. 22. Minnesota Statutes 1988, section 245A.06, is amended by adding a subdivision to read:

Subd. 5a. [ACCRUAL OF FINES.] A license holder shall promptly notify the commissioner of human services, in writing, when a violation specified in an order to forfeit is corrected. A fine assessed for a violation stops accruing when the commissioner receives the written notice. The commissioner shall reinspect the program within three working days after receiving the notice. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the order to forfeit, accrual of the daily fine resumes on the date of reinspection and the amount of fines that otherwise would have accrued between the date the commissioner received the notice and date of the reinspection is added to the total assessment due from the license holder. The commissioner shall notify the license holder by certified mail that accrual of the fine has resumed. The license holder may challenge the resumption in a contested case under chapter 14 by written request within 15 days after receipt of the notice of resumption. Recovery of the resumed fine must be stayed if a controlling individual or a legal representative on behalf of the license holder makes a written request for a hearing. The request for hearing, however, may not stay accrual of the daily fine for violations that have not been corrected. The cost of reinspection conducted under this subdivision for uncorrected violations must be added to the total amount of accrued fines due from the license holder.

Sec. 23. Minnesota Statutes 1988, section 245A.07, subdivision 2, is amended to read:

Subd. 2. [IMMEDIATE SUSPENSION IN CASES OF IMMINENT DANGER TO HEALTH, SAFETY, OR RIGHTS.] If the license holder's failure to comply with applicable law or rule has placed the health, safety, or rights of persons served by the program in imminent danger, the commissioner shall act immediately to suspend the license. No state funds shall be made available or be expended by any agency or department of state, county, or municipal government for use by a license holder regulated under sections 245A.01 to 245A.16 while a license is under immediate suspension. A notice stating the reasons for the immediate suspension and informing the license holder of the right to a contested case hearing under chapter 14 must be delivered by personal service to the address shown on the application or the last known address of the license holder. The license holder may appeal an order immediately suspending a license by notifying the commissioner in writing by certified mail within five calendar days after receiving notice that the license has been immediately suspended. A license holder *and any controlling individual* shall discontinue operation of the program upon receipt of the commissioner's order to immediately suspend the license.

Sec. 24. Minnesota Statutes 1988, section 245A.08, subdivision 5, is

amended to read:

Subd. 5. [NOTICE OF THE COMMISSIONER'S FINAL ORDER.] After considering the findings of fact, conclusions, and recommendations of the administrative law judge, the commissioner shall issue a final order. The commissioner shall consider, but shall not be bound by, the recommendations of the administrative law judge. The appellant must be notified of the commissioner's final order as required by chapter 14. The notice must also contain information about the appellant's rights under chapter 14. The institution of proceedings for judicial review of the commissioner's final order shall not stay the enforcement of the final order except as provided in section 14.65. A license holder *and each controlling individual of a license holder* whose license has been revoked because of noncompliance with applicable law or rule must not be granted a license for five years following the revocation.

Sec. 25. Minnesota Statutes 1988, section 245A.12, is amended to read:

245A.12 [VOLUNTARY RECEIVERSHIP FOR RESIDENTIAL FACILITIES PROGRAMS.]

A majority of controlling ~~persons~~ *individuals* of a residential program may at any time ask the commissioner to assume operation of the residential program through appointment of a receiver. On receiving the request for a receiver, the commissioner may enter into an agreement with a majority of controlling ~~persons~~ *individuals* and provide for the appointment of a receiver to operate the residential program under conditions acceptable to both the commissioner and the majority of controlling persons. The agreement must specify the terms and conditions of the receivership and preserve the rights of the persons being served by the residential program. A receivership set up under this section terminates at the time specified by the parties to the agreement or 30 days after either of the parties gives written notice to the other party of termination of the receivership agreement.

Sec. 26. Minnesota Statutes 1988, section 245A.13, is amended to read:

245A.13 [INVOLUNTARY RECEIVERSHIP FOR RESIDENTIAL FACILITIES PROGRAMS.]

Subdivision 1. [APPLICATION.] *In addition to any other remedy provided by law, the commissioner may petition the district court in the county where the residential program is located for an order directing the controlling ~~persons~~ individuals of the residential program to show cause why the commissioner or the commissioner's designated representative should not be appointed receiver to operate the residential program. The petition to the district court must contain proof by affidavit: (1) that the commissioner has either begun license suspension or revocation proceedings, suspended or revoked a license, or has decided to deny an application for licensure of the residential program; or (2) it appears to the commissioner that the health, safety, or rights of the residents may be in jeopardy because of the manner in which the residential program may close, the residential program's financial condition, or violations committed by the residential program of federal or state laws or rules. If the license holder or, applicant, or controlling individual operates more than one residential program, the commissioner's petition must specify and be limited to the residential program for which the commissioner has either begun license suspension or revocation proceedings, suspended or revoked a license, or has decided to*

deny an application for licensure of the residential program it seeks receivership. The affidavit submitted by the commissioner must set forth alternatives to receivership that have been considered, including rate adjustments. The order to show cause is returnable not less than five days after service is completed and must provide for personal service of a copy to the residential program administrator and to the persons designated as agents by the controlling persons individuals to accept service on their behalf.

Subd. 2. [APPOINTMENT OF RECEIVER; RENTAL.] If the court finds that involuntary receivership is necessary as a means of protecting the health, safety, or rights of persons being served by the residential program, the court shall appoint ~~the commissioner or the commissioner's designated representative~~ as a receiver to operate the residential program. *In the event that no receiver can be found who meets the conditions of this section, the commissioner or commissioner's designated representative may serve as the receiver.* The court shall determine a fair monthly rental for the physical plant, taking into account all relevant factors ~~including necessary to meet required arms-length obligations of controlling individuals such as mortgage payments, real estate taxes, special assessments, and the conditions of the physical plant.~~ The rental fee must be paid by the receiver to the appropriate controlling persons individuals for each month that the receivership remains in effect. No payment made to a controlling person individual by the receiver or any state agency during a period of involuntary receivership shall include any allowance for profit or be based on any formula that includes an allowance for profit.

Subd. 3. [POWERS AND DUTIES OF THE RECEIVER.] Within ~~48~~ 36 months after the receivership order, a receiver appointed to operate a residential program during a period of involuntary receivership shall provide for the orderly transfer of the persons served by the residential program to other residential programs or make other provisions to protect their health, safety, and rights. The receiver shall correct or eliminate deficiencies in the residential program that the commissioner determines endanger the health, safety, or welfare of the persons being served by the residential program unless the correction or elimination of deficiencies involves major alteration in the structure of the physical plant. If the correction or elimination of the deficiencies requires major alterations in the structure of the physical plant, the receiver shall take actions designed to result in the immediate transfer of persons served by the residential program. During the period of the receivership, the receiver shall operate the residential program in a manner designed to ~~guarantee~~ preserve the health, safety, rights, adequate care, and supervision of the persons served by the residential program. The receiver may make contracts and incur lawful expenses. The receiver shall collect incoming payments from all sources and apply them to the cost incurred in the performance of the receiver's functions including the receiver's fee set under subdivision 4. No security interest in any real or personal property comprising the residential program or contained within it, or in any fixture of the physical plant, shall be impaired or diminished in priority by the receiver. The receiver shall pay all valid obligations of the residential program and may deduct these expenses, if necessary, from rental payments owed to any controlling person individual by virtue of the receivership.

Subd. 4. [RECEIVER'S FEE; LIABILITY; ASSISTANCE FROM THE COMMISSIONER.] A receiver appointed under an involuntary receivership is entitled to a reasonable receiver's fee as determined by the court. *The*

receiver's fee is governed by section 256B.495. The receiver is liable only in an official capacity for injury to person and property by reason of the conditions of the residential program. The receiver is not personally liable, except for gross negligence and intentional acts.

Subd. 5. [TERMINATION.] An involuntary receivership terminates ~~42~~ 36 months after the date on which it was ordered or at any other time designated by the court or when any of the following events occurs:

(1) the commissioner determines that the residential program's license application should be granted or should not be suspended or revoked;

(2) a new license is granted to the residential program; or

(3) the commissioner determines that all persons residing in the residential program have been provided with alternative residential programs.

Subd. 6. [EMERGENCY PROCEDURE.] *If it appears from the petition filed under subdivision 1, from an affidavit or affidavits filed with the petition, or from testimony of witnesses under oath if the court determines it necessary, that there is probable cause to believe that an emergency exists in a residential program, the court shall issue a temporary order for appointment of a receiver within five days after receipt of the petition. Notice of the petition must be served on the residential program administrator and on the persons designated as agents by the controlling individuals to accept service on their behalf. A hearing on the petition must 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.*

Subd. 7. [RATE RECOMMENDATION.] *The commissioner of human services may review rates of a residential program participating in the medical assistance program which is in involuntary receivership and that has needs or deficiencies documented by the department of health or the department of human services. If the commissioner of human services determines that a review of the rate established under section 256B.501 is needed, the commissioner shall:*

(1) review the order or determination that cites the deficiencies or needs; and

(2) determine the need for additional staff, additional annual hours by type of employee, and additional consultants, services, supplies, equipment, repairs, or capital assets necessary to satisfy the needs or deficiencies.

Subd. 8. [ADJUSTMENT TO THE RATE.] *Upon review of rates under subdivision 7, the commissioner may adjust the residential program's payment rate. The commissioner shall review the circumstances, together with the residential program cost report, to determine whether or not the deficiencies or needs can be corrected or met by reallocating residential program staff, costs revenues, or other resources including any investments, efficiency incentives, or allowances. If the commissioner determines that any 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 residential program's actual resident days from the most recent desk-audited cost report or the estimated resident days in the projected receivership period. The payment rate adjustment must meet the conditions in Minnesota Rules, parts 9553.0010 to 9553.0080, and remains in effect*

during the period of the receivership or until another date set by the commissioner. Upon the subsequent sale or transfer of the residential program, the commissioner may recover amounts that were paid as payment rate adjustments under this subdivision. 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. This provision does not limit the liability of the seller to the commissioner pursuant to section 256B.0641.

Sec. 27. Minnesota Statutes 1988, section 245A.14, subdivision 3, is amended to read:

Subd. 3. [CONDITIONAL LICENSE.] Until such time as the commissioner adopts appropriate rules for conditional licenses, no license holder or applicant for a family or group family day care license is required to spend more than \$100 to meet fire safety rules in excess of those required to meet Group "R" occupancies under the Uniform Building Code, chapter 12, as incorporated by reference in Minnesota Rules, part 1305.0100.

When the commissioner determines that an applicant or license holder of a family or group family day care license would be required to spend over \$100 for physical changes to ensure fire safety, the commissioner may issue a conditional license when all of the following conditions have been met:

(a) The commissioner shall notify the ~~provider~~ license holder or applicant in writing of the fire safety deficiencies.

(b) The commissioner shall notify the ~~provider~~ license holder or applicant in writing of alternative compliance standards that would correct deficiencies, if available.

(c) The ~~provider~~ license holder or applicant agrees in writing to notify each parent, on a form prescribed by the commissioner that requires the signature of the parent, of the fire safety deficiencies, and the existence of the conditional license.

Sec. 28. Minnesota Statutes 1988, section 245A.14, is amended by adding a subdivision to read:

Subd. 6. [LICENSING OF DROP-IN DAY CARE CENTERS FOR CHILDREN.] *In any rule adopted by the commissioner of human services to set standards for the operation of child care programs in a center, there may not be specific provisions to govern centers that provide only drop-in care. For purposes of this section, "drop-in care" means care provided by a program that operates for more than 30 days in any 12-month period; is not excluded by section 245A.03, subdivision 2; provides care to an individual child for no more than a total of 30 hours in any calendar month; and does not have a regularly scheduled ongoing child care program with a stable enrollment. For centers that provide only drop-in care, the commissioner shall set flexible standards for permitting children of adjacent age groups to be cared for in the same day care group and shall set reduced staff distribution requirements. As long as one qualified teacher is on the premises of a center that provides only drop-in care with a licensed capacity of 30 or less while the center is open for drop-in care there need not be a head teacher for every age group. In centers that provide only drop-in care and that accept both infants and older children, infants can be supervised by assistant teachers as long as other staff are present in appropriate ratios as determined by the commissioner. For centers that provide only drop-in*

child care, the commissioner may establish lesser requirements for furnishings, equipment, materials, and supplies. The commissioner may exempt a center that provides only drop-in care from other standards governing child care centers, as long as those exemptions are specifically stated in the rule.

Sec. 29. Minnesota Statutes 1988, section 245A.16, subdivision 1, is amended to read:

Subdivision 1. [DELEGATION OF AUTHORITY TO AGENCIES.] (a) County agencies and private agencies that have been designated or licensed by the commissioner to perform licensing functions and activities under section 245A.04, to recommend denial of applicants under section 245A.05, to recommend correction orders and fines under section 245A.06, or to recommend suspending, revoking, and making licenses probationary under section 245A.07, shall comply with rules and directives of the commissioner governing those functions and with this section.

(b) *By January 1, 1991, the commissioner shall study and make recommendations to the legislature regarding the licensing and provision of support services to child foster homes. In developing the recommendations, the commissioner shall consult licensed private agencies, county agencies, and licensed foster home providers.*

Sec. 30. Minnesota Statutes 1988, section 254A.08, subdivision 2, is amended to read:

Subd. 2. For the purpose of this section, a detoxification program means a social rehabilitation program established for the purpose of facilitating access into care and treatment by detoxifying and evaluating the person and providing entrance into a comprehensive program. ~~Such a~~ *Evaluation of the person shall include verification by a professional, after preliminary examination, that the person is intoxicated or has symptoms of chemical dependency and appears to be in imminent danger of harming self or others. A detoxification program shall have available the services of a licensed physician for medical emergencies and routine medical surveillance. A detoxification program licensed by the commissioner of human services to serve both adults and minors at the same site must provide separate sleeping areas for adults and minors.*

Sec. 31. [RULES FOR DROP-IN CARE.]

By April 1, 1990, the commissioner of human services must adopt permanent rules to amend Minnesota Rules, part 9503.0075, to bring that rule part into conformity with the requirements of section 28.

Sec. 32. [RULES PROVIDING VARIANCES.]

The commissioner of human services is authorized to amend Minnesota Rules, part 9503.0170, subpart 6, item D, to permit variances from the staff distribution requirements of part 9503.0040, subpart 2, item D; to permit variances from the age category grouping requirements of part 9503.0040, subpart 3, item B, subitem (1); and to permit variances from the transportation requirements of part 9503.0150, item E. Variance requests submitted to the commissioner according to the amendments authorized in this section must comply in all respects with the provisions of part 9503.0170, subpart 6, items A to C. The commissioner's authority to adopt rules under this section expires on April 1, 1990.

Sec. 33. [REPEALER.]

Laws 1987, chapter 403, article 5, section 1, is repealed.

Sec. 34. [EFFECTIVE DATE.]

Sections 28, 31, and 32, are effective the day after final enactment."

Amend the title as follows:

Page 1, line 12, after "3" insert ", and by adding a subdivision" and delete "and" and before the period, insert "; and 254A.08, subdivision 2; repealing Laws 1987, chapter 403, article 5, section 1"

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. 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.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1
JOB IMPACT STATEMENT

Section 1. [268.452] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 2 to 4, the following terms have the meanings given them.

Subd. 2. [DEVELOPMENT.] "Development" means a commercial or industrial project that benefits from a governmental action or a project developed by a government unit, which will result or could potentially result in the displacement of jobs or which the parties involved claim to retain jobs or increase the number of jobs.

Subd. 3. [DISPLACEMENT.] "Displacement" means the loss of employment by an individual resulting from a governmental action. An individual is not displaced if the employment loss at the site is the result of the relocation or consolidation of part or all of the employer's operations, and prior to the closing, the government unit documents that: (1) the employer offers to transfer the individual to a different site of employment within a reasonable commuting distance or with the individual's consent, or (2) the employer's operations are relocated to a site within a reasonable commuting distance.

Subd. 4. [GOVERNMENTAL ACTION.] "Governmental action" means an effort made by a government unit to undertake, encourage, or promote development; or significantly restructure the administration or delivery of government services which could potentially result in a loss of jobs. These efforts include developments financed or administered directly by a government unit; a reduction in property taxes to encourage the development; and financial assistance through loans, loan guaranties, interest subsidies, tax increment financing, tax-exempt financing, grants, or other financing

tools utilized by a government unit to encourage development.

Subd. 5. [GOVERNMENT UNIT.] "Government unit" means any state agency defined in section 16A.011, subdivision 2, the greater Minnesota corporation, metropolitan agency defined in section 473.121, subdivision 5a, statutory or home rule charter city, county, town, watershed district organized under chapter 112, or local economic development agency. Local economic development agencies include entities or agencies authorized, organized, or created under chapter 469; and port authorities created by special law.

Subd. 6. [JOB IMPACT STATEMENT; STATEMENT.] "Job impact statement" or "statement" means the detailed job impact statement required under section 2.

Subd. 7. [RETAIN.] "Retain" means that without the governmental action, the job could not be continued.

Sec. 2. [268.453] [JOB IMPACT STATEMENT.]

Subdivision 1. [JOB IMPACT STATEMENT REQUIREMENT.] When it is determined by the government unit that a governmental action or development will result or could potentially result in the displacement of jobs or the parties involved in the development or governmental action claim it will retain or increase at least ten or more jobs, the government unit that is responsible for the governmental action must prepare a job impact statement before initiating the governmental action. If the responsible government unit does not prepare a statement, a person, community group, labor organization, or other organization may appeal to the commissioner to require the responsible government unit to prepare a statement. The commissioner must determine within ten working days if a statement is required; and if a statement is required, the commissioner shall require the responsible government unit to prepare a statement. When there is more than one government unit responsible for governmental actions affecting a specific development, the units involved must work together in preparing the statement. This government unit may request information from all government units involved in the development.

Subd. 2. [EXEMPTION.] No job impact statement is required if a government unit informs the commissioner that the governmental action under appeal is the result of a budgeting decision and the government unit has determined that the governmental action will not result in a significant restructuring of the administration or delivery of government services.

Subd. 3. [JOB IMPACT STATEMENT CONTENTS.] (a) A job impact statement required under subdivision 1 must include the following information:

(1) number and types of permanent jobs that will be displaced, retained, or created as a result of the development;

(2) actual or estimated wage rates and benefits of the permanent jobs that will be displaced, retained, or created;

(3) the total financial assistance provided by government units to the development; and

(4) past experience of parties involved in the development of meeting employment projections for other developments.

(b) In addition to the information required under paragraph (a), the following information must be included in the job impact statement when

there has been or potentially could be a displacement of jobs as a result of a governmental action or development:

(1) description of the demographic characteristics of the work force that could be displaced;

(2) description of skill levels and educational needs of the jobs that could be displaced;

(3) discussion of the likelihood of workers that may be displaced by the development of finding new jobs with comparable pay and benefits; and

(4) identification, if any, of alternatives to mitigate the job displacement due to the governmental action or development.

In preparing the information required under this subdivision, the commissioner must assist the government unit if requested by the unit.

Subd. 4. [PUBLIC COMMENT.] The government unit must distribute the job impact statement to labor unions or other employee representatives that might be affected by the governmental action, community-based organizations that have expressed an interest in the development, and other persons or organizations that request a copy of the job impact statement. In addition, the job impact statement must be posted for at least 30 days at the employment site where workers may be displaced as a result of the governmental action.

After the completion and distribution of the job impact statement, a public hearing must be held when the governmental action will result in the displacement of jobs. The appropriate governing board or senior official of the government unit must hold the public hearing on the completed statement prior to the government unit's approval of any development that receives or benefits from a governmental action. Notice of the public hearing must be provided in a qualified newspaper not less than ten days nor more than 30 days before the date of the hearing. After the public meeting and after any changes have been made as a result of testimony at the public hearing, the government unit must submit the statement to the commissioner.

Sec. 3. [268.454] [DISPLACED WORKER BENEFITS.]

If the statement finds that workers will be displaced or if the actual development or governmental action results in the displacement of existing workers, the government units responsible for the governmental action must secure necessary benefits for the displaced workers. The government units must assess which of the following benefits are required by the displaced workers:

(1) retraining and education expenses;

(2) relocation expenses;

(3) health insurance expenses;

(4) supplemental unemployment insurance payments;

(5) child care expenses when the displaced worker is enrolled in education or retraining; and

(6) emergency expenses for shelter, clothing, and food.

The government units must work with employment and training services providers, other government units, community organizations, labor organizations, and other organizations in securing the necessary benefits.

Sec. 4. [268.455] [REPORT.]

Subdivision 1. [GOVERNMENT UNIT REPORT.] Each government unit must submit a report to the commissioner by December 1 of each even-numbered year. The report must summarize all job impact statements completed during the previous two years. An explanation of any significant changes in actual employment and wage information compared to the jobs impact statement prepared for that development or governmental action in any of the three previous years must be included in the report.

Subd. 2. [COMMISSIONER'S REPORT.] The commissioner must submit a report to the governor and legislature by February 1 of every odd-numbered year that summarizes the results of the individual statements and the monitoring reports required in subdivision 1 submitted to the commissioner in the previous two years.

Sec. 5. [APPLICATION.]

Sections 1 to 4 do not apply to developments or governmental actions taken before the effective date of this article.

Sec. 6. [APPROPRIATION.]

\$. is appropriated from the general fund for the biennium ending June 20, 1991, to the commissioner of jobs and training to prepare the job impact summary report required under section 4.

ARTICLE 2
PREFEASIBILITY STUDIES

Section 1. [268.461] [PREFEASIBILITY STUDY GRANTS.]

Subdivision 1. [AUTHORIZATION.] The commissioner may make grants of up to \$10,000 to eligible organizations to provide an initial assessment of the feasibility of alternatives to announced potential, or actual plant closings. The alternatives may include employee ownership, other new ownership, new product or production process, or public assistance to keep a plant open. Two or more eligible organizations may jointly apply for a grant under this section. For purposes of this section, "eligible organization" means a home rule charter or statutory city, county, town, non-profit organization, community action agency, or labor or business organization.

Subd. 2. [APPLICATION PROCESS.] Applicants must submit a statement of need for a grant, information relating to the workforce at the plant, information of efforts to coordinate the community's response to the plant closing, and other information required by the commissioner. The commissioner shall respond to the applicant within five working days of receiving the organization's application. The commissioner must inform each organization that applied for but did not receive a grant the reasons for the grant not being awarded. The commissioner may request further information from those organizations that did not receive a grant, and the organization may reapply for the grant.

Subd. 3. [PREFEASIBILITY STUDY REQUIREMENTS.] The prefeasibility study may include the current and potential viability, profitability, and productivity of the establishment that may close and alternative uses for the establishment. The study is not to be a major examination of each possible alternative but is meant to quickly determine if further action or examination is possible or feasible. The prefeasibility study may contain:

(1) a description of the establishment's present products, production techniques, management structure, and history;

(2) a brief discussion of the feasibility of the various alternatives for ownership, production technique, and products;

(3) an estimate of the financing required to keep the establishment open and the potential sources of that financing;

(4) a description of the employer's, employees', and community's efforts to maintain the operation of the establishment;

(5) evidence of good faith efforts to demonstrate cooperation among labor, business, and affected community organizations to develop alternatives; and

(6) other information the commissioner may require.

Subd. 4. [ANNUAL REPORT.] *The commissioner must provide a biennial report to the legislature on the prefeasibility study grant program.*

Sec. 2. [APPROPRIATION; PREFEASIBILITY STUDY GRANTS.]

§ is appropriated from the general fund for the biennium ending June 20, 1991, to the commissioner of jobs and training for prefeasibility study grants.

ARTICLE 3

COMMUNITY AND EMPLOYEE BENEFIT PAYMENTS AS A RESULT OF PLANT CLOSINGS

Section 1. [268.981] [DEFINITIONS.]

Subdivision 1. [TERMS.] *For the purposes of sections 1 to 9, the following terms have the meanings given them.*

Subd. 2. [ACQUISITION.] *"Acquisition" means a transaction where a person assumes control of a business entity either by (1) acquiring through the purchase or transfer of the stock and assets of another business entity, or (2) merging with another business entity. Acquisition includes mergers, corporate takeovers, and leveraged buyouts.*

Subd. 3. [AFFECTED EMPLOYEE.] *"Affected employee" means a worker laid off by an employer because of a plant closing or mass layoff.*

Subd. 4. [CITY.] *"City" means a home rule charter or statutory city.*

Subd. 5. [COMMUNITY RESPONSE COMMITTEE.] *"Community response committee" or "committee" is the community response committee established under section 3.*

Subd. 6. [CONTROL.] *"Control" means: (1) the ownership, direct, indirect, or by acting through one or more other persons, the control of, or the power to vote 25 percent or more of, any class of voting securities; (2) control in any manner over the election of a majority of the directors; or (3) the power to exercise, directly or indirectly, a controlling influence over management and policies.*

Subd. 7. [EMPLOYER.] *"Employer" means the person who, as a result of a merger, leveraged buyout, corporate takeover, or other acquisition, owns or operates an establishment within this state where the employment is (1) 25 or more employees, excluding part-time employees, or (2) 25 or more employees who in the aggregate work at least 1,000 hours per week*

exclusive of hours of overtime. Employer does not include a unit of government or an organization that is exempt from taxation under section 501 of the Internal Revenue Code of 1986, as amended through December 31, 1988.

Subd. 8. [ESTABLISHMENT.] "Establishment" means a single site of employment or one or more facilities or operating units within a single site of employment owned by an employer.

Subd. 9. [MASS LAYOFF.] "Mass layoff" means a reduction in the work force at an establishment, within three years of an acquisition by an employer, that:

(1) is not the result of a plant closing; and

(2) results in an employment loss at the single site of employment or an establishment during any 30-day period for at least:

(i) 25 percent of the employees, excluding any part-time employees, and at least 25 employees, excluding any part-time employees; or

(ii) 50 employees, excluding any part-time employees.

Subd. 10. [PART-TIME EMPLOYEE.] "Part-time employee" means an employee who is employed for an average of fewer than 20 hours per week in the three months preceding the date of plant closing or mass layoff or an employee who has been employed for fewer than six of the 12 months preceding the date of the plant closing or mass layoff.

Subd. 11. [PERSON.] "Person" means a person, organization, sole proprietorship, public or private corporation, partnership, or other business entity.

Subd. 12. [PLANT CLOSING.] "Plant closing" means the shutdown or termination of operations of an establishment, within three years of an acquisition by an employer, if the shutdown results in an employment loss at the single site of employment during any 30-day period for 25 or more employees, excluding any part-time employees.

Subd. 13. [PUBLIC ASSISTANCE.] "Public assistance" means financial assistance provided to a person by the state, city, county, or town. Financial assistance includes loans, grants, interest subsidies, property acquisition writedowns, tax credits, tax abatements, tax increment financing, interest cost savings from tax-exempt bonds and other securities issued on behalf of the employer, wage subsidies provided under this chapter, and utility connections paid by the public entity to the business entity.

Sec. 2. [268.982] [EMPLOYER FINANCIAL RESPONSIBILITIES.]

Subdivision 1. [PAYMENT.] An employer that engages in a plant closing or mass layoff within three years after an acquisition must pay the commissioner an amount equal to ten percent of the total wages and salaries paid to affected employees of the establishment during the 12 months prior to the plant closing or mass layoff. The payment must be made within two weeks of the date of the plant closing or mass layoff. The money collected under this subdivision may only be used for:

(1) economic development planning grants under section 4, subdivision 1;

(2) emergency grants under section 4, subdivision 2;

(3) *wage subsidies under section 4, subdivision 3; or*

(4) *administrative cost reimbursement under subdivision 2.*

Subd. 2. [FISCAL AGENT.] The commissioner must act as the fiscal agent for the money and may disburse the money for eligible uses outlined under this section upon the recommendation of the community response committee established under section 3. Up to five percent of the money received under subdivision 1 may be used for the administrative costs.

Subd. 3. [PENALTY.] The commissioner may impose a penalty on an employer who willfully fails to comply with this section in an amount equal to ten percent of the payment required under subdivision 1.

Sec. 3. [268.983] [COMMUNITY RESPONSE COMMITTEE.]

A community response committee may be created in each community in which an employer has engaged in a plant closing or mass layoff. The committee must consist of at least seven members and have representatives of the city or town in which the establishment is located, the appropriate county, employees that were laid off due to the plant closing or mass layoff, and representatives of community groups in the area in which the establishment is located. When the establishment is located within the boundaries of a city, the mayor of that city shall appoint the members of the community response committee. When the establishment is located outside of a city's boundaries, the committee shall be appointed by the governing body of the county in which the establishment is located. Before funds made available under section 2 may be spent or distributed, a committee must be established.

The committee must:

(1) undertake a needs analysis of the community and the workers laid off because of the plant closing or mass layoff;

(2) make recommendations to the commissioner for the distribution of the funds made available under section 2 based on the needs analysis required under clause (1); and

(3) work closely with the commissioner and employment and training service providers to ensure that services are made available to employees laid off because of a plant closing or mass layoff.

Sec. 4. [268.984] [GRANTS AND SUBSIDIES.]

Subdivision 1. [ECONOMIC DEVELOPMENT PLANNING GRANTS.] The commissioner may award economic development planning grants to government units or other public agencies, nonprofit organizations, for-profit organizations, or other persons to examine the short-term and long-term alternatives for strengthening the economy in the area surrounding the establishment that has experienced the plant closing or mass layoff. The examination of alternatives must address the following:

(1) an estimate of the economic effect of the plant closing or mass layoff in terms of direct and indirect jobs lost and, if possible, the reduction in the area's income;

(2) an estimate of the ability of other employers in the area to absorb in their work force the laid-off workers;

(3) an identification of area businesses that have the potential for expansion and the financial and other resources as well as the worker skills

required of such an expansion;

(4) an identification of financial and other incentives that might be required to reopen the establishment under new ownership and management;

(5) a statement of whether the closed establishment can be reopened as an employee-owned establishment;

(6) an identification of the industries that might be candidates for expansion in the area and the incentives that might be required to encourage their development or location in the area; and

(7) an identification of the skills required by the laid-off workers to increase their chances of finding employment in the area or other regions of the state.

Subd. 2. [EMERGENCY GRANTS.] The commissioner may provide emergency grants to workers and their families directly affected by the plant closing or mass layoff. The emergency grants may be used for the immediate food, clothing, shelter, transportation, training, and relocation needs of these workers. The commissioner may contract with a local unit of government, other public agency, community action program, or a non-profit organization to provide the emergency grants awarded under this subdivision. The committee or organization contracting with the commissioner shall coordinate their efforts with existing area providers of these emergency needs.

Subd. 3. [WAGE SUBSIDIES.] The commissioner may contract with a certified local service provider to provide wage subsidies to workers laid off because of a plant closing or mass layoff. Wage subsidy money under this subdivision must be distributed in the same manner that wage subsidies are used under section 268.677. Wage subsidies under this subdivision must be given to businesses and other employers who have jobs available that offer potential for long-term employment. Business and other employers that receive wage subsidy payments under this subdivision are subject to section 268.681.

Sec. 5. [268.985] [SEVERANCE PAYMENT.]

Subdivision 1. [SEVERANCE PAYMENT.] Each employer owning or operating a facility engaged in a plant closing or mass layoff within three years after an acquisition shall make a severance payment to an affected employee if the affected employee has been employed by the employer for three or more years. The payment may, at the option of the employer, be made before or at the termination of the affected employee. The severance payment must be equal to the gross weekly wage of the affected employee at the time of termination, multiplied by the number of full and partial years for which the employee has been employed by the employer. For an affected employee whose gross weekly wage has been reduced within one year of a plant closing as a result of a reduction in the average weekly number of hours worked by the employee, the severance payment must be equal to the affected employee's gross weekly wage before the reduction in the average weekly number of hours worked, multiplied by the number of full and partial years for which the employee has been employed by the employer.

Subd. 2. [OTHER PAYMENTS.] Vacation pay, commissions, sick leave, wages, and other types of payments made for a reason other than compensation for termination of employment are not severance payments under

subdivision 1.

Sec. 6. [268.986] [HEALTH CARE COVERAGE.]

Each employer who engages in a plant closing or mass layoff within three years after an acquisition and who has had an employer-paid health insurance plan in place within the previous three-year period preceding the date of the plant closing or mass layoff shall pay to each affected employee an amount equal to 12 times the most recent monthly premium paid by the employer on behalf of the employee. The employer may choose to make periodic payments of this amount over a one-year period. The employer is not obligated to make this payment if the employer chooses to continue the health insurance plan for one year after the plant closing or mass layoff or until the employee becomes covered under another health insurance plan, whichever is sooner. The employer must pay at least the same portion of the premium that the employer paid before the employee was terminated. The employer shall also continue to make the health insurance plan available to each affected employee as required in section 62A.17 or in federal law.

Sec. 7. [268.987] [PRIORITY OF CLAIMS.]

To the extent not otherwise determined by federal law, a money claim on behalf of an affected employee against an employer engaged in a plant closing has priority over all other unsecured claims against an employer, except wage and salary claims.

Sec. 8. [268.988] [EMPLOYER APPEAL PROCESS.]

Subdivision 1. [APPEAL OF PAYMENT.] An employer may appeal to the commissioner to reduce or eliminate the payment required or penalty imposed under section 2, the severance and health benefit payments required under sections 5 and 6, and the repayments of public assistance required under section 9. The employer must appeal under this subdivision at least 30 days before the date of the plant closing or mass layoff.

The employer may not cause a plant closing or mass layoff until the commissioner has made a decision on an appeal by the employer. The commissioner must make a decision within 30 days of the appeal request by an employer. The 30-day limit may be extended if both the employer and the commissioner agree to the extension. The commissioner may contract with a public accounting firm or others to provide technical assistance. The commissioner, or any of the persons the commissioner has contracted with, must have access to all the employer's financial records and other related information for the past five years to assist in making a decision on an appeal.

Subd. 2. [APPEAL GROUNDS.] The employer may appeal under subdivision 1 only if the employer determines that the plant closing or mass layoff is likely to be due to one or more of the following:

(1) a natural disaster, including flood, damage or destruction due to weather, earthquakes, fire, or drought;

(2) a decrease in sales of the employer resulting from economic or market factors that directly affect the demand for the products produced or provided at the establishment; or

(3) the plant closing or mass layoff results from the determination that the acquired establishment is not a viable economic operation.

The employer must establish by a preponderance of the evidence that the plant closing or mass layoff was due to one of the reasons outlined in clause (1), (2), or (3), and not because of the financial needs of the employer to pay for debt incurred because of an acquisition, a reorganization, or duplication of the operations of the employer. In cases where the operations of the establishment have been terminated or significantly affected by a fire, flood, or other unexpected natural disaster and the result is a plant closing or mass layoff, the employer is not required to appeal 30 days before the plant closing or mass layoff. The employer may appeal under this subdivision, but is not required to make payments to the commissioner or affected employees until the commissioner makes a decision on the appeal.

Subd. 3. [APPEAL OF REPAYMENT OF PUBLIC ASSISTANCE.] The employer may appeal the amount of public assistance the employer must pay back under section 9. The commissioner must make a decision within 30 days of the appeal request of the employer. The commissioner may contract with public accounting firms or others for technical assistance in determining the correct amount of the repayment.

Subd. 4. [APPEAL FROM COMMISSIONER'S DECISION.] The employer may appeal the decision of the commissioner as a contested case proceeding under chapter 14.

Sec. 9. [268.989] [REPAYMENT OF PUBLIC ASSISTANCE.]

An employer who causes a plant closing or mass layoff within three years of acquisition shall pay back or reimburse an amount equal to the amount of public assistance which it or the acquired business entity has received in the past five-year period from a government unit. The amount of public assistance to be repaid under this section equals the sum of the following:

- (1) the reduction in the employer's capital expenditures at the establishment as a result of the public assistance, including assistance in acquiring land, buildings, and equipment;*
- (2) the reduction of the employer's financing costs at the establishment, including savings in interest costs resulting from tax-exempt financing;*
- (3) the reduction in the employer's taxes on the operations at the establishment; and*
- (4) the reduction in the employer's operating costs at the establishment as the result of other assistance besides tax reductions or abatements.*

The amount of public assistance to be repaid that is calculated in clauses (1) to (4) must be adjusted to reflect any amounts that have been recaptured or the employer has been required to repay under the provisions of another law or contractual agreement. The public assistance required to be repaid under this section must be made to the government unit authorizing or enabling the employer to receive the public assistance, regardless of whether the cost or reduction in revenues was borne by another government unit. The employer may appeal the payment amount to the commissioner. The government unit that the public assistance is to be repaid to under this section may enter into an agreement with the recipient of public assistance for the repayment or reimbursement of the public assistance and the time of the repayment.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to economic development; requiring a job impact statement of certain government units; providing prefeasibility study grants; requiring the employer who engages in a plant closing or mass layoff to pay community benefits, severance pay, and health benefits; establishing a community response committee; requiring repayment of certain financial assistance to businesses; appropriating money; 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 Employment. Amendments adopted. Report adopted.

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

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.

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

Page 1, line 17, delete "*Maintenance may include*"

Page 1, delete lines 18 and 19 and insert "*Subject to sections 88.16, 88.17, and 88.22, maintenance may include town ordinances to regulate the burning of vegetation on town road rights-of-way. The ordinance shall set forth limits and conditions on burning to minimize the danger of fire escaping. A town adopting an ordinance pursuant to this section shall submit a copy of the ordinance to the department of natural resources.*"

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. 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.

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

Page 2, after line 33, insert:

"Subd. 7. [TEMPORARY EXEMPTION.] Political subdivisions currently providing group insurance coverage and benefits through a contract awarded by a competitive bid process under section 471.616 are exempt from the requirements of this section for the period during which the existing contract remains in force. Upon expiration of the existing contract, a political subdivision must adhere to the request for proposal process outlined in this section."

Page 2, after line 35, insert:

“Sec. 4. [EFFECTIVE DATE.]

This act is effective the day following enactment.”

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

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

S.F. No. 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.

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

Page 2, delete section 2 and insert:

“Sec. 2. [462.3597] [INTERIM USES.]

Subdivision 1. [DEFINITION.] An “interim use” is a temporary use of property until a particular date, until the occurrence of a particular event, or until zoning regulations no longer permit it.

Subd. 2. [AUTHORITY.] Zoning regulations may permit the governing body to allow interim uses. The regulations may set conditions on interim uses. The governing body may grant permission for an interim use of property if:

- (1) the use conforms to the zoning regulations;*
- (2) the date or event that will terminate the use can be identified with certainty;*
- (3) permission of the use will not impose additional costs on the public if it is necessary for the public to take the property in the future; and*
- (4) the user agrees to any conditions that the governing body deems appropriate for permission of the use.*

Any interim use may be terminated by a change in zoning regulations.

Subd. 3. [PUBLIC HEARINGS.] Public hearings on the granting of interim use permits shall be held in the manner provided in section 462.357, subdivision 3.”

Delete the title and insert:

“A bill for an act relating to local government; planning and zoning; permitting interim use permits; making explicit the scope of certain statutes; amending Minnesota Statutes 1988, section 462.358, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapter 462.”

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. 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.

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

Page 5, after line 9, insert:

“Sec. 9. [383C.726] [LEGAL DESCRIPTION REQUIRED.]

Any document to be filed with the county recorder affecting a previously recorded mortgage, contract for deed, mechanic's lien, attorney's lien, judgment, lis pendens, or fixture financing statement must include a legal description of the encumbered property. This requirement is satisfied if:

- (1) the document itself contains a legal description of the property;*
- (2) the legal description is attached to the document; or*
- (3) a copy of part of another document that contains the legal description is attached to the document.*

This section does not apply to documents relating to property registered under chapter 508.

Sec. 10. [383C.808] [TELEVISION SERVICE; ST. LOUIS COUNTY.]

St. Louis county may assess the cost of maintenance of television relay service upon residents of the following townships in St. Louis county who use the service: T67N, R19W; T67N, R20W; T67N, R21W; T68N, R19W; T68N, R20W; T68N, R21W; T69N, R19W; T69N, R20W; T69N, R21W; T70N, R19W; T70N, R20W; T70N, R21W; T71N, R20W; T71N, R21W. The costs shall be assessed annually against improved property and may be billed directly to them or collected with the property tax levied on real property owned by users. If the assessment is billed directly, it may be collected in the same manner as any other debt. If the assessment is collected with the property tax, it shall be administered as far as possible in the same manner as the property tax and be subject to the same penalties and conditions.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the second semicolon, insert “requiring certain documents filed with the county recorder to include a legal description; allowing the county to assess the cost of maintenance of television relay service;”

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. 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.

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

Page 1, line 17, delete "\$10,000,000" and insert "\$5,000,000"

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. 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.

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

Page 1, line 17, after "preserved" insert "*for conservation purposes or*" and after "trails," insert "*wetlands,*"

Page 1, lines 24 and 25, reinstate the stricken language and delete the new language

Page 2, lines 1 to 3, delete the new language

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. 1394: A bill for an act relating to the county of Olmsted; providing for approval of certain conveyancing instruments by county zoning administrator.

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

Page 1, line 21, after the period, insert "*The zoning administrator shall complete the examination within 30 days after receipt of the transfer or division.*"

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. 1120: A bill for an act relating to economic development; providing for funding to the Minnesota marketplace program; 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. Johnson, D.J. from the Committee on Taxes and Tax Laws, 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; 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.

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

Page 1, after line 16, insert:

“ARTICLE 1

GAMBLING ENFORCEMENT

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.

Sec. 2. [299K.02] [DUTIES OF DIVISION OF GAMBLING ENFORCEMENT.]

Subdivision 1. [LOTTERY.] (a) The commissioner shall conduct background checks on employees of the state lottery, lottery retailers, and successful bidders of major procurement contracts with the lottery.

(b) The commissioner 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 commissioner 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 commissioner 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 commissioner shall conduct background investigations as provided by law on all applicants for licenses issued by the Minnesota racing commission.

(b) The commissioner 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 division of gambling enforcement shall cooperate with all state and local agencies in the detection and apprehension of unlawful gambling.

Subd. 5. [BOARDS AND COMMISSION.] The director 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 division of gambling 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 employees of the division of gambling enforcement have free and open access to all parts of the regulated business premises, and may conduct the inspection at any reasonable time without notice and without a search warrant. 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.*

Subd. 2. [ITEMS REQUIRED TO BE PRODUCED.] In conducting an audit or inspection authorized under chapter 240 or 349, employees of the division of gambling enforcement may inspect any book, record, or other document the licensee, retailer, or vendor is required to keep.

Subd. 3. [SUBPOENA POWER.] The commissioner 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 commissioner is authorized to conduct.

Subd. 4. [ACCESS TO CRIMINAL HISTORY.] The director 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 gambling contract.

Subd. 5. [ARREST POWERS.] The commissioner may designate certain employees within the division of gambling enforcement who are authorized to arrest or investigate any person who is suspected of violating any provision of chapter 240, 349, or 349A, or is suspected of committing 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 commissioner or commissioner of revenue may, in addition to any other provisions of chapter 349:

(1) assess a civil penalty of not more than \$300 against each person participating in the sales and assess a civil penalty of not more than \$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 not more than \$300 against each person participating in such sales, and assess a civil penalty of not more than \$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 commissioner 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 commissioner'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 division of gambling enforcement to exercise any other power specified under chapter 240, 349, or 349A.

Subd. 8. [RULEMAKING.] The commissioner may adopt rules, including emergency rules, under chapter 14 to carry out the commissioner's duties under this chapter.

Sec. 4. [299K.04] [CONFLICT OF INTEREST.]

Subdivision 1. [INTEREST.] The director and any person employed by the division of gambling enforcement may not have a direct or indirect financial 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 or an employee of the division of gambling enforcement may not participate in the conducting of lawful gambling under chapter 349.

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. [APPROPRIATION.]

§ is appropriated from the general fund to the commissioner of public safety to implement sections 1 to 5. The complement of the department of public safety is increased by

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 5 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; or (e) *payment of reasonable costs incurred in complying with the performing of annual audits required under section 349.19, subdivision 9.*

“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 flares 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 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. 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. The director of gambling enforcement shall serve as a nonvoting, ex officio member of the board.~~

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.*

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 ensure that board rules, policy, and decisions are adequately and accurately conveyed to the board's licensees.

Sec. 17. [349.153] [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 gambling 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. [REVOCATION AND SUSPENSION.] A license under this section may be suspended by the board for a violation of law or board rule or for failure to meet the qualifications in subdivision 3 at any time or revoked for what the board determines to be a pattern of willful violations of law or board rule. A revocation or suspension is a contested case under sections 14.57 to 14.69 of the administrative procedure act.

Subd. 7. [CRIMINAL HISTORY.] The board may request the assistance of the ~~bureau of criminal apprehension~~ division of gambling enforcement in investigating the background of an applicant for a distributor's license and may reimburse the ~~bureau~~ division of gambling enforcement for the costs thereof. The board has access to all criminal history data compiled by the bureau of criminal apprehension and the division of gambling

enforcement on licensees and applicants.

Subd. 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* 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~~ *division of gambling enforcement* 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 employees of the division of gambling enforcement or the director's authorized representatives during reasonable and regular business hours. Obstruction of, or failure to permit, entry and inspection is cause for revocation or suspension of a distributor's licenses and permits issued under this chapter.

(c) Unregistered gambling equipment and unaffixed registration stamps found at any location in Minnesota other than a registered sales or storage facility are contraband under section 349.2125.

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.] *Employees of the division of gambling enforcement may inspect the books, records, inventory, and manufacturing operations of a licensed manufacturer without notice during the normal business hours of the manufacturer.*

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~~ *division of gambling enforcement* in investigating the background of an applicant for a bingo hall license and may reimburse the ~~bureau~~ *division of gambling enforcement* for the costs. The board has access to all criminal history data compiled by the bureau of criminal apprehension and the division of gambling enforcement on licensees and applicants.

Subd. 6. [PROHIBITION.] 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. [REVOCATION AND SUSPENSION.] A license under this section may be suspended by the board for a violation of law or board rule or for failure to meet the qualifications in subdivision 3 at any time or revoked for what the board determines to be a pattern of willful violations of law or board rule. A revocation or suspension is a contested case under sections 14.57 to 14.69 of the Administrative Procedure Act.

Sec. 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. *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~~ *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~~ division of gambling 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 gambling 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 gambling enforcement, or their duly authorized agents

or employees are denied free access to or are hindered or interfered with in making an inspection of the distributor's place of business, the permit of the distributor may be revoked by the commissioner, and the license of the distributor may be revoked by the 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 gambling 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 gambling enforcement*. Within ten days after the date of service of the inventory, the person from whom the property was seized or any person claiming an interest in the property may file with the seizing authority a demand for judicial determination of whether the property was lawfully subject to seizure and forfeiture. Within 30 days after the date of filing of the demand, the seizing authority must bring an action in the district court of the county where seizure was made to determine the issue of forfeiture. The action must be brought in the name of the state and be prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and determine the issues of fact and laws involved.

When a judgment of forfeiture is entered, the seizing authority may, unless the judgment is stayed pending an appeal, either (1) cause the forfeited property to be destroyed; or (2) cause it to be sold at a public auction as provided by law.

If demand for judicial determination is made and no action is commenced as provided in this subdivision, the property must be released by the seizing authority and delivered to the person entitled to it. If no demand is made, the property seized is considered forfeited to the state 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) *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.*

(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 a combination of more than ten deals of pull-tabs or tipboards~~, 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.

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."

Page 1, line 17, delete "1" and insert "3"

Page 3, line 13, after "shall" insert "request the division of gambling enforcement to"

Page 3, line 23, after "apprehension" insert "or the division of gambling enforcement"

Page 5, after line 12, insert:

"(3) owes \$500 or more in delinquent taxes as defined in section 270.72;"

Renumber the clauses in sequence

Page 6, line 4, delete "bureau of criminal apprehension" and insert "division of gambling enforcement"

Page 6, line 11, delete everything after the period

Page 6, delete lines 12 and 13

Page 9, line 12, delete everything after the first "the"

Page 9, line 13, delete "criminal apprehension" and insert "division of gambling enforcement"

Page 9, line 24, after "apprehension" insert "or division of gambling enforcement"

Page 19, line 14, delete "2" and insert "4"

Page 24, after line 23, insert:

"Sec. 6. 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 gambling enforcement shall serve as a nonvoting, ex officio member of the commission.**

Sec. 7. 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~~ *division of gambling 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~~ *division of gambling enforcement* for ~~its~~ *the division'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 division of gambling enforcement* on class A licensees and applicants.

Sec. 8. 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 division of gambling enforcement* on class B licensees and applicants.

Sec. 9. 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~~ *division of gambling 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 division of gambling enforcement* on class C applicants and licensees.

Sec. 10. Minnesota Statutes 1988, section 240.13, is amended by adding a subdivision to read:

Subd. 9. [TRANSMISSION TO INDIAN LANDS; POOLING OF BETS.] A licensed racetrack may, with the approval of the horsepersons' organization representing the majority of horsepersons racing the breed involved, transmit telecasts of races the licensee conducts to sites on Indian lands of tribes who are lawfully conducting pari-mutuel wagering authorized by a tribal-state compact entered into pursuant to the Indian Gaming Regulatory Act, Public Law Number 100-497, or through litigation, arbitration, or mediation relative to that act. Nothing in this subdivision shall be construed to indicate that state policy or law permits or encourages the transmission of telecasts to sites on Indian lands. With prior approval of the commission, a licensed racetrack transmitting telecasts of races it conducts, to sites on Indian lands within or outside of Minnesota or to other locations outside the state, may commingle the amounts bet at the receiving entity with the pools at the sending licensed racetrack.

Sec. 11. Minnesota Statutes 1988, section 240.21, is amended to read:
240.21 [RIGHT OF INSPECTION.]

The commission, the division of gambling enforcement, and its 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."

Page 24, line 32, delete the first "1" and insert "3"

Page 25, line 9, delete the first "1" and insert "3"

Page 26, delete section 11

Page 28, after line 15, insert:

"Sec. 20. 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 28, after line 29, insert:

“Sec. 22. [INDIAN COMPACTS.]

Section 20 may not be construed as prohibiting the state from entering into a tribal-state compact under the provisions of the Federal Gaming Regulatory Act, Public Law No. 100-497, as it relates to video poker or blackjack games of chance currently operated by Indian tribes in this state.”

Page 28, line 31, delete “15” and insert “9 and 11 to 22” and after the period, insert “Section 10 is effective the day following final enactment.”

Renumber the sections of article 4 in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert “creating a division of gambling enforcement within the department of public safety; 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;”

Page 1, line 4, after the semicolon, insert “authorizing transmission of races to sites on Indian lands and commingling of certain betting pools;”

Page 1, line 8, after the second semicolon, insert “240.02, subdivision 1; 240.06, subdivision 3; 240.07, subdivision 2; 240.08, subdivision 3; 240.13, by adding a subdivision; 240.21;”

Page 1, line 11, delete “349.18, subdivision 1” and insert “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”

Page 1, line 12, after the third semicolon, insert “609.76, subdivision 1;”

Page 1, line 14, delete “chapter” and insert “chapters 349 and”

Page 1, line 15, delete “chapter” and insert “chapters 299K and” and before the period, insert “; 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 Finance. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

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.

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

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.

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

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

H.F. No. 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.

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

Page 1, delete lines 16 to 20 and insert:

“Subd. 2. [85.012] [Subd. 10.] [CAMDEN STATE PARK, LYON COUNTY.] The following area is added to Camden State Park: That part of the Northeast Quarter and the North Half of the Southeast Quarter, both in Section 17, Township 110 North, Range 42 West, lying easterly of the easterly right-of-way line of the Burlington Northern Railroad Company as now located and established and westerly of the westerly right-of-way line of Trunk Highway No. 23 as now located and established.”

Page 3, line 4, delete “(a)”

Page 4, after line 2, insert:

“Sec. 6. Minnesota Statutes 1988, section 85.012, is amended by adding a subdivision to read:

Subd. 27a. High Falls State Park, Cook county.

Sec. 7. [HIGH FALLS STATE PARK.]

Subdivision 1. [BOUNDARY.] High Falls State Park is established and the following described lands are located within the boundaries of the park:

In Township 64 North, Range 6 East:

All of Government Lots 2, 3, and 4, and the East half of Government Lot 1.

In Township 64 North, Range 7 East:

All of Government Lot 1 of Section 19. All of Government Lot 5 of Section 29. All of Government Lot 3 of Section 30. All of Government Lot 2 of Section 30.

Subd. 2. [ACQUISITION.] (a) Except as provided in paragraph (b), the commissioner of natural resources is authorized to acquire by gift or purchase the lands for High Falls State Park.

(b) Except as provided in paragraphs (c) and (d) of this subdivision, the commissioner of natural resources may not acquire a fee simple interest in land of the United States or the Grand Portage Band within the boundaries of High Falls State Park for park purposes. The commissioner may not limit access by the Grand Portage Band across Government Lot 2, Section 30, or Government Lot 5, Section 29, both in Township 64 North, Range 7 East. However, the commissioner may acquire leasehold or other lesser interests in lands of the United States or the Band as may be necessary for development or operation of the park.

(c) After the land is acquired, the commissioner shall transfer title by quitclaim deed in the name of the state to the United States of America in trust for the Grand Portage Band of Chippewa Indians on condition that the Band, with the approval of the appropriate agency of the United States, must lease the land, at a nominal consideration of not to exceed \$100 per year, to the state for not less than 25 years, with the option to renew for an additional 25 years, for management and operation as a state park in the same manner as other state parks are administered.

(d) If at any time after termination of the lease the land is not used for public park purposes consistent with its past park use, it shall revert to the state and be used for public park purposes consistent with the park plan. This reverter is perpetual, notwithstanding the provisions of Minnesota Statutes, sections 500.20, 541.023, or any other law to the contrary.

Subd. 3. [PAYMENT IN LIEU OF TAXES FOR PRIVATE TRACTS.]
(a) If a tract or lot of privately owned land is acquired for inclusion within High Falls State Park and, as a result of the acquisition, taxes are no longer assessed against the tract or lot or improvements on the tract or lot, the following amount shall be paid by the commissioner of natural resources to Cook county for distribution to the taxing districts:

(1) in the first year after taxes are last required to be paid on the property, 80 percent of the last required payment;

(2) in the second year after taxes are last required to be paid on the property, 60 percent of the last required payment;

(3) in the third year after taxes are last required to be paid on the property, 40 percent of the last required payment; and

(4) in the fourth year after taxes are last required to be paid on the property, 20 percent of the last required payment.

(b) The commissioner shall make the payments from money appropriated for state park maintenance and operation. The county auditor shall certify to the commissioner of natural resources the total amount due to a county on or before March 30 of the year in which money must be paid pursuant to this section. Money received by a county pursuant to this subdivision shall be distributed to the various taxing districts in the same proportion as the levy on the property in the last year taxes were required to be paid on the property.

Subd. 4. [COOPERATION REQUIRED.] For the purpose of maximizing public outdoor recreational opportunities in the vicinity of the Pigeon River, at the request of the Grand Portage Band, the commissioner of natural resources shall cooperate, to the greatest extent possible, with the Grand Portage Band and Cook county in regard to outdoor recreation and tourism development such as the Superior Hiking Trail.

Subd. 5. [ADVISORY COMMITTEE.] The commissioner of natural resources must create an advisory committee to provide direction on the establishment, planning, development, and operation of the park. The commissioner of natural resources or the commissioner's designated representative is the chair of the advisory committee and the membership must include:

- (1) a representative of the Grand Portage Band, appointed by the Band;*
- (2) a citizen of the state, designated by the Grand Portage Band;*
- (3) a citizen of Cook county, designated by the county board; and*
- (4) for the first five years following the authorization of the park, a member of the Minnesota parks and trails council and foundation, designated by the foundation.*

Sec. 8. Minnesota Statutes 1988, section 85.012, subdivision 27a, is amended to read:

~~Subd. 27a.~~ 27b. Hill-Annex Mine state park, Itasca county.

Sec. 9. [APPROPRIATION.]

The following amounts are appropriated from the general fund for the purposes specified:

<i>(a) for acquisition of lands and interests in lands</i>	\$
<i>(b) for development</i>	\$400,000
<i>(c) for operation, including the employment of two classified permanent employees in addition to the regular complement of permanent employees of the division of parks and recreation</i>	\$ 87,000"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "providing for the establishment of High Falls State Park; appropriating money; amending Minnesota Statutes 1988, section 85.012, subdivision 27a, and by adding a subdivision;"

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

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

H.F No. 832: 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 7, delete "or other law,"

Page 1, line 8, delete "any" and insert "a" and delete "purpose" and insert "library"

Page 1, line 14, delete "larger"

Page 1, delete lines 19 to 21 and insert:

"This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, after "for" insert "a" and delete "purposes" and insert "library"

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. 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.

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

Pages 1 to 16, delete sections 1 to 21 and insert:

"Section 1. [270B.01] [DEFINITIONS.]

Subdivision 1. [WORDS, TERMS, AND PHRASES.] The definitions in this section apply to this chapter.

Subd. 2. [RETURN.] "Return" means a tax or information return, declaration of estimated tax, or claim for refund under Minnesota tax laws that is filed with the commissioner. "Return" includes any amendment or supplement to those documents, including supporting schedules, attachments, or lists that are supplemental to, or part of, the return. "Return" also includes any report, application, or other form required to be filed with the commissioner under Minnesota tax laws.

Subd. 3. [RETURN INFORMATION.] "Return information" means a taxpayer's identity, the nature, source, or amount of the taxpayer's income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, overassessments, or tax payments, whether the taxpayer's return was, is being, or will be examined or subject to other investigation or processing, or any other data, received by, recorded by, prepared by, given to, or collected by the commissioner with respect to the determination of the existence, possible existence, or amount of liability of any person under Minnesota tax laws for any tax, penalty, interest, fine, forfeiture, or other imposition, or offense. "Return information" includes the failure to file any return required to be filed with the commissioner under Minnesota tax laws. The term does not include data in a form that cannot be associated with, or otherwise identify, directly or indirectly, a particular taxpayer.

Subd. 4. [TAX ADMINISTRATION.] "Tax administration" means:

(1) the administration, management, conduct, direction, and supervision of the execution and application of Minnesota tax laws; and

(2) the development and formulation of state tax policy relating to the existing or proposed tax laws and related statutes.

"Tax administration" includes assessment, collection, enforcement, litigation, publication, and statistical gathering functions under existing or proposed tax laws and related statutes.

Subd. 5. [TAXPAYER IDENTITY.] "Taxpayer identity" means the name of a person with respect to whom a return is filed, or the person's mailing address, or the person's taxpayer identifying number.

Subd. 6. [INSPECTED; INSPECTION.] "Inspected" and "inspection" mean any examination of a return or return information.

Subd. 7. [DISCLOSURE.] "Disclosure" means the making known to any person in any manner whatever a return or return information.

Subd. 8. [MINNESOTA TAX LAWS.] For purposes of this chapter only, "Minnesota tax laws" means the taxes administered by or paid to the commissioner under chapters 290, 290A, 291, and 297A, and includes any laws for the assessment, collection, and enforcement of those taxes.

Subd. 9. [COMMISSIONER.] "Commissioner" means the commissioner of revenue.

Subd. 10. [PERSON.] "Person" includes individuals, fiduciaries, estates, trusts, partnerships, and corporations.

Subd. 11. [TAXPAYER.] "Taxpayer" means a person required to file, or who files, a return with the commissioner under Minnesota tax laws.

Subd. 12. [DEPARTMENT OF REVENUE DATA.] "Department of revenue data" means data regarding tax administration collected, created, or maintained by the department of revenue.

Sec. 2. [270B.02] [CLASSIFICATION OF DATA.]

Subdivision 1. [GENERAL RULE.] Except as otherwise provided in this chapter, returns and return information are private data on individuals or nonpublic data as defined in section 13.02, subdivisions 9 and 12. Except as authorized by this chapter, the department of revenue, the commissioner, an officer or employee or former officer or employee of the department of revenue, a person engaged or retained by the department on an independent contract basis, or a person who, under sections 270B.05 to 270B.15, is permitted to inspect returns or return information may not disclose returns or return information.

Subd. 2. [PROTECTED NONPUBLIC DATA.] The following are protected nonpublic data as defined in section 13.02, subdivision 13:

(1) criteria for determining which computer processed returns are selected for audit;

(2) criteria for determining which returns are selected for an in-depth audit; and

(3) criteria for determining which accounts receivable balances below a stated amount are written off or canceled.

Subd. 3. [CONFIDENTIAL DATA ON INDIVIDUALS; PROTECTED NONPUBLIC DATA.] (a) Except as provided in paragraph (b), names of informers, informer letters, and other unsolicited data, in whatever form, given to the department of revenue by a person, other than the data subject, that inform that a specific taxpayer is not or may not be in compliance with tax laws are confidential data on individuals or protected nonpublic data as defined in section 13.02, subdivisions 3 and 13.

(b) Data under paragraph (a) may be disclosed with the consent of the informer or upon a written finding by a court that the information provided by the informer was false and that there is evidence that the information was provided in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the rules of criminal procedure.

Subd. 4. [PUBLIC DATA.] Information required to be filed by exempt individuals, corporations, organizations, estates, and trusts under section 290.05, subdivisions 1 and 4, is public data on individuals or public data not on individuals, as defined in section 13.02, subdivisions 14 and 15. The commissioner may publish a list of organizations exempt from taxation under section 290.05, except that the name or address of any contributor to any organization that is or was exempt, or that has applied for tax exempt status, or any other information that could not be disclosed under section 6104 of the Internal Revenue Code of 1986, as amended through December 31, 1988, is classified as private data on individuals or nonpublic data as defined in section 13.02, subdivisions 9 and 12.

Subd. 5. [MAINTAINING CLASSIFICATIONS.] Notwithstanding section 13.03, subdivision 7, returns and return information retain the classification designated under this chapter. Notwithstanding sections 13.03, subdivision 8, and 13.10, department of revenue data classified under this chapter as nonpublic data, protected nonpublic data, private data on individuals, or confidential data on individuals remain so classified.

Sec. 3. [270B.03] [DISCLOSURE TO DATA SUBJECT.]

Subdivision 1. [WHO MAY INSPECT.] Returns and return information must, on written request, be made open to inspection by or disclosure to the data subject. For purposes of this chapter, the following are the data subject:

- (1) in the case of an individual return, that individual;*
- (2) in the case of an income tax return filed jointly, either of the individuals with respect to whom the return is filed;*
- (3) in the case of a partnership return, any person who was a member of the partnership during any part of the period covered by the return;*
- (4) in the case of the return of a corporation or its subsidiary:
 - (i) any person designated by resolution of the board of directors or other similar governing body;*
 - (ii) any officer or employee of the corporation upon written request signed by any officer and attested to by the secretary or another officer;*
 - (iii) any bona fide shareholder of record owning one percent or more of the outstanding stock of the corporation;*
 - (iv) if the corporation is a corporation that has made an election under section 1362 of the Internal Revenue Code of 1986, as amended through**

December 31, 1988, any person who was a shareholder during any part of the period covered by the return during which an election was in effect; or

(v) if the corporation has been dissolved, any person authorized by state law to act for the corporation or any person who would have been authorized if the corporation had not been dissolved;

(5) in the case of an estate return:

(i) the personal representative or trustee of the estate, and

(ii) any heir at law, next of kin, or beneficiary of the estate, but only if the commissioner finds that the heir at law, next of kin, or beneficiary has a material interest that will be affected by information contained in the return;

(6) in the case of a trust return:

(i) the trustee or trustees, jointly or separately; and

(ii) any beneficiary of the trust, but only if the commissioner finds that the beneficiary has a material interest that will be affected by information contained in the return; and

(7) if liability has been assessed to a transferee under section 290.29, the transferee is the data subject with regard to the returns and return information relating to the assessed liability.

Subd. 2. [INCAPACITATION.] If an individual is legally incapacitated under sections 525.539 to 525.61, or similar laws of another state, that individual's return and return information is, upon written request, open to inspection by or disclosure to the guardian or conservator appointed for the individual or the individual's estate.

Subd. 3. [DECEASED INDIVIDUALS.] Notwithstanding section 13.10, a return filed by or on behalf of a decedent is open to inspection by or disclosure to:

(1) the personal representative of the decedent's estate or trustee appointed under section 573.02, subdivision 3, or a similar law of another state; and

(2) any heir at law, next of kin, or beneficiary under the will of the decedent, or a donee of property, but only if the commissioner finds that the heir at law, next of kin, beneficiary, or donee has a material interest that will be affected by information contained in the return.

Subd. 4. [TITLE 11 OF THE UNITED STATES CODE AND RECEIVERSHIP PROCEEDINGS.] (a) If the commissioner finds that the trustee or receiver, in that person's fiduciary capacity, has a material interest that will be affected by information contained in the return, a return is open to inspection by or disclosure to the trustee or receiver if:

(1) there is a trustee in a title 11 (United States Bankruptcy Code) case in which the debtor is the person with respect to whom the return is filed; or

(2) substantially all of the property of the person with respect to whom the return is filed is in the hands of a receiver.

(b) In an involuntary bankruptcy case of an individual, no disclosure may be made under paragraph (a) until the order for relief has been entered

by the court having jurisdiction of the case, unless the court finds that disclosure is appropriate for purposes of determining whether an order for relief should be entered.

Subd. 5. [ATTORNEY IN FACT.] Any return or return information to which this section applies is, upon written request, open to inspection by or disclosure to the attorney in fact duly authorized in a writing signed by the data subject or to the person or persons designated by the data subject in a written request for or consent to the disclosure.

Subd. 6. [INVESTIGATIVE DATA.] Notwithstanding any law to the contrary, the disclosure of investigative data collected or created by the department of revenue in order to prepare a case against a person, whether known or unknown, for the commission of a crime is governed by section 13.82, subdivision 5, during an investigation. When the investigation becomes inactive, as defined in section 13.82, subdivision 5, the previous classifications become effective.

Subd. 7. [REQUESTS.] The commissioner may prescribe a form to be completed by the data subject requesting or authorizing inspection or disclosure of returns and return information.

Subd. 8. [ACCESS TO DATA.] Section 13.03, subdivision 3, applies to requests for access to data under this section.

Sec. 4. [270B.04] [STATISTICAL STUDIES.]

Subdivision 1. [GENERAL RULE.] The commissioner may compile statistical studies from information derived from returns and return information and may disclose the results of those studies. In addition, the commissioner may disclose statistical information from returns and return information to the governor, legislature, or another state agency to allow those governmental entities to conduct their own statistical studies.

Subd. 2. [PROTECTION FROM DISCLOSURE.] Notwithstanding subdivision 1, the commissioner may not disclose the results of a study and may not disclose any statistical information if, as a result of that disclosure:

- (1) the identity of a taxpayer who filed a return would be disclosed;*
- (2) the identity of a taxpayer could reasonably be associated with any of the information that was derived from the taxpayer's return; or*
- (3) the ability of the commissioner to obtain information from federal tax returns would, in the commissioner's judgment, be jeopardized in any manner.*

Sec. 5. [270B.05] [DISCLOSURE IN TAX PROCEEDING.]

Subdivision 1. [JUDICIAL OR ADMINISTRATIVE PROCEEDING.] A return or return information may be disclosed in a judicial or administrative proceeding pertaining to or relating to tax administration as follows:

- (1) if the taxpayer is a party to the proceeding, or the proceeding arose out of, or in connection with, a determination of the taxpayer's civil or criminal liability or the collection of the taxpayer's civil liability, with respect to a tax imposed under Minnesota tax laws;*
- (2) if the treatment of an item reflected on the return is directly related to the resolution of an issue in the proceeding; or*
- (3) if the return or return information directly relates to a transactional*

relationship between the taxpayer and a person who is a party to the proceeding when that relationship directly affects the resolution of an issue in the proceeding.

Subd. 2. [GOVERNMENT LEGAL REPRESENTATIVES.] *A return or return information may be inspected by or disclosed to the attorney general or other legal representatives of the state, county, or municipality in a proceeding involving or relating to tax administration as follows:*

(1) if the taxpayer is or may be a party to the proceeding, or the proceeding arose out of, or in connection with, the determination of the taxpayer's civil or criminal liability or the collection of the taxpayer's civil liability with respect to any tax imposed under Minnesota tax laws;

(2) if the treatment of an item reflected on the return is or may be related to the resolution of an issue in the proceeding; or

(3) if the return or return information relates or may relate to a transactional relationship between the taxpayer and a person who is or may be a party to the proceeding when that relationship affects or may affect the resolution of an issue in the proceeding.

Sec. 6. [270B.06] [DISCLOSURE IN INVESTIGATION.]

Subdivision 1. [CRITERIA FOR DISCLOSURE.] *In connection with official duties related to tax administration, the commissioner, the attorney general, or other legal representative of the state, county, or municipality may disclose returns or return information to the extent that the disclosure is necessary in obtaining information that is not otherwise reasonably available with respect to the correct determination of tax, liability for tax, or the amount to be collected, or with respect to the enforcement of another provision of the Minnesota tax laws.*

Subd. 2. [THIRD PARTY RETURNS.] *The commissioner, the attorney general, or other legal representative of the state, county, or municipality may disclose pertinent return information of a third party to a taxpayer subject to an investigation pertaining to tax administration if the treatment of an item reflected on the third party return is or may be related to the resolution of an issue in the investigation.*

Subd. 3. [DISCLOSURE TO EMPLOYER.] *The commissioner may disclose returns and return information of an employee to an employer for the purpose of and to the extent necessary to administer section 290.92, subdivision 5a.*

Sec. 7. [270B.07] [LICENSE CLEARANCE.]

Subdivision 1. [DISCLOSURE TO LICENSING AUTHORITIES.] *The commissioner may disclose return information with respect to returns filed under Minnesota tax laws to licensing authorities of the state or political subdivisions of the state to the extent necessary to enforce the license clearance programs under sections 60A.17, 82.27, 147.091, 148.10, 150A.08, and 270.72.*

Subd. 2. [DISCLOSURE TO COURT AND BOARD OF PROFESSIONAL RESPONSIBILITY.] *The commissioner may disclose return information to the Minnesota Supreme Court and the board of professional responsibility regarding the amount of an uncontested delinquent tax due under the Minnesota tax law or the failure to file a tax return due under Minnesota tax laws by an attorney admitted to practice law in this state*

under chapter 481.

Subd. 3. [EXTENT OF DISCLOSURE.] Data that may be disclosed under this section are limited to the name, address, amount of delinquency, and whether a return has been filed by an applicant for a license, licensee, or attorney.

Sec. 8. [270B.08] [SALES TAX PERMITS.]

Subdivision 1. [PERMIT INFORMATION.] The commissioner may disclose to any person making an inquiry regarding the issuance of a sales tax permit to a specific retailer whether a permit has been issued to the retailer, the name and address of the permit holder, the business name and location, the sales and use tax account number, and the date of issuance of the permit.

Subd. 2. [REVOCAION.] When a taxpayer's sales tax permit has been revoked under section 297A.07, the commissioner may disclose data identifying the holder of the revoked permit and the basis for the revocation.

Sec. 9. [270B.09] [CONTRACTS WITH THE STATE; SETOFF]

The commissioner may disclose to the department of finance or any state agency making payment to a vendor as described in section 270.66 or 290.97 whether the vendor has an uncontested delinquent tax liability owed to the commissioner and the amount of any liability.

Sec. 10. [270B.10] [INFORMATION IN PUBLIC RECORD.]

A return or return information that is a matter of public record is not subject to this chapter.

Sec. 11. [270B.11] [DISCLOSURE TO LOCATE TAXPAYERS OWED REFUND.]

To locate the named payee on state warrants issued under the Minnesota tax laws and undeliverable by the United States postal service, the commissioner may publish in a newspaper of general circulation in this state, or make available to radio or television stations, a list of the name and the last known address of the payee as shown on the returns filed with the commissioner. The list must not contain any additional information set forth on a return. The commissioner may exclude the names of payees whose refunds are in an amount that is less than a minimal amount to be determined by the commissioner. The publication or announcement must include instructions on how to claim the warrants.

Sec. 12. [270B.12] [DISCLOSURE TO STATE AND FEDERAL AUTHORITIES.]

Subdivision 1. [IRS; STATE RECIPROCITY.] Returns and return information may be open to inspection by or disclosure to the Internal Revenue Service, the Multistate Tax Commission, or to any state agency, body, or commission, or its legal representatives, that is charged under the laws of that state with the responsibility for administration of state tax laws. Inspection or disclosure is permitted to the extent that the state agency, body, or commission gives similar rights of inspection or disclosure to officials of this state. The commissioner may enter into an agreement with the Internal Revenue Service or another state agency, body, or commission outlining procedures to implement the exchange of information under this section, but an agreement may provide for the disclosure of data only to the extent allowed under this section. Inspection or disclosure is allowed

only for the purpose of and to the extent necessary for the administration of tax laws.

Subd. 2. [MUNICIPALITIES.] Sales and use tax returns and return information are open to inspection by or disclosure to the taxing officials of any municipality of the state of Minnesota that has a local sales or use tax, for the purpose of and to the extent necessary for the administration of the local sales and use tax.

Subd. 3. [REQUEST FORM; NAMED INSPECTOR.] Inspections and disclosures permitted under subdivisions 1 and 2 are allowed only upon written request in a form prescribed by the commissioner and may be made only to the representatives of the agency, body, or commission named in the written request as the individuals who are to inspect or receive the returns or return information on behalf of the agency, body, or commission.

Subd. 4. [DEPARTMENT OF PUBLIC SAFETY.] The commissioner may disclose return information to the department of public safety for the purpose of and to the extent necessary to administer section 270.73.

Subd. 5. [PROTECTION OF RETURNS FROM IRS OR OTHER STATES.] Disclosure of returns and return information received by the commissioner from the Internal Revenue Service or another state or received by the Internal Revenue Service or another state from the commissioner is governed by the law applicable to the Internal Revenue Service or state that more stringently protects the information from disclosure.

Subd. 6. [DEPARTMENT OF REVENUE EMPLOYEES; ATTORNEY GENERAL.] Returns and return information may be open to inspection by or disclosure to an employee of the department of revenue and the attorney general for the purpose of and to the extent necessary to administer tax laws.

Sec. 13. [270B.13] [VENDORS HIRED FOR TAX ADMINISTRATION PURPOSES.]

Subdivision 1. [ACCESS TO DATA.] Independent contractors and vendors performing services for the department of revenue in connection with the following activities have access to private data on individuals and nonpublic data to the extent necessary to perform that service: (1) the processing of returns and the payment of tax; (2) developing, implementing, and using computer programs or equipment; (3) microfilming returns and return information; (4) preparing tax return labels; or (5) any other authorized services connected to tax administration.

Subd. 2. [PROCEDURES TO PROTECT INFORMATION.] An independent contractor or a vendor performing services under subdivision 1 must establish procedures for safeguarding the information.

Sec. 14. [270B.14] [DISCLOSURE FOR PURPOSES OTHER THAN TAX ADMINISTRATION.]

Subdivision 1. [DISCLOSURE TO COMMISSIONER OF HUMAN SERVICES.] (a) On the request of the commissioner of human services, the commissioner shall disclose return information regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to the extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

(b) Data that may be disclosed are limited to data relating to the identity, whereabouts, employment, income, and property of a person owing or

alleged to be owing an obligation of child support.

(c) The commissioner of human services may request data only for the purposes of carrying out the child support enforcement program and to assist in the location of parents who have, or appear to have, deserted their children. Data received may be used only as set forth in section 256.978.

(d) The commissioner shall provide the records and information necessary to administer the supplemental housing allowance to the commissioner of human services.

Subd. 2. [DISCLOSURE TO DEPARTMENT OF JOBS AND TRAINING.] *(a) Data relating to individuals are treated as follows:*

(1) Return information may be disclosed to the department of jobs and training to the extent provided in clause (2) and for the purposes provided in clause (3).

(2) The data that may be disclosed is limited to the amount of gross income earned by an individual, the total amounts of earnings from each employer, and the employer's name.

(3) Data may be requested pertaining only to individuals who have claimed benefits under sections 268.03 to 268.231 and only if the individuals are the subject of investigations based on other information available to the department of jobs and training. Data received may be used only as set forth in section 268.12, subdivision 12, clause (d).

(b) Data pertaining to corporations or other employing units may be disclosed to the department of jobs and training to the extent necessary for the proper enforcement of chapter 268.

Subd. 3. [ADMINISTRATION OF ENTERPRISE ZONE PROGRAM.] *The commissioner may disclose return information relating to the taxes imposed by chapters 290 and 297A to the department of trade and economic development or a municipality receiving an enterprise zone designation under section 469.169 but only as necessary to administer the funding limitations under section 469.169, subdivision 7.*

Subd. 4. [REVENUE RECAPTURE.] *(a) The commissioner may disclose return information to a claimant agency as defined in section 270A.03, subdivision 2, with respect to returns filed under chapters 290 and 290A, as limited by paragraph (b) as necessary to accomplish the intent of chapter 270A.*

(b) The commissioner may disclose to the claimant agency only the name, address, social security number and the amount of refund of a debtor, as defined in section 270A.03, subdivision 4.

Subd. 5. [CHILD SUPPORT DEBTORS.] *The commissioner may disclose returns and return information with respect to returns filed under chapter 290, to the extent necessary to accomplish the intent of section 290.50, subdivision 6, providing for the withholding of income tax refunds from child support debtors pursuant to court order.*

Subd. 6. [BUSINESS ACTIVITIES REPORT.] *The commissioner may disclose information regarding the filing of a report or a return to the extent provided in and for the purpose of section 290.371.*

Subd. 7. [MINNESOTA RACING COMMISSION.] *The commissioner*

may disclose return information relating to the taxes imposed by chapter 290 to the Minnesota racing commission with respect to an applicant or a holder of a license issued by the Minnesota racing commission or an owner of a horse entered in an event licensed by the Minnesota racing commission.

Subd. 8. [EXCHANGE BETWEEN DEPARTMENTS OF JOBS AND TRAINING, LABOR AND INDUSTRY, AND REVENUE.] Notwithstanding any law to the contrary, the departments of jobs and training, labor and industry, and revenue may exchange information on a reciprocal basis. Data that may be disclosed are limited to data used in determining whether a business is an employer or a contracting agent.

Subd. 9. [REQUESTS FOR DATA.] Requests for data under this section must be in the form the commissioner prescribes.

Subd. 10. [PROCEDURES TO PROTECT INFORMATION.] A state agency or municipality receiving department of revenue data under this chapter must establish procedures for safeguarding the information.

Sec. 15. [270B.15] [DISCLOSURE TO LEGISLATIVE AUDITOR.]

Returns and return information must be disclosed to the legislative auditor to the extent necessary for the legislative auditor to carry out sections 3.97 to 3.98.

Sec. 16. [270B.16] [DISCOVERY OF REVENUE DATA.]

Notwithstanding any law to the contrary, data collected by the department of revenue are not subject to discovery in a legal action, other than an action or proceeding in connection with tax administration, unless disclosure of the data is authorized under this chapter.

Sec. 17. [270B.17] [REMEDIES.]

The civil remedies provided in section 13.08 are available to remedy violations of any provision of this chapter.

Sec. 18. [270B.18] [CRIMINAL PENALTIES.]

Subdivision 1. [UNAUTHORIZED WILLFUL DISCLOSURE.] A person willfully making a disclosure not authorized by this chapter is guilty of a gross misdemeanor.

Subd. 2. [UNAUTHORIZED COMPUTER DATA ACCESS.] In addition to the computer crimes provided in sections 609.87 to 609.89, a person who intentionally and without authority attempts to or does penetrate property or a computer program or programs, as defined in section 609.87, containing department of revenue data, is guilty of a gross misdemeanor.

Subd. 3. [PUBLIC EMPLOYEE VIOLATIONS.] A willful violation of this chapter by a public employee constitutes just cause for suspension without pay or dismissal of the public employee.

Sec. 19. [270B.19] [RULES.]

The commissioner may adopt rules necessary for the enforcement and administration of this chapter consistent with its provisions.

Sec. 20. [REPEALER.]

Minnesota Statutes 1988, sections 13.70; 290.05, subdivision 7; 290.61; 290A.17; 291.48; and 297A.43 are repealed.

Sec. 21. [EFFECTIVE DATE.]

This article is effective July 1, 1989, and applies to all department of revenue data created, collected, or maintained on, before, or after that date.

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

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.

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

Delete everything after the enacting clause and insert:

“Section 1. [13.793] [NATURAL RESOURCES MINERAL DATA.]

Subdivision 1. [NONPUBLIC DATA.] Except as provided in subdivision 2, the following data received and maintained by the commissioner of natural resources are nonpublic data:

(1) a letter or other documentation from a person that is supplied to the commissioner before a public lease sale of metallic or other minerals for the purpose of making suggestions or recommendations about which state lands may be offered for public lease sale; or

(2) a written report or other documentation of private analyses of a state-owned or controlled drill core that is public data and is under the custody of the commissioner.

Subd. 2. [DATA BECOME PUBLIC.] Data under subdivision 1, clause (1), become public data three years after the date the lease sale was held or, if not held, within three years after the date the lease sale was scheduled to be held. Data under subdivision 1, clause (2), become public data 90 days after receipt by the commissioner.

Sec. 2. [EFFECTIVE DATE.]

This act is effective July 1, 1989.”

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. 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.

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

Page 2, line 16, delete "*which*" and insert "*that*"

Page 3, delete section 9

Page 3, line 17, delete "501B.10" and insert "501B.09"

Page 4, line 1, delete "*such*"

Page 4, line 2, delete "39" and insert "38"

Page 4, line 16, delete "501B.11" and insert "501B.10"

Page 6, line 26, delete "501B.12" and insert "501B.11"

Page 6, line 36, delete the comma and insert a colon

Page 7, line 8, delete "501B.13" and insert "501B.12"

Page 8, line 12, delete "76" and insert "75"

Page 8, line 15, delete "26" and insert "25" and delete "34" and insert "33"

Page 8, line 17, delete "71" and insert "70"

Page 8, line 25, delete "*14 or 20*" and insert "*13 or 19*"

Page 8, line 31, after "*of*" insert "*a*" and delete "*trusts*" and insert "*trust*"

Page 9, line 4, delete "*14 or 20*" and insert "*13 or 19*" and delete "*appropriate district*" and after "*court*" insert "*in which the prior proceedings were held*"

Page 9, line 6, delete "*14*" and insert "*13*"

Page 9, line 7, delete the third "*a*" and insert "*notice and*"

Page 9, line 8, delete "*has*" and insert "*have*"

Page 9, line 9, before "*Notice*" insert "*Unless waived,*"

Page 10, line 7, delete "*14*" and insert "*13*"

Page 10, line 23, delete "*21*" and insert "*20*"

Page 10, line 27, delete "*20*" and insert "*19*"

Page 11, lines 8, 10, and 12, delete "*14 to 21*" and insert "*13 to 20*"

Page 12, lines 1 and 26, delete "*14*" and insert "*13*"

Page 12, line 3, delete "*can be*" and insert "*possible*"

Page 12, line 9, delete "*an existing statute authorizing*" and insert "*a statute that authorizes*"

Page 12, line 10, delete "*corporations*" and insert "*a corporation*" and delete "*permitting*" and insert "*that permits a*"

Page 12, line 11, delete "*corporations*" and insert "*corporation*"

Page 12, line 12, delete "*under any existing statute*"

Page 12, line 13, after "3" insert "*of this section*"

Page 12, line 23, after "*trust*" insert a comma

Page 12, line 24, delete "*that property*" and insert "*, the property given, entrusted, or devised*" and delete "*such a*" and insert "*that*"

Page 12, line 25, before the period, insert "*and in accordance with the condition, limitation, or restriction*"

Page 12, line 33, after "*instrument*" insert a comma

Page 12, line 36, after "*that*" insert "*will,*"

Page 13, line 1, delete "*will*" and delete "*can be*" and insert "*possible*"

Page 13, line 7, after "*notice*" insert "*of any court proceedings*"

Page 13, line 8, delete "*16 of any court proceedings*" and insert "*15*"

Page 13, line 10, delete "*in those court proceedings*"

Page 13, line 14, delete "*creating*" and insert "*that creates*"

Page 14, lines 4 and 14, delete "*which*" and insert "*that*"

Page 14, lines 28, 32, and 36, delete "*26 to 38*" and insert "*25 to 37*"

Page 15, lines 4 and 7, delete "*24 to 38*" and insert "*23 to 37*"

Page 15, line 12, delete the first "*A*" and delete "*is*" and insert "*means*"

Page 15, line 13, delete "*arising*" and insert "*that arises*"

Page 15, line 15, delete "*subjecting*" and insert "*that subjects*"

Page 15, line 24, delete "*30*" and insert "*29*"

Page 15, line 25, delete "*31*" and insert "*30*" and after "*or*" insert "*an*" and delete "*having*" and insert "*with*"

Page 15, line 32, before "*religious*" insert "*a*" and delete "*associations*" and insert "*association*" and after "*or*" insert "*chapter*"

Page 15, line 33, delete the first "*and*" and insert ";

(3) *a*" and delete "*trusts*" and insert "*trust*"

Page 15, line 34, delete "*such*"

Page 15, line 35, before the semicolon, insert "*organized under chapter 315 or chapter 317*"

Page 15, line 36, delete the first "*3*" and insert "*4*"

Page 16, lines 3, 5, and 8, delete "*4*" and insert "*5*"

Page 16, line 16, delete "*5*" and insert "*6*"

Page 16, line 17, delete "*6*" and insert "*7*"

Page 16, line 20, delete "*7*" and insert "*8*"

Page 16, line 26, delete "*30 and 31*" and insert "*29 and 30*"

Page 16, lines 31 and 33, delete “26 to 38” and insert “25 to 37”

Page 16, line 34, delete “creating” and insert “that created”

Page 17, line 5, delete “26 to 38” and insert “25 to 37”

Page 17, line 18, delete “of reports as to” and insert “requirements under subdivision 1 for”

Page 17, line 20, delete “and” and insert a period

Page 17, line 21, delete “if” and insert “If the filing requirements are suspended,” and delete “files” and insert “shall file”

Page 17, line 32, after “investigations” insert “that are” and after “for” insert “: (1)”

Page 17, line 33, delete everything after “sections” and insert “25 to 37; or (2)”

Page 17, line 36, after “section” insert a comma

Page 18, line 3, delete “which” and insert “that”

Page 18, line 4, delete “, in accordance with”

Page 18, line 5, delete “this subdivision”

Page 18, line 8, delete “30.04, and 31.04” and insert “and 30.04,”

Page 18, line 13, after “and” insert a comma

Page 18, line 14, after “cause” insert a comma

Page 18, line 31, delete “to” in both places

Page 18, line 32, delete “as required by subdivision 1,”

Page 18, line 33, delete “give” and insert “, upon” and delete “that the attorney general will” and insert “to the person,”

Page 18, line 34, delete “receiving it”

Page 18, line 35, delete “and the court, on” and insert “for an order to compel compliance. On”

Page 18, line 36, after the comma, insert “the court” and delete “required”

Page 19, line 3, delete “The custodians of the” and insert “A custodian of”

Page 19, line 6, after “shall” insert “, upon request,”

Page 19, delete line 7 and insert “to the attorney general, free of charge, copies of records”

Page 19, line 8, delete “custodian’s office” and delete “26 to 38” and insert “25 to 37”

Page 19, line 9, delete everything before the period

Page 19, line 11, delete “receiving” and insert “that receives”

Page 19, line 12, delete “applications” and insert “an application” and delete “of” and insert “from”

Page 19, lines 13 and 21, delete “26 to 38” and insert “25 to 37”

Page 19, line 23, delete “existing” and insert “all other”

- Page 19, line 25, after "*of*" insert a comma
- Page 19, line 26, after "*in*" insert a comma
- Page 20, line 7, delete "*which*" and insert "*that*" in both places
- Page 20, line 16, after "*and*" insert a comma
- Page 20, line 17, after "*relief*" insert a comma
- Page 20, line 18, delete "*such*" and insert "*the*"
- Page 20, line 22, delete "*such*" and insert "*the*" and delete "*unless*"
- Page 20, line 23, delete "*waives*" and insert "*waived*"
- Page 20, line 25, delete "*which*" and insert "*that*"
- Page 20, line 26, delete "*thinks*" and insert "*believes*"
- Page 21, line 27, delete "30" and insert "29"
- Page 21, line 28, delete "31" and insert "30"
- Page 21, line 34, delete "26 to 38" and insert "25 to 37"
- Page 22, line 1, delete "*in a court of competent jurisdiction*"
- Page 22, lines 9, 15, and 33, delete "26 to 38" and insert "25 to 37"
- Page 23, line 12, delete "*so as*"
- Page 23, line 22, after "*an*" insert "*annual*" and delete "*annually*"
- Page 23, line 35, delete "*which*" and insert "*that*"
- Page 24, lines 1 and 9, delete "21" and insert "20"
- Page 24, line 7, delete "*which*" and insert "*that*"
- Page 24, line 11, delete "14" and insert "13"
- Page 24, line 28, delete "39" and insert "38"
- Page 24, line 30, delete "39" and insert "38"
- Page 24, line 31, after "*appropriate*" insert a comma and before the colon, insert "*that*"
- Page 24, line 32, delete "*that,*"
- Page 25, lines 2 and 30, delete "*that*"
- Page 25, line 7, delete "39" and insert "38"
- Page 25, line 14, delete "40" and insert "39"
- Page 25, lines 15 and 35, delete "40" and insert "39"
- Page 25, line 17, before the colon, insert "*that*"
- Page 25, lines 18 and 24, delete "*that,*"
- Page 26, line 8, delete "*39 or 40*" and insert "*38 or 39*"
- Page 26, lines 11 and 21, delete "39" and insert "38"
- Page 26, lines 12 and 29, delete "40" and insert "39"
- Page 26, lines 24 and 33, delete "*(and*" and insert "*and,*"
- Page 26, lines 26 and 34, after "525.54" insert a comma

- Page 26, line 28, delete "*beneficiary*)" and insert "*beneficiary,*"
- Page 26, line 36, delete "*person*)" and insert "*person,*"
- Page 27, line 6, delete "*has no*" and insert "*does not have a*"
- Page 27, line 17, delete "42" and insert "41"
- Page 27, line 29, delete "39" and insert "38"
- Page 27, line 31, delete "40" and insert "39"
- Page 28, lines 1, 13, 30, and 33, delete "44" and insert "43"
- Page 28, line 4, delete "*and*" and insert ". *At least 15 days before the hearing on the confirmation of the agreement, the trustee or receiver shall*"
- Page 28, line 6, delete "42" and insert "41"
- Page 28, line 7, delete everything after "*petition*"
- Page 28, line 8, delete everything before the period
- Page 28, line 12, delete "45" and insert "44"
- Page 28, line 26, delete "*shall*" and insert "*must*"
- Page 29, line 15, delete "44" and insert "43"
- Page 29, line 24, delete "*sections 45 and 46*" and insert "*this section and section 44*"
- Page 29, line 25, delete "*39 to 44*" and insert "*38 to 43*"
- Page 29, line 27, delete "46" and insert "45"
- Page 29, line 29, delete "46" and insert "45"
- Page 29, line 34, delete "*39 to 47*" and insert "*38 to 46*"
- Page 29, line 35, delete "*39 to 47*" and insert "*38 to 46*"
- Page 30, lines 5, 29, and 31, delete "*49 to 66*" and insert "*48 to 65*"
- Page 31, line 6, delete "*49 to 66*" and insert "*48 to 65*"
- Page 31, line 14, after "*principal*" insert a comma
- Page 31, lines 15 and 21, delete "55" and insert "54"
- Page 31, line 18, delete "53" and insert "52"
- Page 31, line 19, delete "51" and insert "50"
- Page 31, line 23, delete "56" and insert "55"
- Page 31, line 25, delete "*57 and 58*" and insert "*56 and 57*"
- Page 31, line 27, delete "59" and insert "58"
- Page 31, line 29, delete "60" and insert "59"
- Page 32, lines 6 and 17, after "*principal*" insert a comma
- Page 32, line 10, delete "54" and insert "53"
- Page 32, line 12, delete "55" and insert "54"
- Page 32, line 14, delete "*57 and 58*" and insert "*56 and 57*"
- Page 32, line 16, delete "59" and insert "58"

- Page 32, lines 18 and 20, delete "60" and insert "59"
- Page 32, line 22, delete "56 and 61" and insert "55 and 60"
- Page 32, line 25, delete "49 to 66" and insert "48 to 65"
- Page 32, line 26, delete "61" and insert "60"
- Page 32, line 32, delete "becoming" and insert "that becomes"
- Page 33, line 5, delete "becoming" and insert "that becomes"
- Page 33, line 12, delete "accruing" and insert "that accrues"
- Page 33, line 24, after "payments" insert a comma
- Page 34, line 17, delete "(excluding" and insert ", excluding" and delete "gains)" and insert "gains,"
- Page 34, line 23, after the second "income" insert a comma
- Page 34, line 24, delete "(excluding" and insert "excluding" and delete "gains)" and insert "gains,"
- Page 36, line 5, delete "49 to 66" and insert "48 to 65"
- Page 38, line 15, delete "57 and 58" and insert "56 and 57"
- Page 38, line 22, delete "shall be" and insert "is"
- Page 38, line 30, delete "which" and insert "that"
- Page 39, line 20, delete "which" and insert "that" and delete "land or" and insert ", but not limited to, land,"
- Page 39, line 21, delete "for example," and insert "or"
- Page 40, line 23, delete "49 to 66" and insert "48 to 65"
- Page 41, line 14, delete "53" and insert "52"
- Page 41, line 25, delete "52" and insert "51"
- Page 41, lines 27 and 34, delete "49 to 66" and insert "48 to 65"
- Page 42, line 1, delete "49 to 66" and insert "48 to 65"
- Page 42, line 33, delete "1986" and insert "1988" and after "501.63" insert a comma
- Page 43, lines 4, 11, 15, and 19, delete "49 to 66" and insert "48 to 65"
- Page 43, line 23, delete "67 to 70" and insert "66 to 69"
- Page 43, line 31, delete "69" and insert "68"
- Page 48, line 14, delete "67 to 70" and insert "66 to 69"
- Page 50, line 4, delete "which" and insert "that"
- Page 51, line 4, delete "However, one" and insert "Unless the disclaimer provides otherwise, a person"
- Page 51, line 6, delete ", unless the disclaimer so provides,"
- Page 51, line 27, delete "duly"
- Page 51, line 29, delete "then"
- Page 53, lines 9 and 20, delete "10" and insert "9"

Page 54, line 18, delete "*may petition*"

Page 54, line 19, delete "*and*"

Page 55, line 32, delete "48, 61, 63, 71" and insert "47, 60, 62, 70" and delete "73" and insert "72"

Page 56, lines 13 and 14, delete "501.81; 501A.01; 501A.02; 501A.03; 501A.04; 501A.05; 501A.06; and 501A.07" and insert "*and 501.81*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 25 and 26, delete "501.81; 501A.01; 501A.02; 501A.03; 501A.04; 501A.05; 501A.06; and 501A.07" and insert "*and 501.81*"

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

Mr. Pehler from the Committee on Education, to which was referred

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.

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

Page 20, line 26, after "*certificates*" insert "*or notes*"

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

Mr. Pehler from the Committee on Education, to which was referred

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.

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

Page 3, after line 16, insert:

"Sec. 4. Minnesota Statutes 1988, section 123.70, subdivision 7, is amended to read:

Subd. 7. Each school or day care facility shall maintain on file immunization records for all persons in attendance ~~which contains~~ *that contain* the information required by subdivisions 1, 2, and 3. The department of health and the board of health, as defined in section 145A.02, subdivision

2, in whose jurisdiction the school or day care facility is located, shall have access to the files maintained pursuant to this subdivision. When a person transfers to another elementary or secondary school or day care facility, the administrator or other person having general control and supervision of the school or day care facility shall assist the person's parent or guardian in the transfer of the immunization file to the person's new school or day care facility within 30 days of the transfer. *Upon the request of a public or private post-secondary educational institution, as defined in section 8, the administrator or other person having general control or supervision of a school shall assist in the transfer of a student's immunization file to the post-secondary institution.*"

Page 5, line 5, delete "(h)" and insert "(g)"

Page 5, line 30, after "(4)" insert "public technical institutes; (5)"

Page 5, line 31, delete "colleges" and insert "institutions" and delete "and (5)" and insert "(6)"

Page 5, line 32, before the period, insert "; and (7) schools subject to chapter 141, sections 136A.61 to 136A.71, and schools exempt under section 136A.657"

Page 6, line 11, after the period, insert "*Instead of submitting a statement, a student may provide an immunization record maintained by a school according to section 123.70, subdivision 7, or a school in another state if the required information is contained in the record.*"

Page 6, line 30, after "The" insert "immunization"

Page 7, line 3, delete "4" and insert "3 and 5" and delete "5" and insert "4, 6,"

Page 7, line 4, delete "7" and insert "8" and delete "6" and insert "7"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after "4," and insert "7,"

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

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

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.

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

Page 2, after line 13, insert:

“Sec. 4. Minnesota Statutes 1988, section 168A.05, is amended by adding a subdivision to read:

Subd. 5a. [POLLUTION CONTROL EQUIPMENT DISCLOSURE.] The certificate of title shall contain a form for disclosure by the transferor of the condition of the vehicle's pollution control equipment as required by section 325E.0951. The disclosure form must be as prescribed by the registrar.”

Page 8, line 32, delete “168.28” and insert “168A.28”

Page 8, line 34, delete “15” and insert “16”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert “requiring a form for disclosure of the condition of a vehicle's pollution control equipment on the certificate of title;”

Page 1, line 10, after “5” insert “, and by adding a subdivision”

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

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.

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.89] [ACQUISITION OF SURPLUS FEDERAL PROPERTY.]

The commissioner of administration, after consultation with one or more nonprofit organizations with an interest in providing housing for homeless veterans and their families, may acquire property from the United States government that is designated by the General Services Administration as surplus property. The commissioner of administration may lease the property to a qualified nonprofit organization that agrees to develop or rehabilitate the property for the purpose of providing suitable housing for veterans and their families. The lease agreement with the nonprofit organization may require that the property be developed for use as housing for homeless and displaced veterans and their families and for veterans and their families who lose their housing.

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 surplus United States government property; authorizing the commissioner of administration to acquire certain surplus

property of the United States government; authorizing the commissioner to lease the property to a nonprofit organization for development as housing for certain homeless veterans and their families; proposing coding for new law in Minnesota Statutes, chapter 16B.”

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

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.

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. 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.

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 383D.23, is amended by adding a subdivision to read:

Subd. 5. [CERTAIN JUVENILES.] An appointing authority may employ on a temporary basis juveniles who have been ordered by the juvenile court to make monetary restitution or pay a fine as a condition of probation without complying with this section.

Sec. 2. Minnesota Statutes 1988, section 383D.31, subdivision 1, is amended to read:

Subdivision 1. [JURISDICTION.] The personnel board of appeals shall meet upon call of its chair or the employee relations director to make findings and report to the county board within ~~30~~ 60 days of the filing of an appeal by an applicant, employee, or appointing authority, *unless the time is extended with the consent of the party filing the appeal*, in the following circumstances:

(a) Alleged arbitrary or capricious action by the county board with respect to final establishment of rules under sections 383D.21 to 383D.35.

(b) Alleged discrimination by the employee relations director or the director's employees in examination procedures or preparation of lists of eligible candidates, or discriminatory use of them by the appointing authority under sections 383D.21 to 383D.35 or rules promulgated under them.

(c) Alleged misinterpretation or evasion by the director or the county board of a provision of sections 383D.21 to 383D.35 or the rules promulgated under them in a manner seriously detrimental to the party bringing the appeal.

(d) Other matters of grievance as provided for in rules promulgated under sections 383D.21 to 383D.35.

Sec. 3. [383D.46] [CAMPGROUND OPERATORS.]

Notwithstanding section 471.345, Dakota county may by four-fifths vote contract for the services of a campground operator by direct negotiation without advertisement for bids."

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "exempting certain juveniles from the county personnel department; amending certain procedural requirements for the personnel board of appeals; providing for the employment of a campground operator without competitive bids;"

Page 1, line 3, after the semicolon, insert "amending Minnesota Statutes 1988, sections 383D.23, by adding a subdivision; and 383D.31, subdivision 1;"

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

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.

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

Page 1, line 13, delete the new language

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

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.

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 10A.02, subdivision 8, is amended to read:

Subd. 8. The board shall:

(a) Report at the close of each fiscal year to the legislature, the governor and the public concerning the action it has taken, the names, salaries, and duties of all individuals in its employ and the money it has disbursed. The board shall include and identify in its report any other reports it has made during the fiscal year. It may indicate apparent abuses and offer legislative recommendations;

(b) Prescribe forms for statements and reports required to be filed under sections 10A.01 to 10A.34 and make the forms available to individuals required to file them;

(c) Make available to the individuals required to file the reports and statements a manual setting forth the recommended uniform methods of bookkeeping and reporting;

(d) Develop a filing, coding and cross-indexing system consistent with the purposes of sections 10A.01 to 10A.34;

(e) Make the reports and statements filed with it available for public inspection and copying by the end of the second day following the day on which they were received. Any individual may copy a report or statement by hand or by duplicating machine and the board shall provide duplicating services at cost for this purpose. No information copied from reports and statements shall be sold or utilized by any individual or association for any commercial purpose. *"Commercial purpose" does not include purposes related to elections, political activities, or law enforcement. Any individual or association violating the provisions of this clause may be subject to a civil penalty of up to \$1,000. An individual who knowingly violates this subdivision is guilty of a misdemeanor;*

(f) Notwithstanding the provisions of section 138.163, preserve reports and statements for a period of five years from the date of receipt;

(g) Compile and maintain a current list and summary of all statements or parts of statements pertaining to each candidate; and

(h) Prepare and publish reports as it may deem appropriate.

Sec. 2. [202A.20] [CAUCUS INFORMATION; RESULTS.]

Subdivision 1. [INFORMATION.] The secretary of state may sponsor or participate in activities designed to provide public information related to the precinct caucuses and to promote participation in the caucus process.

Subd. 2. [REPORTING CAUCUS RESULTS.] The secretary of state may provide a method for the timely reporting of caucus results to the public.

Sec. 3. [203B.001] [ELECTION LAW APPLICABILITY.]

The Minnesota election law is applicable to voting by absentee ballot unless otherwise provided in this chapter.

Sec. 4. Minnesota Statutes 1988, section 203B.10, is amended to read:

203B.10 [DELIVERY OF ABSENTEE BALLOT APPLICATIONS TO ELECTION JUDGES.]

On the day before an election:

(a) The county auditor shall deliver to the municipal clerks within that county the applications for absentee ballots theretofore received and endorsed as provided in section 203B.06, subdivision 5; and

(b) The municipal clerks shall deliver the applications received from the county auditor and the applications for absentee ballots filed with their respective offices and endorsed as provided in section 203B.06, subdivision 5, to the appropriate election judges. Applications received on election day pursuant to section 203B.04, subdivision 2, shall be promptly delivered to the election judges in the precincts or to the judges of an absentee ballot ~~counting~~ board.

Sec. 5. Minnesota Statutes 1988, section 203B.12, subdivision 1, is amended to read:

Subdivision 1. [RECEIPT OF RETURN ENVELOPES.] The election judges in each precinct or the judges of an absentee ballot ~~counting~~ board shall take possession of all return envelopes delivered to them in accordance with section 203B.08.

Sec. 6. Minnesota Statutes 1988, section 203B.12, subdivision 6, is amended to read:

Subd. 6. [EXCEPTION FOR MUNICIPALITIES OR SCHOOL DISTRICTS WITH ABSENTEE BALLOT ~~COUNTING~~ BOARDS.] In municipalities or school districts with an absentee ballot ~~counting~~ board, the election judges in each precinct shall receive and process return envelopes and ballot envelopes as provided in this section except that the ballot envelopes from return envelopes marked "Accepted" shall be delivered in an absentee ballot container to the absentee ballot ~~counting~~ board for the counting of ballots as soon as possible after processing. Other law to the contrary notwithstanding, the governing body of a municipality or the school board of a school district with an absentee ballot precinct may authorize the judges of the absentee ballot precinct to validate ballots in the manner provided in this section. The vote totals provided by the absentee ballot ~~counting~~ board shall be included in the vote totals on the summary statements of the returns for the precinct in which they were received.

Sec. 7. Minnesota Statutes 1988, section 203B.13, is amended to read:
203B.13 [ABSENTEE BALLOT ~~COUNTING~~ BOARDS.]

Subdivision 1. [ESTABLISHMENT.] The governing body of any municipality may by ordinance, or the school board of any school district may by resolution, authorize an absentee ballot ~~counting~~ board for the purpose of ~~counting all absentee ballots cast in that municipality or school district.~~ The board shall consist of a sufficient number of election judges appointed as provided in sections 204B.19 to 204B.22.

Subd. 2. [DUTIES.] The absentee ballot ~~counting~~ board shall ~~may do~~ any of the following:

(a) Receive from each precinct in the municipality or school district all ballot envelopes marked "Accepted" by the election judges; provided that the governing body of a municipality or the school board of a school district may authorize the board to examine all return absentee ballot envelopes and receive or reject absentee ballots in the manner provided in section 203B.12;

(b) Open and count the absentee ballots, tabulating the vote in a manner that indicates each vote of the absentee voter and the total absentee vote cast for each candidate or question in each precinct; ~~and or~~

(c) Report the vote totals tabulated for each precinct.

Subd. 3. [COMPENSATION OF MEMBERS.] The municipal clerk shall pay a reasonable compensation to each member of the absentee ballot ~~counting~~ board for services rendered during each election.

Subd. 3a. [DUPLICATE REGISTRATION FILES.] If the election judges of an absentee ballot ~~counting~~ board are authorized to receive, examine, ~~and~~ validate, *and count* absentee ballots, the county auditor or municipal clerk shall remove from the duplicate registration files the cards of all persons who have applied for absentee ballots at the election and deliver them to the election judges of the absentee ballot ~~counting~~ board along with the applications for absentee ballots. When a duplicate registration card has been removed from the file for this purpose it shall be replaced with a notification to the election judges that the voter's card has been removed and directing them to contact the election judges of the absentee ballot ~~counting~~ board if that voter should appear at the polling place for the purpose of voting in person. If contacted by the judges of the precinct, the election judges of the absentee ballot ~~counting~~ board shall examine the duplicate registration card of the voter to determine if an absentee ballot has been cast. They shall notify the precinct election judges of their findings and, if the absentee ballot has not yet been cast, the voter shall be allowed to vote in person. The election judges of the absentee ballot ~~counting~~ board shall make a notation on the duplicate registration card that the voter has voted and no absentee ballot shall be counted for that voter.

Subd. 4. [APPLICABLE LAWS.] Except as otherwise provided by this section, all of the laws applicable to absentee ballots and absentee voters and all other provisions of the Minnesota election law shall apply to an absentee ballot ~~counting~~ board.

Sec. 8. Minnesota Statutes 1988, section 204B.09, is amended by adding a subdivision to read:

Subd. 1a. [ABSENT CANDIDATES.] A candidate for county, state, or federal office who will be absent from the state during the filing period may submit a properly executed affidavit of candidacy, the appropriate filing fee, and any necessary petitions in person to the filing officer. The candidate shall state in writing the reason for being unable to submit the affidavit during the filing period. The affidavit, filing fee, and petitions must be submitted to the filing officer during the seven days immediately preceding the candidate's absence from the state. Nominating petitions may be signed during the 14 days immediately preceding the date when the affidavit of candidacy is filed.

Sec. 9. Minnesota Statutes 1988, section 204B.27, is amended by adding a subdivision to read:

Subd. 6. [VOTER PARTICIPATION.] The secretary of state may sponsor or participate in nonpartisan activities to promote voter participation in Minnesota elections and in efforts to increase voter registration and voter turnout.

Sec. 10. Minnesota Statutes 1988, section 204B.40, is amended to read:

204B.40 [BALLOTS; ELECTION RECORDS AND OTHER MATERIALS; DISPOSITION; *INSPECTION OF BALLOTS.*]

The county auditors and municipal clerks shall retain all election materials returned to them after any election for at least one year from the date of that election. All election materials involved in a contested election shall be retained for one year or until the contest has been finally determined, whichever is later. Abstracts filed by canvassing boards shall be retained permanently by any officer with whom those abstracts are filed. Election materials no longer required to be retained pursuant to this section shall be disposed of in accordance with sections 138.163 to 138.21. Sealed envelopes containing voted ballots must be retained unopened, *except as provided in this section*, in a secure location. The county auditor ~~or~~, municipal clerk, *or school district clerk* shall not permit any voted ballots to be tampered with or defaced.

After the time for filing a notice of contest for an election has passed, the secretary of state may open the sealed ballot envelopes and inspect the ballots for that election maintained by the county auditors, municipal clerks, or school district clerks for the purpose of monitoring and evaluating election procedures. No inspected ballot may be marked or identified in any manner. After inspection, all ballots must be returned to the ballot envelope and the ballot envelope must be securely resealed.

Sec. 11. Minnesota Statutes 1988, section 204B.46, is amended to read:

204B.46 [~~EXPERIMENTAL~~ MAIL ELECTIONS; *QUESTIONS.*]

~~Between August 1, 1987, and March 30, 1989, the secretary of state may authorize experimental mail elections. A county or, municipality, or school district submitting questions to the voters at a special election may apply to the secretary of state county auditor for approval of an election by mail with no polling place other than the office of the auditor or clerk. No more than two questions may be submitted at a mail election and no offices may be voted on. Notice of the election and the special mail procedure must be given at least six weeks prior to the election. No earlier than 20 or later than 18 days prior to the election, the auditor or clerk shall mail ballots by nonforwardable mail to all voters registered in the county or, municipality, or school district. Eligible voters not registered at the time the ballots are mailed may apply for ballots pursuant to chapter 203B. The Minnesota election law is applicable to experimental mail elections except as provided by this section or as authorized by the secretary of state. The secretary of state shall report to the legislature on implementation of this section.~~

Sec. 12. Minnesota Statutes 1988, section 204C.06, subdivision 1, is amended to read:

Subdivision 1. [~~LINGERING NEAR POLLING PLACE.~~] An individual shall be allowed to go to and from the polling place for the purpose of voting without unlawful interference. ~~No voters or other individuals shall congregate in any number within 100 feet of a polling place. No one, either inside a polling place or within 100 feet of the entrance to it, shall ask a voter how the voter intends to vote or has voted on any office or question on the ballot. No one except an election official or an individual who is waiting to register or to vote shall congregate in any number or stand within 50 100 feet of the entrance to a polling place.~~

Sec. 13. Minnesota Statutes 1988, section 204C.31, is amended by adding a subdivision to read:

Subd. 3. [DUTIES OF CANVASSING BOARDS.] The returns from every election held in this state must be reported to a legally constituted canvassing board. The duties of each canvassing board are limited to those duties specified in sections 204C.32 to 204C.39.

Sec. 14. Minnesota Statutes 1988, section 204C.35, subdivision 2, is amended to read:

*Subd. 2. [OPTIONAL RECOUNT.] A losing candidate for nomination or election to a legislative office or to a district, county or county municipal court judicial office may request a recount in a manner provided in this section at the candidate's own expense when the vote difference is greater than the difference required by this section. The votes shall be recounted as provided in this section if the candidate files a request during the time for filing notice of contest of the primary or election for which a recount is sought. The requesting candidate shall file with the filing officer a bond, cash or surety in an amount set by the filing officer for the payment of the recount expenses. *The requesting candidate is responsible for the following expenses: the compensation of the secretary of state, or designees, and any election judge, municipal clerk, county auditor, administrator, or other personnel who participate in the recount; the costs of computer operation, preparation of ballot counting equipment, necessary supplies and travel related to the recount; the compensation of the appropriate canvassing board and costs of preparing for the canvass of recount results; and any attorney fees incurred in connection with the recount by the governing body responsible for the recount.**

Sec. 15. Minnesota Statutes 1988, section 204C.36, is amended to read:

204C.36 [RECOUNTS IN COUNTY, SCHOOL DISTRICT, AND MUNICIPAL ELECTIONS.]

Subdivision 1. [REQUIRED RECOUNTS.] A losing candidate for nomination or election to a county, municipal, or school district office may request a recount of the votes cast for the nomination or election to that office if the difference between the vote cast for that candidate and for a winning candidate for nomination or election is:

(a) Five votes or less when the total vote cast for nomination or election to that office is 100 votes or less;

(b) Ten votes or less when the total vote cast for nomination or election to that office is more than 100 but not more than 500 votes;

(c) Twenty votes or less when the total vote cast for nomination or election to that office is more than 500 but not more than 2,000 votes;

(d) One percent of the votes or less when the total vote cast for nomination or election to that office is more than 2,000 but less than 10,000 votes; or

(e) One hundred votes or less when the total vote cast for nomination or election to that office is 10,000 votes or more.

Candidates for county offices shall file a written request for the recount with the county auditor. Candidates for municipal or school district offices shall file a written request with the municipal or school district clerk as appropriate. All requests shall be filed during the time for notice of contest of the primary or election for which a recount is sought.

Upon receipt of a request made pursuant to this section, the county auditor shall recount the votes for a county office at the expense of the county, the governing body of the municipality shall recount the votes for a municipal office at the expense of the municipality, and the school board of the school district shall recount the votes for a school district office at the expense of the school district.

Subd. 2. [DISCRETIONARY CANDIDATE RECOUNTS.] A losing candidate for nomination or election to a county, municipal, or school district office may request a recount in the manner provided in this section at the candidate's own expense when the vote difference is greater than the difference required by subdivision 1, clauses (a) to (e). The votes shall be recounted as provided in this section if the requesting candidate files with the county auditor, municipal clerk, or school district clerk a bond, cash, or surety in an amount set by the governing body of the jurisdiction or the school board of the school district for the payment of the recount expenses.

Subd. 3. [DISCRETIONARY BALLOT QUESTION RECOUNTS.] A recount may be conducted for a ballot question when the difference between the votes for and the votes against the question is less than or equal to the difference provided in subdivision 1, clauses (a) to (e). A recount may be requested by any person eligible to vote on the ballot question. A written request for a recount must be filed with the filing officer of the county, municipality, or school district placing the question on the ballot and must be accompanied by a petition containing the signatures of 25 voters eligible to vote on the question. If the difference between the votes for and the votes against the question is greater than the difference provided in subdivision 1, clauses (a) to (e), the person requesting the recount shall also file with the filing officer of the county, municipality, or school district a bond, cash, or surety in an amount set by the appropriate governing body for the payment of recount expenses. The written request, petition, and any bond, cash, or surety required must be filed during the time for notice of contest for the election for which the recount is requested.

Subd. 4. [EXPENSES.] In the case of a question, a person, or a candidate requesting a discretionary recount, is responsible for the following expenses: the compensation of the secretary of state, or designees, and any election judge, municipal clerk, county auditor, administrator, or other personnel who participate in the recount; the costs of computer operation, preparation of ballot counting equipment, necessary supplies and travel related to the recount; the compensation of the appropriate canvassing board and costs of preparing for the canvass of recount results; and any attorney fees incurred in connection with the recount by the governing body responsible for the recount.

Subd. 5. [NOTICE OF CONTEST.] Time for notice of contest of a nomination or election to a county office which is recounted pursuant to this section shall begin to run upon certification of the results of the recount by the county canvassing board. Time for notice of contest of a nomination or election to a municipal office which is recounted pursuant to this section shall begin to run upon certification of the results by the governing body of the municipality. Time for notice of contest of a school district election that is recounted under this subdivision begins to run on certification of the results of the recount by the school board.

Sec. 16. Minnesota Statutes 1988, section 204C.361, is amended to read:
204C.361 [RULES FOR RECOUNTS.]

The secretary of state shall adopt rules according to the Administrative Procedures Act establishing uniform recount procedures. All recounts provided for by sections 204C.35 ~~and~~, 204C.36, and 25 shall be conducted in accordance with these rules.

Sec. 17. Minnesota Statutes 1988, section 204D.08, subdivision 1, is amended to read:

Subdivision 1. [FORM.] Except as provided in this section, state primary ballots shall be printed in the same manner as state general election ballots as far as practicable. A sufficient number shall be printed for each precinct and ward in the state.

The secretary of state shall adopt rules for the format and preparation of the state primary ballot.

Sec. 18. Minnesota Statutes 1988, section 204D.23, is amended by adding a subdivision to read:

Subd. 5. [WITHDRAWAL OF CANDIDATES.] A candidate may withdraw from the special primary ballot by filing an affidavit of withdrawal with the same official who received the affidavit of candidacy. The affidavit of withdrawal must be filed no later than 5:00 p.m. of the day after the last day for filing affidavits of candidacy.

Sec. 19. Minnesota Statutes 1988, section 204D.27, subdivision 9, is amended to read:

Subd. 9. [CANVASS; SPECIAL LEGISLATIVE ELECTION; STATE CANVASSING BOARD.] Except as provided in subdivision 4, the state canvassing board shall complete its canvass of a special election for state senator or state representative and declare the results within ~~two~~ four days, excluding Sundays and legal holidays, after the returns of the county canvassing boards are certified to the secretary of state.

Sec. 20. Minnesota Statutes 1988, section 205.16, is amended by adding a subdivision to read:

Subd. 4. [NOTICE TO AUDITOR.] At least 30 days prior to every municipal election, the municipal clerk shall provide a written notice to the county auditor, including the date of the election and the offices and questions to be voted on at the election.

Sec. 21. Minnesota Statutes 1988, section 205A.07, is amended by adding a subdivision to read:

Subd. 3. [NOTICE TO AUDITOR.] At least 30 days prior to every school district election, the school district clerk shall provide a written notice to the county auditor of each county in which the school district is located. The notice must include the date of the election and the offices and questions to be voted on at the election.

Sec. 22. Minnesota Statutes 1988, section 205A.10, subdivision 2, is amended to read:

Subd. 2. [ELECTION, CONDUCT.] A school district election must be by secret ballot and must be held and the returns made in the manner provided for the state general election, as far as practicable. The vote totals from an absentee ballot ~~counting~~ board established pursuant to section 203B.13 may be tabulated and reported by the school district as a whole rather than by precinct. For school district elections not held in conjunction

with a statewide election, the school board shall appoint election judges as provided in section 204B.21, subdivision 2.

Sec. 23. Minnesota Statutes 1988, section 206.57, subdivision 1, is amended to read:

Subdivision 1. [EXAMINATION AND REPORT BY SECRETARY OF STATE; APPROVAL.] A vendor of a lever voting machine or electronic voting system may apply to the secretary of state to examine the machine or system and to report as to its compliance with the requirements of law and as to its accuracy, durability, efficiency, and capacity to register the will of voters. The secretary of state or a designee shall examine the machine or system submitted and file a report on it in the office of the secretary of state. Examination is not required of every individual machine or counting device, but only of each type of lever voting machine or electronic voting system before its adoption, use, or purchase and before its continued use after significant changes have been made in an approved machine or system. *The examination must include the ballot programming, vote counting, and vote accumulation functions of each voting machine or system.*

If the report of the secretary of state or the secretary's designee concludes that the kind of machine or system examined complies with the requirements of sections 206.55 to ~~206.87~~ 206.90 and can be used safely, the machine or system shall be deemed approved by the secretary of state, and may be adopted and purchased for use at elections in this state. A voting machine or system not approved by the secretary of state may not be used at an election in this state. The secretary of state may adopt permanent and emergency rules consistent with sections 206.55 to ~~206.87~~ 206.90 relating to the examination and use of voting machines and electronic voting systems.

Sec. 24. Minnesota Statutes 1988, section 206.66, is amended to read:
206.66 [VIOLATIONS; PENALTIES.]

Subdivision 1. [INJURING VOTING MACHINES.] An individual who intentionally injures or attempts to injure or render ineffectual a lever voting machine or any component of an electronic voting system, or who violates any of the provisions of sections 206.55 to ~~206.87~~ 206.90, is guilty of a felony.

Subd. 2. [VIOLATION OF LAW, RULES.] An individual who violates any rules adopted by the secretary of state or by the governing body of a municipality where lever voting machines or an electronic voting system are used, or who violates any of the provisions of sections 206.55 to ~~206.87~~ 206.90 is guilty of a gross misdemeanor.

Subd. 3. [PERFORMANCE BOND.] *A vendor of voting machines, electronic voting systems, or related election services shall furnish the secretary of state with a sufficient bond conditioned on the performance of those machines, systems, or services in accordance with the Minnesota election law and any contract or agreement made with an election jurisdiction in Minnesota. The vendor bond required under section 206.57, subdivision 4, may serve as the performance bond required under this subdivision. The secretary of state shall send notice of the receipt or forfeiture of a bond under this subdivision to each official on the user list.*

Sec. 25. [206.88] [PARTIAL RECOUNTS ON ELECTRONIC VOTING SYSTEMS.]

The secretary of state may conduct a recount to verify the accuracy of

vote counting and recording in one or more precincts in which an electronic voting system was used in the election. The results of the recount must be reported to the appropriate canvassing board. Time for notice of nomination, election, or contest for an office recounted pursuant to this section must begin upon certification of the results of the recount by the canvassing board.

Sec. 26. Minnesota Statutes 1988, section 206.90, subdivision 3, is amended to read:

Subd. 3. [AVAILABILITY OF PAPER BALLOTS.] For the purposes of section 206.63, "paper ballots" includes ballot cards which are voted by marking with a pencil or other writing instrument and on which are printed the names of candidates, office titles, party designation in a partisan primary or election, and a statement of any question accompanied by the words "Yes" and "No." At a state or county election where an optical scan voting system will be in use, the county auditor may provide ballot cards meeting the requirements of this section in lieu of paper ballots otherwise required to be prepared by the county auditor. *In an election jurisdiction where an optical scan voting system has been adopted, the election official may provide paper ballots prepared in the same format used for the voting system.*

Sec. 27. Minnesota Statutes 1988, section 209.021, subdivision 1, is amended to read:

Subdivision 1. [MANNER; TIME; CONTENTS.] Service of a notice of contest must be made in the same manner as the service of summons in civil actions. The notice of contest must specify the grounds on which the contest will be made. The contestant shall serve notice of the contest on the parties enumerated in this section. Notice must be served and filed within five days after the canvass is completed in the case of a primary or within seven days after the canvass is completed in the case of a *special or general election*; except that if a contest is based on a deliberate, serious, and material violation of the election laws which was discovered from the statements of receipts and disbursements required to be filed by candidates and committees, the action may be commenced and the notice served and filed within ten days after the filing of the statements in the case of a general election or within five days after the filing of the statements in the case of a primary. If a notice of contest questions only which party received the highest number of votes legally cast at the election, a contestee who loses may serve and file a notice of contest on any other ground during the three days following expiration of the time for appealing the decision on the vote count.

Sec. 28. Minnesota Statutes 1988, section 211A.02, subdivision 1, is amended to read:

Subdivision 1. [WHEN AND WHERE FILED BY COMMITTEES.] (a) A committee or a candidate who receives contributions or makes disbursements of more than \$750 in a calendar year shall submit an initial report to the filing officer within 14 days after the candidate or committee receives or makes disbursements of more than \$750 and shall continue to make *the reports listed in paragraph (b) until a final report is filed.*

(b) The committee or candidate must ~~also~~ file a report by January 31 of each year following the year when the initial report was filed. ~~In addition,~~ and in a year when the candidate's name or a ballot question appears on

the ballot, the candidate or committee shall file a report:

- (1) ten days before the primary or special primary;
- (2) ten days before the general election or special election; and
- (3) seven days before a special primary;
- (4) seven days before a special election; and
- (5) 30 days after a general or special election.

Sec. 29. Minnesota Statutes 1988, section 211A.05, subdivision 1, is amended to read:

Subdivision 1. [PENALTY.] A candidate who intentionally fails to file a report required by section 211A.02 is guilty of a misdemeanor. ~~A member~~ *The treasurer of a committee that formed to promote or defeat a ballot question who intentionally fails to file a report required by section 211A.02 is guilty of a misdemeanor. Each candidate or treasurer of a committee formed to promote or defeat a ballot question shall certify to the filing officer that all reports required by section 211A.02 have been submitted to the filing officer or that the candidate or committee has not received contributions or made disbursements exceeding \$750 in the calendar year. The certification shall be submitted to the filing officer no later than seven days after the general or special election. The secretary of state shall prepare blanks for this certification. An officer who issues a certificate of election to a candidate with knowledge that the candidate's financial statement has not been filed who has not certified that all reports required by section 211A.02 have been filed is guilty of a misdemeanor.*

Sec. 30. Minnesota Statutes 1988, section 211B.11, subdivision 1, is amended to read:

Subdivision 1. [SOLICITING NEAR POLLING PLACES.] A person may not display campaign material, post signs, ask, solicit, or in any manner try to induce or persuade a voter within a polling place or within 100 feet of the building in which a polling place is situated on primary or election day to vote for or refrain from voting for a candidate or ballot question. A person may not provide political badges, political buttons, or other political insignia to be worn at or about the polling place on the day of a primary or election. A political badge, political button, or other political insignia may not be worn at or about the polling place on primary or election day.

The secretary of state may distribute stickers to the county auditors which contain the words "I VOTED" and nothing more, and which have been donated to the state without cost. Any stickers of this type must be delivered to the county auditors at least 30 days prior to the election. Election judges may offer a sticker of this type to each voter who has signed the polling place roster.

Sec. 31. [REPEALER.]

Minnesota Statutes 1988, section 211B.11, subdivision 2, is repealed.

Sec. 32. [EFFECTIVE DATE.]

Sections 1 to 31 are effective the day following final enactment."

Delete the title and insert:

"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; clarifying provisions relating to reports and statements of the ethical practices board; imposing penalties; amending Minnesota Statutes 1988, sections 10A.02, subdivision 8; 203B.10; 203B.12, subdivisions 1 and 6; 203B.13; 204B.09, by adding a subdivision; 204B.27, by adding a subdivision; 204B.40; 204B.46; 204C.06, subdivision 1; 204C.31, by adding a subdivision; 204C.35, subdivision 2; 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; 205A.10, subdivision 2; 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."

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. 1353 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.
1353	1168				

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. 762 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.
762	666				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 762 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 762 and insert the language after the enacting clause of S.F. No. 666, the first engrossment; further, delete the title of H.F. No. 762 and insert the title of S.F. No. 666, the first engrossment.

And when so amended H.F. No. 762 will be identical to S.F. No. 666, and further recommends that H.F. No. 762 be given its second reading and substituted for S.F. No. 666, 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. 701 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.
				701	263

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 701 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 701 and insert the language after the enacting clause of S.F. No. 263, the first engrossment; further, delete the title of H.F. No. 701 and insert the title of S.F. No. 263, the first engrossment.

And when so amended H.F. No. 701 will be identical to S.F. No. 263, and further recommends that H.F. No. 701 be given its second reading and substituted for S.F. No. 263, 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. 1517 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.
1517	1373				

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.

SECOND READING OF SENATE BILLS

S.F. Nos. 1588, 830, 1369, 920, 512, 1563, 78, 1408, 1498, 1101, 811 and 1394 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 426, 695, 832, 343, 306, 141, 943, 931, 1421, 529, 1115, 942, 630, 1353, 762, 701 and 1517 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Marty moved that his name be stricken as a co-author to S.F. No. 263. The motion prevailed.

Mr. Morse moved that the name of Mr. Frederickson, D.J. be added as a co-author to S.F. No. 263. The motion prevailed.

Mr. Cohen moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1584. The motion prevailed.

Mr. Morse moved that the name of Mr. Purfeerst be added as a co-author to S.F. No. 1586. The motion prevailed.

Mr. Beckman moved that his name be stricken as chief author, and the name of Mr. Decker be added as chief author to S.F. No. 1379. 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. Pogemiller and Belanger introduced—

S.F. No. 1589: A bill for an act relating to taxation; income; providing an exception to partnership withholding provisions; amending Minnesota Statutes 1988, section 290.92, subdivision 4b, as added.

Referred to the Committee on Taxes and Tax Laws.

Mr. Peterson, R.W. introduced—

S.F. No. 1590: A bill for an act relating to data practices; authorizing the legislative auditor access to certain mental health data classified as not public; amending Minnesota Statutes 1988, section 13.46, subdivision 8.

Referred to the Committee on Judiciary.

Mr. Knaak introduced—

S.F. No. 1591: A bill for an act relating to commerce; creating a corporate emergency asset protection board; authorizing the board to acquire equity interests in certain corporations that are a subject of a hostile takeover; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 44B.

Referred to the Committee on Commerce.

Mr. Luther introduced—

S.F. No. 1592: A bill for an act relating to elections; providing for special elections to fill vacancies in city council offices; amending Minnesota Statutes 1988, section 412.02, subdivision 2a.

Referred to the Committee on Elections and Ethics.

Mr. Chmielewski introduced—

S.F. No. 1593: A bill for an act relating to retirement; authorizing purchase of prior service credit in the public employees retirement association by a

certain Aitkin county elected official.

Referred to the Committee on Governmental Operations.

ADJOURNMENT

Mr. Merriam moved that the Senate do now adjourn until 2:00 p.m., Monday, April 24, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

THIRTY-SEVENTH DAY

St. Paul, Minnesota, Monday, April 24, 1989

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

Prayer was offered by the Chaplain, Rev. Nathan Tuff.

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

Adkins	Dahl	Johnson, D.J.	Merriam	Purfeerst
Anderson	Davis	Knaak	Metzen	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	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
Brataas	Gustafson	McGowan	Peterson, R.W.	Vickerman
Chmielewski	Hughes	McQuaid	Piper	Waldorf
Cohen	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.

MEMBERS EXCUSED

Messrs. Frank and Larson were excused from the Session of today. Mr. Johnson, D.J. was excused from the Session of today at 2:50 p.m.

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. 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.

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

Delete everything after the enacting clause and insert:

“Section 1. [116C.91] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 5.

Subd. 2. [BOARD.] "Board" means the environmental quality board.

Subd. 3. [GENETIC ENGINEERING.] "Genetic engineering" means the introduction of new genetic material to an organism or the regrouping of an organism's genes using techniques or technology designed by humans. Genetic engineering does not include selective breeding or hybridization of nondirected mutagenesis.

Subd. 4. [GENETICALLY ENGINEERED ORGANISM.] "Genetically engineered organism" means an organism derived from genetic engineering.

Subd. 5. [ORGANISM.] "Organism" means an animal, plant, bacterium, cyanobacterium, fungus, protist, or virus.

Subd. 6. [RELEASE.] "Release" means the placement or use of a genetically engineered organism outside a contained laboratory, greenhouse, building, structure, or other similar facility or under any other conditions not specifically determined by the board to be adequately contained.

Sec. 2. [116C.92] [COORDINATION OF ACTIVITIES.]

The environmental quality board shall coordinate state and federal regulatory activities relating to genetically engineered organisms.

Sec. 3. [116C.93] [ADVISORY COMMITTEE.]

The board shall establish an advisory committee on genetically engineered organisms to provide advice at the request of the board on general issues involving genetic engineering and on issues relating to specific proposals, including the identification of research needed for adequate regulation of field trials.

Sec. 4. [116C.94] [RULES.]

Subdivision 1. [AUTHORITY.] (a) The board shall adopt rules consistent with sections 1 to 3 that require an environmental assessment worksheet for a proposed release and a permit for a release.

(b) The rules shall provide that a permit from the board is not required if the proposer can demonstrate to the board that a significant environmental permit is required for the proposal by another state agency.

(c) The board shall consult with local units of government and with private citizens before adopting any rules.

Subd. 2. [RULES MAY NOT AFFECT LIABILITY.] The board may not adopt rules affecting the liability under any other law for adverse effects resulting from activities relating to genetically engineered organisms.

Sec. 5. [APPROPRIATION.]

\$. . . . is appropriated to the chair of the environmental quality board to administer sections 1 to 4 to be available until July 1, 1991."

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. 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 takovers and stock accumulations having certain adverse effects and to permit certain state regulation.

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

Page 1, line 10, delete "takovers" and insert "takeovers"

Page 3, line 6, delete "coercering" and insert "coercing"

Page 4, lines 29, 32, and 35, delete "takovers" and insert "takeovers"

Page 5, line 17, after "President" insert "of the United States, the President"

Amend the title as follows:

Page 1, line 5, delete "takovers" and insert "takeovers"

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

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.

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.083, subdivision 5, is amended to read:

Subd. 5. [TAX COURT.] Salaries of judges of the tax court ~~shall be~~ *are* the same as the base salary for district judges as ~~provided in~~ *set under* section 15A.082, subdivision ~~4~~ 3.

Sec. 2. Minnesota Statutes 1988, section 15A.083, subdivision 7, is amended to read:

Subd. 7. [WORKERS' COMPENSATION COURT OF APPEALS AND COMPENSATION JUDGES.] Salaries of judges of the workers' compensation court of appeals ~~shall be~~ *are* 90 percent of the salary for district judges as ~~provided in~~ *set under* section 15A.082, subdivision ~~4~~ 3. Salaries of compensation judges ~~shall be~~ *are* 75 percent of the salary of district court judges as ~~provided in~~ *subdivision 4*. 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. 3. Minnesota Statutes 1988, section 43A.02, subdivision 33, is amended to read:

Subd. 33. [PROTECTED GROUPS.] "Protected groups" means females; ~~handicapped persons~~ *persons with disabilities*; members of the following minorities: Black, Hispanic, Asian or Pacific Islander, American Indian or Alaskan native; and, until 1989, veterans who served in the military service of this country during the period from August 5, 1964 to May 7, 1975, and separated under honorable conditions from any branch of the armed forces of the United States after having served on active duty for 181 consecutive days or because of disability incurred while serving on active duty and who are permanent residents of the state of Minnesota.

Sec. 4. Minnesota Statutes 1988, section 43A.04, subdivision 1, is amended to read:

Subdivision 1. [STATEWIDE LEADERSHIP] (a) The commissioner ~~shall be~~ *is* the chief personnel and labor relations manager of the civil service in the executive branch.

(~~a~~) Whenever any power or responsibility is given to the commissioner by any provision of Laws 1981, chapter 210, unless otherwise expressly provided, the power or authority ~~shall apply~~ *applies* to all employees of agencies in the executive branch and to employees in classified positions in the office of the legislative auditor, the Minnesota state retirement system, the public employees retirement association, and the teacher's retirement association. Unless otherwise provided by law, the power or authority ~~shall does~~ not apply to unclassified employees in the legislative and judicial branches.

(b) The commissioner shall operate an information system from which personnel data, as defined in section 13.43, concerning employees and applicants for positions in the classified service can be retrieved.

The commissioner ~~shall have~~ *has* access to all public and private personnel data kept by appointing authorities ~~which that~~ will aid in the discharge of the commissioner's duties.

(c) The commissioner may consider and investigate any matters concerned with the administration of provisions of Laws 1981, chapter 210, and may order any remedial actions consistent with law.

(d) *The commissioner has sole authority to settle state employee workers' compensation claims.*

(e) *The commissioner may assess all state entities for the costs of programs under section 15.46.*

Sec. 5. Minnesota Statutes 1988, section 43A.04, subdivision 3, is amended to read:

Subd. 3. [RULES.] The commissioner shall ~~promulgate~~ *adopt* rules ~~pur-~~ *suant to* under the administrative procedure act to implement the provisions of this chapter ~~which that~~ directly affect the rights of or processes available to the general public. The rules ~~shall~~ have the force and effect of law and ~~shall~~ may include but are not limited to:

(~~a~~) (1) the processes for determining the extent of competition for filling

vacancies, for recruiting applicants, for conducting competitive open examinations, for ranking candidates and maintaining competitive open eligible lists, and for certification and appointment of eligibles from competitive open eligible lists;

(b) (2) the process for effecting noncompetitive and qualifying appointments;

(c) (3) the process for temporary designation of positions in the unclassified service and for effecting appointments to the unclassified service;

(d) (4) a statewide affirmative action program to include requirements for agency affirmative action plans, statewide policies and procedures, reporting requirements, accountability and responsibility of employees in the executive branch, and overall objectives of the program;

(e) (5) conditions under which moving and other expenses may be authorized and paid prior to appointment to persons who have accepted state employment;

(f) (6) procedures for administration of the code of ethics for employees of the executive branch; and

(g) (7) examination procedures for candidates with ~~handicaps~~ disabilities as described in section 43A.10, subdivision 8-; and

(8) procedures or policies that affect the operation of or participation in the public employees insurance program.

Sec. 6. Minnesota Statutes 1988, section 43A.04, is amended by adding a subdivision to read:

Subd. 9. [EXPERIMENTAL OR RESEARCH PROJECTS.] The commissioner of employee relations may conduct experimental or research projects designed to improve recruitment, selection, referral, or appointment processes for the filling of state classified positions.

The commissioner shall meet and confer with the affected exclusive bargaining representative of state employees concerning the design and implementation of experimental and research projects under this subdivision.

Any provision in sections 43A.09 to 43A.15, associated personnel rules adopted under section 43A.04, subdivision 3, or administrative procedures established under section 43A.04, subdivision 4, is waived for the purposes of these projects. The number of appointments under this subdivision may not exceed five percent of the total number of appointments in the preceding fiscal year.

The commissioner shall report by September 1 to the legislative commission on employee relations the results of the experimental research projects conducted in the preceding fiscal year.

Sec. 7. Minnesota Statutes 1988, section 43A.10, subdivision 7, is amended to read:

Subd. 7. [EXAMINATION ACCOMMODATIONS.] Upon request, the commissioner shall provide examination accommodations to a candidate with a ~~handicap~~ disability that does not prevent performance of the duties of the class. The accommodations ~~shall~~ must provide an opportunity to fairly examine the ability of the candidate to perform the duties of the class notwithstanding the ~~handicap~~ disability but ~~shall~~ must preserve, to the

extent feasible, the validity of the examination process and equitable comparison of examination scores with competitors without ~~handicaps~~ disabilities.

Sec. 8. Minnesota Statutes 1988, section 43A.10, subdivision 8, is amended to read:

Subd. 8. [~~ELIGIBILITY FOR QUALIFIED HANDICAPPED DISABLED EXAMINATIONS.~~] The commissioner shall establish examination procedures for candidates whose ~~handicaps~~ disabilities are of such a severe nature that the candidates are unable to demonstrate their abilities in competitive examination processes. The examination procedures ~~shall~~ *must* consist of up to 700 hours on-the-job trial work experience which will be in lieu of a competitive examination and for which the disabled person has the option of being paid or unpaid. Up to three persons with severe disabilities and their job coach ~~shall~~ *may* be allowed to demonstrate their job competence as a unit through the on-the-job trial work experience examination procedure. This work experience ~~shall~~ *must* be limited to candidates for appointment, promotion, or transfer who have a physical or mental impairment for which there is no reasonable accommodation in the examination process. Implementation of provisions of this subdivision ~~shall~~ *may* not be deemed a violation of other provisions of Laws 1981, chapter 210 or 363.

Sec. 9. Minnesota Statutes 1988, section 43A.12, subdivision 5, is amended to read:

Subd. 5. [~~QUALIFIED HANDICAPPED DISABLED LISTS.~~] On qualified ~~handicapped~~ disabled lists eligibles ~~shall~~ *must* be ranked in alphabetical order.

Sec. 10. Minnesota Statutes 1988, section 43A.13, subdivision 4, is amended to read:

Subd. 4. [~~COMPETITIVE OPEN.~~] (a) For positions to be filled by competitive open examination, the commissioner shall certify the first 20 eligibles on the list plus those eligibles having the same score as the 20th eligible certified.

(b) When the position to be filled by competitive open examination is in a class for which the initially established eligible list contained the names of more than 200 eligibles and that list has existed for more than 12 months and been referred to more than ten vacancies, the commissioner shall certify the first 40 eligibles on the list plus those eligibles having the same score as the 40th eligible certified.

Sec. 11. Minnesota Statutes 1988, section 43A.13, subdivision 5, is amended to read:

Subd. 5. [~~COMPETITIVE PROMOTIONAL.~~] For positions to be filled by competitive promotional examination *limited to employees of one or more agencies or organizational units*, the commissioner shall certify the first ten eligibles on the list plus those eligibles having the same score as the tenth eligible certified. *For positions to be filled by competitive promotional examination extended to all employees of the civil service, the commissioner shall certify the first 20 eligibles on the list, plus those eligibles having the same score as the 20th eligible certified.*

Sec. 12. Minnesota Statutes 1988, section 43A.13, subdivision 6, is amended to read:

Subd. 6. [~~QUALIFIED HANDICAPPED DISABLED.~~] For a position to be filled by qualified ~~handicapped disabled~~ examination, the commissioner shall certify only the one eligible who has successfully completed the examination processes provided in section 43A.10, subdivision 8 for the position.

Sec. 13. Minnesota Statutes 1988, section 43A.13, subdivision 7, is amended to read:

Subd. 7. [EXPANDED CERTIFICATION.] When the commissioner determines that a disparity as defined in rules exists between an agency's work force and its affirmative action plan approved in accordance with section 43A.19, the commissioner shall ensure to the extent possible that eligibles who are members of the protected groups for which the disparity exists are certified for appointment. When fewer than two eligibles of each protected group for which a disparity has been determined to exist would be certified under subdivisions 4 and 5, the commissioner shall certify two eligibles from each protected group for which a disparity exists *or four from each group for which a disparity exists if the number of names referred has been increased under subdivision 4, paragraph (b).* Implementation of this subdivision shall not be deemed a violation of other provisions of Laws 1981, chapter 210 or 363.

Sec. 14. Minnesota Statutes 1988, section 43A.15, subdivision 10, is amended to read:

Subd. 10. [ROUTINE SERVICE AND ENTRY CLERICAL APPOINTMENTS.] The commissioner may authorize the administration of a qualifying selection process if a class is of a routine, service nature involving unskilled tasks, the performance of which cannot be directly related to qualifications beyond a minimum competency level. ~~Appointing authorities may consider any candidate found so qualified for probationary appointment to such a position.~~ *The commissioner may also authorize the administration of qualifying skill tests for entry level clerical positions as an alternative to certification from an eligible list as provided in section 43A.13.*

Sec. 15. Minnesota Statutes 1988, section 43A.17, subdivision 1, is amended to read:

Subdivision 1. [SALARY LIMITS.] As used in subdivisions 1 to 8 9, "salary" means hourly, monthly, or annual rate of pay including any lump-sum payments and cost-of-living adjustment increases but excluding payments due to overtime worked, shift or equipment differentials, work out of class as required by collective bargaining agreements or plans established under section 43A.18, and back pay on reallocation or other payments related to the hours or conditions under which work is performed rather than to the salary range or rate to which a class is assigned.

The salary, as established in section 15A.081, of the head of a state agency in the executive branch is the upper limit of compensation in the agency. The salary of the commissioner of labor and industry is the upper limit of compensation of employees in the bureau of mediation services. However, if an agency head is assigned a salary that is lower than the current salary of another agency employee, the employee retains the salary, but may not receive an increase in salary as long as the salary is above that of the agency head. The commissioner may grant exemptions from these upper limits as provided in subdivisions 3 and 4.

Sec. 16. Minnesota Statutes 1988, section 43A.18, subdivision 4, is amended to read:

Subd. 4. [PLANS NOT ESTABLISHED BUT APPROVED BY COMMISSIONER.] Notwithstanding any other law to the contrary, total compensation for employees listed in this subdivision ~~shall~~ *must* be set by appointing authorities within the limits of compensation plans that have been approved by the commissioner before becoming effective. *Compensation plans established under paragraphs (b), (c), and (d) must be approved by the legislature and the legislative commission on employee relations under subdivision 2 before becoming effective.*

(a) Total compensation for employees who are not covered by a collective bargaining agreement in the offices of the governor, lieutenant governor, attorney general, secretary of state, state auditor, and state treasurer ~~shall~~ *must* be determined by the governor, lieutenant governor, attorney general, secretary of state, state auditor and state treasurer, respectively.

(b) Total compensation for unclassified positions pursuant to section 43A.08, subdivision 1, clause ~~(h)~~ *(i)*, ~~in the higher education coordinating board, and in the state board of vocational technical education shall in the state universities and the community colleges not covered by a collective bargaining agreement must be determined by the state university board and the state board for community colleges, the higher education coordinating board, and the state board of vocational technical education,~~ respectively.

(c) Total compensation for classified administrative law judges in the office of administrative hearings ~~shall~~ *must* be determined by the chief administrative law judge.

(d) Total compensation for unclassified positions not covered by a collective bargaining agreement in the higher education coordinating board and in the state board of vocational technical education must be determined by the higher education coordinating board and the state board of vocational technical education, respectively.

(e) Total compensation for employees of the state agricultural society, the world trade center corporation, the greater Minnesota corporation, and the Minnesota state high school league must be set by the state agricultural society, the world trade center corporation board of directors, the greater Minnesota corporation board of directors, and the governing board of the Minnesota state high school league, respectively.

Sec. 17. Minnesota Statutes 1988, section 43A.18, subdivision 5, is amended to read:

Subd. 5. [GOVERNOR TO RECOMMEND CERTAIN SALARIES.] (a) The governor shall, by July 1 of each odd-numbered year, submit to the legislative commission on employee relations recommendations for salaries within the salary range for the positions listed in section 15A.081, subdivisions 1 and 7. The governor may also propose additions or deletions of positions from those listed.

~~(a)~~ (b) Before submitting the recommendations, the governor shall consult with the commissioner of administration, the commissioner of finance, and the commissioner of employee relations concerning the recommendations.

~~(b)~~ (c) In making recommendations, the governor shall consider ~~only~~ the criteria established in subdivision 8 and ~~may not~~ *shall* take into account

performance of individual incumbents. The governor shall establish an objective system for quantifying knowledge, abilities, duties, responsibilities, and accountabilities and in determining recommendations rate each position by this system.

(e) Before the governor's recommended salaries take effect, the recommendations must be reviewed and approved, rejected, or modified by the legislative commission on employee relations and the legislature in the same manner as provided for the commissioner's plan in subdivision 2. The governor may also at any time propose changes in the salary rate of any positions covered by this subdivision, which must be submitted and approved in the same manner as provided in this subdivision.

(d) (e) The governor shall set the initial salary of a head of a new agency or a chair of a new metropolitan board or commission whose salary is not specifically prescribed by law after consultation with the commissioner, whose recommendation is advisory only. The amount of the new salary must be comparable to the salary of an agency head or commission chair having similar duties and responsibilities.

(e) (f) The salary of a newly appointed head of an agency or chair of a metropolitan agency listed in section 15A.081, subdivision 1 or 7, may be increased or decreased by the governor from the salary previously set for that position within 30 days of the new appointment after consultation with the commissioner. If the governor increases a salary under this paragraph, the governor shall submit the new salary to the legislative commission on employee relations and the full legislature for approval, modification, or rejection in the manner provided in section 43A.18, subdivision 2. If the legislature rejects an increased salary or adjourns without action during the following legislative session, the salary for the position reverts to the level in effect before the governor proposed the change.

Sec. 18. Minnesota Statutes 1988, section 43A.191, subdivision 2, is amended to read:

Subd. 2. [AGENCY AFFIRMATIVE ACTION PLANS.] (a) The head of each agency in the executive branch shall prepare and implement an agency affirmative action plan consistent with this section and rules issued under section 43A.04, subdivision 3.

(b) The agency plan must include a plan for the provision of reasonable accommodation in the hiring and promotion of qualified ~~handicapped~~ *disabled* persons. The reasonable accommodation plan ~~shall~~ *must* consist of at least the following:

(1) procedures for compliance with section 363.03 and, where appropriate, regulations implementing United States Code, title 29, section 794, as amended through December 31, 1984, which is section 504 of the Rehabilitation Act of 1973, as amended;

(2) methods and procedures for providing reasonable accommodation for ~~handicapped~~ *disabled* job applicants, current employees, and employees seeking promotion; and

(3) provisions for funding reasonable accommodations.

(c) The agency plan must be prepared by the agency head with the assistance of the agency affirmative action officer and the director of equal employment opportunity. The council on disability shall provide assistance with the agency reasonable accommodation plan.

(d) An agency affirmative action plan may not be implemented without the commissioner's approval.

Sec. 19. Minnesota Statutes 1988, section 43A.191, subdivision 3, is amended to read:

Subd. 3. [SANCTIONS AND INCENTIVES.] (a) The director of equal employment opportunity shall annually audit the record of each agency to determine the rate of compliance with annual hiring goals of each goal unit and to evaluate the agency's overall progress toward its affirmative action goals and objectives.

(b) By March 1 of each year, the commissioner shall submit a report on affirmative action progress of each agency and the state as a whole to the governor and to the finance committee of the senate, the appropriations committee of the house of representatives, the governmental operations committees of both houses of the legislature, and the legislative commission on employee relations. The report must include noncompetitive appointments made under section 43A.08, subdivision 2a, or 43A.15, *subdivisions 3 to 13*, and cover each agency's rate of compliance with annual hiring goals. In addition, any agency that has not met its affirmative action hiring goals, that fails to make an affirmative action hire, or fails to justify its nonaffirmative action hire in 25 percent or more of the appointments made in the previous calendar year must be designated in the report as an agency not in compliance with affirmative action requirements.

(c) The commissioner shall study methods to improve the performance of agencies not in compliance with affirmative action requirements.

(d) The commissioner shall establish a program to recognize agencies that have made significant and measurable progress toward achieving affirmative action objectives.

Sec. 20. Minnesota Statutes 1988, section 43A.27, subdivision 4, is amended to read:

Subd. 4. [RETIRED JUDGES; FORMER LEGISLATORS.] A ~~(a)~~ Retired judge ~~judges~~ or a former legislator ~~legislators~~ may elect to purchase coverage for themselves or their dependents at their own expense as provided ~~below~~ in paragraphs (b) and (c).

~~(a)~~ (b) A retired judge of the state supreme court, the court of appeals, a district court, a county court, a county municipal court, or a probate court may elect to purchase coverage provided persons listed in section 43A.24, subdivision 2, clause (c); ~~provided that the retired judge exercises this option within 30 days of the effective date of retirement; or.~~ The commissioner shall notify judges no later than the effective date of their retirement of their right to exercise the option provided in this subdivision. A retired judge must notify the commissioner or designee of the commissioner within 30 days after the effective date of retirement if the judge intends to exercise the option.

~~(b)~~ (c) A former member of the legislature may elect to purchase coverage provided persons listed in section 43A.24, subdivision 2, clause (a).

Sec. 21. Minnesota Statutes 1988, section 43A.316, subdivision 5, is amended to read:

Subd. 5. [PUBLIC EMPLOYEE PARTICIPATION.] Participation in the plan is subject to the conditions in this subdivision.

(a) Each exclusive representative for an eligible employer determines whether the employees it represents shall participate in the plan. The exclusive representative ~~must~~ shall give the employer notice of intent to participate at least 90 days before the *originally stated* expiration date of the collective bargaining agreement *in force* preceding the collective bargaining agreement that covers the date of entry into the plan. The exclusive representative and the eligible employer shall give notice to the commissioner of the determination to participate in the plan at least 90 days prior to entry into the plan. Entry into the plan ~~shall~~ must be according to a schedule established by the commissioner.

(b) Employees not represented by exclusive representatives may become members of the plan upon a determination of an eligible employer to include these employees in the plan. Either all or none of the employer's unrepresented employees must participate. The eligible employer shall give at least 90 days' notice to the commissioner prior to entering the plan. Entry into the plan ~~shall~~ must be according to a schedule established by the commissioner.

(c) Participation in the plan ~~shall~~ must be for a three-year term if coverage begins in an even-numbered year and a four-year term if coverage begins in an odd-numbered year. Participation is automatically renewed for an additional four-year term unless the exclusive representative, or the employer for unrepresented employees, gives the commissioner notice of withdrawal at least 90 days prior to expiration of the participation period. A group that withdraws must wait two years before rejoining. An exclusive representative, or employer for unrepresented employees, may also withdraw if premiums increase 50 percent or more from one insurance year to the next.

(d) The exclusive representative shall give the employer notice of intent to withdraw to the commissioner at least 90 days before the *originally stated* expiration date of ~~a~~ the collective bargaining agreement that includes the date on which the term of participation expires.

(e) Each participating eligible employer shall notify the commissioner of names of individuals who will be participating within two weeks of the commissioner receiving notice of the parties' intent to participate. The employer ~~must~~ shall also submit other information as required by the commissioner for administration of the plan.

Sec. 22. Minnesota Statutes 1988, section 43A.37, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATION.] Neither the commissioner of finance nor any other fiscal officer of this state ~~shall~~ may draw, sign, or issue, or authorize the drawing, signing, or issuing of any warrant on the treasurer or other disbursing officer of the state, nor ~~shall~~ may the treasurer or other disbursing officer of the state pay any salary or compensation to any person in the civil service, unless a payroll register for the salary or compensation containing the name of every person to be paid ~~shall bear~~ bears the certificate of the commissioner that the persons named in the payroll register have been appointed, as required by law, rules, or administrative procedures and that the salary or compensation is within the compensation plan fixed ~~pursuant to~~ by law. The appointing authority shall certify that all employees named in the payroll register are performing service as required by law. This provision ~~shall~~ does not apply to positions defined in section 43A.08, subdivision 1, clauses ~~(g)~~, (h), (i), (j), and ~~(k)~~ (l). Employees to whom this subdivision does not apply may be paid on the state's payroll system,

and the appointing authority or fiscal officer submitting their payroll register ~~shall be~~ *is* responsible for the accuracy and legality of the payments.

Salary or compensation claims presented against existing appropriations, which have been deemed in violation of the provisions of this subdivision, may be certified for payment if, upon investigation, the commissioner determines the personal services for which payment is claimed actually have been rendered in good faith without collusion and without intent to defraud.

Sec. 23. Minnesota Statutes 1988, section 176.421, is amended by adding a subdivision to read:

Subd. 6a. [TIME LIMIT FOR DECISION.] The court shall issue a decision in each case within 90 days after certification of the record to the court by the chief administrative law judge, the filing of a cross-appeal, oral argument, or a final submission of briefs or memoranda by the parties, whichever is latest. No part of the salary of a workers' compensation court of appeals judge may be paid unless the judge, upon accepting the payment, certifies that decisions in cases in which the judge has participated have been issued within the time limits prescribed by this subdivision.

Sec. 24. Minnesota Statutes 1988, section 299D.03, subdivision 7, is amended to read:

Subd. 7. [DISCHARGE OF TROOPER.] ~~Every~~ A person employed and designated as a state trooper under ~~and pursuant to the provisions of~~ this section, after ~~six months of continuous employment~~ completing a probationary period, ~~shall continue~~ continues in service and ~~hold~~ holds the position without demotion, until suspended, demoted, or discharged in the manner ~~hereinafter~~ provided in subdivisions 9 to 11 for one or more of the causes specified ~~herein~~ in subdivision 8. The probationary period is six months of continuous employment or another period of continuous employment, of no less than six months and no more than two years, to be determined by the commissioner of employee relations and the exclusive representative of the troopers through collective bargaining.

Sec. 25. [RETIRED JUDGES; OPTION TO PURCHASE INSURANCE.]

The following judges may exercise the option provided in section 20 within 30 days after the effective date of that section:

(1) judges who retired before July 1, 1981; and

(2) judges who retired after July 1, 1981, but who were not notified of the option available under Minnesota Statutes, section 43A.27, subdivision 4.

Sec. 26. [RATIFICATIONS.]

Subdivision 1. [RESIDENTIAL SCHOOLS.] The labor agreement between the state of Minnesota and the state residential schools education association, approved by the legislative commission on employee relations on October 11, 1988, is ratified.

Subd. 2. [HIGHER EDUCATION.] The salaries for the chancellor of the state university system, the chancellor of the community college system, the director of vocational technical education, and the executive director of the higher education coordinating board, approved by the legislative commission on employee relations on December 20, 1988, are ratified.

Subd. 3. [OTHER POSITIONS.] The salary plan for positions listed in

Minnesota Statutes, section 15A.081, approved by the legislative commission on employee relations on December 20, 1988, is ratified.

Sec. 27. [REVENUE SALARY.]

Effective July 1, 1989, the salary of the commissioner of revenue is \$77,173 until modified under Minnesota Statutes, section 43A.18, subdivision 5.

Sec. 28. [REPEALER.]

Minnesota Statutes 1988, section 43A.081, subdivisions 1, 2, and 5, are repealed.

Sec. 29. [EFFECTIVE DATES.]

Sections 1, 2, 15, and 17 are effective July 1, 1989. Sections 22 and 24 to 26 are effective the day following final enactment. Section 23 is effective August 1, 1990."

Delete the title and insert:

"A bill for an act relating to state government; regulating state employment practices; regulating the setting of certain salaries; authorizing an alternative procedure for discharges of state troopers; ratifying certain salaries; amending Minnesota Statutes 1988, sections 15A.083, subdivisions 5 and 7; 43A.02, subdivision 33; 43A.04, subdivisions 1 and 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.17, subdivision 1; 43A.18, subdivisions 4 and 5; 43A.191, subdivisions 2 and 3; 43A.27, subdivision 4; 43A.316, subdivision 5; 43A.37, subdivision 1; 176.421, by adding a subdivision; and 299D.03, subdivision 7; repealing Minnesota Statutes 1988, section 43A.081, subdivisions 1, 2, and 5."

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. 745: A bill for an act relating to human services; 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; 257.55, subdivision 1; 257.62, subdivision 5; 518.54, subdivision 6; 518.551, subdivision 10; 518.611, subdivision 4; and 518.613; repealing Minnesota Statutes 1988, section 518.613, subdivision 5.

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

Page 2, lines 35 and 36, delete the new language

Page 3, line 8, delete "*completed in a laboratory*"

Page 3, line 9, delete everything before "*indicate*"

Page 7, line 12, delete "*to be used by all*"

Page 7, line 13, delete "*Minnesota courts*"

Page 7, lines 31 and 33, delete "*May*" and insert "*November*"

Page 8, line 11, delete "*one of the parties demonstrates, and*"

Page 8, line 12, delete the comma

Page 8, line 29, delete everything after "*maintenance*"

Page 8, line 30, delete "*exceed \$5*"

Amend the title as follows:

Page 1, lines 8 and 9, delete "15A.083, by adding a subdivision;"

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

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

S.F. No. 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.

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

Page 12, line 1, delete the first "*and*"

Page 12, line 2, after "*time*" insert "*; and other benefits*" and after "*county*" insert "*for similarly situated employees under the terms of a collective bargaining agreement or personnel policy.*"

Page 12, line 5, after "*association*" insert "*or the Minneapolis employees retirement fund*"

Page 12, line 10, after the period, insert "*The state shall make the employer contribution to the public employees retirement association or the Minneapolis employees retirement fund on behalf of employees who make an election under clause (2).*"

Page 13, line 4, strike "*, except the fourth judicial district,*"

Page 17, line 16, before "*and*" insert "*within the range established under section 7, as provided in the judicial branch personnel rules.*"

Page 17, after line 17, insert:

"Sec. 20. Minnesota Statutes 1988, section 488A.119, is amended to read:

488A.119 [BAILIFFS, AND DEPUTY COURT ADMINISTRATORS AND LAW CLERKS; APPOINTMENT, TENURE; OATH AND BOND; SALARIES.]

A majority of the judges may appoint an individual or individuals to perform the function of court room bailiff, or deputy court administrator and law clerk or any combination thereof. The appointment may be terminated by a majority of the judges without hearing or notice. A majority of the judges may establish requirements as to oath and bond. The salary or salaries of said individual or individuals shall be set by the Hennepin county board of commissioners and shall be paid by the Hennepin county treasurer."

Page 18, line 4, after the period, insert "*The supreme court shall also study practices regarding legal counsel for juveniles and make recommendations to the legislature by December 31, 1990.*"

Page 18, line 13, delete "19" and insert "20"

Page 18, line 14, delete "23" and insert "24"

Page 18, line 17, delete "20" and insert "21"

Renumber the sections of article 1 in sequence

Page 19, line 7, delete "*second,*" and after "*third*" delete the comma

Page 19, line 8, before "*fourth*" insert "*second,*"

Page 20, line 2, delete "1991" and insert "1992"

Amend the title as follows:

Page 1, line 20, before "and" insert "488A.119;"

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 referred

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.

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 325E.045, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Degradable" means capable of being decomposed by natural biological processes, including exposure to ultraviolet rays of the sun, within five years after the date of disposal.

(b) "Person" means an individual, partnership, corporation, sole proprietorship, association, or other for-profit or nonprofit organization, including the state and its political subdivisions.

(c) "Polyethylene disposal bag" means a bag made of polyethylene that is used or intended to be used for disposal of mixed municipal solid waste as defined in section 115A.03.

(d) "Polyethylene beverage ring" means a device made of polyethylene that is used or intended to be used to hold beverage bottles or other beverage containers together.

(e) "Public agency" means the state, an office, agency, or institution of the state, a county, a statutory or home rule charter city, a town, a school district, or another special taxing district.

(f) "Yard waste" has the meaning given in section 115A.931, paragraph (b), and includes garden wastes, leaves, lawn cuttings, weeds, and prunings.

Sec. 2. Minnesota Statutes 1988, section 325E.045, is amended by adding a subdivision to read:

Subd. 5. [CRITERIA ESTABLISHED.] The commissioner of agriculture must establish criteria and implement processes to certify that the products required by this section to be degradable:

(1) are degradable under conditions typical of a program or facility for composting or cocomposting; and

(2) contain only food grade components as defined by the United States Food and Drug Administration and are listed as approved for food contact in Code of Federal Regulations, title 21, section 175.300 (1988).

Sec. 3. Minnesota Statutes 1988, section 325E.045, is amended by adding a subdivision to read:

Subd. 6. [DEGRADABLE YARD WASTE BAGS REQUIRED FOR COMPOSTING.] A person may not dispose of yard waste in a facility or program for composting or cocomposting unless the disposal bags are degradable as defined in subdivision 1.

Sec. 4. [EFFECTIVE DATE.]

Section 3 is effective 12 months after the commissioner of agriculture certifies under section 2 that products meeting the standards of degradability are commercially available."

Amend the title as follows:

Page 1, line 3, delete "requiring a minimum"

Page 1, delete line 4

Page 1, line 5, delete "containers;"

Page 1, line 6, delete "a subdivision" and insert "subdivisions"

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. Davis from the Committee on Agriculture and Rural Development, to which was referred

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.

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

Delete everything after the enacting clause and insert:

“Section 1. [41B.0395] [AGRICULTURAL LANDLORD RENTAL INCENTIVE PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The authority shall establish, develop criteria for, and administer an agricultural landlord rental incentive program to encourage owners of farmland to help beginning farmers enter farming.

Subd. 2. [ELIGIBILITY.] (a) An owner of farmland is eligible to participate in the agricultural landlord rental incentive program if the owner rents the land to a farmer who:

(1) is a resident of Minnesota or a domestic family farm corporation, as defined in section 500.24, subdivision 2;

(2) is the principal operator of the farm;

(3) has not previously received assistance under chapter 41 or sections 41B.01 to 41B.23;

(4) has sufficient education, training, or experience in the type of farming to be undertaken on the rented farmland;

(5) has a total net worth, including assets and liabilities of the renter's spouse and dependents, of less than \$100,000;

(6) shows an ability to pay the rent;

(7) shows that the agricultural land to be rented will be used for agricultural purposes;

(8) shows that farming will be the principal occupation of the renter;

(9) agrees to participate in a farm management program approved by the commissioner of agriculture for at least the first five years of the tenancy;

(10) agrees to implement an approved soil and water conservation plan on the farm;

(11) is not related to the landlord within the second degree of kindred according to common law; and

(12) does not own more than 80 acres of agricultural land.

(b) A renter may not participate in the program under this section for more than five years.

Subd. 3. [RESTRICTIONS ON MARGINAL LAND.] (a) The owner must agree to place all marginal land of United States Department of Agriculture capability classes VI to VIII in a permanent conservation easement under section 40.43. The commissioner of agriculture may compensate the landowner for the easement under section 40.43, subdivision 6, but is not required to do so.

(b) The owner must agree to reduce the amount of rent by the amount paid to the landowner under subdivision 4. The reduction may be by reduction of the lease payments or other stated value that is given to the renter to reflect a subtraction from the prevailing county rental rate according to the most recent determination by the University of Minnesota.

Subd. 4. [PAYMENT TO LANDOWNER.] After approving an application by an eligible owner of land, the authority shall pay the landowner 20 percent of the gross property tax on up to 320 acres, but not more than \$1,000.

Sec. 2. [APPROPRIATION.]

\$500,000 is appropriated from the general fund to the rural finance authority for the biennium ending June 30, 1991, for the purposes of section 1."

Amend the title as follows:

Page 1, line 5, delete everything after the semicolon

Page 1, line 6, delete "certain unclaimed property;"

Page 1, delete line 7

Page 1, line 8, delete "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

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.

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

Page 1, after line 8, insert:

"Section 1. [97A.037] [HUNTER AND ANGLER HARASSMENT PROHIBITED.]

Subdivision 1. [INTERFERENCE WITH TAKING WILD ANIMALS PROHIBITED.] A person who has the intent to prevent or disrupt the taking of a wild animal may not disturb or interfere with another person who is lawfully taking a wild animal or preparing to take a wild animal.

Subd. 2. [DISTURBING WILD ANIMALS PROHIBITED.] A person who has the intent to prevent or disrupt a person from lawfully taking the animals may not disturb or engage in an activity that will tend to disturb wild animals.

Sec. 2. Minnesota Statutes 1988, section 97A.065, is amended by adding a subdivision to read:

Subd. 5. [RESTITUTION FOR WILD ANIMALS.] Money collected from restitution under section 3 or civil penalties under section 4 for wild animals killed or injured in violation of the game and fish laws must be

used by the commissioner for replacement, propagation, or protection of wild animals.

Sec. 3. [97A.341] [RESTITUTION FOR WILD ANIMALS ILLEGALLY TAKEN.]

Subdivision 1. [LIABILITY FOR RESTITUTION.] (a) A person that kills or injures a wild animal in violation of the game and fish laws is liable to the state for the value of the wild animal as provided in this section.

(b) For purposes of this section, illegal possession of a wild animal in excess of the limit is prima facie evidence that the wild animal in excess of the limit was killed in violation of the game and fish laws.

Subd. 2. [ARREST AND CHARGING PROCEDURE.] (a) An enforcement officer making an arrest for a violation that involves a wild animal that was killed or injured in violation of the game and fish laws must describe the number and species of wild animals illegally killed, injured, or possessed in excess of the limit on the warrant or the notice to appear in court.

(b) As part of the charge against a person arrested for killing or injuring a wild animal in violation of the game and fish laws, the prosecuting attorney may include a demand that restitution be made to the state for the value of the wild animal killed or injured. A demand for restitution is in addition to the criminal penalties for the violation.

Subd. 3. [COURT DETERMINATION.] (a) If a person is convicted of killing or injuring a wild animal in violation of the game and fish laws, the court may require the person to pay restitution to the state for replacement of the wild animal as part of the sentence. The court shall state a reason or reasons for failure to impose restitution.

(b) In lieu of paying restitution, the court may consider the economic circumstances of the convicted person and order the person to perform conservation work representing the amount of restitution that will aid the propagation of wild animals.

(c) The court administrator must send a copy of the court order to the commissioner.

Subd. 4. [AMOUNT OF RESTITUTION.] The amount of restitution shall be determined by the court by a preponderance of the evidence. In determining the amount of restitution, the court must consider the value of the wild animal under section 5.

Subd. 5. [RESTITUTION CREDITED TO GAME AND FISH FUND.] Restitution collected under this section must be deposited in the state treasury and credited to the game and fish fund.

Subd. 6. [RESTITUTION DOES NOT BAR CIVIL REMEDIES.] The provision for restitution under this section does not bar the state from other civil actions and remedies.

Sec. 4. [97A.345] [CIVIL PENALTY FOR VIOLATIONS RELATING TO WILD ANIMALS KILLED OR INJURED.]

Subdivision 1. [CIVIL PENALTY.] (a) A person that kills or injures a wild animal in a manner prohibited by the game and fish laws is subject to a civil penalty for the value of the wild animal killed or injured.

(b) Illegal possession of a wild animal in excess of the limit is prima facie evidence that the wild animal was killed or injured in violation of the game and fish laws.

Subd. 2. [CIVIL ACTION.] (a) The commissioner may bring a civil action to impose the civil penalty. In determining the amount of the penalty, the court must consider the value of the wild animal under section 5.

(b) An order for a civil penalty shall be docketed as a civil judgment by the court administrator.

(c) In lieu of paying a civil penalty, the court may consider the economic circumstances of the person subject to the penalty and order the person to perform conservation work representing the amount of the civil penalty that will aid the propagation of wild animals.

Subd. 3. [ENFORCEMENT OF PENALTY.] The commissioner or the attorney general, at the commissioner's request, may enforce the order for the civil penalty in the same manner as a judgment in a civil action.

Subd. 4. [PENALTY CREDITED TO GAME AND FISH FUND.] Civil penalties collected under this section shall be deposited in the state treasury and credited to the game and fish fund.

Sec. 5. [97A.351] [RESTITUTION VALUE OF WILD ANIMALS.]

(a) The commissioner may, by rules adopted under chapter 14, prescribe the value to the state, in dollars, of species of wild animals. The value may reflect the value to other persons to legally take the wild animal, the replacement cost, or the intrinsic value to the state of the wild animals. Species of wild animals with similar values may be grouped together.

(b) The value of a wild animal under the rules adopted by the commissioner is prima facie evidence of a wild animal's value under sections 3 and 4.

(c) The commissioner shall report annually to the legislature the amount collected under sections 3 and 4 and the manner in which the collections were spent.

Sec. 6. Minnesota Statutes 1988, section 97A.401, subdivision 4, is amended to read:

Subd. 4. [TAKING WILD ANIMALS FROM GAME REFUGES AND WILDLIFE MANAGEMENT, AND OTHER AREAS.] Special permits may be issued, with or without a fee, to take a wild animal from game refuges, wildlife management areas, ~~and~~ state parks, ~~and other areas of the state that the commissioner may open for the taking of a wild animal during a special season.~~ In addition, an application fee may be charged for a special permit. Fees to be collected shall be based upon the estimated cost of conducting the special season."

Page 1, line 11, strike "OATH" and insert "PENALTY OF PERJURY"

Page 1, lines 13 and 14, delete the new language

Page 1, line 15, strike "oath" and insert "penalty of perjury"

Page 1, after line 15, insert:

"Sec. 8. Minnesota Statutes 1988, section 97A.485, subdivision 6, is amended to read:

Subd. 6. [LICENSES TO BE SOLD AND ISSUING FEES.] (a) Persons authorized to sell licenses under this section must sell the following licenses for the license fee and the following issuing fees:

(1) to take deer or bear with firearms and by archery, the issuing fee is \$1;

(2) Minnesota sporting, the issuing fee is \$1; and

(3) to take small game, for a person under age 65 to take fish by angling or for a person of any age to take fish by spearing, and to trap fur-bearing animals, the issuing fee is \$1;

(4) for a trout and salmon stamp that is not issued simultaneously with an angling or sporting license, an issuing fee of 50 cents may be charged at the discretion of the authorized seller; and

(5) for stamps other than a trout and salmon stamp, there is no fee.

(b) An issuing fee may not be collected for issuance of a trout and salmon stamp if a stamp is issued simultaneously with the related angling or sporting license. Only one issuing fee may be collected when selling more than one trout and salmon stamp in the same transaction after the end of the season for which the stamp was issued.

(c) The auditor or subagent shall keep the issuing fee as a commission for selling the licenses.

(d) The commissioner shall collect the issuing fee on licenses sold by the commissioner.

(e) A license, except stamps, must state the amount of the issuing fee and that the issuing fee is kept by the seller as a commission for selling the licenses.

~~(f) The fee for an angling license paid by a resident 65 years of age or over must be refunded to the licensee upon request to the commissioner, if the request is made within 30 days of the sale. The commissioner shall design a system on the license for this purpose.~~

Sec. 9. 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.

Sec. 10. [97B.603] [SMALL GAME PARTY HUNTING.]

While two or more persons are hunting small game as a party, a member of the party may take more than one limit of small game, but the total number of small game taken by the party may not exceed the limit of the number of persons in the party that may take small game. 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."

Page 2, line 6, strike "RESIDENT" and after "LICENSE" insert "REQUIREMENT"

Page 2, delete lines 7 to 14 and insert:

“(a) A resident that has a license to buy and sell raw furs person may not buy and or sell raw furs in the state including:

- (1) selling raw furs to a manufacturer, representing nonresidents;
- (2) selling raw furs to a broker or agent, representing a nonresident; and
- (3) conducting a fur auction that makes sales to resident manufacturers and nonresidents without a fur buying and selling license, except a taxidermist licensed under section 97A.475, subdivision 19, and a fur manufacturer are not required to have a license to buy raw furs from a person with fur buying and selling licenses.”

Page 2, delete lines 20 to 22 and insert:

“Sec. 13. [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.

Sec. 14. Minnesota Statutes 1988, section 97C.403, subdivision 3, is amended to read:

Subd. 3. [OPEN SEASON.] The open season for walleye in the Rainy River is from ~~the third Saturday in~~ May 15 until April 14.

Sec. 15. 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. 16. 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. 17. 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. 18. [REPEALER.]

Minnesota Statutes 1988, section 97C.615, is repealed.

Sec. 19. [EFFECTIVE DATE.]

Sections 2 to 5 are effective August 1, 1989, and apply to violations of the game and fish laws committed on or after that date.

Sections 6, 10, 13, and 14 are effective the day following final enactment."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to game and fish; prohibiting the interference or disturbance of a person taking wild animals under certain conditions; requiring restitution for a person who illegally takes wild animals; authorizing the commissioner to determine the value of wild animals by rule; authorizing application fees for special permits to take game from areas during special seasons; requiring applications to be made under penalty of perjury; eliminating provisions for a person over age 65 to receive a refund on an angling license; allowing persons to enter nonposted agricultural land on foot to take fox during January and February; allowing party hunting of small game and party angling under certain conditions; allowing taxidermists and fur manufacturers to buy raw furs without a fur buying and selling license; changing the open season for walleye in the Rainy River; requiring a person to have a turtle seller's license to possess unprocessed turtles for sale; prohibiting the taking of turtles by turtle hooks; reducing the limit of snapping turtles possessed without a turtle seller's license; amending Minnesota Statutes 1988, sections 97A.065, by adding a subdivision; 97A.401, subdivision 4; 97A.481; 97A.485, subdivision 6; 97B.001, by adding a subdivision; 97B.655, subdivision 1; 97B.905, subdivision 1; 97C.403, subdivision 3; 97C.605, subdivisions 2 and 3; 97C.611; proposing coding for new law in Minnesota Statutes, chapters 97A; 97B; and 97C; repealing Minnesota Statutes 1988, section 97C.615."

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. 1440 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.
1440	1408				

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. 1338 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.
1338	1563				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1338 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1338 and insert the language after the enacting clause of S.F. No. 1563, the first engrossment; further, delete the title of H.F. No. 1338 and insert the title of S.F. No. 1563, the first engrossment.

And when so amended H.F. No. 1338 will be identical to S.F. No. 1563, and further recommends that H.F. No. 1338 be given its second reading and substituted for S.F. No. 1563, 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. 1492 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.
1492	1369				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1492 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1492 and insert the language after the enacting clause of S.F. No. 1369, the first engrossment; further, delete the title of H.F. No. 1492 and insert the title of S.F. No. 1369, the first engrossment.

And when so amended H.F. No. 1492 will be identical to S.F. No. 1369, and further recommends that H.F. No. 1492 be given its second reading and substituted for S.F. No. 1369, 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. 472 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.
472	512				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 472 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 472 and insert the language after the enacting clause of S.F. No. 512, the first engrossment; further, delete the title of H.F. No. 472 and insert the title of S.F. No. 512, the first engrossment.

And when so amended H.F. No. 472 will be identical to S.F. No. 512, and further recommends that H.F. No. 472 be given its second reading and substituted for S.F. No. 512, 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. 33 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.
33	78				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 33 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 33 and insert the language after the enacting clause of S.F. No. 78, the first engrossment; further, delete the title of H.F. No. 33 and insert the title of S.F. No. 78, the first engrossment.

And when so amended H.F. No. 33 will be identical to S.F. No. 78, and further recommends that H.F. No. 33 be given its second reading and substituted for S.F. No. 78, 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. 166 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.
166			985		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 166 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 166 and insert the language after the enacting clause of S.F. No. 985, the first engrossment; further, delete the title of H.F. No. 166 and insert the title of S.F. No. 985, the first engrossment.

And when so amended H.F. No. 166 will be identical to S.F. No. 985, and further recommends that H.F. No. 166 be given its second reading and substituted for S.F. No. 985, 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. 811 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.
811			1085		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 811 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 811 and insert the language after the enacting clause of S.F. No. 1085, the first engrossment; further, delete the title of H.F. No. 811 and insert the title of S.F. No. 1085, the first engrossment.

And when so amended H.F. No. 811 will be identical to S.F. No. 1085, and further recommends that H.F. No. 811 be given its second reading and substituted for S.F. No. 1085, 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. 996 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.
996			1321		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 996 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 996 and insert the language after the enacting clause of S.F. No. 1321, further, delete the title of H.F. No. 996 and insert the title of S.F. No. 1321.

And when so amended H.F. No. 996 will be identical to S.F. No. 1321, and further recommends that H.F. No. 996 be given its second reading and substituted for S.F. No. 1321, 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. 1355 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.
1355	1184				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1355 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1355 and insert the language after the enacting clause of S.F. No. 1184; further, delete the title of H.F. No. 1355 and insert the title of S.F. No. 1184.

And when so amended H.F. No. 1355 will be identical to S.F. No. 1184, and further recommends that H.F. No. 1355 be given its second reading and substituted for S.F. No. 1184, 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. 1530 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.
1530	1441				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1530 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1530 and insert the language after the enacting clause of S.F. No. 1441, the first engrossment; further, delete the title of H.F. No. 1530 and insert the title of S.F. No. 1441, the first engrossment.

And when so amended H.F. No. 1530 will be identical to S.F. No. 1441, and further recommends that H.F. No. 1530 be given its second reading

and substituted for S.F. No. 1441, 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. 826 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.
826	854				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 826 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 826 and insert the language after the enacting clause of S.F. No. 854, the first engrossment; further, delete the title of H.F. No. 826 and insert the title of S.F. No. 854, the first engrossment.

And when so amended H.F. No. 826 will be identical to S.F. No. 854, and further recommends that H.F. No. 826 be given its second reading and substituted for S.F. No. 854, 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. 1585 and 258 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 827, 1440, 1338, 1492, 472, 33, 166, 811, 996, 1355, 1530 and 826 were read the second time.

MOTIONS AND RESOLUTIONS

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

Mr. Peterson, R.W. moved that the name of Mr. Merriam be added as a co-author to S.F. No. 974. The motion prevailed.

Mr. Peterson, R.W. introduced—

Senate Resolution No. 112: A Senate resolution congratulating Chisago Lakes High School on winning the 1989 Minnesota High School Mock Trial Competition.

Referred to the Committee on Rules and Administration.

Mr. Spear introduced—

Senate Resolution No. 113: A Senate resolution congratulating Kenwood School, of Minneapolis, Minnesota, on its 100th Anniversary.

Referred to the Committee on Rules and Administration.

Mr. Frank moved that the name of Mr. Kroening be added as a co-author to S.F. No. 1022. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Orders of Business of the Calendar and Consent Calendar.

CALENDAR

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.

Was read the third time 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	Metzen	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	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	Hughes	McQuaid	Piper	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Pogemiller	
Cohen	Johnson, D.J.	Merriam	Purfeerst	

So the bill passed and its title was agreed to.

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.

Was read the third time 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 2, as follows:

Those who voted in the affirmative were:

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

Mr. Merriam and Ms. Olson voted in the negative.

So the bill passed and its title was agreed to.

CONSENT CALENDAR

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.

Was read the third time 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	Metzen	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	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	Hughes	McQuaid	Piper	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Pogemiller	
Cohen	Johnson, D.J.	Merriam	Purfeerst	

So the bill passed and its title was agreed to.

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.

Was read the third time 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.	Metzen	Reichgott
Anderson	Davis	Knaak	Moe, D.M.	Renneke
Beckman	Decker	Knutson	Moe, R.D.	Samuelson
Belanger	DeCramer	Kroening	Morse	Schmitz
Benson	Dicklich	Laidig	Novak	Solon
Berg	Diessner	Langseth	Olson	Spear
Berglin	Frederick	Lantry	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	Gustafson	McGowan	Piper	
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

RECONSIDERATION

Mr. Moe, R.D. moved that the vote whereby S.F. No. 986 failed to pass the Senate on April 20, 1989, be now reconsidered. The motion prevailed.

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.

Mr. Pehler moved that S.F. No. 986 be re-referred to the Committee on Commerce. The motion prevailed.

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.E. introduced—

S.F. No. 1594: A bill for an act relating to Kandiyohi county; permitting the county to merge the offices of county treasurer and county auditor.

Referred to the Committee on Local and Urban Government.

Mr. Samuelson introduced—

S.F. No. 1595: A bill for an act relating to state agencies; contracting for professional and technical services; requiring publicizing the availability of contracts at least 21 days before proposals from prospective contractors are due; amending Minnesota Statutes 1988, section 16B.17, subdivision 3.

Referred to the Committee on Governmental Operations.

Mr. Johnson, D.E. introduced—

S.F. No. 1596: A resolution memorializing the heads of the federal departments and agencies holding records concerning reported live sightings of American military personnel classified as prisoners of war or missing in action in Southeast Asia to make the records available to the public.

Referred to the Committee on Veterans and Military Affairs.

Mr. Cohen introduced—

S.F. No. 1597: A bill for an act relating to taxation; providing that an individual may be relieved of joint liability for income tax under certain circumstances; amending Minnesota Statutes 1988, section 290.38; Laws

1988, chapter 719, article 1, section 13.

Referred to the Committee on Taxes and Tax Laws.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of Senate Bills.

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. 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 report from the Committee on Commerce, shown in the Journal for April 20, 1989, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass”.

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. 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 report from the Committee on Agriculture and Rural Development, shown in the Journal for April 17, 1989, be amended to read:

“the bill do pass and be re-referred to the Committee on Finance”.

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. 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 report from the Committee on Employment, shown in the Journal for April 18, 1989, be amended to read:

“the bill be amended and when so amended the bill do pass and be referred to the Committee on Judiciary”.

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. 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 report from the Committee on Health and Human Services, shown in the Journal for April 17, 1989, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass”.

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. 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 report from the Committee on Health and Human Services, shown in the Journal for

April 17, 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 Finance”.

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. 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 report from the Committee on Economic Development and Housing, shown in the Journal for April 17, 1989, be amended to read:

“the bill be amended and when so amended the bill do pass and be referred to the Committee on Finance”.

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. 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 report from the Committee on Employment, shown in the Journal for April 20, 1989, be amended to read:

“the bill be amended and when so amended the bill do pass and be referred to the Committee on Finance”.

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. 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 report from the Committee on Employment, shown in the Journal for April 20, 1989, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Finance”.

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

S.F. No. 1569 reports the same back with the recommendation that the bill be re-referred as follows:

S.F. No. 1569 to the Committee on Taxes and Tax Laws.

Mr. Moe, R.D. moved the adoption of the foregoing Committee Reports.

Mr. Knaak requested that the report on S.F. No. 510 be divided out.

Mr. Moe, R.D. moved the adoption of the Committee Reports, with the exception of the report on S.F. No. 510. The motion prevailed. Amendments adopted. Reports adopted.

The question was taken on the motion to adopt the report on S.F. No. 510.

The roll was called, and there were yeas 32 and nays 29, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Lessard	Morse	Reichgott
Berglin	Frederickson, D.J.	Luther	Novak	Schmitz
Brandl	Freeman	Marty	Pehler	Solon
Chmielewski	Hughes	Merriam	Peterson, D.C.	Spar
Cohen	Kroening	Metzen	Peterson, R.W.	
Dahl	Langseth	Moe, D.M.	Piper	
Dicklich	Lantry	Moe, R.D.	Purfeerst	

Those who voted in the negative were:

Anderson	Bertram	Frederickson, D.R.	McGowan	Renneke
Beckman	Brataas	Gustafson	McQuaid	Samuelson
Belanger	Davis	Johnson, D.E.	Mehrkens	Storm
Benson	Decker	Knaak	Olson	Stumpf
Berg	DeCramer	Knutson	Pariseau	Vickerman
Bernhagen	Frederick	Laidig	Ramstad	

The motion prevailed. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1227 and 1196 were read the second time.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, April 25, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

THIRTY-EIGHTH DAY

St. Paul, Minnesota, Tuesday, April 25, 1989

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Craig A. Boehlke.

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	Frederick	Larson	Pariseau	Storm
Berglin	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Bertram	Freeman	Marty	Peterson, R.W.	Vickerman
Brandl	Gustafson	McGowan	Piper	Waldorf
Brataas	Hughes	McQuaid	Pogemiller	
Chmielewski	Johnson, D.E.	Mehrrens	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. Frank was excused from the Session of today. Ms. Reichgott was excused from the Session of today from 12:00 noon to 12:45 p.m.

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. 69, 936 and 1241.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 24, 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. 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.

Senate File No. 169 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 24, 1989

Mr. Frederick moved that S.F. No. 169 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. 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.

Senate File No. 701 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 24, 1989

Mr. Freeman moved that S.F. No. 701 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. 146, 390, 1282, 1445 and 1408.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 24, 1989

FIRST READING OF HOUSE BILLS

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

H.F. No. 146: 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 Rules and Administration for comparison with S.F. No. 1145, now on General Orders.

H.F. No. 390: 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 Rules and Administration for comparison with S.F. No. 105, now on General Orders.

H.F. No. 1282: 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, 2, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1040, now on General Orders.

H.F. No. 1445: 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 Rules and Administration for comparison with S.F. No. 744, now on General Orders.

H.F. No. 1408: A bill for an act relating to metropolitan transit; requiring joint planning for light rail transit; establishing a joint planning board; requiring approval of light rail transit plans by the regional transit board; specifying the composition of the regional transit board and the metropolitan transit commission; changing various provisions relating to metropolitan transit programs and authorities; amending Minnesota Statutes 1988, sections 398A.04, subdivision 9; 473.169, subdivisions 1, 3, 4, and 5; 473.17; 473.373, subdivisions 1a, 4, 5, and by adding a subdivision; 473.375, subdivisions 8 and 13; and 473.404, subdivisions 2, 3, and 5; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1988, sections 473.1691 and 473.398.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1202.

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 H.F. No. 916 and reports pertaining to appointments. The motion prevailed.

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

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.

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

Page 2, after line 25, insert:

"Sec. 2. Minnesota Statutes 1988, section 387.145, is amended to read:
387.145 [~~CHIEF DEPUTY; APPOINTMENT IN CERTAIN COUNTIES.~~]

Notwithstanding the provision of any law to the contrary the sheriff of any county ~~which has 100,000 or more inhabitants according to the 1980 federal census or the latest federal census thereafter~~ may appoint a chief deputy or first assistant with the approval of the county board."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "Hennepin county" and insert "local government"

Page 1, line 4, before the semicolon, insert "in Hennepin county; authorizing certain county sheriffs to appoint a chief deputy or first assistant" and delete "section" and insert "sections"

Page 1, line 5, before the period, insert "; and 387.145"

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. 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.

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 151.19, subdivision 3, is amended to read:

Subd. 3. [~~SALE OF OTHER DRUGS AND DEVICES FEDERALLY RESTRICTED MEDICAL GASES.~~] The board shall require and provide for the annual registration of every person or establishment not licensed as a pharmacy or a practitioner engaged in the retail sale or distribution of federally restricted medical gases ~~or of veterinary drugs or devices~~. Upon the payment of a fee to be set by the board, the board shall issue a registration certificate in such form as it may prescribe to those persons or places that may be qualified to sell or distribute ~~these items~~ *federally restricted medical gases*. The certificate shall be displayed in a conspicuous place in the business for which it is issued and expire on the date set by the board. It is unlawful for a person to sell or distribute ~~these items~~ *federally restricted medical gases* unless a certificate has been issued to that person by the board.

Sec. 2. Minnesota Statutes 1988, section 156.02, subdivision 1, is amended to read:

Subdivision 1. [~~LICENSE APPLICATION.~~] Application for a license to practice veterinary medicine in this state shall be made in writing to the board of veterinary medicine upon a form furnished by the board, accompanied by satisfactory evidence that the applicant is at least 18 years of

age, is of good moral character, and has one of the following:

(1) a diploma conferring the degree of doctor of veterinary medicine, or an equivalent degree, from an accredited or approved college of veterinary medicine;

(2) an ECFVG certificate; or

(3) a certificate from the dean of an accredited or approved college of veterinary medicine stating that the applicant is a student in good standing expecting to be graduated at the completion of the ~~next~~ *current* academic ~~term~~ *year* of the college in which the applicant is enrolled.

The application shall contain the information and material required by subdivision 2 and any other information that the board may, in its sound judgment, require. The application shall be filed with the secretary of the board at least ~~30~~ 45 days before the date of the examination. If the board deems it advisable, it may require that such application be verified by the oath of the applicant.

Sec. 3. [156.16] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 3 to 7.

Subd. 2. [CLIENT.] "Client" means the owner or caretaker of an animal who arranges for the animal's veterinary care.

Subd. 3. [DISPENSING.] "Dispensing" means distribution of veterinary prescription drugs or over-the-counter drugs for extra-label use by a person registered by the board of pharmacy to dispense or a person licensed by the board of veterinary medicine.

Subd. 4. [EXTRA-LABEL USE.] "Extra-label use" means the actual or intended use of a human or veterinary drug in an animal in a manner that is not in accordance with the drug's labeling.

Subd. 5. [FOOD-PRODUCING ANIMALS.] "Food-producing animals" means livestock or poultry raised commercially for human consumption.

Subd. 6. [OVER-THE-COUNTER DRUG.] "Over-the-counter drug" means a veterinary drug labeled "for veterinary use only" or "for animal use only" that does not require a prescription or is not required to have the restrictive legend: "Caution: federal law restricts this drug to use by or on the order of a licensed veterinarian."

Subd. 7. [PATIENT.] "Patient" means an animal for which a veterinary prescription drug is used or intended to be used.

Subd. 8. [PERSON.] "Person" means an individual, or a firm, partnership, company, corporation, trustee, association, agency, or other public or private entity.

Subd. 9. [PHARMACIST.] "Pharmacist" means an individual with a valid Minnesota license to practice pharmacy.

Subd. 10. [PRESCRIPTION.] "Prescription" means an order from a veterinarian to a pharmacist or another veterinarian authorizing the dispensing of a veterinary prescription drug to a client for use on or in a patient.

Subd. 11. [VETERINARIAN.] "Veterinarian" means an individual with

a valid Minnesota license to practice veterinary medicine.

Subd. 12. [VETERINARIAN-CLIENT-PATIENT RELATIONSHIP.] "Veterinarian-client-patient relationship" means a relationship in which the conditions in paragraphs (a) to (d) have been met.

(a) The veterinarian has assumed the responsibility for making medical judgments regarding the health of the animal and the need for medical treatment, and the client has agreed to follow the instructions of the veterinarian.

(b) The veterinarian has sufficient knowledge of the animal to initiate at least a general, preliminary, or tentative diagnosis of the medical condition of the animal. The veterinarian must be acquainted with the keeping and care of the animal by virtue of an examination of the animal or medically appropriate and timely visits to the premises where the animal is kept.

(c) The veterinarian is available for consultation in case of adverse reactions or failure of the regimen of therapy.

(d) The veterinarian maintains records documenting patient visits, diagnosis, treatments, and drugs prescribed, dispensed, or administered, and other relevant information.

Subd. 13. [VETERINARY DRUG.] "Veterinary drug" means:

(1) a drug for animal use recognized in the official United States Pharmacopoeia or National Formulary of the United States;

(2) a drug intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals;

(3) a drug, other than feed, medicated feed, or a growth promoting implant intended to affect the structure or function of the body of an animal; or

(4) a drug intended for use as a component of a drug in clause (1), (2), or (3).

Subd. 14. [VETERINARY PRESCRIPTION DRUG.] "Veterinary prescription drug" means:

(1) a drug that is not safe for animal use except under the supervision of a veterinarian, and that is required by federal law to bear the following statement: "Caution: federal law restricts this drug to use by or on the order of a licensed veterinarian";

(2) a drug that is required by state law to be dispensed only on order or prescription of a licensed veterinarian; and

(3) the extra-label use of an over-the-counter drug.

Sec. 4. [156.17] [POSSESSION PROHIBITED.]

A person may not possess a veterinary prescription drug unless the person is a licensed veterinarian or pharmacist, a client holding a veterinary prescription drug by or on the order of a veterinarian, a manufacturer or wholesaler of veterinary drugs, an animal health researcher, or a person performing official state or federal regulatory duties.

Sec. 5. [156.18] [VETERINARY PRESCRIPTION DRUGS.]

Subdivision 1. [PRESCRIPTION.] (a) A person may not dispense a

veterinary prescription drug to a client without a prescription or other veterinary authorization. A client may not make extra-label use of a veterinary drug without a prescription from a veterinarian. A veterinarian or the veterinarian's authorized agent may dispense a veterinary prescription drug to a client or oversee the extra-label use of a veterinary drug directly by a client without a separate written prescription.

(b) A veterinarian may sell prescription veterinary drugs and prescribe extra-label use drugs to a client without personally examining the animal if a veterinarian-client-patient relationship exists and in the judgment of the veterinarian the client has sufficient knowledge to use the drugs properly.

(c) A veterinarian may issue a prescription or other veterinary authorization by oral or written communication to the dispenser, or by computer connection. If the communication is oral, the veterinarian must enter it into the patient's record. The dispenser must record the veterinarian's prescription or other veterinary authorization within 72 hours.

(d) A prescription or other veterinary authorization must include:

- (1) the name, address, and, if written, the signature of the prescriber;*
- (2) the name and address of the client;*
- (3) identification of the species for which the drug is prescribed or ordered;*
- (4) the name, strength, and quantity of the drug;*
- (5) the date of issue;*
- (6) directions for use;*
- (7) withdrawal time; and*
- (8) cautionary statements.*

Subd. 2. [LABEL OF DISPENSED VETERINARY DRUGS.] A veterinarian or the veterinarian's authorized agent dispensing a veterinary prescription drug or prescribing the extra-label use of an over-the-counter drug must affix a label to the container containing the name and address of the veterinarian, date of filling, species of patient, name or names of drug, directions for use, withdrawal time, and cautionary statements, if any, appropriate for the drug.

Subd. 3. [RECORDS ON VETERINARY DRUG TRANSACTIONS.] A veterinarian must maintain complete records of receipt and distribution of each prescription veterinary drug. The records may be kept in the form of sales invoices, shipping records, prescription files, or a record or log established solely to satisfy the requirements of this subdivision. Records must include:

- (1) the name of the drug, including dosage form, strength, and lot number;*
- (2) the name and address of the person from whom the drug was received and the date and quantity received; and*
- (3) the name and address of the person to whom the drug was distributed and the date and quantity shipped or otherwise distributed.*

Subd. 4. [RECORDKEEPING.] Records required by this section must be kept for at least two years after dispensing of the drug has been completed.

Sec. 6. [156.19] [EXTRA-LABEL USE.]

A person, other than a veterinarian or a person working under the control of a veterinarian, must not make extra-label use of a veterinary drug in or on a food-producing animal, unless permitted by the prescription of a veterinarian. A veterinarian may prescribe the extra-label use of a veterinary drug if:

(1) the veterinarian makes a careful medical diagnosis within the context of a valid veterinarian-client-patient relationship;

(2) the veterinarian determines that there is no marketed drug specifically labeled to treat the condition diagnosed, or that drug therapy as recommended by the labeling has, in the judgment of the attending veterinarian, been found to be clinically ineffective;

(3) the veterinarian recommends procedures to ensure that the identity of the treated animal will be carefully maintained; and

(4) the veterinarian prescribes a significantly extended time period for drug withdrawal before marketing meat, milk, or eggs.

Sec. 7. [156.20] [INSPECTIONS AND SAMPLES.]

Subdivision 1. [AUTHORITY.] To enforce sections 3 to 6, a veterinarian must allow authorized representatives of the board of veterinary medicine, after receiving allegations of a violation of sections 3 to 6 and upon presenting appropriate credentials to the veterinarian in charge, to:

(1) enter, at reasonable times, within reasonable limits, and in a reasonable manner, premises and all pertinent records, equipment, materials, containers, and facilities bearing on whether veterinary drugs are in compliance with sections 3 to 6; and

(2) collect samples.

Subd. 2. [LIMITS ON INSPECTION.] An inspection authorized by this section may not extend to financial information, pricing information, personnel information, or sales information other than shipment information. An inspection must be started and completed with reasonable promptness."

Amend the title as follows:

Page 1, line 5, delete "section" and insert "sections 151.19, subdivision 3; and"

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. 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 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.

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

Page 19, line 33, delete "*subdivisions 2 and 3*" and insert "*subdivision 2*"

Page 20, delete lines 16 to 20

Page 20, line 21, delete "*4*" and insert "*3*"

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 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 be amended as follows:

Page 1, line 18, after the period, insert "*Except as provided in paragraph (c),*"

Page 2, line 2, delete everything after "*(c)*"

Page 2, line 3, delete "*(a),*" and delete "*authorize the*"

Page 2, line 4, delete "*photographing of*" and insert "*photograph*"

Page 2, line 9, delete everything after "*juveniles*" and insert "*in the same manner as*"

Page 2, after line 10, insert:

"Sec. 2. Minnesota Statutes 1988, section 332.51, subdivision 3, is amended to read:

Subd. 3. [LIABILITY OF PARENT OR GUARDIAN.] ~~The provisions of Section 540.18 apply~~ *applies* to this section, *except that the parent or guardian is liable for the full amount of all damages under subdivision 1.*"

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "removing certain limitations on parental liability for thefts by minors;"

Page 1, line 6, delete "section" and insert "sections" and before the period, insert "; and 332.51, subdivision 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. 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.

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. 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.

Reports the same back with the recommendation that the bill do pass. Mr. Moe, D.M. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

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

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 about 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 do pass. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was re-referred

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.

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 and officers 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.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, economic development and housing, and agriculture and rural development 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. 7. 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 agriculture and rural development 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 attributable to each applied research institute and to each program area, other than corporate administrative expenditures;

(4) a description of the administrative expenses attributable to each applied research institute and to each program area, of the corporation during the previous year;

(5) the assets and liabilities of the corporation attributable to each applied research institute and to each program area, 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.14; and 116O.15.”

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

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.

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

Page 14, line 28, delete "*apartment*" and insert "*housing*" and delete "*section 290.09,*"

Page 14, line 29, delete "*subdivision 17*" and insert "*United States Code, title 26, section 216, subsection (b)(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. 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.

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. 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.

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 45.025, subdivision 8, is amended to read:

Subd. 8. [CIVIL REMEDY.] A person violating this section is liable to a purchaser of the investment product. The purchaser may sue either in equity for rescission upon tender of the investment product or at law for damages if the purchaser no longer owns the investment product. In an

action for rescission, the purchaser is entitled to recover the consideration paid for the investment product, together with interest at the legal rate, costs, and reasonable attorney fees, less the amount of any income received on the investment product. In an action at law, damages are the consideration paid for the investment product together with interest at the legal rate to the date of disposition, costs, and reasonable attorney fees, less the value of the investment product at the date of disposition. *Subject to the exceptions in subdivision 3*, if the advertisement advertises an investment product whose interest rate varies according to the earnings or income of the issuer and if the advertisement projects the accumulated earnings for a period longer than one year, the issuer and agent are jointly and severally liable to the purchaser for the difference in the principal and interest received by the purchaser and the principal and interest as projected in the advertisement.

Sec. 2. Minnesota Statutes 1988, section 45.027, subdivision 7, is amended to read:

Subd. 7. [ACTIONS AGAINST LICENSEES.] In addition to any other actions authorized by this section, the commissioner may, by order, deny, suspend, or revoke the authority or license of a person subject to chapters 45 to 83, 155A, 309, or 332, or censure that person if the commissioner finds that:

- (1) the order is in the public interest; ~~or~~ and
- (2) the person has violated chapters 45 to 83, 155A, 309, or 332.

Sec. 3. Minnesota Statutes 1988, section 45.028, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) When a person, including any nonresident of this state, engages in conduct prohibited or made actionable by chapters 45 to 83, 155A, 309, and 332, or any rule or order under those chapters, and the person has not filed a consent to service of process under chapters 45 to 83, 155A, 309, and 332, that conduct is equivalent to an appointment of the commissioner as the person's attorney to receive service of process in any noncriminal suit, action, or proceeding against the person which is based on that conduct and is brought under chapters 45 to 83, 155A, 309, and 332, or any rule or order under those chapters.

(b) *Subdivision 2 also applies in all other cases under chapters 45 to 83, 155A, 309, and 332, or any rule or order under those chapters, in which a person, including a nonresident of this state, has filed a consent to service of process. This paragraph supersedes any inconsistent provision of law.*

Sec. 4. Minnesota Statutes 1988, section 61A.011, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any other provision of law when any insurer, including a fraternal benefit society, admitted to transact life insurance in this state pays the proceeds of or payments under any policy of life insurance, individual or group, such insurer shall pay interest at a rate not less than the then current rate of interest on death proceeds left on deposit with the insurer, computed from the insured's death until the date of payment, on any such proceeds or payments payable to a beneficiary residing in this state, or to a beneficiary under a policy issued in this state or to a beneficiary under a policy insuring a person resident in this state at the time of death. If the insurer has no established current rate of interest

for death proceeds left on deposit with the insurer, then the rate of interest to be paid under this subdivision shall be the rate of interest charged by the insurer to policy holders for loans under the insurer's policies.

Sec. 5. Minnesota Statutes 1988, section 61A.09, is amended by adding a subdivision to read:

Subd. 3. Group life insurance policies may be issued to cover groups of not less than ten debtors of a creditor written under a master policy issued to a creditor to insure its debtors in connection with real estate mortgage loans, in an amount not to exceed the actual or scheduled amount of their indebtedness. Each application for group mortgage insurance offered prior to or at the time of loan closing shall contain a clear and conspicuous notice that the insurance is optional and is not a condition for obtaining the loan. Each person insured under a group insurance policy issued under this subdivision shall be furnished a certificate of insurance which conforms to the requirements of section 62B.06, subdivision 2, and which includes a conversion privilege permitting an insured debtor to convert, without evidence of insurability, to an individual policy of decreasing term insurance within 30 days of the date the insured debtor's group coverage is terminated for any reason other than the nonpayment of premiums. The initial amount of coverage under the individual policy shall be an amount equal to the amount of coverage terminated under the group policy and shall decrease over a term that corresponds with the scheduled term of the insured debtor's mortgage loan. The premium for the individual policy shall be the same premium the insured debtor was paying under the group policy.

Sec. 6. Minnesota Statutes 1988, section 61A.092, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF OPTIONS.] Upon termination of or layoff from employment of a covered employee, the employer shall inform the employee of:

- (1) the employee's right to elect to continue the coverage;
- (2) the amount the employee must pay monthly to the employer to retain the coverage;
- (3) the manner in which and the office of the employer to which the payment to the employer must be made; and
- (4) the time by which the payments to the employer must be made to retain coverage.

The employee has 60 days within which to elect coverage. The 60-day period shall begin to run on the date coverage would otherwise terminate or on the date upon which notice of the right to coverage is received, whichever is later.

Notice must be in writing and sent by first class certified mail to the employee's last known address which the employee has provided to the employer.

A notice in substantially the following form is sufficient: "As a terminated or laid off employee, the law authorizes you to maintain your group insurance benefits for a period of up to 18 months. To do so, you must notify your former employer within 60 days of your receipt of this notice that you intend to retain this coverage and must make a monthly payment of

\$ at by the of each month.”

Sec. 7. Minnesota Statutes 1988, section 61B.03, subdivision 6, is amended to read:

Subd. 6. [COVERED POLICY.] “Covered policy” means any policy or contract owned by a Minnesota resident to which sections 61B.01 to 61B.16 apply, as provided in section 61B.02.

Sec. 8. Minnesota Statutes 1988, section 62A.01, is amended to read:

62A.01 [POLICY OF ACCIDENT AND SICKNESS INSURANCE DEFINED.]

Subdivision 1. [DEFINITION.] The term “policy of accident and sickness insurance” as used herein includes any policy covering the kind of insurance described in section 60A.06, subdivision 1, clause (5)(a).

Subd. 2. [EQUAL PROTECTION.] A certificate of insurance or similar evidence of coverage issued to a Minnesota resident shall provide coverage for all benefits required to be covered in group policies in Minnesota by chapters 62A and 62E.

This subdivision supersedes any inconsistent provision of chapters 62A and 62E.

A policy of accident and sickness insurance that is issued or delivered in this state and that covers a person residing in another state may provide coverage or contain provisions that are less favorable to that person than required by chapters 62A and 62E. Less favorable coverages or provisions must meet the requirements that the state in which the person resides would have required had the policy been issued or delivered in that state.

Subd. 3. [EXCLUSIONS.] Subdivision 2 does not apply to certificates issued in regard to a master policy issued outside the state of Minnesota if all of the following are true:

- (1) the policyholder or certificate holder exists primarily for purposes other than to obtain insurance;
- (2) the policyholder or certificate holder is not a Minnesota corporation and does not have its principal office in Minnesota;
- (3) the policy or certificate covers fewer than 25 employees who are residents of Minnesota and the Minnesota employees represent less than 25 percent of all covered employees; and
- (4) on request of the commissioner, the issuer files with the commissioner a copy of the policy and a copy of each form of certificate.

This subdivision applies to employers who are not corporations if they are policyholders or certificate holders providing coverage to employees through the certificate or policy.

Subd. 4. [APPLICATION OF OTHER LAWS.] Section 60A.08, subdivision 4, shall not be construed as requiring a certificate of insurance or similar evidence of insurance that meets the conditions of subdivision 3 to comply with chapter 62A or 62E.

Sec. 9. Minnesota Statutes 1988, section 62A.041, is amended to read:

62A.041 [MATERNITY BENEFITS.]

Subdivision 1. [DISCRIMINATION PROHIBITED AGAINST UNMARRIED WOMEN.] Each group policy of accident and health insurance and each group health maintenance contract shall provide the same coverage for maternity benefits to unmarried women and minor female dependents that it provides to married women including the wives of employees choosing dependent family coverage. If an unmarried insured or an unmarried enrollee is a parent of a dependent child, each group policy and each group contract shall provide the same coverage for that child as that provided for the child of a married employee choosing dependent family coverage if the insured or the enrollee elects dependent family coverage.

Each individual policy of accident and health insurance and each individual health maintenance contract shall provide the same coverage for maternity benefits to unmarried women and minor female dependents as that provided for married women. If an unmarried insured or an unmarried enrollee is a parent of a dependent child, each individual policy and each individual contract shall also provide the same coverage for that child as that provided for the child of a married insured or a married enrollee choosing dependent family coverage if the insured or the enrollee elects dependent family coverage.

Subd. 2. [LIMITATION ON COVERAGE PROHIBITED.] Each group policy of accident and health insurance, except for policies which only provide coverage for specified diseases, or each group subscriber contract of accident and health insurance or health maintenance contract, issued or renewed after August 1, 1987, shall include maternity benefits in the same manner as any other illness covered under the policy or contract.

Subd. 3. [ABORTION.] For the purposes of this section, the term "maternity benefits" shall not include elective, induced abortion whether performed in a hospital, other abortion facility, or the office of a physician.

This section applies to policies and contracts issued, delivered, or renewed after August 1, 1985, that cover Minnesota residents.

Sec. 10. [62A.049] [LIMITATION ON PREAUTHORIZATIONS.]

No policy of accident and sickness insurance or group subscriber contract regulated under chapter 62C issued or renewed in this state may contain a provision that makes an insured person ineligible to receive full benefits because of the insured's failure to obtain preauthorization, if that failure occurs because of the need for emergency confinement or emergency treatment. The insured or an authorized representative of the insured shall notify the insurer as soon after the beginning of emergency confinement or emergency treatment as reasonably possible. However, to the extent that the insurer suffers actual prejudice caused by the failure to obtain preauthorization, the insured may be denied all or part of the insured's benefits. This provision does not apply to admissions for treatment of chemical dependency and nervous and mental disorders.

Sec. 11. Minnesota Statutes 1988, section 62A.08, is amended to read:

62A.08 [COVERAGE OF POLICY, CONTINUANCE IN FORCE.]

If any such policy contains a provision establishing, as an age limit or otherwise, a date after which the coverage provided by the policy will not be effective, and if such date falls within a period for which premium is accepted by the insurer or if the insurer accepts a premium after such date, the coverage provided by the policy will continue in force subject to any right of cancellation until the end of the period for which premium has been accepted.

In the event the age of the insured has been misstated and if, according to the correct age of the insured, ~~the coverage provided by the policy would not have become effective, or would have ceased prior to the acceptance of such premium or premiums, then the liability of the insurer shall be limited to the refund, upon request, of all premiums paid for the period not covered by the policy.~~ *the policy would not have been issued, the insurer may, within 90 days of discovering the misstatement, limit its liability to a refund of all premiums paid. In all other instances the insurer may either adjust the premium to reflect the actual age of the insured or adjust the benefits to reflect the actual age and the premium.*

Sec. 12. Minnesota Statutes 1988, section 62A.09, is amended to read:

62A.09 [LIMITATION.]

Nothing in sections 62A.01 ~~to~~, 62A.02, 62A.03, 62A.04, 62A.05, 62A.06, 62A.07, and 62A.08 shall apply to or affect:

(1) any policy of workers' compensation insurance or any policy of casualty or fire and allied lines insurance with or without supplementary coverage therein; or

(2) any policy or contract of reinsurance; or

(3) any ~~blanket or~~ group policy of insurance, *except when specifically referred to; or*

(4) life insurance, endowment or annuity contracts, or contracts supplemental thereto which contain only such provisions relating to accident and sickness insurance as (a) provide additional benefits in case of death or dismemberment or loss of sight by accident, or as (b) operate to safeguard such contracts against lapse or to give a special surrender value or special benefit or an annuity in the event that the insured or annuitant shall become totally and permanently disabled, as defined by the contract or supplemental contract.

Sec. 13. Minnesota Statutes 1988, section 62A.15, subdivision 3a, is amended to read:

Subd. 3a. [NURSING SERVICES.] All benefits provided by a policy or contract referred to in subdivision 1, relating to expenses incurred for medical treatment or services of a duly licensed physician must include services provided by a registered nurse who is licensed pursuant to section 148.171 and who is certified by the profession to engage in advanced nursing practice. "Advanced nursing practice" means the performance of health services by professional nurses who have gained additional knowledge and skills through an organized program of study and clinical experience preparing nurses for advanced practice roles as nurse anesthetists, nurse midwives, nurse practitioners, or clinical specialists in psychiatric or mental health nursing. The program of study must be beyond the education required for registered nurse licensure and must meet criteria established by the professional nursing organization having authority to certify the registered nurse in advanced nursing practice; ~~and appear on a list established and maintained by the board of nursing through rulemaking.~~ *For the purposes of this subdivision, the board of nursing shall, by rule, adopt a list of professional nursing organizations which have the authority to certify nurses in advanced nursing practice.*

This subdivision is intended to provide payment of benefits for treatment and services by a licensed registered nurse certified in advanced nursing

practice as defined in this subdivision and is not intended to add to the benefits provided for in these policies or contracts.

Sec. 14. Minnesota Statutes 1988, section 62A.15, subdivision 4, is amended to read:

Subd. 4. [DENIAL OF BENEFITS.] (a) No carrier referred to in subdivision 1 may, in the payment of claims to employees in this state, deny benefits payable for services covered by the policy or contract if the services are lawfully performed by a licensed chiropractor, licensed optometrist, or a registered nurse meeting the requirements of subdivision 3a.

(b) When carriers referred to in subdivision 1 make claim determinations concerning the appropriateness, quality, or utilization of chiropractic health care for Minnesotans, any of these determinations that are made by health care professionals must be made by, or under the direction of, or subject to the review of *licensed* doctors of chiropractic ~~licensed under the provisions of sections 148.04 to 148.104.~~

Sec. 15. Minnesota Statutes 1988, section 62A.152, subdivision 2, is amended to read:

Subd. 2. [MINIMUM BENEFITS.] (a) All group policies and all group subscriber contracts providing benefits for mental or nervous disorder treatments in a hospital shall also provide coverage on the same basis as coverage for other benefits for at least 80 percent of the cost of the usual and customary charges of the first ten hours of treatment incurred over a 12-month benefit period, for mental or nervous disorder consultation, diagnosis and treatment services delivered while the insured person is not a bed patient in a hospital, and at least 75 percent of the cost of the usual and customary charges for any additional hours of treatment during the same 12-month benefit period for serious or persistent mental or nervous disorders, if the services are furnished by (1) a licensed or accredited hospital, (2) a community mental health center or mental health clinic approved or licensed by the commissioner of human services or other authorized state agency, ~~or~~ (3) a *licensed psychologist licensed under the provisions of sections 148.88 to 148.98*, (4) a licensed consulting psychologist licensed under the provisions of sections 148.88 to 148.98, or (5) a psychiatrist licensed under chapter 147. Prior authorization from an accident and health insurance company, or a nonprofit health service corporation, shall be required for an extension of coverage beyond ten hours of treatment. This prior authorization must be based upon the severity of the disorder, the patient's risk of deterioration without ongoing treatment and maintenance, degree of functional impairment, and a concise treatment plan. Authorization for extended treatment may be limited to a maximum of 30 visit hours during any 12-month benefit period.

(b) For purposes of this section, covered treatment for a minor includes treatment for the family if family therapy is recommended by a provider listed in paragraph (a); ~~item (1); (2); or (3).~~ For purposes of determining benefits under this section, "hours of treatment" means treatment rendered on an individual or single-family basis. If treatment is rendered on a group basis, the hours of covered group treatment must be provided at a ratio of no less than two group treatment sessions to one individual treatment hour.

Sec. 16. Minnesota Statutes 1988, section 62A.152, subdivision 3, is amended to read:

Subd. 3. [PROVIDER DISCRIMINATION PROHIBITED.] All group policies and group subscriber contracts that provide benefits for mental or

nervous disorder treatments in a hospital must provide direct reimbursement for those services if performed by a *licensed psychologist or a licensed consulting psychologist* to the extent that the services and treatment are within the scope of *licensed psychologist or licensed consulting psychologist* licensure. The order of the physician requesting the services of the *licensed psychologist or licensed consulting psychologist* may be required to be submitted with the claim for payment.

This subdivision is intended to provide payment of benefits for mental or nervous disorder treatments performed by a *licensed psychologist or a licensed consulting psychologist* in a hospital and is not intended to change or add benefits for those services provided in policies or contracts to which this subdivision applies.

Sec. 17. Minnesota Statutes 1988, section 62A.17, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBILITY OF EMPLOYEE.] Every covered employee electing to continue coverage shall pay the former employer, on a monthly basis, the cost of the continued coverage. If the policy, contract, or health care plan is administered by a trust, every covered employee electing to continue coverage shall pay the trust the cost of continued coverage according to the eligibility rules established by the trust. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for similarly situated employees with respect to whom neither termination nor layoff has occurred, without regard to whether such cost is paid by the employer or employee. The employee shall be eligible to continue the coverage until the employee becomes covered under another group health plan, or for a period of 18 months after the termination of or lay off from employment, whichever is shorter. *If the employee becomes covered under another group policy, contract, or health plan and the new group policy, contract, or health plan contains any preexisting condition limitations, the employee may, subject to the 18-month maximum continuation limit, continue coverage with the former employer until the preexisting condition limitations have been satisfied. The new policy, contract, or health plan is primary except as to the preexisting condition. In the case of a newborn child who is a dependent of the employee, the new policy, contract, or health plan is primary upon the date of birth of the child, regardless of which policy, contract, or health plan coverage is deemed primary for the mother of the child.*

Sec. 18. Minnesota Statutes 1988, section 62A.46, is amended by adding a subdivision to read:

Subd. 12. [HOMEBOUND OR HOUSE CONFINED.] *“Homebound or house confined” means that a person is physically unable to leave the home without another person’s aid because the person has lost the capacity of independent transportation or is disoriented.*

Sec. 19. Minnesota Statutes 1988, section 62A.48, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIREMENTS.] No individual or group policy, certificate, subscriber contract, or other evidence of coverage of nursing home care or other long-term care services shall be offered, issued, delivered, or renewed in this state, whether or not the policy is issued in this state, unless the policy is offered, issued, delivered, or renewed by a qualified insurer and the policy satisfies the requirements of sections 62A.46 to 62A.56. A

long-term care policy must cover medically prescribed long-term care in nursing facilities and at least the medically prescribed long-term home care services in section 62A.46, subdivision 4, clauses (1) to (5), provided by a home health agency. Coverage under a long-term care policy AA must include: a maximum lifetime benefit limit of at least \$100,000 for services, and nursing facility and home care coverages must not be subject to separate lifetime maximums; and a requirement of prior hospitalization for up to one day may be imposed only for long-term care in a nursing facility. Coverage under a long-term care policy A must include: a maximum lifetime benefit limit of at least \$50,000 for services, and nursing facility and home care coverages must not be subject to separate lifetime maximums; and a requirement of prior hospitalization for up to three days may be imposed for long-term care in a nursing facility or home care services. If long-term care policies require the policyholder to be admitted to a nursing facility or begin home care services within a specified period after discharge from a hospital, that period may be no less than 30 days. Prior hospitalization may not be required under a long-term care policy.

Coverage under either policy designation 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. Coverage under either policy designation may include a waiting period of up to 90 days before benefits are paid, but there must be no more than one waiting period per benefit period. No policy may exclude coverage for mental or nervous disorders which have a demonstrable organic cause, such as Alzheimer's and related dementias. No policy may require the insured to meet a prior hospitalization test more than once during a single benefit period be homebound or house confined to receive home care services. The policy must include a provision that the plan will not be canceled or renewal refused except on the grounds of nonpayment of the premium, provided that the insurer may change the premium rate on a class basis on any policy anniversary date. A provision that the policyholder may elect to have the premium paid in full at age 65 by payment of a higher premium up to age 65 may be offered. A provision that the premium would be waived during any period in which benefits are being paid to the insured during confinement in a nursing facility must be included. A nongroup policyholder may return a policy within 30 days of its delivery and have the premium refunded in full, less any benefits paid under the policy, if the policyholder is not satisfied for any reason.

Sec. 20. [62A.60] [RETROACTIVE DENIAL OF EXPENSES.]

In cases where the subscriber or insured is liable for costs beyond applicable copayments or deductibles, no insurer may retroactively deny payment to a person who is covered when the services are provided for health care services that are otherwise covered, if the insurer or its representative failed to provide prior or concurrent review or authorization for the expenses when required to do so under the policy, plan, or certificate. If prior or concurrent review or authorization was provided by the insurer or its representative, the insurer may not deny payment for the authorized service or time period except in cases where fraud or substantive misrepresentation occurred.

Sec. 21. Minnesota Statutes 1988, section 62B.01, is amended to read:

62B.01 [SCOPE.]

All life insurance and accident and health insurance in connection with loan or other credit transactions shall be subject to the provisions of sections

62B.01 to 62B.14, except insurance in connection with a loan or other credit transaction of more than five years duration mortgage life, mortgage accidental death, and mortgage disability insurance. Insurance shall not be subject to the provisions of sections 62B.01 to 62B.14 where its issuance is an isolated transaction on the part of the insurer not related to an agreement or a plan for insuring debtors of the creditor. Credit life and accident and health insurance provided at no additional cost to the borrower shall not be subject to the provisions of sections 62B.01 to 62B.14.

Sec. 22. Minnesota Statutes 1988, section 62B.04, subdivision 1, is amended to read:

Subdivision 1. [CREDIT LIFE INSURANCE.] (1) The initial amount of credit life insurance shall not exceed the total actual amount repayable under the contract of indebtedness as it exists from time to time, less any unearned interest or finance charges; provided that if the amount of credit life insurance is based on a predetermined schedule, the amount may not exceed the scheduled amount of unpaid indebtedness, less any unearned interest or finance charges, plus an amount equal to two equal monthly payments. ~~Thereafter, if the indebtedness is repayable in substantially equal installments, the amount of insurance shall not exceed the scheduled or actual amount of indebtedness, whichever is greater.~~

(2) Notwithstanding clause (1), insurance on educational, agricultural and horticultural credit transaction commitments may be written on a nondecreasing or level term plan for the amount of the loan commitment.

Sec. 23. Minnesota Statutes 1988, section 62D.12, is amended by adding a subdivision to read:

Subd. 1a. [SWING-OUT PRODUCTS.] Notwithstanding subdivision 1, nothing in sections 10, 20, and 26 applies to a commercial health policy issued under this chapter as a companion to a health maintenance contract.

Sec. 24. Minnesota Statutes 1988, section 62E.06, subdivision 1, is amended to read:

Subdivision 1. [NUMBER THREE PLAN.] A plan of health coverage shall be certified as a number three qualified plan if it otherwise meets the requirements established by chapters 62A and 62C, and the other laws of this state, whether or not the policy is issued in Minnesota, and meets or exceeds the following minimum standards:

(a) The minimum benefits for a covered individual shall, subject to the other provisions of this subdivision, be equal to at least 80 percent of the cost of covered services in excess of an annual deductible which does not exceed \$150 per person. The coverage shall include a limitation of \$3,000 per person on total annual out-of-pocket expenses for services covered under this subdivision. The coverage shall be subject to a maximum lifetime benefit of not less than \$500,000.

The \$3,000 limitation on total annual out-of-pocket expenses and the \$500,000 maximum lifetime benefit shall not be subject to change or substitution by use of an actuarially equivalent benefit.

(b) Covered expenses shall be the usual and customary charges for the following services and articles when prescribed by a physician:

(1) hospital services;

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

(3) drugs requiring a physician's prescription;

(4) services of a nursing home for not more than 120 days in a year if the services would qualify as reimbursable services under Medicare;

(5) services of a home health agency if the services would qualify as reimbursable services under Medicare;

(6) use of radium or other radioactive materials;

(7) oxygen;

(8) anesthetics;

(9) prostheses other than dental but including scalp hair prostheses worn for hair loss suffered as a result of alopecia areata;

(10) rental or purchase, as appropriate, of durable medical equipment other than eyeglasses and hearing aids;

(11) diagnostic X-rays and laboratory tests;

(12) oral surgery for partially or completely unerupted impacted teeth, a tooth root without the extraction of the entire tooth, or the gums and tissues of the mouth when not performed in connection with the extraction or repair of teeth;

(13) services of a physical therapist;

(14) transportation provided by licensed ambulance service to the nearest facility qualified to treat the condition; or a reasonable mileage rate for transportation to a kidney dialysis center for treatment; and

(15) services of an occupational therapist.

(c) Covered expenses for the services and articles specified in this subdivision do not include the following:

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

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

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

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

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

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

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

(d) The minimum benefits for a qualified plan shall include, in addition to those benefits specified in clauses (a) and (c), benefits for well baby care, effective July 1, 1980, subject to applicable deductibles, coinsurance provisions, and maximum lifetime benefit limitations.

(e) Effective July 1, 1979, the minimum benefits of a qualified plan shall include, in addition to those benefits specified in clause (a), a second opinion from a physician on all surgical procedures expected to cost a total of \$500 or more in physician, laboratory, and hospital fees, provided that the coverage need not include the repetition of any diagnostic tests.

(f) Effective August 1, 1985, the minimum benefits of a qualified plan must include, in addition to the benefits specified in clauses (a), (d), and (e), coverage for special dietary treatment for phenylketonuria when recommended by a physician.

(g) Outpatient mental health coverage is subject to section 62A.152, subdivision 2.

Sec. 25. [65A.061] [CREDITORS LIMITED TO EXISTING INSURANCE.]

When a creditor requires a debtor to provide insurance on real or personal property security against reasonable risks of loss, damage, or destruction, no insurance shall be sold or placed by or through the creditor if the debtor provides the creditor with a loss payable through existing policies of insurance that the debtor owns or controls. This section does not apply if the existing insurance is in an amount less than the amount of indebtedness to be secured on the real or personal property.

This section does not prevent the disapproval of the insurer or a policy of insurance where there are reasonable grounds for believing that the insurer is insolvent or that the insurance is unsatisfactory as to placement with an unauthorized insurer, adequacy of the coverage, adequacy of the insurer to assume the risk to be insured, the assessment features to which the policy is subject, or other grounds that are based on the nature of the coverage and that are not arbitrary, unreasonable or discriminatory. This section does not prevent a mortgage lender or mortgage servicer from requiring that a policy of insurance or renewal of the policy be in conformance with standards of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, nor does this section forbid the securing of a policy of insurance or a renewal of the policy at the request of the borrower or because of the borrower's failure to furnish the necessary insurance or renewal.

This section supersedes any inconsistent provision of law to the contrary.

Sec. 26. Minnesota Statutes 1988, section 72A.20, is amended by adding

a subdivision to read:

Subd. 4a. [STANDARDS FOR PREAUTHORIZATION APPROVAL.] If a policy of accident and sickness insurance or a subscriber contract requires preauthorization approval for any nonemergency services or benefits, the decision to approve or disapprove the requested services or benefits must be communicated to the insured or the insured's health care provider within ten business days of the preauthorization request and receipt of all information reasonably necessary to make a decision on the request.

Sec. 27. Minnesota Statutes 1988, section 72A.20, subdivision 15, is amended to read:

Subd. 15. [PRACTICES NOT HELD TO BE DISCRIMINATION OR REBATES.] Nothing in subdivision 8, 9, or 10, or in section 72A.12, subdivisions 3 and 4, shall be construed as including within the definition of discrimination or rebates any of the following practices:

(1) in the case of any contract of life insurance or annuity, paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, provided that any bonuses or abatement of premiums shall be fair and equitable to policyholders and for the best interests of the company and its policyholders;

(2) in the case of life insurance policies issued on the industrial debit plan, making allowance, to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer, in an amount which fairly represents the saving in collection expense;

(3) readjustment of the rate of premium for a group insurance policy based on the loss or expense experienced thereunder, at the end of the first or any subsequent policy year of insurance thereunder, which may be made retroactive only for such policy year;

(4) in the case of an individual or group health insurance policy, the payment of differing amounts of reimbursement to insureds who elect to receive health care goods or services from providers designated by the insurer, provided that each insurer shall on or before August 1 of each year file with the commissioner summary data regarding the financial reimbursement offered to providers so designated.

Any insurer which proposes to offer an arrangement authorized under this clause shall disclose prior to its initial offering and on or before August 1 of each year thereafter as a supplement to its annual statement submitted to the commissioner pursuant to section 60A.13, subdivision 1, the following information:

(a) the name which the arrangement intends to use and its business address;

(b) the name, address, and nature of any separate organization which administers the arrangement on the behalf of the insurers; and

(c) the names and addresses of all providers designated by the insurer under this clause and the terms of the agreements with designated health care providers.

The commissioner shall maintain a record of arrangements proposed under this clause, including a record of any complaints submitted relative to the arrangements.

If the commissioner requests copies of contracts with a provider under this clause and the provider requests a determination, all information contained in the contracts that the commissioner determines may place the provider or health care plan at a competitive disadvantage is nonpublic data.

Sec. 28. Minnesota Statutes 1988, section 72A.20, is amended by adding a subdivision to read:

Subd. 20. [CANCELLATIONS AND NONRENEWALS.] No insurer shall cancel or fail to renew an individual life or individual health policy or an individual nonprofit health service plan subscriber contract for nonpayment of premium unless it mails or delivers to the named insured, at the address shown on the policy or subscriber contract at least 30 days before lapse, final notice of the cancellation or nonrenewal and the effective date of the cancellation or nonrenewal.

If the named insured is not the policy or subscriber contract owner, the notice required by this subdivision must be sent to the insured's last known address, if any, and to the owner's last known address.

Proof of mailing of the notice of lapse for failure to pay the premium before the expiration of the grace period is sufficient proof that notice required in this subdivision has been given.

This subdivision does not apply to a life or health insurance policy or contract upon which premiums are paid at a monthly interval or less and that contains any grace period required by statute for the payment of premiums during which time the insurance continues in force.

Sec. 29. Minnesota Statutes 1988, section 72A.20, is amended by adding a subdivision to read:

Subd. 21. [USE OF STATEMENTS OF A MINOR.] No statement of a minor or information obtained by an insurer or a representative of an insurer from a minor may be used in any manner in regard to a claim unless the parent or guardian of the minor has granted permission for the minor to be interviewed or the minor's statement to be taken.

Sec. 30. Minnesota Statutes 1988, section 72A.20, is amended by adding a subdivision to read:

Subd. 22. [LOSS EXPERIENCE.] An insurer shall without cost to the insured provide an insured with the loss or claims experience of that insured for the current policy period and for the two policy periods preceding the current one for which the insurer has provided coverage, within 30 days of a request for the information by the policy holder. The insurer shall not be responsible for providing information without cost more often than once in a 12-month period. The insurer is not required to provide the information if the policy covers the employee of more than one employer and the information is not maintained separately for each employer and not all employers request the data.

Loss experience for additional years, if available, must be provided only if the insured makes a written request for information that is required by another insurer with whom the insured has applied for coverage.

This subdivision does not apply to individual life and health insurance policies or personal automobile or homeowner's insurance policies.

Sec. 31. Minnesota Statutes 1988, section 72A.20, is amended by adding

a subdivision to read:

Subd. 23. [SOLICITATIONS AND SALES OF INSURANCE PRODUCTS TO BORROWERS.] (a) A loan officer, a loan representative, or other person involved in taking or processing a loan may not solicit an insurance product, except for credit life and disability or mortgage life, mortgage accidental death, or mortgage disability, from the completion of the initial loan application, as defined in the federal Equal Credit Opportunity Act, United States Code, title 15, sections 1691 to 1691f, and any regulations adopted under those sections, until after the closing of the loan transaction.

(b) This subdivision applies only to loan transactions covered by the federal Truth-in-Lending Act, United States Code, title 15, sections 1601 to 1666j, and any regulations adopted under those sections.

(c) This subdivision does not apply to sales of title insurance, homeowner's insurance, a package homeowner's-automobile insurance product, automobile insurance, or a similar insurance product, required to perfect title to, or protect, property for which a security interest will be taken if the product is required as a condition of the loan.

(d) Nothing in this subdivision prohibits the solicitation or sale of any insurance product by means of mass communication.

Sec. 32. [72A.205] [PROHIBITED PROVISIONS AND COVERAGES.]

No policy of insurance paying a death benefit that returns premiums or premiums plus interest, or multiples of less than four times the premiums or premiums plus interest, in lieu of benefits may be issued in this state unless the application for the policy is completed in the presence of the applicant and a licensed insurance agent, and the application contains a disclosure stating that the full death benefit may not be paid and clearly indicating the period for which the death benefit may be withheld. The disclosure required by this section must be approved by the commissioner prior to its use. This section does not prohibit the return of premiums or premiums plus interest in connection with a voluntary or judicially ordered rescission of the policy, nor in accordance with the terms of exclusions from coverage for suicides, aviation, or war risk.

Sec. 33. Minnesota Statutes 1988, section 72A.325, is amended to read:

72A.325 [INSURANCE FOR FUNERAL OR BURIAL EXPENSE; FREEDOM OF CHOICE.]

(a) No insurance company, or agent, or other person engaged in the business of providing insurance or other benefits for the payment of any funeral or burial expense affiliate or associate of a company or agent, shall designate, endorse, or otherwise promote any particular a trust established under section 149.11, mortician, funeral director, funeral establishment, cemetery, or any other party offering funeral or burial services or supplies, as the direct or indirect beneficiary or recipient of the benefits, so as to deprive the family, next of kin, or other representative of the deceased policyholder of the right to select the funeral or burial services and supplies of their choice, under a life insurance policy. No insurance company or agent shall assign or promote or facilitate the assignment of benefits under a life insurance policy to an affiliate or associate where such assignment is for the purpose of directly or indirectly providing the benefits to a trust established under section 149.11, mortician, funeral

director, funeral establishment, cemetery, or any party offering funeral or burial services or supplies.

(b) No owner, director, or employee, or relative of an owner, director, or employee, of a funeral establishment, trade association, or entity having a direct equity interest in a funeral establishment or relative of any person having at least a ten percent ownership interest in the entity, shall receive any fee, commission, or other reimbursement on any insurance sale facilitated through the funeral establishment.

(c) No owner, director, or employee of a funeral establishment or trade association shall receive any fee for endorsing insurance policies, plans, or services.

(d) The sale of life insurance to facilitate funeral or burial services by a company or agency which is an affiliate of a funeral director or a funeral establishment, or which pays a fee or commission to a funeral director or funeral establishment in connection with that sale of life insurance is prohibited.

(e) For purposes of this section, the following terms have the meanings given them:

(1) "Affiliate" of another person means any person directly or indirectly controlling, controlled by, or under common control with, the other person;

(2) "Associate" of a person means any person acting jointly or in concert with the person; and

(3) "Relative" of another person means mother, father, sister, brother, husband, wife, son, daughter, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, or person in the third degree of kinship to the other person.

Sec. 34. Minnesota Statutes 1988, section 149.11, is amended to read:

149.11 [PREARRANGED FUNERAL PLANS; CONTRACTS; TRUST FUNDS.]

(a) When prior to the death of any person, that person or another enters into any transaction, makes a contract, or any series or combination of transactions or contracts with another person, partnership, association or corporation, other than an insurance company licensed to do business in the state of Minnesota, by the terms of which, certain personal property related to the funeral services or the burial, cremation, or other disposition of human remains will be used upon the death of the person for whom the property is to be used, or when the professional services of a funeral director or embalmer will then be furnished, or both, then the total of all money paid by the terms of the transaction, contract or series or combination of transactions or contracts shall be held in trust for the purpose for which it has been paid until the death of the person for whose benefit the money was paid, or refunded to the person who made the payment or payments, upon demand. A prearranged funeral or burial contract buyer may, at the buyer's option, declare the funeral or burial trust to be irrevocable up to an amount equivalent to the current allowable supplemental security income asset exclusion used for determining eligibility for public assistance. The contract buyer may, at the buyer's option, also declare the interest to be irrevocable to the extent permitted by federal laws and rules governing public assistance. The buyer of either a revocable or an irrevocable prearranged funeral or burial contract retains the right to designate as trustee

a different funeral establishment at any time before the death of the person for whose benefit the money was paid. Upon the death of that person, the next of kin or other legal representative of that person's estate retains the right to designate as trustee a different funeral establishment. Accruals of interest or dividends declared upon the sum of money held in trust are subject to the same trust. The person, partnership, association or corporation holding the money in trust shall inform the person on whose behalf the money is held that all money paid plus all accrued earnings will be held in trust until the death of that person or until a request for a refund is made if made prior to death, *except for a prearranged funeral or burial trust declared irrevocable by the buyer under this section.* The location of the trust account including the name and address of the institution in which the money is being held and any identifying account numbers, and any subsequent changes in that information must be disclosed in writing to the person on whose behalf the money is being held, at the time the funds are deposited into the trust account and at the time of any subsequent changes in the information. The personal property shall include but not be limited to a casket, burial vault not interred in a grave, combination casket-vault or other receptacle not described in paragraph (b) for the interment, entombment, cremation, or other disposition of human remains.

(b) Nothing in this section shall prevent the sale and delivery of cemetery lots, graves, burial vaults preinterred in a grave, cremation urns, crypt spaces, niches, or grave or lot markers or monuments before their use is required. Nothing in this section prevents the preconstruction sale of crypt spaces to be permanently installed except that any seller of mausoleum space or columbarium space, selling burial space in a mausoleum or columbarium that is not completely constructed and usable, must comply with section 306.90.

(c) It is the intent of the legislature that the provisions of this section shall be construed as a limitation upon the manner in which a person or legal entity is permitted to accept funds in prepayment of funeral services to be performed in the future or in prepayment of funeral or burial goods to be used in connection with the funeral or final disposition of human remains. It is further intended to allow members of the public to arrange and pay for funerals, final dispositions, funeral services, and funeral and burial goods for themselves and their families in advance of need while at the same time providing all possible safeguards so that the prepaid funds cannot be dissipated, whether intentionally or not, so as to be available for the payment of the services and goods selected.

Sec. 35. [REVISOR'S INSTRUCTION.]

The revisor of statutes shall, as part of the regular process of statutory revision, prepare a bill for introduction that amends Minnesota Statutes to reflect the intent of the legislature as expressed in section 3 to make uniform the service of process provisions in Minnesota Statutes, chapters 45 to 83, 155A, 309, and 332.

Sec. 36. [REPEALER.]

Minnesota Statutes 1988, sections 60A.23, subdivision 7; and 72A.13, subdivision 2, are repealed.

Sec. 37. [EFFECTIVE DATE.]

Sections 1 to 3, 5, 6, 8, 9, 11 to 14, 18, 20, 23 to 25, 27, 29, 31, 32, 35, and 36 are effective the day following final enactment. Sections 4, 10,

17, 26, 28, 30, 33, and 34 are effective August 1, 1989. Sections 7, 15, 16, 19, 21, and 22 are effective for policies, plans, or contracts issued or renewed on or after August 1, 1989."

Amend the title as follows:

Page 1, line 9, after the second semicolon, insert "61A.09, by adding a subdivision;"

Page 1, line 11, delete "subdivision 3a" and insert "subdivisions 3a and 4; 62A.152, subdivisions 2 and 3"

Page 1, line 17, delete "60A;"

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

Mr. Frank from the Committee on Economic Development and Housing, to which were referred the following appointments as reported in the Journal for January 9, 1989:

MINNESOTA PUBLIC FACILITIES AUTHORITY

Susan K. Edel
Marilyn A. Krueger

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. Frank from the Committee on Economic Development and Housing, to which was referred the following appointment as reported in the Journal for March 20, 1989:

MINNESOTA PUBLIC FACILITIES AUTHORITY

Gena Doyscher

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. Solon from the Committee on Commerce, to which was referred

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.

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

Page 1, after line 17, insert:

"Subd. 2. [ANALYSIS.] "Analysis" means a study of real estate or real

property other than estimating value.”

Page 1, line 21, after “*estate*” insert “*for purposes of preparing an appraisal report*”

Page 1, line 23, delete everything after the period

Page 1, delete lines 24 and 25

Page 2, line 20, after “*chapter*” insert “, *including an appraiser employed by a state agency*”

Page 2, after line 20, insert:

“*Subd. 9. [MARKET ANALYSIS.] “Market analysis” means a price opinion prepared by a licensed real estate salesperson or broker for marketing purposes.*”

Page 2, delete lines 26 to 29

Page 2, after line 35, insert:

“*Subd. 13. [VALUATION.] “Valuation” means an estimate of value of real estate or real property.*”

Renumber the subdivisions in sequence

Page 3, line 1, before “(a)” insert “*Subdivision 1. [LICENSE REQUIRED.]*”

Page 3, after line 8, insert:

“*Subd. 2. [LICENSE NOT REQUIRED.] (a) An officer or employee of a corporation, partnership, or other business entity may act as a real estate appraiser without obtaining a license under this chapter if the corporation, partnership, or other business entity in which the person is employed or is an officer has an interest in the real estate that is the subject of the appraisal as owners, lenders, investors, or insurers.*

(b) An appraisal conducted by a person exempt under this subdivision must be subject to the guidelines for real estate appraisal policies and review procedures of the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the Federal Reserve Board, the Farm Credit Administration, or the comptroller of the currency.

(c) If a real estate appraisal is made by a person who is exempt from licensing under this subdivision, the person for whom the appraisal is conducted must be given written notice that the appraisal was not conducted by a licensed appraiser, and the appraisal report must clearly state that it was conducted by an interested party and not by a licensed real estate appraiser.

Sec. 4. [82B.035] [EXEMPTION.]

Subdivision 1. [MARKET ANALYSIS.] This chapter does not apply to a licensed real estate salesperson or broker who, in the ordinary course of the licensee’s business, gives a market analysis of the price of real estate, if the market analysis is not referred to or construed as an appraisal.

Subd. 2. [ASSESSORS.] Nothing in this chapter shall be construed as requiring the licensing of persons employed and acting in their capacity as assessors for political subdivisions of the state.”

Page 5, line 18, delete “*may*” and insert “*shall*”

Page 8, delete line 35

Page 8, line 36, delete “dwelling units”

Page 9, line 1, delete “terms of the” and insert “uniform standards of professional appraisal practice”

Page 9, line 2, delete “assignment”

Page 9, line 8, delete “not” in both places

Page 9, line 29, after “misconduct” insert “and ethical considerations”

Page 15, line 16, delete “those” and insert “appraisals”

Page 15, line 22, delete “or”

Page 15, after line 22, insert:

“(14) make an oral appraisal report without also making a written report within a reasonable time after the oral report is made;

(15) represent a market analysis to be an appraisal report; or”

Renumber the clauses in sequence

Page 15, line 30, delete “specialized services” and insert “a market analysis”

Page 16, lines 5 and 9, delete “specialized services” and insert “a market analysis”

Page 16, after line 14, insert:

“Sec. 23. [82B.23] [PRIVATE REMEDY.]

A cause of action for violation of section 21 may not arise unless the person injured has made a written demand to the real estate appraiser for damages and the appraiser 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 real estate appraiser is liable to that person for actual damages, plus reasonable attorney fees.”

Page 17, line 3, delete “23” and insert “25”

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. 1541, 1378, 605 and 804 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 400, 1411, 438 and 1155 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Novak moved that the name of Mr. Merriam be added as a co-author to S.F. No. 879. The motion prevailed.

Mr. Cohen moved that the name of Mr. Chmielewski be added as a co-author to S.F. No. 1277. The motion prevailed.

Mr. Cohen moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1324. The motion prevailed.

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

Senate Resolution No. 114: A Senate resolution designating October 11, 1989, as American Field Service Day.

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. 1488 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1488: 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.

Mr. Moe, R.D. moved that S.F. No. 1488 be laid on the table. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 46 a Special Order to be heard immediately.

SPECIAL ORDER

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. Merriam moved to amend H.F. No. 46 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 46, and insert the language after the enacting clause, and the title, of S.F. No. 1588, as introduced.

The motion prevailed. So the amendment was adopted.

Mrs. McQuaid moved to amend H.F. No. 46, as amended by the Senate April 25, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1588.)

Page 14, line 37, delete "6,750,000" and insert "3,516,750"

Correct the summary and the bond sale authorization accordingly

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on H.F. No. 46. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the McQuaid amendment.

The roll was called, and there were yeas 26 and nays 38, as follows:

Those who voted in the affirmative were:

Anderson	Diessner	Knaak	Novak	Storm
Benson	Frederick	Laidig	Olson	Taylor
Bernhagen	Frederickson, D.R.	Larson	Pariseau	
Brataas	Gustafson	McGowan	Ramstad	
Dahl	Hughes	McQuaid	Reichgott	
Decker	Johnson, D.E.	Mehrkens	Renneke	

Those who voted in the negative were:

Adkins	Cohen	Langseth	Moe, R.D.	Samuelson
Beckman	Davis	Lantry	Morse	Schmitz
Belanger	DeCramer	Lessard	Peehler	Solon
Berg	Dicklich	Luther	Peterson, D.C.	Stumpf
Berglin	Frederickson, D.J.	Marty	Peterson, R.W.	Vickerman
Bertram	Freeman	Merriam	Piper	Waldorf
Brandl	Johnson, D.J.	Metzen	Pogemiller	
Chmielewski	Kroening	Moe, D.M.	Purfeerst	

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

Mr. Ramstad moved to amend H.F. No. 46, as amended by the Senate April 25, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1588.)

Page 1, line 30, delete "17,360,000" and insert "19,141,250"

Page 2, line 6, delete "9,014,000" and insert "7,195,250"

Page 11, line 1, delete "17,360,000" and insert "19,141,250"

Page 11, line 10, after "tunnels" insert "and convert single-inmate cells to double-inmate cells" and delete "1,100,000" and insert "1,625,000"

Page 11, line 18, after "regulations" insert "and convert single-inmate cells to double-inmate cells" and delete "350,000" and insert "1,325,000"

Page 11, after line 24, insert:

"Subd. 8. Minnesota Correctional
Facility — Oak Park Heights
Convert single-inmate cells to
double-inmate cells

281,250"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 41, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Frederick	McGowan	Ramstad
Beckman	Brandl	Frederickson, D.R.	McQuaid	Renneke
Belanger	Brataas	Gustafson	Mehrkens	Storm
Benson	Dahl	Knaak	Olson	Taylor
Bernhagen	Decker	Larson	Pariseau	

Those who voted in the negative were:

Adkins	Frederickson, D.J.	Lessard	Pehler	Solon
Berg	Freeman	Luther	Peterson, D.C.	Spear
Berglin	Hughes	Marty	Peterson, R.W.	Stumpf
Chmielewski	Johnson, D.E.	Merriam	Piper	Vickerman
Cohen	Johnson, D.J.	Metzen	Pogemiller	Waldorf
Davis	Knutson	Moe, D.M.	Purfeerst	
DeCramer	Kroening	Moe, R.D.	Reichgott	
Dicklich	Langseth	Morse	Samuelson	
Diessner	Lantry	Novak	Schmitz	

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

Mrs. McQuaid moved to amend H.F. No. 46, as amended by the Senate April 25, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1588.)

Page 14, line 37, delete "6,750,000" and insert "3,516,750"

Page 14, line 40, delete "16,485,000" and insert "19,718,250"

Page 15, line 2, delete "9,190,000" and insert "12,423,250"

Page 15, line 7, delete "\$3,193,000" and insert "\$6,426,250" and before the period, insert "for those communities identified in Minnesota Statutes, section 116.18, subdivision 3d"

Correct the section totals, the summary, and the bond sale authorization accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 38, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Laidig	Novak	Renneke
Benson	Frederick	Larson	Olson	Storm
Bernhagen	Johnson, D.E.	McGowan	Pariseau	
Brataas	Knaak	McQuaid	Peterson, R.W.	
Dahl	Knutson	Mehrkens	Ramstad	

Those who voted in the negative were:

Beckman	DeCramer	Langseth	Morse	Schmitz
Belanger	Dicklich	Lantry	Pehler	Solon
Berg	Diessner	Lessard	Peterson, D.C.	Spear
Berglin	Frederickson, D.J.	Luther	Piper	Stumpf
Bertram	Freeman	Marty	Pogemiller	Vickerman
Brandl	Hughes	Merriam	Purfeerst	Waldorf
Cohen	Johnson, D.J.	Metzen	Reichgott	
Davis	Kroening	Moe, R.D.	Samuelson	

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

Mr. Ramstad moved to amend H.F. No. 46, as amended by the Senate April 25, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1588.)

Page 10, line 42, after the period, insert "The commissioner of corrections must provide full-time work assignments for all correctional inmates on projects funded in this section or other work assignments. The appropriations in this section are conditional upon the fulfillment of this requirement."

Ms. Berglin questioned whether the amendment was germane. The President ruled that the amendment was germane.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	Mehrkens	Renneke
Beckman	Chmielewski	Knaak	Metzen	Storm
Belanger	Dahl	Knutson	Novak	Taylor
Benson	Decker	Laidig	Olson	Vickerman
Berg	Frederick	Larson	Pariseau	
Bernhagen	Frederickson, D.R.	McGowan	Purfeerst	
Bertram	Gustafson	McQuaid	Ramstad	

Those who voted in the negative were:

Adkins	Diessner	Lantry	Morse	Schmitz
Berglin	Frederickson, D.J.	Lessard	Pehler	Solon
Brandl	Freeman	Luther	Peterson, D.C.	Spear
Cohen	Hughes	Marty	Piper	Stumpf
Davis	Johnson, D.J.	Merriam	Pogemiller	Waldorf
DeCramer	Kroening	Moe, D.M.	Reichgott	
Dicklich	Langseth	Moe, R.D.	Samuelson	

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

Mr. Knaak moved to amend H.F. No. 46, as amended by the Senate April 25, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1588.)

Page 13, delete lines 38 to 47

Page 14, delete lines 1 to 14

Reletter the paragraphs in sequence

Correct the section total, the summary, and the bond sale authorization accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Knaak	McQuaid	Renneke
Benson	Dahl	Knutson	Mehrkens	Storm
Berg	Decker	Laidig	Olson	Taylor
Berglin	Frederick	Larson	Pariseau	Vickerman
Bernhagen	Gustafson	Marty	Purfeerst	
Bertram	Johnson, D.E.	McGowan	Ramstad	

Those who voted in the negative were:

Adkins	DeCramer	Kroening	Moe, D.M.	Reichgott
Beckman	Dicklich	Langseth	Moe, R.D.	Samuelson
Belanger	Diessner	Lantry	Morse	Schmitz
Brandl	Frederickson, D.J.	Lessard	Novak	Solon
Chmielewski	Frederickson, D.R.	Luther	Peterson, D.C.	Spear
Cohen	Hughes	Merriam	Piper	Stumpf
Davis	Johnson, D.J.	Metzen	Pogemiller	Waldorf

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

H.F No. 46 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 48 and nays 17, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Hughes	Mehrkens	Samuelson
Beckman	Dahl	Johnson, D.E.	Merriam	Schmitz
Belanger	Decker	Johnson, D.J.	Metzen	Solon
Berg	DeCramer	Laidig	Moe, D.M.	Spear
Berglin	Dicklich	Langseth	Moe, R.D.	Stumpf
Bernhagen	Frederick	Lantry	Morse	Taylor
Bertram	Frederickson, D.J.	Larson	Pehler	Vickerman
Brandl	Frederickson, D.R.	Lessard	Piper	Waldorf
Brataas	Freeman	Luther	Purfeerst	
Chmielewski	Gustafson	Marty	Reichgott	

Those who voted in the negative were:

Adkins	Knaak	McQuaid	Peterson, D.C.	Storm
Benson	Knutson	Novak	Pogemiller	
Davis	Kroening	Olson	Ramstad	
Diessner	McGowan	Pariseau	Renneke	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Metzen moved that S.F No. 1488 be taken from the table. The motion prevailed.

S.F No. 1488: 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.

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Merriam moved that S.F. No. 1588, No. 201 on General Orders, be stricken and laid on the table. The motion prevailed.

Mr. Merriam moved that S.F. No. 1511, No. 111 on General Orders, be stricken and 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.

Messrs. Mehrkens, Ramstad, Larson and Decker introduced—

S.F. No. 1598: A bill for an act relating to education; permitting teachers to remove pupils whose conduct would tend to impair the discipline of the classroom or harm other pupils; proposing coding for new law in Minnesota Statutes, chapter 125.

Referred to the Committee on Education.

Mr. Mehrkens introduced—

S.F. No. 1599: A bill for an act relating to taxation; providing for hearings to establish need for and reasonable cost of reassessments; amending Minnesota Statutes 1988, sections 270.16, subdivision 1; and 270.18.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Storm, Bernhagen and Marty introduced—

S.F. No. 1600: A bill for an act relating to energy; state buildings; establishing goals for energy conservation; amending Minnesota Statutes 1988, section 16B.32.

Referred to the Committee on Public Utilities and Energy.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:00 a.m., Thursday, April 27, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

THIRTY-NINTH DAY

St. Paul, Minnesota, Wednesday, April 26, 1989

The House of Representatives met on Wednesday, April 26, 1989, which was the Thirty-Ninth Legislative Day of the Seventy-Sixth Session of the Minnesota State Legislature. The Senate did not meet on this date.

FORTIETH DAY

St. Paul, Minnesota, Thursday, April 27, 1989

The Senate met at 8:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Chmielewski 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	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	Frederick	Larson	Pariseau	Storm
Berglin	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Bertram	Freeman	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.

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. 264 and 1270.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 26, 1989

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1016, 1027, 1107, 1139, 930, 1323, 1354, 1389, 1454, 1540, 1113 and 1339.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 26, 1989

FIRST READING OF HOUSE BILLS

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

H.F. No. 1016: A bill for an act relating to juvenile justice; 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; removing certain limitations on parental liability for thefts by minors; removing a repealer; amending Minnesota Statutes 1988, sections 171.04; 260.195, subdivision 3, and by adding subdivisions; and 332.51, subdivision 3; repealing Laws 1985, chapter 278, section 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1266.

H.F. No. 1027: 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 855, now on General Orders.

H.F. No. 1107: 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 Rules and Administration for comparison with S.F. No. 804, now on General Orders.

H.F. No. 1139: 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.

H.F. No. 930: 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 Rules and Administration for comparison with S.F. No. 970, now on General Orders.

H.F. No. 1323: 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 Rules and Administration for comparison with S.F. No. 1133, now on General Orders.

H.F. No. 1354: A bill for an act relating to insurance; regulating cancellations and terminations of agents; amending Minnesota Statutes 1988, sections 60A.172; and 72A.20, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1169, now on General Orders.

H.F. No. 1389: A bill for an act relating to Goodhue county; permitting the county to establish certain payment procedures.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1341, now on General Orders.

H.F. No. 1454: 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 Rules and Administration for comparison with S.F. No. 1331, now on General Orders.

H.F. No. 1540: 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 Rules and Administration for comparison with S.F. No. 1396, now on General Orders.

H.F. No. 1113: 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; and by adding a subdivision.

Referred to the Committee on Commerce.

H.F. No. 1339: A bill for an act relating to agricultural societies; permitting certain officials to serve on societies; limiting the tort liability of certain board members; amending Minnesota Statutes 1988, sections 38.013; and 38.04.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1235, now on General Orders.

REPORTS OF COMMITTEES

Mr. Merriam moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 1558 and 1022. The motion prevailed.

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

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.

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

Page 1, delete lines 7 to 10 and insert:

“Section 1. [INVESTIGATION OF CHEESE MARKETING; REPORT.]

(a) *The commissioner of agriculture shall conduct an*”

Page 1, line 20, delete "farmer producers" and insert "producer organizations"

Page 1, line 23, delete "March 1 of each year" and insert "January 1, 1991"

Page 2, after line 4, insert:

"Sec. 2. [APPROPRIATION.]

\$ is appropriated from the general fund to the commissioner of agriculture to investigate and report as provided in section 1."

Amend the title as follows:

Page 1, line 3, delete "amending"

Page 1, delete lines 4 and 5 and insert "appropriating money."

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

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

S.F No. 1528: A bill for an act relating to agriculture; providing assistance for establishing a barley research and promotion council; appropriating money.

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

Page 1, delete lines 9 to 11 and insert "1991, to conduct a referendum for barley under Minnesota Statutes, section 17.54."

Amend the title as follows:

Page 1, line 2, delete "assistance"

Page 1, delete line 3 and insert "a referendum for barley;"

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

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

S.F No. 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; 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:

Page 2, line 21, after "for" insert "determining eligibility for"

Page 3, line 15, delete "will not be processed"

Page 3, line 16, before the period, insert "will be denied"

Page 8, line 4, after "field" insert "so"

Page 24, line 16, after "person" insert "included"

Page 25, line 30, before "section" insert "title 42."

Amend the title as follows:

Page 1, line 14, after "sections" insert "245.775;"

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. 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.

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

Delete everything after the enacting clause and insert:

"Section 1. [FINDING.]

The legislature finds that it is beneficial to encourage the placement of persons requiring residential, health care, and treatment services in community-based facilities and in the regional treatment centers. It is the policy of the state to:

(1) carry out measures that encourage the delivery of these services in a manner that ensures fair and equitable arrangements to protect the interests of the affected residents, family members, employees, providers, and communities; and

(2) provide adequate staff and funding at regional treatment centers to ensure that existing programs and new programs that may be developed meet all licensing and certification standards and contemporary standards of care.

Sec. 2. [245.073] [TECHNICAL TRAINING ASSISTANCE TO COMMUNITY-BASED PROGRAMS.]

In conjunction with the discharge of persons from regional treatment centers and their admission to state-operated and privately operated community-based programs, the commissioner may provide technical training assistance to the community-based programs. The commissioner may apply for and accept money from any source including reimbursement charges from the community-based programs for reasonable costs of training. Money

received must be deposited in the general fund and is appropriated annually to the commissioner of human services for training under this section.

Sec. 3. Minnesota Statutes 1988, section 245.463, is amended by adding a subdivision to read:

Subd. 3. [REVIEW OF FUNDING.] The commissioner shall complete a review of funding for mental health services and make recommendations for any changes needed. The commissioner shall submit a report on the review and recommendations to the legislature by January 31, 1991.

Sec. 4. Minnesota Statutes 1988, section 245.476, is amended by adding a subdivision to read:

Subd. 4. [REPORT ON PREADMISSION SCREENING.] The commissioner shall review the statutory preadmission screening requirements for psychiatric hospitalization, both in the regional treatment centers and other hospitals, to determine if changes in preadmission screening are needed. The commissioner shall deliver a report of the review to the legislature by January 31, 1990.

Sec. 5. [245.65] [CHEMICAL DEPENDENCY SERVICES FOR REGIONAL TREATMENT CENTERS.]

Subdivision 1. [PURPOSE.] The regional treatment centers shall provide services designed to end a person's reliance on chemical use or a person's chemical abuse and increase effective and chemical-free functioning. Clinically effective programs must be provided in accordance with section 246.64.

Subd. 2. [SERVICES OFFERED.] Services provided must include, but are not limited to, the following:

(1) primary and extended residential care, including residential treatment programs of varied duration intended to deal with a person's chemical dependency or chemical abuse problems;

(2) follow-up care to persons discharged from regional treatment center programs;

(3) outpatient treatment programs; and

(4) other treatment services, as appropriate and as provided under contract or shared service agreements.

Subd. 3. [PERSONS SERVED.] The regional treatment centers shall provide services primarily to adolescent and adult residents of the state.

Subd. 4. [SYSTEM LOCATIONS.] Programs shall be located in Anoka, Brainerd, Fergus Falls, Moose Lake, St. Peter, and Willmar.

Sec. 6. Minnesota Statutes 1988, section 245.94, subdivision 1, is amended to read:

Subdivision 1. [POWERS.] (a) The ombudsman may prescribe the methods by which complaints to the office are to be made, reviewed, and acted upon. The ombudsman may not levy a complaint fee.

(b) The ombudsman may mediate or advocate on behalf of a client.

(c) The ombudsman may investigate the quality of services provided to clients and determine the extent to which quality assurance mechanisms within state and county government work to promote the health, safety, and

welfare of clients, other than clients in acute care facilities who are receiving services not paid for by public funds.

(d) *The ombudsman may review and evaluate the operation and licensing of state facilities operated under the authority of the commissioner of human services.*

(e) At the request of a client, or upon receiving a complaint or other information affording reasonable grounds to believe that the rights of a client who is not capable of requesting assistance have been adversely affected, the ombudsman may gather information about and analyze, on behalf of the client, the actions of an agency, facility, or program.

(f) The ombudsman may examine, on behalf of a client, records of an agency, facility, or program if the records relate to a matter that is within the scope of the ombudsman's authority. If the records are private and the client is capable of providing consent, the ombudsman shall first obtain the client's consent. The ombudsman is not required to obtain consent for access to private data on clients with mental retardation or a related condition.

(g) The ombudsman may, at reasonable times in the course of conducting a review, enter and view premises within the control of an agency, facility, or program.

(h) The ombudsman may attend department of human services review board and special review board proceedings; proceedings regarding the transfer of patients or residents, as defined in section 246.50, subdivisions 4 and 4a, between institutions operated by the department of human services; and, subject to the consent of the affected client, other proceedings affecting the rights of clients. The ombudsman is not required to obtain consent to attend meetings or proceedings and have access to private data on clients with mental retardation or a related condition.

(i) The ombudsman shall have access to data of agencies, facilities, or programs classified as private or confidential as defined in section 13.02, subdivisions 12 and 13, regarding services provided to clients with mental retardation or a related condition.

(j) To avoid duplication and preserve evidence, the ombudsman shall inform relevant licensing or regulatory officials before undertaking a review of an action of the facility or program.

(k) Sections 245.91 to 245.97 are in addition to other provisions of law under which any other remedy or right is provided.

Sec. 7. Minnesota Statutes 1988, section 245A.03, is amended by adding a subdivision to read:

Subd. 1a. [LICENSURE RESTRICTIONS.] After June 30, 2000, the commissioner may not issue an initial license or renew a license for a community-based intermediate care facility for persons with mental retardation or related conditions with a licensed capacity of more than 16 beds. The commissioner shall annually report to the legislature with recommendations for funding and regulatory changes that will be needed to make the transition to full compliance with this subdivision.

Sec. 8. Minnesota Statutes 1988, section 246.18, is amended by adding a subdivision to read:

Subd. 3a. [CONTINGENCY FUND.] A separate interest-bearing account

must be established in accordance with subdivision 3 for use by the commissioner of human services in contingency situations related to chemical dependency programs operated by the regional treatment centers or state nursing homes. Within the limits of appropriations made available for this purpose, money must be provided to each regional treatment center to enable each center to continue to provide at least the current level of chemical dependency services.

Sec. 9. Minnesota Statutes 1988, section 246.18, subdivision 4, is amended to read:

Subd. 4. [COLLECTIONS DEPOSITED IN MEDICAL ASSISTANCE ACCOUNT.] Except as provided in subdivision 2, all receipts from collection efforts for the regional treatment centers ~~and~~, state nursing homes, *and other state facilities as defined in section 246.50, subdivision 3*, must be deposited in the medical assistance account and are appropriated for that purpose. The commissioner shall ensure that the departmental financial reporting systems and internal accounting procedures comply with federal standards for reimbursement for program and administrative expenditures and fulfill the purpose of this paragraph.

Sec. 10. Minnesota Statutes 1988, section 246.36, is amended to read:

246.36 [ACCEPTANCE OF VOLUNTARY, UNCOMPENSATED SERVICES.]

For the purpose of carrying out a duty, the commissioner of human services shall have authority to accept uncompensated and voluntary services and to enter into contracts or agreements with private or public agencies, or persons, for uncompensated and voluntary services, as the commissioner may deem practicable. *Uncompensated and voluntary services do not include services mandated by licensure and certification requirements for health care facilities.* The volunteer agencies, organizations, or persons who provide services to residents of state ~~hospitals~~ *shall facilities operated under the authority of the commissioner are not be* subject to the procurement requirements of chapters 16A and 16B. The agencies, organizations, or persons may purchase supplies, services, and equipment to be used in providing services to residents of state ~~hospitals~~ *facilities* through the department of administration.

Sec. 11. Minnesota Statutes 1988, section 246.57, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZED.] The commissioner of human services may authorize any ~~regional center or state operated nursing home~~ *state facility operated under the authority of the commissioner* to enter into agreement with other governmental entities and both nonprofit and ~~profit~~ *health service for-profit* organizations for participation in shared service agreements that would be of mutual benefit to the state, other governmental entities and ~~health service~~ organizations involved, and the public. Notwithstanding section 16B.06, subdivision 2, the commissioner of human services may delegate the execution of shared services contracts to the chief executive officers of the regional centers or state operated nursing homes. No additional employees shall be added to the legislatively approved complement for any regional center or state nursing home as a result of entering into any shared service agreement. However, positions funded by a shared service agreement may be authorized by the commissioner of finance for the duration of the shared service agreement. The charges for the services

shall be on an actual cost basis and. All receipts shall be deposited in the general fund. The receipts are appropriated to the commissioner of human services for the duration of the shared service agreement to make expenditures under the agreement that are not covered by other appropriations for shared services may be retained by the regional treatment center or state-operated nursing home that provided the services, in addition to other funding the regional treatment center or state-operated nursing home receives.

Sec. 12. [246.70] [SERVICES TO FAMILIES.]

(a) *The commissioner shall publicize the planned changes to the facilities operated by the commissioner. A parent, other involved family member, or private guardian of a resident of a facility must be notified of the changes planned for each facility. When new services developed for a person require the person to move, the commissioner shall provide each parent, family member, and guardian of that person with the following:*

(1) *names and telephone numbers of the state and county contacts;*

(2) *information on types of services to be developed;*

(3) *information on how the individual planning process works, including how alternative placements will be determined, and how family members can be involved;*

(4) *information on the process to be followed when a parent, other family member, or guardian disagrees with the proposed services; and*

(5) *a list of additional resources such as advocates, local volunteer coordinators, and family groups.*

(b) *At least one staff person in each facility must be available to provide information about:*

(1) *community placements;*

(2) *the opportunity for interested family members and guardians to participate in program planning; and*

(3) *family support groups.*

Sec. 13. Minnesota Statutes 1988, section 251.011, subdivision 4, is amended to read:

Subd. 4. [OAK TERRACE NURSING HOME.] Any portion or unit of Glen Lake Sanitarium not used for the treatment of tuberculosis patients may be used by the commissioner of human services for the care of geriatric patients, under the name of Oak Terrace Nursing Home.

The commissioner of administration may lease any portion or unit of Oak Terrace Nursing Home for the purpose of providing food and shelter for the homeless.

The facility at Oak Terrace must be closed as soon as a reasonable plan for relocation of its residents can be safely implemented and employee mitigation measures completed, but no later than July 1, 1992. Relocation of persons must be carefully planned and take into account any remaining ties the person has to family or community, available capacity in private and state-operated nursing homes, and personal choices and needs of the resident. Relocation must be implemented according to Minnesota Rules, parts 4655.6810 to 4655.6830 and 9546.0010 to 9546.0060.

Sec. 14. Minnesota Statutes 1988, section 251.011, is amended by adding a subdivision to read:

Subd. 4a. [NURSING HOME BEDS AT REGIONAL TREATMENT CENTERS.] The commissioner shall operate nursing home beds at Brainerd, Faribault, and Fergus Falls regional treatment centers and may operate nursing home beds at other regional treatment centers as necessary to provide an appropriate level of care for persons served at those centers.

Sec. 15. [251.012] [PROVISION OF NURSING HOME SERVICES.]

Subdivision 1. [NURSING HOME CARE.] (a) The commissioner shall provide nursing home care to a person requiring that level of care when the person:

- (1) is medically fragile or clinically challenging;*
- (2) exhibits severe or challenging behaviors; or*
- (3) requires treatment for an underlying mental illness.*

(b) A person may be accepted for admission only after nursing home preadmission screening by the county.

Subd. 2. [TECHNICAL ASSISTANCE.] Within the limits of appropriations, the commissioner may expand the provision of technical assistance to community providers in handling the behavior problems of their residents, and with community placements for younger persons who have heavy nursing needs and behavior problems. Technical assistance may include site visits, consultation with providers, or provider training.

Subd. 3. [RESPITE CARE.] Respite care may be offered when space is available if payment for the cost of care is guaranteed by the person, the person's family or legal representative, or a source other than a direct state appropriation to the nursing home, and if the individual meets the facility's admission criteria.

Sec. 16. [252.032] [ADMINISTRATIVE STRUCTURE.]

Subdivision 1. [REGIONAL STRUCTURE.] The administrative structure of the state-operated system must be regional in character.

Subd. 2. [STAFF; LOCATION OF FACILITIES.] The administrative and professional staffs of the regional treatment centers must be based on campus. Community-based facilities and services must be located and operated so they facilitate the delivery of professional and administrative staff services from the regional treatment center campus. The regional treatment center professional staff and all other staff may deliver services that they deliver on campus throughout the catchment area.

Sec. 17. [252.035] [REGIONAL TREATMENT CENTER CATCHMENT AREAS.]

The commissioner may administratively designate catchment areas for regional treatment centers and state nursing homes. Catchment areas may vary by client group served. Catchment areas in effect on January 1, 1989, may not be modified until the commissioner has consulted with the regional planning committees of the affected regional treatment centers and obtained the approval of the chairs of the senate health and human services finance division and the house of representatives health and human services appropriation division.

Sec. 18. [252.038] [PROVISION OF RESIDENTIAL SERVICES.]

Subdivision 1. [RESIDENTIAL CARE.] The commissioner of human services may continue to provide residential care in regional treatment centers.

Subd. 2. [TECHNICAL ASSISTANCE.] To the extent of available money, the commissioner of human services may expand the capacity to provide technical assistance to community providers in handling the behavior problems of their patients. Technical assistance may include site visits, consultation with providers, or provider training.

Subd. 3. [RESPITE CARE.] Respite care may be provided in a regional treatment center when space is available if (1) payment for 20 percent of the prevailing facility per diem is guaranteed by the person, the person's family or legal representative, or a source other than a direct state appropriation to the regional treatment center and (2) provision of respite care to the individual meets the facility's admission criteria and licensing standards. The parent or guardian must consent to admission and sign a waiver of liability. Respite care is limited to 30 days within a calendar year. No preadmission screening process is required for a respite care stay under this subdivision.

Sec. 19. 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) when~~ (1) the facility is developed in accordance with a request for proposal approved by the commissioner of human services;

~~(b) when~~ (2) 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~~ *Forty* percent of the capacity of ~~the facility~~ *specified in the proposal submitted to the commissioner* must be used for persons ~~coming~~ *being discharged* from regional treatment centers; and

~~(c) when~~ (3) 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) The percentage limitation in paragraph (a), clause (2), does not apply to state-operated, community-based facilities.

Sec. 20. Minnesota Statutes 1988, section 252.41, subdivision 9, is amended to read:

Subd. 9. [VENDOR.] "Vendor" means a nonprofit legal entity that:

(1) is licensed under sections ~~245.781~~ 245A.01 to ~~245.812~~ 245A.16 and 252.28, subdivision 2, to provide day training and habilitation services to adults with mental retardation ~~and~~ *or* related conditions; and

(2) does not have a financial interest in the legal entity that provides residential services to the same person or persons to whom it provides day training and habilitation services. This clause does not apply to regional

treatment centers; state-operated, community-based programs operating according to section 252.50, until July 1, 2000; or vendors licensed prior to April 15, 1983.

Sec. 21. Minnesota Statutes 1988, section 252.50, is amended to read:

252.50 [STATE-OPERATED, COMMUNITY-BASED RESIDENTIAL PROGRAMS.]

Subdivision 1. [~~RESIDENTIAL COMMUNITY-BASED PROGRAMS ESTABLISHED.~~] The commissioner ~~may~~ *shall* establish a system of ~~non-institutional~~, state-operated, community-based ~~residential services programs~~ for persons with mental retardation or related conditions. For purposes of this section, "state-operated, community-based ~~residential facility program~~" means a ~~residential~~ program administered by the state to provide treatment and habilitation in noninstitutional community settings to persons with mental retardation or related conditions. Employees of the ~~facilities programs~~ must be state employees under chapters 43A and 179A. The establishment of state-operated, community-based ~~residential facilities programs~~ must be within the context of a comprehensive definition of the role of state-operated services in the state. The role of state-operated services must be defined within the context of a comprehensive system of services for persons with mental retardation or related conditions. ~~Services~~ *State-operated, community-based programs* may include, but are not limited to, community group homes, foster care, supportive living ~~arrangements~~ *services, day training and habilitation programs, and respite care arrangements.* The commissioner may operate the pilot projects established under Laws 1985, First Special Session chapter 9, article 1, section 2, subdivision 6, and ~~may shall~~, within the limits of available appropriations, establish additional state-operated, community-based ~~services programs~~ for ~~regional treatment center residents~~ *persons* with mental retardation or related conditions. ~~Day program services for clients living in state-operated, community-based residential facilities must not be provided by a regional treatment center or state-operated, community-based program.~~ *State-operated, community-based programs may accept admissions from regional treatment centers, from the person's own home, or from community programs. State-operated, community-based programs offering day program services may be provided for persons with mental retardation or related conditions who are living in state-operated, community-based residential programs until July 1, 2000. No later than 1994, the commissioner, together with family members, counties, advocates, employee representatives, and other interested parties, shall begin planning so that by July 1, 2000, state-operated, community-based residential facilities will be in compliance with section 252.41, subdivision 9.*

Subd. 2. [AUTHORIZATION TO BUILD OR PURCHASE.] Within the limits of available appropriations, the commissioner may build, purchase, or lease suitable buildings for state-operated, community-based ~~residential facilities programs~~. ~~Facilities Programs~~ must be ~~homelike and~~ *adaptable* to the needs of persons with mental retardation or related conditions ~~and residential programs must be homelike.~~

Subd. 3. [ALTERNATIVE FUNDING MECHANISMS.] To the extent possible, the commissioner may amend the medical assistance home and community-based waiver and, as appropriate, develop special waiver procedures for targeting services to persons currently in state regional ~~treatment centers.~~

Subd. 4. [COUNTIES.] State-operated, community-based ~~residential facilities~~ programs may be developed in conjunction with existing county responsibilities and authorities for persons with mental retardation or related conditions. Assessment, placement, screening, case management responsibilities, and determination of need procedures must be consistent with county responsibilities established under law and rule. Counties may enter into shared service agreements with state-operated programs.

Subd. 5. [LOCATION OF PROGRAMS.] (a) *In determining the location of state-operated, community-based programs, the needs of the individual are paramount. The commissioner shall also take into account:*

(1) *the personal preferences of the persons being served and their families as determined by Minnesota Rules, parts 9525.0015 to 9525.0165;*

(2) *the need for state-operated, community-based programs in the geographical region of the state;*

(3) *location of the support services established by the individual service plans of the persons being served;*

(4) *the appropriate grouping of the persons served;*

(5) *the availability of qualified staff; and*

(6) *a reasonable commuting distance from a regional treatment center or the residences of the program staff.*

(b) *State-operated, community-based programs must be located according to section 252.28.*

Subd. 6. [RATES FOR STATE-OPERATED, COMMUNITY-BASED PROGRAMS FOR PERSONS WITH MENTAL RETARDATION.] *State-operated, community-based programs that meet the definition of a facility in Minnesota Rules, part 9553.0020, subpart 19, must be reimbursed consistent with Minnesota Rules, parts 9553.0010 to 9553.0080. State-operated, community-based programs that meet the definition of vendor in section 252.41, subdivision 9, must be reimbursed consistent with the rate setting procedures in sections 252.41 to 252.47 and Minnesota Rules, parts 9525.1200 to 9525.1330. This subdivision does not operate to abridge the statutorily created pension rights of state employees or collective bargaining agreements reached pursuant to chapter 179A.*

Subd. 7. [CRISIS SERVICES.] *Within the limits of appropriations, state-operated regional technical assistance must be available in each region to assist counties, residential and day programming staff, and families to prevent or resolve crises that could lead to a change in placement. Crisis capacity must be provided on all regional treatment center campuses serving persons with developmental disabilities. In addition, crisis capacity may be developed as needed to meet unmet demand in the Twin Cities metropolitan area. Technical assistance and consultation must also be available in each region to providers and counties. Staff must be available to provide:*

(1) *individual assessments;*

(2) *program plan development and implementation assistance;*

(3) *analysis of service delivery problems; and*

(4) *assistance with transition planning, including technical assistance to counties and providers to develop new services, site the new services,*

and assist with community acceptance.

Subd. 8. [SPIRITUAL CARE SERVICES.] An organized means for providing spiritual care services and follow-up may be established as part of the comprehensive health care, congruent with the operational philosophy of the department of human services, to residents of state-operated residential facilities and former residents discharged to private facilities, by persons certified for ministry in specialized settings.

Subd. 9. [RULES AND LICENSURE.] Each state-operated residential and day habilitation service site must be separately licensed and movement of residents between them is governed by applicable rules adopted by the commissioner.

Subd. 10. [AGREEMENT AUTHORIZED.] The agreement between the commissioner of human services, the state negotiator, and the bargaining representatives of state employees, dated March 10, 1989, concerning the department of human services plan to restructure the regional treatment centers, is ratified, subject to approval by the legislative commission on employee relations.

Sec. 22. [252.51] [COMMUNITY PLANNING.]

(a) Each community that includes a regional treatment center shall establish a group to work with and advise the commissioner and the counties to:

(1) ensure community input in the development of community services for persons with developmental disabilities;

(2) assure consideration of family concerns about choice of service settings;

(3) assist counties in recruiting new providers and capitalizing and siting new day services and residential programs;

(4) assist the surrounding counties in coordinating development of services for persons with developmental disabilities;

(5) facilitate community education concerning services to persons with developmental disabilities;

(6) assist in recruiting potential supported employment opportunities;

(7) assist in developing shared services agreements among providers of service;

(8) coordinate with the development of state-operated services; and

(9) seek to resolve local transportation issues for persons with developmental disabilities.

(b) Money appropriated to the commissioner of human services for this purpose must be transferred to the city in which the regional treatment center is located upon receipt of evidence from the city that a group has been constituted and designated under paragraph (a). The money must be used to defray the expenses of the group.

(c) The membership of each community group must reflect a broad range of community interests, including, at a minimum, families of persons with developmental disabilities, state employee unions, providers, advocates, and counties.

Sec. 23. Minnesota Statutes 1988, section 252A.03, is amended by adding a subdivision to read:

Subd. 4. [ALTERNATIVES.] Public guardianship or conservatorship may be imposed only when no acceptable, less restrictive form of guardianship or conservatorship is available. The commissioner shall seek parents, near relatives, and other interested persons to assume private guardianship for persons with developmental disabilities who are currently under public guardianship. If a person seeks to become a private guardian or conservator, costs to the person may be reimbursed under section 525.703, subdivision 3, paragraph (b). The commissioner must provide technical assistance to parents, near relatives, and interested persons seeking to become private guardians or conservators.

Sec. 24. Minnesota Statutes 1988, section 253.015, is amended to read:

253.015 [LOCATION; MANAGEMENT; COMMITMENT; CHIEF EXECUTIVE OFFICER.]

Subdivision 1. [STATE HOSPITALS FOR PERSONS WITH MENTAL ILLNESS.] The state hospitals located at Anoka, Brainerd, Fergus Falls, Hastings, Moose Lake, Rochester, St. Peter, and Willmar shall constitute the state hospitals for ~~mentally ill~~ persons with mental illness, and shall be maintained under the general management of the commissioner of human services. The commissioner of human services shall determine to what state hospital persons with mental illness shall be committed from each county and notify the probate judge thereof, and of changes made from time to time. The chief executive officer of each hospital for persons with mental illness shall be known as the chief executive officer.

Subd. 2. [REPORT ON NEEDED REGIONAL TREATMENT CENTER SERVICES.] By January 31, 1991, the commissioner shall determine the need for providing services for persons in southeastern Minnesota who are mentally ill at the regional center in Faribault and submit a report to the legislature. The report must also address the need to provide services to persons with closed-head injuries at the Faribault regional center.

Sec. 25. [253.016] [PURPOSE OF REGIONAL TREATMENT CENTERS.]

The primary mission of the regional treatment centers for persons with major mental illness is to provide inpatient psychiatric hospital services. The regional treatment centers are part of a comprehensive mental health system. Regional treatment center services must be integrated into an array of services based on assessment of individual needs.

Sec. 26. [253.017] [TREATMENT PROVIDED BY REGIONAL TREATMENT CENTERS.]

Subdivision 1. [ACTIVE PSYCHIATRIC TREATMENT.] The regional treatment centers shall provide active psychiatric treatment according to contemporary professional standards. Treatment must be designed to:

(1) stabilize the individual and the symptoms that required hospital admission;

(2) restore individual functioning to a level permitting return to the community;

(3) strengthen family and community support; and

(4) facilitate discharge, aftercare, and follow-up as patients return to the community.

Subd. 2. [NEED FOR SERVICES.] The commissioner shall determine the need for the psychiatric services provided by the department based upon individual needs assessments of persons in the regional treatment centers as required by section 245.474, subdivision 2, and an evaluation of: (1) regional treatment center programs, (2) programs needed in the region for persons who require hospitalization, and (3) available epidemiologic data. Throughout its planning and implementation, the assessment process must be discussed with the state advisory council on mental health in accordance with its duties under section 245.697. Continuing assessment of this information must be considered in planning for and implementing changes in state-operated programs and facilities for persons with mental illness. By January 31, 1990, the commissioner shall submit a proposal for renovation or new construction of the facilities at Anoka, Brainerd, Moose Lake, and Fergus Falls. Expansion may be considered only after a thorough analysis of need and in conjunction with a comprehensive mental health plan.

Subd. 3. [DISSEMINATION OF ADMISSION AND STAY CRITERIA.] The commissioner shall periodically disseminate criteria for admission and continued stay in a regional treatment center and security hospital. The commissioner shall disseminate the criteria to the courts of the state and counties.

Sec. 27. [253.018] [PERSONS SERVED.]

The regional treatment centers shall primarily serve adults. Programs treating children and adolescents who require the clinical support available in a psychiatric hospital may be maintained on present campuses until adequate state-operated alternatives are developed off campus in accordance with the criteria of section 28, subdivision 2. The department may, consistent with a comprehensive mental health plan for children, develop state-operated, community-based services. Consistent with need, the services may be developed in geographic proximity to regional treatment centers.

Sec. 28. [253.28] [STATE-OPERATED, COMMUNITY-BASED PROGRAMS FOR PERSONS WITH MENTAL ILLNESS.]

Subdivision 1. [PROGRAMS FOR PERSONS WITH MENTAL ILLNESS.] Beginning July 1, 1991, the commissioner may establish a system of state-operated, community-based programs for persons with mental illness. For purposes of this section, "state-operated, community-based program" means a program administered by the state to provide treatment and habilitation in community settings to persons with mental illness. Employees of the programs must be state employees under chapters 43A and 179A. The role of state-operated services must be defined within the context of a comprehensive system of services for persons with mental illness. Services may include, but are not limited to, community residential treatment facilities for children and adults.

Subd. 2. [LOCATION OF PROGRAMS FOR PERSONS WITH MENTAL ILLNESS.] In determining the location of state-operated, community-based programs, the needs of the individual clients are paramount. The commissioner shall also take into account:

(1) the personal preferences of the persons being served and their families;

(2) the need for state-operated, community-based programs in the geographical region of the state;

(3) location of the support services needed by the persons being served as established by an individual service plan;

(4) the appropriate grouping of the persons served;

(5) the availability of qualified staff; and

(6) a reasonable commuting distance from a regional treatment center or the residences of the program staff.

Subd. 3. [EVALUATION OF COMMUNITY-BASED SERVICES DEVELOPMENT.] *The commissioner shall develop an integrated approach to assessing and improving the quality of community-based services including state-operated programs to persons with mental illness. The commissioner shall evaluate the progress of the development and quality of the community-based services to determine if further development can proceed. The commissioner shall report results of the evaluation to the legislature by January 31, 1993.*

Sec. 29. Minnesota Statutes 1988, section 256B.092, subdivision 7, is amended to read:

Subd. 7. [SCREENING TEAMS ESTABLISHED.] *(a) Each county agency shall establish a screening team which, under the direction of the county case manager, shall make an evaluation of need for home and community-based services of persons who are entitled to the level of care provided by an intermediate care facility for persons with mental retardation or related conditions or for whom there is a reasonable indication that they might require the level of care provided by an intermediate care facility. The screening team shall make an evaluation of need within 15 working days of the date that the assessment is completed or within 60 working days of a request for service by a person with mental retardation or related conditions, whichever is the earlier, and within five working days of an emergency admission of an individual to an intermediate care facility for persons with mental retardation or related conditions. The screening team shall consist of the case manager, the client, a parent or guardian, a qualified mental retardation professional, as defined in the Code of Federal Regulations, title 42, section 442.401, as amended through December 31, 1987. For individuals determined to have overriding health care needs, a registered nurse must be designated as either the case manager or the qualified mental retardation professional. The case manager shall consult with the client's physician, other health professionals or other persons as necessary to make this evaluation. The case manager, with the concurrence of the client or the client's legal representative, may invite other persons to attend meetings of the screening team. No member of the screening team shall have any direct or indirect service provider interest in the case.*

(b) In addition to the requirements of paragraph (a), the following conditions apply to the discharge of persons with mental retardation or a related condition from a regional treatment center:

(1) For a person under public guardianship, at least two weeks prior to each screening team meeting the case manager must notify in writing parents, near relatives, and the ombudsman established under section 245.92 or a designee, and invite them to attend. The notice to parents and near relatives must include: (i) notice of the provisions of section 23 regarding

assistance to persons interested in assuming private guardianship; (ii) notice of the rights of parents and near relatives to object to a proposed discharge by requesting a review as provided in clause (7); and (iii) information about advocacy services available to assist parents and near relatives of persons with mental retardation or related conditions. In the case of an emergency screening meeting, the notice must be provided as far in advance as practicable.

(2) Prior to the discharge, a screening must be conducted under subdivision 8 and a plan developed under subdivision 1a. For a person under public guardianship, the county shall encourage parents and near relatives to participate in the screening team meeting. The screening team shall consider the opinions of parents and near relatives in making its recommendations. The screening team shall determine that the services outlined in the plan are available in the community before recommending a discharge. The case manager shall provide a copy of the plan to the person, legal representative, parents, near relatives, the ombudsman established under section 245.92, and the protection and advocacy system established under United States Code, title 42, section 6042, at least 30 days prior to the date the proposed discharge is to occur. The information provided to parents and near relatives must include notice of the rights of parents and near relatives to object to a proposed discharge by requesting a review as provided in clause (7). If a discharge occurs, the case manager and a staff person from the regional treatment center from which the person was discharged must conduct a monitoring visit as required in Minnesota Rules, part 9525.0115, within 90 days of discharge and provide an evaluation within 15 days of the visit to the person, legal representative, parents, near relatives, ombudsman, and the protection and advocacy system established under United States Code, title 42, section 6042.

(3) In order for a discharge or transfer from a regional treatment center to be approved, the concurrence of a majority of the screening team members is required. The screening team shall determine that the services outlined in the discharge plan are available and accessible in the community before the person is discharged. The recommendation of the screening team cannot be changed except by subsequent action of the team and is binding on the county and on the commissioner. If the commissioner or the county determines that the decision of the screening team is not in the best interests of the person, the commissioner or the county may seek judicial review of the screening team recommendation. A person or legal representative may appeal under section 256.045, subdivision 3 or 4a.

(4) For persons who have overriding health care needs or behaviors that cause injury to self or others, or cause damage to property that is an immediate threat to the physical safety of the person or others, the following additional conditions must be met:

(i) For a person with overriding health care needs, either a registered nurse or a licensed physician shall review the proposed community services to assure that the medical needs of the person have been planned for adequately. For purposes of this paragraph, "overriding health care needs" means a medical condition that requires daily clinical monitoring by a licensed registered nurse.

(ii) For a person with behaviors that cause injury to self or others, or cause damage to property that is an immediate threat to the physical safety of the person or others, a qualified mental retardation professional, as

defined in paragraph (a), shall review the proposed community services to assure that the behavioral needs of the person have been planned for adequately. The qualified mental retardation professional must have at least one year of experience in the areas of assessment, planning, implementation, and monitoring of individual habilitation plans that have used behavior intervention techniques.

(5) No person with mental retardation or a related condition may be discharged from a regional treatment center before an appropriate community placement is available to receive the person.

(6) A resident of a regional treatment center may not be discharged to a community intermediate care facility with a licensed capacity of more than 15 beds. Effective July 1, 1993, a resident of a regional treatment center may not be discharged to a community intermediate care facility with a licensed capacity of more than ten beds.

(7) If the person, legal representative, parent, or near relative of the person proposed to be discharged from a regional treatment center objects to the proposed discharge, the individual who objects to the discharge may request a review under section 256.045, subdivision 4a, and may request reimbursement as allowed under section 256.045. The person must not be transferred from a regional treatment center while a review or appeal is pending. Within 30 days of the request for a review, the local agency shall conduct a conciliation conference and inform the individual who requested the review in writing of the action the local agency plans to take. The conciliation conference must be conducted in a manner consistent with section 256.045, subdivision 4a. A person, legal representative, parent, or near relative of the person proposed to be discharged who is not satisfied with the results of the conciliation conference may submit to the commissioner a written request for a hearing before a state human services referee under section 256.045, subdivision 4a. The person, legal representative, parent, or near relative of the person proposed to be discharged may appeal the order to the district court of the county responsible for furnishing assistance by serving a written copy of a notice of appeal on the commissioner and any adverse party of record within 30 days after the day the commissioner issued the order and by filing the original notice and proof of service with the court administrator of the district court. Judicial review must proceed under section 256.045, subdivisions 7 to 10. For a person under public guardianship, the ombudsman established under section 245.92 may object to a proposed discharge by requesting a review or hearing or by appealing to district court as provided in this clause. The person must not be transferred from a regional treatment center while a review or appeal is pending.

Sec. 30. Minnesota Statutes 1988, section 256B.092, subdivision 8, is amended to read:

Subd. 8. [SCREENING TEAM DUTIES.] The screening team shall:

- (a) review diagnostic data;
- (b) review health, social, and developmental assessment data using a uniform screening tool specified by the commissioner;
- (c) identify the level of services ~~needed~~ *appropriate* to maintain the person in the most normal and least restrictive setting that is consistent with *the person's* treatment needs;

(d) identify other noninstitutional public assistance or social service that may prevent or delay long-term residential placement;

(e) assess whether a client is in ~~serious~~ need of long-term residential care;

(f) make recommendations regarding placement and payment for: (1) social service or public assistance support to maintain a client in the client's own home or other place of residence; (2) training and habilitation service, vocational rehabilitation, and employment training activities; (3) community residential placement; (4) ~~state hospital~~ regional treatment center placement; or (5) a home and community-based alternative to community residential placement or state hospital placement;

(g) *evaluate the availability, location, and quality of the services listed in paragraph (f), including the impact of placement alternatives on the client's ability to maintain or improve existing patterns of contact and involvement with parents and other family members;*

(h) identify the cost implications of recommendations in *paragraph (f)*; ~~above~~;

~~(h)~~ (i) make recommendations to a court as may be needed to assist the court in making commitments of mentally retarded persons; and

~~(i)~~ (j) inform clients that appeal may be made to the commissioner pursuant to section 256.045.

Sec. 31. [256E.14] [GRANTS FOR CASE MANAGEMENT FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

For the biennium ending June 30, 1991, the commissioner shall distribute to counties the appropriation made available under this section for case management services for persons with mental retardation or related conditions as follows:

(1) one-half of the appropriation must be distributed to the counties according to the formula in section 256E.06, subdivision 1; and

(2) one-half of the appropriation must be distributed to the counties on the basis of the number of persons with mental retardation or a related condition that were receiving case management services from the county on the January 1 preceding the start of the fiscal year in which the funds are distributed.

Sec. 32. [STUDY OF PARENTAL INVOLVEMENT.]

The commissioner of human services shall determine the number of persons transferred from public to private guardianship, and the increased involvement of parents and near relatives in the activities of screening teams established under Minnesota Statutes, section 256B.092, subdivision 7, as a result of the adoption of sections 23, 29, and 30, and report the results of the study to the legislature by December 15, 1990.

Sec. 33. [REGIONAL TREATMENT CENTER CONTRACTING AUTHORITY.]

(a) The commissioner shall develop a plan to:

(1) expand the authority of regional treatment center chief executive officers to contract directly for necessary supplies and equipment; and

(2) simplify the existing contracting process to eliminate unnecessary

paperwork and delays.

(b) The plan shall be presented to the legislature by January 15, 1990.

Sec. 34. [STUDIES.]

The commissioner shall contract for a study of the progress of selected citizens who have been discharged from regional treatment centers since 1985 and shall report to the legislature on or before July 1, 1990. The study must be supervised and directed by the commissioner of human services. The commissioner shall also contract for an evaluation of the progress of the development and quality of state-operated community-based services to determine if further development can proceed. The commissioner shall report the results of the evaluation to the legislature by January 31, 1991."

Delete the title and insert:

"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; 245A.03, by adding a subdivision; 246.18, subdivision 4, and by adding a subdivision; 246.36; 246.57, subdivision 1; 251.011, subdivision 4, and by adding a subdivision; 252.291, subdivision 2; 252.41, subdivision 9; 252.50; 252A.03, by adding a subdivision; 253.015; and 256B.092, subdivisions 7 and 8; proposing coding for new law in Minnesota Statutes, chapters 245; 246; 251; 252; 253; and 256E."

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

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

S.F. No. 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.

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 473.145, is amended to read:

473.145 [DEVELOPMENT GUIDE.]

The metropolitan council shall prepare and adopt, after appropriate study and such public hearings as may be necessary, a comprehensive development guide for the metropolitan area. It shall consist of a compilation of policy statements, goals, standards, programs, and maps prescribing guides for ~~an~~ the orderly and ~~economic~~ *economical* development, public and private, of the metropolitan area. The comprehensive development guide shall recognize and encompass physical, social, or economic needs of the metropolitan area and those future developments which will have an impact on the entire area including but not limited to such matters as land use, parks and open space land needs, the necessity for and location of airports, highways, transit facilities, public hospitals, libraries, schools, and other

public buildings.

Sec. 2. Minnesota Statutes 1988, section 473.1623, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL REPORTING; BUDGETING.] (a) The advisory committee, with the assistance of the state auditor and the legislative auditor, shall develop uniform or consistent standards, formats, and procedures for the budgets and financial reports of the council and all metropolitan agencies. The council shall report to the legislature from time to time on progress made by the committee in improving the uniformity and quality of budgets and financial reports and on legislation that may be needed for this purpose.

(b) The council and each metropolitan agency shall prepare a summary budget for agency fiscal year 1988 and each year thereafter. The advisory committee, with the assistance of the state auditor and the legislative auditor, shall develop guidelines and models for the summary budgets. The purpose of the summary budget is to increase public knowledge and agency accountability by providing citizens outside of the agency with a condensed, accessible, and graphic description of the financial affairs of the agency. The document should contain a coherent, effectively communicated, understandable statement of: financial trends and forecasts; budget policies and policy changes; agency financial assumptions, objectives and plans; revenue sources and expenditures by program category; personnel policies, decisions, and allocation; budgetary performance measures; and similar matters serving the purpose of the document.

(c) The council and each metropolitan agency shall include in the annual budget:

(1) a statement of the reserve or fund balance carried forward at the end of the budget year, for at least the two preceding fiscal years;

(2) a comparison of budgeted and actual expenditures, reported by department and, if the agency has a program budget, by program, for at least the two preceding fiscal years; and

(3) a listing of proposed or anticipated consulting contracts or projects and the amount of each contract or project.

Sec. 3. Minnesota Statutes 1988, section 473.1623, is amended by adding a subdivision to read:

Subd. 4a. [SUMMARY BUDGET.] The council and each metropolitan agency shall prepare a summary budget for agency fiscal year 1988 and each year thereafter. The advisory committee, with the assistance of the state auditor and the legislative auditor, shall develop guidelines and models for the summary budgets. The purpose of the summary budget is to increase public knowledge and agency accountability by providing citizens outside of the agency with a condensed, accessible, and graphic description of the financial affairs of the agency. The document should contain a coherent, effectively communicated, understandable statement of: financial trends and forecasts; budget policies and policy changes; agency financial assumptions, objectives, and plans; revenue sources and expenditures by program category; personnel policies, decisions, and allocation; budgetary performance measures; and similar matters serving the purpose of the document.

Sec. 4. Minnesota Statutes 1988, section 473.1623, is amended by adding a subdivision to read:

Subd. 4b. [ANNUAL BUDGET.] The council and each metropolitan agency shall include in the annual budget:

(1) a statement of the reserve or fund balance carried forward at the end of the budget year, for at least the two preceding fiscal years;

(2) a comparison of budgeted and actual expenditures, reported by department and, if the agency has a program budget, by program, for at least the two preceding fiscal years;

(3) a comparison of budgeted and actual revenues, reported by revenue source, for at least the two preceding fiscal years; and

(4) a listing, by contract or project, of proposed or anticipated expenditures for consultants and professional, technical, and other similar services.

Sec. 5. Minnesota Statutes 1988, section 473.167, subdivision 2, is amended to read:

*Subd. 2. [LOANS FOR ACQUISITION.] The council may make loans to counties, towns, and statutory and home rule charter cities within the metropolitan area for the purchase of property within the right-of-way of a state trunk highway shown on an official map adopted pursuant to section 394.361 or 462.359 or for the purchase of property within the proposed right-of-way of a principal or intermediate arterial highway designated by the council as a part of the metropolitan highway system plan and approved by the council pursuant to subdivision 1. The loans shall be made by the council, from the fund established pursuant to this subdivision, for purchases approved by the council. The loans shall bear no interest. The council shall make loans only: (1) to accelerate the acquisition of primarily undeveloped property when there is a reasonable probability that the property will increase in value before highway construction, and to update an expired environmental impact statement on a project for which the right-of-way is being purchased; or (2) to avert the imminent conversion or the granting of approvals which would allow the conversion of property to uses which would jeopardize its availability for highway construction. The council shall not make loans for the purchase of property at a price which exceeds the fair market value of the property or which includes the costs of relocating or moving persons or property. A private property owner may elect to receive the purchase price either in a lump sum or in not more than four annual installments without interest on the deferred installments. If the purchase agreement provides for installment payments, the council shall make the loan in installments corresponding to those in the purchase agreement. The recipient of an acquisition loan shall convey the property for the construction of the highway at the same price which the recipient paid for the property. *The price may include the costs of preparing environmental documents that were required for the acquisition and that were paid for with money that the recipient received from the loan fund.* Upon notification by the council that the plan to construct the highway has been abandoned or the anticipated location of the highway changed, the recipient shall sell the property at market value in accordance with the procedures required for the disposition of the property. All rents and other money received because of the recipient's ownership of the property and all proceeds from the conveyance or sale of the property shall be paid to the council. *If a recipient is not permitted to include in the conveyance price the cost of**

preparing environmental documents that were required for the acquisition, then the recipient is not required to repay the council an amount equal to 40 percent of the money received from the loan fund and spent in preparing the environmental documents. The proceeds of the tax authorized by subdivision 3, all money paid to the council by recipients of loans, and all interest on the proceeds and payments shall be maintained as a separate fund. For administration of the loan program the council may expend from the fund each year an amount no greater than three percent of the amount of the authorized levy for that year.

Sec. 6. Minnesota Statutes 1988, section 473.167, subdivision 3, is amended to read:

Subd. 3. [TAX.] The council may levy a tax on all taxable property in the metropolitan area, as defined in section 473.121, to provide funds for loans made pursuant to subdivisions 2 and 2a. This tax for the right-of-way acquisition loan fund shall be certified by the council, levied, and collected in the manner provided by section 473.13. The tax shall be in addition to that authorized by section 473.249 and any other law and shall not affect the amount or rate of taxes which may be levied by the council or any metropolitan agency or local governmental unit. The amount of the levy shall be as determined and certified by the council, except as otherwise provided in this subdivision.

The property tax levied by the metropolitan council for the right-of-way acquisition loan fund shall not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of 5/100 of one mill multiplied by the total assessed valuation of all taxable property located within the metropolitan area as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, except as provided in section 473.249, subdivision 3, the product of (1) the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan area divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan area; ~~and~~

(c) for taxes payable in 1990, an amount not to exceed \$3,000,000; and

(d) for taxes payable in ~~1990~~ 1991 and subsequent years, the product of (1) the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund for the ~~previous year~~ taxes payable in 1988 determined ~~pursuant to this subdivision~~ under clause (a) multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current assessment year divided by the total market valuation of all taxable property located within the metropolitan area for the ~~previous~~ 1987 assessment year.

For the purpose of determining the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan area without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to

469.179), and high voltage transmission lines (section 273.425).

The property tax levied under this subdivision for taxes payable in 1988 and subsequent years shall not be levied at a rate higher than that determined by the metropolitan council to be sufficient, considering the other anticipated revenues of and disbursements from the right-of-way acquisition loan fund, to produce a balance in the loan fund at the end of the next calendar year equal to twice the amount of the property tax levy limitation for taxes payable in the next calendar year determined under this section.

Sec. 7. Minnesota Statutes 1988, section 473.167, subdivision 5, is amended to read:

Subd. 5. [LEVY INCREASE.] For the purpose of determining the levy limitation for taxes payable in 1989 under subdivision 3, the levy limitation for taxes payable in 1988 shall be multiplied by two. ~~The levy limitation so determined for taxes payable in 1989 shall be the basis for determining levy limitations for taxes payable in 1990 and subsequent years under subdivision 3.~~

Sec. 8. Minnesota Statutes 1988, section 473.173, subdivision 3, is amended to read:

Subd. 3. In developing the rules the council and the advisory metropolitan land use committee, as defined in section 473.852, shall give consideration to all factors deemed relevant including but not limited to the following:

(1) The impact a proposed matter will have on the orderly, ~~economic~~ *economical* development, public and private, of the metropolitan area and its consistency with the metropolitan development guide;

(2) The relationship a proposed matter will have to the policy statement goals, standards, programs and other applicable provisions of the development guide;

(3) The impact a proposed matter will have on policy plans adopted by the council and on the implementation plans and functions performed and to be performed by a metropolitan agency that is subject to section 473.161;

(4) Functions of municipal governments in respect to control of land use as provided for under the municipal planning act.

Sec. 9. Minnesota Statutes 1988, section 473.173, subdivision 4, is amended to read:

Subd. 4. The rules shall include, without limitation, provisions to effectuate and comply with the following powers and requirements:

(1) No applicant shall be required to submit a proposed matter for review more than once unless it is materially altered.

(1a) A public hearing shall be held prior to the final determination with regard to a proposed matter.

(2) The council shall be empowered to suspend action on a proposed matter during the period of review and for a period not to exceed 12 months following the issuance of its final determination. In its final determination, the council may prescribe appropriate conditions with regard to a proposed matter which, if incorporated or complied with, would cause the council to remove the suspension.

(3) The council's recommendation or determination concerning a proposed matter, including the determination as to its metropolitan significance, shall be issued within 90 days following its receipt of a proposal accompanied by adequate supporting information, *unless all parties consent in writing to an extension. The council shall extend the time to complete the proceeding by an additional 30 days if the council determines that a fair hearing cannot be completed in the time allowed.* To avoid duplication, the review may be suspended for not more than 90 days to await completion of review of a matter by another public agency.

(4) The council shall be required to review a proposed matter upon request of an affected local governmental unit or metropolitan agency that is subject to section 473.161. The rules shall include a procedure for review of a proposed matter upon petition by a specified number of residents of the metropolitan area 18 years of age or older.

(5) The council shall be empowered to review all proposed matters of metropolitan significance regardless of whether the council has received a request from an affected body to conduct that review.

(6) The council shall review all proposed matters determined to be of metropolitan significance as to their consistency with and effect upon metropolitan system plans as defined in section 473.852 and their adverse effects on other local governmental units.

(7) Previously approved policy plans and implementation plans and areas of operational authority of metropolitan agencies that are subject to section 473.161 shall not be subject to review under this section, except as specifically provided in section 473.171.

(8) *When announcing the scope of a significance review in the notice commencing the review, the council shall state with particularity, with respect to each issue identified in the scoping document, the policies, provisions, statements, or other elements in metropolitan development guide chapters or policy plans and any other criteria or standards that will be considered or relied on in assessing and determining the metropolitan significance of the proposed project. The statement may be amended by notice to all parties given at least seven days before the public hearing. The statement does not preclude council comment on the consistency of the proposed project with any plans or policies of the council.*

(9) *Hearings must be conducted in accordance with the following procedures, unless waived in writing by the parties:*

(a) *The parties have the right to counsel.*

(b) *All testimony must be under oath.*

(c) *A complete and accurate record of all proceedings must be maintained.*

(d) *Any party or witness may be questioned by the hearing committee or judge, or by other parties.*

(e) *The burden of proof that a matter is of metropolitan significance is on the council.*

(f) *Decisions of the council on the metropolitan significance of a project must be based on a fair preponderance of the relevant evidence contained in the record and on written findings.*

Sec. 10. Minnesota Statutes 1988, section 473.249, subdivision 1, is

amended to read:

Subdivision 1. The metropolitan council may levy a tax on all taxable property in the metropolitan area defined in section 473.121 to provide funds for the purposes of sections 473.121 to 473.249 and for the purpose of carrying out other responsibilities of the council as provided by law. This tax for general purposes shall be levied and collected in the manner provided by section 473.13.

The property tax levied by the metropolitan council for general purposes shall not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of 8/30 of one mill multiplied by the total assessed valuation of all taxable property located within the metropolitan area as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, the product of (1) the metropolitan council's property tax levy limitation for general purposes for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan area divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan area; and

(c) for taxes payable in 1990 and subsequent years, the product of (1) the metropolitan council's property tax levy limitation for general purposes for the previous year determined under this subdivision multiplied by (2) *the lesser of*

(i) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current assessment year divided by the total market valuation of all taxable property located within the metropolitan area for the previous assessment year, *or*

(ii) *an index equal to the implicit price deflator for state and local government purchases of goods and services for the most recent month for which data are available divided by the implicit price deflator for state and local government purchases of goods and services for the same month of the previous year.*

For the purpose of determining the metropolitan council's property tax levy limitation for general purposes for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan area without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

Sec. 11. [APPLICATION.]

This act applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 12. [REPEALER.]

Minnesota Statutes 1988, section 473.249, subdivision 3, is repealed.

Sec. 13. [EFFECTIVE DATE.]

Sections 6, 7, 10, and 12 are effective for property taxes payable in

1990 and subsequent years.”

Delete the title and insert:

“A bill for an act relating to metropolitan government; providing standards for the development guide; regulating budget reporting; providing tax levy formulas; regulating standards and procedural requirements for determining metropolitan significance; providing for payment of environmental documents from right-of-way loans; amending Minnesota Statutes 1988, sections 473.145; 473.1623, subdivision 4, and by adding subdivisions; 473.167, subdivisions 2, 3, and 5; 473.173, subdivisions 3 and 4; and 473.249, subdivision 1; repealing Minnesota Statutes 1988, section 473.249, 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. 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.

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

Page 2, line 25, delete “retroactively” and after “effective” insert “August 1, 1989,”

Page 2, line 26, delete “May 31, 1987” and insert “that date”

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. 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.

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. 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.

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

Page 2, line 29, after "*for*" insert "*up to*"

Page 3, delete section 5

Page 5, delete section 8

Page 5, line 26, after the semicolon, insert "*or*"

Page 5, lines 29 to 32, reinstate the stricken language and delete the new language

Page 7, line 8, delete "2" and insert "3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, delete line 5

Page 1, line 6, delete everything before "providing"

Page 1, line 13, delete everything after the third comma and insert "and 7;"

Page 1, line 14, delete "subdivision;"

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

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

S.F. No. 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.

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 373.01, subdivision 1, is amended to read:

Subdivision 1. Each county is a body politic and corporate and may:

(1) Sue and be sued.

(2) Acquire and hold real and personal property for the use of the county, and lands sold for taxes as provided by law.

(3) Purchase and hold for the benefit of the county real estate sold by virtue of judicial proceedings, to which the county is a party.

(4) Sell, lease, and convey real or personal estate owned by the county, and give contracts or options to sell, lease or convey it, and make orders respecting it as deemed conducive to the interests of the county's inhabitants.

No sale, lease or conveyance of real estate owned by the county, nor any

contract or option for it, shall be valid, without first advertising for bids or proposals in the official newspaper of the county for three consecutive weeks and once in a newspaper of general circulation in the area where the property is located. The notice shall state the time and place of considering the proposals, contain a legal description of any real estate, and a brief description of any personal property. *Leases that do not exceed \$15,000 for any one year may be negotiated and are not subject to the competitive bid procedures of this section. All proposals estimated to exceed \$15,000 in any one year shall be considered at that the time set for the bid opening, and the one most favorable to the county accepted, but the county board may, in the interest of the county, reject any or all proposals. Sales of personal property the value of which is estimated to be \$15,000 or more shall be made only after advertising for bids or proposals as provided for real estate. Sales of personal property the value of which is estimated to be less than \$15,000 may be made either on competitive bids or in the open market, in the discretion of the county board. Notwithstanding anything to the contrary herein, the county may, when acquiring real property for county highway right-of-way, exchange parcels of real property of substantially similar or equal value without advertising for bids. The estimated values for these parcels shall be determined by the county assessor.*

If real estate or personal property remains unsold after advertising for and consideration of bids or proposals the county may employ a broker to sell the property. The broker may sell the property for not less than 90 percent of its appraised market value as determined by the county. The broker's fee shall be set by agreement with the county but may not exceed ten percent of the sale price and must be paid from the proceeds of the sale.

In no case shall lands be disposed of without there being reserved to the county all iron ore and other valuable minerals in and upon the lands, with right to explore for, mine and remove the iron ore and other valuable minerals, nor shall the minerals and mineral rights be disposed of, either before or after disposition of the surface rights, otherwise than by mining lease, in similar general form to that provided by section 93.20 for mining leases affecting state lands. The lease shall be for a term not exceeding 50 years, and be issued on a royalty basis, the royalty to be not less than 25 cents per ton of 2,240 pounds, and fix a minimum amount of royalty payable during each year, whether mineral is removed or not. Prospecting options for mining leases may be granted for periods not exceeding one year. The options shall require, among other things, periodical showings to the county board of the results of exploration work done.

(5) Make all contracts and do all other acts in relation to the property and concerns of the county necessary to the exercise of its corporate powers."

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. 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.

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 245.771, subdivision 3, is amended to read:

Subd. 3. [EMPLOYMENT AND TRAINING PROGRAMS.] *The commissioner of human services, in consultation with the commissioner of jobs and training, is authorized to implement and allocate money to food stamp employment and training programs in as many counties as is necessary to meet federal participation requirements and comply with federal laws and regulations. The commissioner of human services may contract with the commissioner of jobs and training to implement and supervise employment and training programs for food stamp recipients that are required by federal regulations.*

Sec. 2. [256.031] [MINNESOTA FAMILY INVESTMENT PLAN.]

Subdivision 1. [CITATION.] Sections 256.031 to 256.036 may be cited as the Minnesota family investment plan.

Subd. 2. [LEGISLATIVE FINDINGS.] The legislature recognizes the need to fundamentally change the way government supports families. The legislature finds that many features of the current system of public assistance do not help families carry out their two basic functions: the economic support of the family unit and the care and nurturing of children. The legislature recognizes that the Minnesota family investment plan is an investment strategy that will support and strengthen the family's social and financial functions. This investment in families will provide long-term benefits through stronger and more independent families.

Subd. 3. [AUTHORIZATION FOR THE DEMONSTRATION.] The commissioner of human services, in consultation with the commissioners of education, finance, jobs and training, health, and state planning, and the directors of the higher education coordinating board and the office of jobs policy, is authorized to proceed with the planning and designing of the Minnesota family investment plan and test policies, methods, and cost impact on an experimental basis by using field trials. Sections 256.031 to 256.033 describe the basic principles of the program. Sections 256.034 to 256.036 provide a basis for congressional action. Using sections 256.031 to 256.036, the commissioner shall seek congressional authority to implement the program in field trials. After obtaining congressional authority to implement the Minnesota family investment plan in field trials, the commissioner shall request specific appropriations from the legislature to implement field trials. The field trials must be conducted for as many years as necessary, and in different geographical settings, to provide reliable instruction about the desirability of expanding the program statewide.

Subd. 4. [GOALS OF THE MINNESOTA FAMILY INVESTMENT PLAN.] The commissioner shall design the program to meet the following goals:

(1) to support families' transition to financial independence by emphasizing options, removing barriers to work and education, providing necessary support services, and building a supportive network of education, employment and training, health, social, counseling, and family-based services;

(2) to allow resources to be more effectively and efficiently focused on investing in families by removing the complexity of current rules and procedures and consolidating public assistance programs;

(3) to prevent long-term dependence on public assistance through paternity establishment, child support enforcement, emphasis on education and training, and early intervention with minor parents; and

(4) to provide families with an opportunity to increase their living standard by rewarding efforts aimed at transition to employment and by allowing families to keep a greater portion of earnings when they become employed.

Subd. 5. [FEDERAL WAIVERS.] *The commissioner of human services shall seek authority from Congress to implement the Minnesota family investment plan on a demonstration basis. If necessary, the commissioner shall seek waivers of compliance with requirements for: aid to families with dependent children under United States Code, title 42, sections 601 to 679a, as amended; medical assistance under United States Code, title 42, sections 1396 to 1396s, as amended; food stamps under United States Code, title 7, sections 2011 to 2030, as amended; and other federal requirements that would inhibit implementation of the Minnesota family investment plan. The commissioner shall seek terms from the federal government that are consistent with the goals of the Minnesota family investment plan. The commissioner shall also seek terms from the federal government that will maximize federal financial participation so that the extra costs to the state of implementing the program are minimized, to the extent that those terms are consistent with the goals of the Minnesota family investment plan. An agreement with the federal government under this section shall provide that the agreements may be canceled by the state or federal government upon six months' notice or immediately upon mutual agreement. If the agreements are canceled, families receiving assistance under the Minnesota family investment plan who are eligible for the aid to families with dependent children, general assistance, medical assistance, general assistance medical care, and the food stamp programs must be placed on those programs.*

Sec. 3. [256.032] [DEFINITIONS.]

Subdivision 1. [SCOPE OF DEFINITIONS.] *The terms used in sections 256.031 to 256.036 have the meanings given them unless otherwise provided or indicated by the context.*

Subd. 2. [CAREGIVER.] *"Caregiver" means a minor child's natural or adoptive parent or parents who live in the home with the minor child. For purposes of determining eligibility for this program, "caregiver" also means any of the following individuals who live with and provide care and support to a minor child when the minor child's natural or adoptive parent or parents do not reside in the same home: grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew, niece, persons of preceding generations as denoted by prefixes of "great" or "great-great," or a spouse of any person named in the above groups even after the marriage ends by death or divorce.*

Subd. 3. [CASE MANAGEMENT.] *"Case management" means the*

assessment of family needs and coordination of services necessary to support the family in its social and economic roles, in addition to the services described in section 256.736, subdivision 11.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of human services or a designee.

Subd. 5. [CONTRACT.] "Contract" means a family self-sufficiency plan, described in section 256.035, subdivision 7, based on the case manager's assessment of the family's needs and abilities and developed, together with a parental caregiver, by a county agency or its designee.

Subd. 6. [DEPARTMENT.] "Department" means the department of human services.

Subd. 7. [FAMILY.] For purposes of determining eligibility for this program, "family" includes the following individuals who live together: a minor child or a group of minor children related to each other as siblings, half siblings, stepsiblings, or adopted siblings, together with their natural or adoptive parents, or their caregiver as defined in subdivision 2. "Family" also includes a pregnant woman in the third trimester of pregnancy with no children.

Subd. 8. [FAMILY WAGE LEVEL.] "Family wage level" means 120 percent of the transitional standard, as defined in subdivision 13.

Subd. 9. [ORIENTATION.] "Orientation" means a presentation that meets the requirements of section 256.736, subdivision 10a, provides information to caregivers about the Minnesota family investment plan, and encourages parental caregivers to engage in activities that will stabilize the family and lead to self-sufficiency.

Subd. 10. [PROGRAM.] "Program" means the Minnesota family investment plan.

Subd. 11. [SIGNIFICANT CHANGE.] "Significant change" means a change of ten percent or \$50, whichever is less, in monthly gross family earned income, or a change in family composition.

Subd. 12. [TRANSITIONAL STATUS.] "Transitional status" means the status of caregivers who are independently pursuing self-sufficiency or caregivers who are complying with the terms of a contract with a county agency or its designee.

Subd. 13. [TRANSITIONAL STANDARD.] "Transitional standard" means the sum of the AFDC standard of assistance and the full cash value of food stamps for a family of the same size and composition in effect when implementation of the Minnesota family investment plan begins and adjusted annually thereafter for changes in the cost of living. This standard applies to families in which the parental caregiver is in transitional status and to families in which the caregiver is exempt from having a contract or is exempt from complying with the terms of the contract. Full cash value of food stamps is the amount of the cash value of food stamps to which a family of a given size would be entitled for a month, determined by assuming unearned income equal to the AFDC standard for a family of that size and composition and subtracting the standard deduction and maximum shelter deduction from gross family income, as allowed under the Food Stamp Act of 1977, as amended, and Public Law Number 100-435.

Sec. 4. [256.033] [ELIGIBILITY FOR THE MINNESOTA FAMILY

INVESTMENT PLAN.]

Subdivision 1. [ELIGIBILITY CONDITIONS.] A family is eligible for and entitled to assistance under the Minnesota family investment plan if:

(1) the family's net income, after deducting an amount to cover taxes and actual dependent care costs up to the maximum disregarded under United States Code, title 42, section 602(a)(8)(A)(iii), does not exceed the applicable standard of assistance for that family as defined under section 256.032, subdivision 13; and

(2) the family's nonexcluded resources do not exceed \$2,000.

Subd. 2. [DETERMINATION OF FAMILY INCOME.] The aid to families with dependent children income exclusions listed in Code of Federal Regulations, title 45, sections 233.20(a)(3) and 233.20(a)(4), must be used when determining a family's available income, except that:

(1) the disregard of the first \$75 of gross earned income is replaced with a single disregard described in section 256.035, subdivision 4, paragraph (a);

(2) all earned income of a minor child receiving assistance through the Minnesota family investment plan is excluded when the child is attending school at least half-time;

(3) all earned income tax credit payments received by the family as a refund of federal income taxes or made as advance payments are excluded in accordance with United States Code, title 42, section 602(a)(8)(A)(viii);

(4) educational grants and loans as provided in section 256.74, subdivision 1, clause (2), are excluded; and

(5) all other income listed in Minnesota Rules, part 9500.2380, subpart 2, is excluded.

Subd. 3. [DETERMINATION OF FAMILY RESOURCES.] When determining a family's resources, the following are excluded:

(1) the family's home, together with the surrounding property not separated from the home by intervening property owned by others;

(2) one burial plot for each family member;

(3) one prepaid burial contract with an equity value of no more than \$1,500 for each member of the family;

(4) licensed automobiles, trucks, or vans up to a total equity value of \$4,500;

(5) the value of personal property needed to produce earned income, including tools, implements, farm animals, and inventory;

(6) the entire equity value of a motor vehicle determined to be necessary for the operation of a self-employment business; and

(7) clothing, necessary household furniture, equipment, and other basic maintenance items essential for daily living.

Subd. 4. [TREATMENT OF SSI AND MSA.] The monthly benefits and any other income received through the supplemental security income or Minnesota supplemental aid programs and any real or personal property of a person receiving supplemental security income or Minnesota supplemental aid must be excluded in determining the family's eligibility for the

Minnesota family investment plan and the amount of assistance. In determining the amount of assistance to be paid to the family, the needs of the person receiving supplemental security income or Minnesota supplemental aid must not be taken into account.

Subd. 5. [ABILITY TO APPLY FOR FOOD STAMPS.] A family that is ineligible for assistance through the Minnesota family investment plan due to income or resources may apply for, and if eligible receive, benefits under the food stamp program.

Sec. 5. [256.034] [PROGRAM SIMPLIFICATION.]

Subdivision 1. [CONSOLIDATION OF TYPES OF ASSISTANCE.] Under the Minnesota family investment plan, assistance previously provided to families through the AFDC, food stamp, and general assistance programs must be combined into a single cash assistance program. If authorized by Congress, families receiving assistance through the Minnesota family investment plan are automatically eligible for and entitled to medical assistance under chapter 256B. Federal, state, and local funds that would otherwise be allocated for assistance to families under the AFDC, food stamp, and general assistance programs must be transferred to the Minnesota family investment plan. The provisions of the Minnesota family investment plan prevail over any provisions of sections 256.72 to 256.87 or 256D.01 to 256D.21 with which they are irreconcilable. The food stamp, general assistance, and work readiness programs for single persons and couples who are not responsible for the care of children are not replaced by the Minnesota family investment plan.

Subd. 2. [COUPON OPTION.] Families have the option to receive a portion of their assistance, designated by the commissioner, in the form of food coupons or vendor payments.

Subd. 3. [MODIFICATION OF ELIGIBILITY TESTS.] (a) A needy family is eligible and entitled to receive assistance under the program even if its children are not found to be deprived of parental support or care by reason of death, continued absence from the home, physical or mental incapacity of a parent, or unemployment of a parent, provided the family's income and resources do not exceed the eligibility requirements in section 256.033. In addition, a family member who is physically and mentally fit, who is between the ages of 18 and 60 years, who is enrolled at least half-time in an institution of higher education, and whose family income and resources do not exceed the eligibility requirements in section 256.033, is eligible for assistance under the Minnesota family investment plan even if the conditions for eligibility as prescribed under the federal Food Stamp Act of 1977, as amended, are not met.

(b) An applicant for, or a person receiving, assistance under the Minnesota family investment plan is considered to have assigned to the public agency responsible for child support enforcement at the time of application all rights to child support and maintenance from any other person the applicant may have in the applicant's own behalf or on behalf of any other family member for whom application is made under the Minnesota family investment plan. The provisions of section 256.74, subdivision 5, govern the assignment. An applicant for, or a person receiving, assistance under the Minnesota family investment plan shall cooperate with the efforts of the county agency to collect child and spousal support. The county agency is entitled to any child support and maintenance received by or on behalf of the person receiving assistance or another member of the family for

which the person receiving assistance is responsible. Failure by an applicant or a person receiving assistance to cooperate with the efforts of the county agency to collect child and spousal support without good cause must be sanctioned according to section 256.035, subdivision 3.

(c) An applicant for, or a person receiving, assistance under the Minnesota family investment plan is not required to comply with the employment and training requirements prescribed under sections 256.736, subdivisions 3, 3a, and 14; and 256D.05, subdivision 1; section 402(a)(19) of the Social Security Act; the federal Food Stamp Act of 1977, as amended; Public Law Number 100-485; or any other state or federal employment and training program, unless compliance is specifically required in a contract with the county agency.

Subd. 4. [SIMPLIFICATION OF BUDGETING PROCEDURES.] The monthly amount of assistance provided by the Minnesota family investment plan must be calculated on a prospective basis taking into account actual income or circumstances that existed in a previous month and other relevant information to predict income and circumstances for the next month or months. When a family has a significant change in circumstances, the budgeting cycle must be interrupted and the amount of assistance for the payment month must be based on the county agency's best estimate of the family's income and circumstances for that month. Families may be required to report their income monthly, but income may be averaged over a period of more than one month.

Subd. 5. [SIMPLIFICATION OF VERIFICATION PROCEDURES.] Verification procedures must be reduced to the minimum that is workable and consistent with the goals and requirements of the Minnesota family investment plan.

Sec. 6. [256.035] [INCOME SUPPORT AND TRANSITION.]

Subdivision 1. [EXPECTATIONS.] All families eligible for assistance under the Minnesota family investment plan are expected to be in transitional status as defined in section 256.032, subdivision 12. To be considered in transitional status, families must meet the following expectations:

(a) For a family headed by a single adult parent, the expectation is that the parent will independently pursue self-sufficiency until the family has received assistance for 24 months within the preceding 36 months. Beginning with the 25th month of assistance, the parent must be developing or have a contract and comply with the terms of the contract with the county agency or its designee.

(b) For a family with a minor parent, the expectation is that, concurrent with the receipt of assistance, the minor parent must be developing or have a contract with the county agency. The terms of the contract must include compliance with section 256.736, subdivision 3b.

(c) For a family with two adult parents, the expectation is that one or both parents will independently pursue self-sufficiency until the family has received assistance for six months within the preceding 12 months. Beginning with the seventh month of assistance, one parent must be developing or have a contract and comply with the terms of the contract with the county agency or its designee.

Subd. 2. [EXEMPTIONS.] A caregiver is exempt from the requirement of developing a contract and complying with the terms of the contract

developed with the county agency, or engaging in transitional activities, if:

(1) the caregiver is not the natural or adoptive parent of a minor child; or

(2) in the case of a parental caregiver, the county agency determines that:

(i) individual circumstances prevent compliance;

(ii) support services necessary to enable compliance are not available;

(iii) activities identified in the contract are not available; or

(iv) a parental caregiver is willing to accept suitable employment but employment is not available.

Subd. 3. [SANCTIONS.] A family whose parental caregiver is not exempt from the expectations in subdivision 1 and who is not complying with those expectations must have assistance reduced by a value equal to ten percent of the transitional standard as defined in section 256.032, subdivision 13. The reduced assistance must be paid in the form of protective, vendor, or two-party payments. This reduction and form of payment continues until the failure to comply ceases. The county agency must notify the parental caregiver of its intent to implement these sanctions and the opportunity to have a conciliation conference, upon request, before the sanctions are implemented.

Subd. 4. [TREATMENT OF INCOME.] To help families during their transition from the Minnesota family investment plan to self-sufficiency, the following income supports are available:

(a) The \$30 and one-third and \$75 disregards allowed under section 256.74, subdivision 1, and the 20 percent earned income deduction allowed under the federal Food Stamp Act of 1977, as amended, are replaced with a single disregard of not less than 35 percent of gross earned income to cover taxes and other work-related expenses and to reward the earning of income. This single disregard is available for the entire time a family receives assistance through the Minnesota family investment plan.

(b) The dependent care deduction, as prescribed under section 256.74, subdivision 1, and United States Code, title 7, section 2014(e), is replaced for families with earned income who need assistance with dependent care with an entitlement to a dependent care subsidy from money earmarked for the Minnesota family investment plan.

(c) The family wage level, as defined in section 256.032, subdivision 8, allows families to supplement earned income with assistance received through the Minnesota family investment plan. If, after earnings are adjusted according to the disregard described in paragraph (a), earnings have raised family income to a level equal to or greater than the family wage level, the amount of assistance received through the Minnesota family investment plan must be reduced.

(d) The first \$50 of any timely support payment for a month received by the public agency responsible for child support enforcement shall be paid to the family and disregarded in determining eligibility and the amount of assistance in accordance with United States Code, title 42, sections 602(a)(8)(A)(vi) and 657(b)(1). This paragraph applies regardless of whether the caregiver is in transitional status, is exempt from having or complying

with the terms of a contract, or has had a sanction imposed under subdivision 3.

Subd. 5. [COST-OF-LIVING ADJUSTMENT.] The transitional standard and the family wage level must be adjusted annually to account for changes in the cost of living.

Subd. 6. [ORIENTATION.] All caregivers receiving assistance through the Minnesota family investment plan must attend orientation.

Subd. 7. [CONTRACT.] (a) To receive the transitional standard of assistance, a single adult parent who is a member of a family that has received assistance through the Minnesota family investment plan for 24 months within the preceding 36 months, a minor parent receiving assistance through the Minnesota family investment plan, and one parent in a two-parent family that has received assistance through the Minnesota family investment plan for six months within the preceding 12 months, must comply with the terms of a contract with the county agency or its designee unless exempt under subdivision 2. Case management must be provided to a caregiver who is a parent to assist the caregiver in meeting established goals and to monitor the caregiver's progress toward achieving those goals. The parental caregiver and the county agency must finalize the contract as soon as possible, but in any event within a reasonable period of time after the deadline specified in subdivision 1, paragraph (a), (b), or (c), whichever applies.

(b) A contract must identify the parental caregiver's employment goal and explain what steps the family must take to pursue self-sufficiency. Activities may include:

(1) orientation;

(2) employment;

(3) employment and training services as defined under section 256.736, subdivision 1a, paragraph (d);

(4) preemployment activities;

(5) participation in an educational program leading to a high school or general equivalency diploma and post-secondary education programs, excluding post-baccalaureate degrees as provided in section 256.736, subdivision 1a, paragraph (d);

(6) case management;

(7) social services; or

(8) other programs or services leading to self-sufficiency. The contract must also identify the services that the county agency will provide to the family that the family needs to enable the parental caregiver to comply with the contract, including support services such as transportation and child care.

Subd. 8. [EMPLOYMENT BONUS.] A family leaving the program as a result of increased earnings through employment is entitled to an employment bonus. This bonus is a onetime cash incentive, not more than the family's monthly payment standard, to cover initial expenses incurred by the family leaving the Minnesota family investment plan.

Subd. 9. [CHILD CARE.] The commissioner shall ensure that each Minnesota family investment plan caregiver who is a parent in transitional status and who needs assistance with child care costs to independently

pursue self-sufficiency or comply with the terms of a contract with the county agency receives a child care subsidy through child care money earmarked for the Minnesota family investment plan. The subsidy must cover all actual child care costs for eligible hours up to the maximum rate allowed under sections 256H.15 and 256H.16. A caregiver who is a parent who leaves the program as a result of increased earnings from employment and who needs child care assistance to remain employed is entitled to extended child care assistance as provided under United States Code, title 42, section 602(g)(1)(A)(ii).

Subd. 10. [HEALTH CARE.] A family leaving the program as a result of increased earnings from employment is eligible for extended medical assistance as provided under Public Law Number 100-485, section 303, as amended.

Sec. 7. [256.036] [PROTECTIONS.]

Subdivision 1. [SUPPORT SERVICES.] If assistance with child care or transportation is necessary to enable a caregiver who is a parent to work, obtain training or education, attend orientation, or comply with the terms of a contract with the county agency, and the county determines that child care or transportation is not available, the family's applicable standard of assistance continues to be the transitional standard.

Subd. 2. [VOLUNTEERS.] Case management and support services are guaranteed upon request to volunteers from the following groups: caregivers between ages 18 and 21 and caregivers who have not received high school or general equivalency diplomas. For other caregivers receiving assistance under the Minnesota family investment plan who are independently pursuing self-sufficiency, case management and support services other than child care are available to the extent that resources permit.

Subd. 3. [NOTIFICATION REQUIREMENT.] The county agency shall contact a family headed by a single adult parent when the family has received assistance through the Minnesota family investment plan for 18 months within the preceding 36 months. The county agency shall remind the family that beginning with the 24th month of assistance, receipt of the transitional standard is contingent upon transitional status. The county agency shall encourage the family to begin preparing for the change in expectations.

Subd. 4. [TIMELY ASSISTANCE.] Applications must be processed in a timely manner according to the processing standards of the federal Food Stamp Act of 1977, as amended, and no later than 30 days following the date of application, unless the county agency has requested information that the applicant has not yet supplied. Financial assistance must be provided on no less than a monthly basis to eligible families.

Subd. 5. [DUE PROCESS.] Any family that applies for or receives assistance under the Minnesota family investment plan whose application for assistance is denied or not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid, is entitled, upon request, to a hearing under section 256.045. A parental caregiver may request a conciliation conference, under section 256.736, subdivisions 4a and 11, when the caregiver disputes the contents of a contract developed under the Minnesota family investment plan or disputes a decision regarding failure or refusal to cooperate with the terms of a contract. The disputes are not subject to administrative

review under section 256.045, unless they result in a denial, suspension, reduction, or termination, and the parental caregiver complies with section 256.045. A caregiver need not request a conciliation conference to request a hearing according to section 256.045.

Subd. 6. [TREATMENT OF FOOD ASSISTANCE.] *The portion of cash assistance provided under the Minnesota family investment plan that the commissioner designates as representing food assistance must be disregarded for other local, state, or federal programs.*

Subd. 7. [ADJUSTMENT OF FOOD ASSISTANCE AMOUNT.] *The commissioner shall assure that increases in the federal food stamp allotments and deductions are reflected in the food assistance portion of the assistance provided under the Minnesota family investment plan.*

Subd. 8. [EXPEDITED BENEFITS.] *Provisions for expedited benefits under the Minnesota family investment plan may not be less restrictive than provisions for expedited benefits under the Food Stamp Act of 1977, as amended, and state food stamp policy and include either expediting issuance of a predesignated portion of assistance provided through the Minnesota family investment plan or through the existing food stamp program.*

Subd. 9. [SPECIAL RIGHTS OF MIGRANT AND SEASONAL FARMWORKERS AND HOMELESS PEOPLE.] *Federally prescribed procedures, means of applying for and obtaining assistance, reporting and verification requirements, and other similar provisions specifically for migrant and seasonal farmworkers or homeless people under the Food Stamp Act of 1977, as amended, continue to be available to eligible migrant, seasonal farmworker, or homeless families. The commissioner shall comply with the bilingual requirements of United States Code, title 7, section 2020(e)(1)(B).*

Sec. 8. [IMPLEMENTATION.]

The commissioner is authorized to proceed with the planning and designing of the Minnesota family investment plan, according to the requirements of Minnesota Statutes, sections 256.031 to 256.036. Sections 256.031 to 256.036 may not be implemented or enforced until the legislature authorizes a specific date for implementation either statewide or on a field trial basis.

Sec. 9. Minnesota Statutes 1988, section 256.045, subdivision 3, is amended to read:

Subd. 3. [STATE AGENCY HEARINGS.] (a) Any person applying for, receiving or having received public assistance or a program of social services granted by a local agency under sections 256.031 to 256.036 and 256.72 to 256.879, chapters 256B, 256D, 256E, 261, or the federal Food Stamp Act whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid, or any patient or relative aggrieved by an order of the commissioner under section 252.27, or a party aggrieved by a ruling of a prepaid health plan, may contest that action or decision before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action or decision, or within 90 days of such written notice if the applicant, recipient, patient, or relative shows good cause why the request was not submitted within the 30-day time limit.

(b) All prepaid health plans under contract to the commissioner pursuant

to chapter 256B or 256D must provide for a complaint system according to section 62D.11. The prepaid health plan must notify the ombudsman within three working days of any formal complaint made under section 62D.11 by persons enrolled in a prepaid health plan under chapter 256B or 256D. At the time a complaint is made, the prepaid health plan must notify the recipient of the name and telephone number of the ombudsman. Recipients may request the assistance of the ombudsman in the complaint system process. The prepaid health plan shall issue a written resolution within 30 days of filing with the prepaid health plan. The ombudsman may waive the requirement that the complaint system procedures be exhausted prior to an appeal if the ombudsman determines that the complaint must be resolved expeditiously in order to provide care in an urgent situation.

(c) A state human services referee shall conduct a hearing on the matter and shall recommend an order to the commissioner of human services. The commissioner need not grant a hearing if the sole issue raised by an appellant is the commissioner's authority to require mandatory enrollment in a prepaid health plan in a county where prepaid health plans are under contract with the commissioner.

(d) In a notice of appeal from a ruling of a prepaid health plan, a recipient may request an expedited hearing. The ombudsman, after discussing with the recipient his or her condition and in consultation with a health practitioner who practices in the specialty area of the recipient's primary diagnosis, shall investigate and determine whether an expedited appeal is warranted. In making the determination, the ombudsman shall evaluate whether the medical condition of the recipient, if not expeditiously diagnosed and treated, could cause physical or mental disability, substantial deterioration of physical or mental health, continuation of severe pain, or death. The ombudsman may order a second medical opinion from the prepaid health plan or order a second medical opinion from a nonprepaid health plan provider at prepaid health plan expense. If the ombudsman determines that an expedited appeal is warranted, the state welfare referee shall hear the appeal and render a decision within a time commensurate with the level of urgency involved, based on the individual circumstances of the case. In urgent or emergency situations in which a prepaid health plan provider has prescribed treatment, and the prepaid health plan has denied authorization for that treatment, the referee may order the health plan to authorize treatment pending the outcome of the appeal.

Sec. 10. Minnesota Statutes 1988, section 256.12, subdivision 14, is amended to read:

Subd. 14. [DEPENDENT CHILD.] (a) "Dependent child," as used in sections 256.72 to 256.87, means a child under the age of 18 years, or a child under the age of 19 years who is regularly attending as a full-time student, and is expected to complete before reaching age 19, a high school or a secondary level course of vocational or technical training designed to fit students for gainful employment, who is found to be deprived of parental support or care by reason of the death, continued absence from the home, physical or mental incapacity of a parent, or who is a child of an unemployed parent as that term is defined by the commissioner of human services, such definition to be consistent with and not to exceed minimum standards established by the Congress of the United States and the Secretary of Health and Human Services; and whose relatives;. When defining "unemployed parent," the commissioner shall count up to four calendar quarters of full-time attendance in any of the following toward the requirement that a

principal earner have six or more quarters of work in any 13-calendar-quarter period ending within one year before application for aid to families with dependent children:

(1) an elementary or secondary school;

(2) a federally approved vocational or technical training course designed to prepare the parent for gainful employment; or

(3) full-time participation in an education or training program established under the job training partnership act.

(b) Dependent child also means a child:

(1) whose relatives are liable under the law for the child's support and are not able to provide adequate care and support of the child; and

(2) who is living with father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew, or niece in a place of residence maintained by one or more of these relatives as a home.

The term “(c) Dependent child” also means a child who has been removed from the home of a relative after a judicial determination that continuance in the home would be contrary to the welfare and best interests of the child and whose care and placement in a foster home or a private licensed child care institution is, in accordance with the rules of the commissioner, the responsibility of the state or county agency under sections 256.72 to 256.87. This child is eligible for benefits only through the foster care and adoption assistance program contained in Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676, and is not entitled to benefits under sections 256.72 to 256.87.

Sec. 11. [256.484] [SOCIAL ADJUSTMENT SERVICES TO REFUGEES.]

Subdivision 1. [SPECIAL PROJECTS.] The commissioner of human services shall establish a grant program to provide social adjustment services to refugees residing in Minnesota who experience depression, emotional stress, and personal crises resulting from past trauma and refugee camp experiences.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them:

(a) “Refugee” means a refugee or asylee status granted by the United States Immigration and Naturalization Service.

(b) “Social adjustment services” means treatment or services, including psychiatric assessment, chemical therapy, individual or family counseling, support group participation, after care or follow-up, information and referral, and crisis intervention.

Subd. 3. [PROJECT SELECTION.] The commissioner shall select projects for funding under this section. Projects selected must be administered by service providers who have experience in providing bilingual social adjustment services to refugees. Project administrators must present evidence that the service provider's social adjustment services for targeted refugees has historically resolved major problems identified at the time of intake.

Subd. 4. [PROJECT DESIGN.] Project proposals selected under this

section must:

- (1) use existing resources when possible;*
- (2) clearly specify program goals and timetables for project operation;*
- (3) identify available support services, social services, and referral procedures to be used in serving the targeted refugees;*
- (4) provide bilingual services; and*
- (5) identify the training and experience that enable project staff to provide services to targeted refugees, and identify the number of staff with bilingual service expertise.*

Subd. 5. [ANNUAL REPORT.] Selected service providers must report to the commissioner by June 30 of each year on the number of refugees served, the average cost per refugee served, the number and percentage of refugees who are successfully assisted through social adjustment services, and recommendations for modifications in service delivery for the upcoming year.

Subd. 6. [FUNDING.] Unspent money appropriated for the first year of a biennium for social adjustment services to refugees does not cancel but is available to the commissioner to operate the grant program during the second year.

Sec. 12. [256.485] [CHILD WELFARE SERVICES TO MINOR REFUGEES.]

Subdivision 1. [SPECIAL PROJECTS.] The commissioner of human services shall establish a grant program to provide specialized child welfare services to Asian and Amerasian refugees under the age of 18 who reside in Minnesota.

Subd. 2. [DEFINITIONS.] For the purpose of this section, the following terms have the meanings given them:

(a) "Refugee" means refugee or asylee status granted by the United States Immigration and Naturalization Service.

(b) "Child welfare services" means treatment or services, including workshops or training regarding independent living skills, coping skills, and responsible parenting, and family or individual counseling regarding career planning, intergenerational relationships and communications, and emotional or psychological stress.

Subd. 3. [PROJECT SELECTION.] The commissioner shall select projects for funding under this section. Projects selected must be administered by service providers who have experience in providing child welfare services to minor Asian and Amerasian refugees.

Subd. 4. [PROJECT DESIGN.] Project proposals selected under this section must:

- (1) use existing resources when possible;*
- (2) provide bilingual services;*
- (3) clearly specify program goals and timetables for project operation;*
- (4) identify support services, social services, and referral procedures to be used; and*

(5) identify the training and experience that enable project staff to provide services to targeted refugees, as well as the number of staff with bilingual service expertise.

Subd. 5. [ANNUAL REPORT.] Selected service providers must report to the commissioner by June 30 of each year on the number of refugees served, the average cost per refugee served, the number and percentage of refugees who are successfully assisted through child welfare services, and recommendations for modifications in service delivery for the upcoming year.

Subd. 6. [FUNDING.] Unspent money appropriated for the first year of a biennium for child welfare services to refugees does not cancel but is available to the commissioner for operation of the grant program during the second year.

Sec. 13. Minnesota Statutes 1988, section 256.73, subdivision 3a, is amended to read:

Subd. 3a. [PERSONS INELIGIBLE.] No assistance shall be given under sections 256.72 to 256.87:

(1) on behalf of any person who is receiving supplemental security income under title XVI of the Social Security Act unless permitted by federal regulations;

(2) for any month in which the assistance unit's gross income, without application of deductions or disregards, exceeds 185 percent of the standard of need for a family of the same size and composition; except that the earnings of a dependent child who is a full-time student may be disregarded for six calendar months per year and the earnings of a dependent child who is a full-time student that are derived from the jobs training and partnership act may be disregarded for six calendar months per year. If a stepparent's income is taken into account in determining need, the disregards specified in section 256.74, subdivision 1a shall be applied to determine income available to the assistance unit before calculating the unit's gross income for purposes of this paragraph;

(3) to any assistance unit for any month in which any caretaker relative with whom the child is living is, on the last day of that month, participating in a strike;

(4) on behalf of any other individual in the assistance unit, nor shall the individual's needs be taken into account for any month in which, on the last day of the month, the individual is participating in a strike;

(5) to an assistance unit if its eligibility is based on a parent's unemployment and the parent on behalf of any individual who is the principal earner in an assistance unit whose eligibility is based on the unemployment of a parent when the principal earner, without good cause, fails or refuses to seek work, to participate in the work incentive program under section 256.736, job search program under section 256.736 or a community work experience program under section 256.737 if this program is available and participation is mandatory in the county, to accept employment, or to register with a public employment office, unless the principal earner is exempt from these work requirements.

Sec. 14. Minnesota Statutes 1988, section 256.736, subdivision 3, is amended to read:

Subd. 3. [REGISTRATION.] (a) To the extent permissible under federal law, every caretaker or child is required to register for employment and training services, as a condition of receiving AFDC, unless the caretaker or child is:

(1) a child who is under age 16, a child age 16 or 17 who is attending elementary or secondary school or a secondary level vocational or technical school full time, ~~or a full-time student age 18 who is attending a secondary school or a secondary level vocational or technical program and who is expected to complete the school or program before reaching age 19;~~

(2) ~~a caretaker who is ill, incapacitated or age 55 or older;~~

(3) ~~a caretaker person~~ for whom participation in an employment and training service would require a round trip commuting time by available transportation of more than two hours;

(4) ~~a caretaker person~~ whose presence in the home is required because of illness or incapacity of another member of the household;

(5) a caretaker or other caretaker relative of a child under the age of ~~six~~ three who personally provides full-time care for the child;

(6) ~~a caretaker or other caretaker relative personally providing care for a child under six years of age, except that when child care is arranged for or provided, the caretaker or caretaker relative may be required to register and participate in employment and training services up to a maximum of 20 hours per week;~~

(7) a caretaker if another adult relative in the assistance unit is registered and has not, without good cause, failed or refused to participate or accept employment;

~~(7) a pregnant woman in the last trimester of pregnancy (8) a pregnant woman, if it has been medically verified that the child is expected to be born in the current month or within the next six months;~~

(9) ~~employed at least 30 hours per week; or~~

~~(8) (10) a parent who is not the principal earner if the parent who is the principal earner is not exempt under clauses (1) to (7).~~

~~Any individual in clauses (3) and (5) to (8) must be advised of any available employment and training services and must be informed of any available child care and other support services required to register.~~

(b) To the extent permissible by federal law, applicants for benefits under the AFDC program are registered for employment and training services by signing the application form. Applicants must be informed that they are registering for employment and training services by signing the form. Persons receiving benefits on or after July 1, 1987, shall register for employment and training services to the extent permissible by federal law. The caretaker has a right to a fair hearing under section 256.045 with respect to the appropriateness of the registration.

Sec. 15. Minnesota Statutes 1988, section 256.736, subdivision 3b, is amended to read:

Subd. 3b. [MANDATORY ASSESSMENT AND SCHOOL ATTENDANCE FOR ~~MINOR CERTAIN CUSTODIAL PARENTS.~~] *This subdivision applies to the extent permitted under federal law and regulation.*

(a) [DEFINITIONS.] The definitions in this paragraph apply to this subdivision.

(1) "~~Minor~~ Custodial parent" means a recipient of AFDC who is ~~under age 18, and who is~~ the natural or adoptive parent of a child living with the ~~minor~~ custodial parent.

(2) "School" means:

(i) an educational program which leads to a high school diploma. The program or coursework may be, but is not limited to, a program under the post-secondary enrollment options of section 123.3514, a regular or alternative program of an elementary or secondary school, a technical institute, or a college;

(ii) coursework for a general educational development (GED) diploma of not less than six hours of classroom instruction per week; or

(iii) any other post-secondary educational program that is approved by the public school or the local agency under subdivision 11.

(b) [ASSESSMENT AND PLAN; REQUIREMENT; CONTENT.] *The county agency must examine the educational level of each custodial parent under the age of 20 to determine if the recipient has completed a high school education or its equivalent. If the custodial parent has not completed a high school education or its equivalent and is not exempt from the requirement to attend school under paragraph (f), the county agency must complete an individual assessment for the custodial parent. The assessment must be performed as soon as possible but within 60 days of determining AFDC eligibility for the custodial parent. The assessment must provide an initial examination of the custodial parent's educational progress and needs, literacy level, child care and supportive service needs, family circumstances, skills, and work experience. In the case of a custodial parent under the age of 18, the assessment must also consider the effect of a child's development and educational needs on the parent's ability to participate in the program. The county agency must advise the parent that the parent's first goal must be to complete an appropriate educational option if one is identified for the parent through the assessment and, in consultation with educational agencies, must review the various school completion options with the parent and assist the parent in selecting the most appropriate option.*

(c) [RESPONSIBILITY FOR ASSESSMENT AND PLAN.] *For custodial parents who are under age 18, the assessment and the employability plan must be completed by the county social services agency, as specified in section 257.33. For custodial parents who are age 18 or 19, the assessment and employability plan must be completed by the case manager. The social services agency or the case manager shall consult with representatives of educational agencies required to assist in developing educational plans under section 126.235.*

(d) [EDUCATION DETERMINED TO BE APPROPRIATE.] *If the case manager or county social services agency identifies an appropriate educational option, it must develop an employability plan in consultation with the custodial parent which reflects the assessment. The plan must specify that participation in an educational activity is required, what school or educational program is most appropriate, the services that will be provided, the activities the parent will take part in including child care and supportive services, the consequences to the custodial parent for failing to participate*

or comply with the specified requirements, and the right to appeal any adverse action. The employability plan must, to the extent possible, reflect the preferences of the participant.

(e) [EDUCATION DETERMINED TO BE NOT APPROPRIATE.] If the case manager determines that there is no appropriate educational option for a custodial parent who is age 18 or 19, the case manager shall indicate the reasons for the determination. The case manager shall then notify the county agency which must refer the custodial parent to case management services under subdivision 11 for completion of an employability plan and services. If the custodial parent fails to participate or cooperate with case management services and does not have good cause for the failure, the county agency shall apply the sanctions listed in subdivision 4, beginning with the first payment month after issuance of notice. If the county social services agency determines that school attendance is not appropriate for a custodial parent under age 18, the county agency shall refer the custodial parent to social services for services as provided in section 257.33.

(f) [SCHOOL ATTENDANCE REQUIRED.] Notwithstanding subdivision 3, a ~~minor~~ custodial parent must attend school if all of the following apply:

(1) ~~the minor parent has no child living with the parent who is younger than six weeks of age~~ the custodial parent is less than 20 years of age;

(2) transportation services needed to enable the ~~minor~~ custodial parent to attend school are available;

(3) licensed or legal nonlicensed child care services needed to enable the ~~minor~~ custodial parent to attend school are available;

(4) the ~~minor~~ custodial parent has not already graduated from high school and has not received a general educational development (GED) diploma received a high school diploma or its equivalent; and

(5) the ~~minor~~ custodial parent does not have good cause for failing to attend school, as provided in paragraph (d) is not exempt because the custodial parent:

(i) is ill or incapacitated seriously enough to prevent him or her from attending school;

(ii) is needed in the home because of the illness or incapacity of another member of the household; this includes a custodial parent of a child who is younger than six weeks of age;

(iii) works 30 or more hours per week; or

(iv) is pregnant if it has been medically verified that the child's birth is expected in the current month or within the next six months.

(e) (g) [ENROLLMENT AND ATTENDANCE.] The ~~minor~~ custodial parent must be enrolled in school and meeting the school's attendance requirements. The ~~minor~~ custodial parent is considered to be attending when the ~~minor~~ parent he or she is enrolled but the school is not in regular session, including during holiday and summer breaks.

(d) (h) [GOOD CAUSE FOR NOT ATTENDING SCHOOL.] The local agency shall not impose the sanctions in subdivision 4 if it determines that a custodial parent has good cause for not being enrolled or for not meeting the school's attendance requirements. The local agency shall determine

whether good cause for not attending or not enrolling in school exists, according to this paragraph:

(1) Good cause exists when the minor parent is ill or injured seriously enough to prevent the minor parent from attending school.

(2) Good cause exists when the minor parent's child is ill or injured and the minor parent's presence in the home is required to care for the child.

(3) Good cause exists when the local agency has verified that the only available school program requires round trip commuting time from the minor custodial parent's residence of more than two hours by available means of transportation, excluding the time necessary to transport children to and from child care.

(4) Good cause exists when there is an interruption in availability of child care services.

(5) (2) Good cause exists when the minor custodial parent has indicated a desire to attend school, but the public school system is not providing for the minor parent's his or her education and alternative programs are not available.

(6) Good cause exists when the school does not cooperate with the local agency in providing verification of the minor parent's education or attendance.

(7) Good cause exists when the minor parent or the minor parent's child has a medical appointment or an appointment with the local welfare agency, is required to appear in court during the minor parent's normal school hours, or has any other obligation consistent with the case management contract.

(8) For the minor parent of a child between six and 12 weeks of age, good cause exists when child care is not available on the premises of the school, or a medical doctor certifies that it would be better for the health of either the parent or the child for the parent to remain at home with the child for a longer period of time.

(e) (i) [FAILURE TO COMPLY.] *The case manager and social services agency shall establish ongoing contact with appropriate school staff to monitor problems that custodial parents may have in pursuing their educational plan, and shall jointly seek solutions to prevent parents from failing to complete education. If the school notifies the local agency that the minor custodial parent is not enrolled or is not meeting the school's attendance requirements, and the local agency or appears to be facing barriers to completing education, the information must be conveyed to the case manager for a custodial parent age 18 or 19, or to the social services agency for a custodial parent under age 18. The case manager or social services agency shall reassess the appropriateness of school attendance as specified in paragraph (f). If after consultation, school attendance is still appropriate and the case manager or social services agency determines that the minor custodial parent has failed to enroll or is not meeting the school's attendance requirements and the custodial parent does not have good cause, the local agency case manager or social services agency shall inform the custodial parent's financial worker who shall apply the sanctions listed in subdivision 4 beginning with the first payment month after issuance of notice.*

(f) (j) [NOTICE AND HEARING.] A right to notice and fair hearing shall be provided in accordance with section 256.045 and the Code of

Federal Regulations, title 45, section 205.10.

(g) (k) [SOCIAL SERVICES.] When a ~~minor~~ *custodial parent under the age of 18 has failed to attend school, is not exempt, and does not have good cause, the local agency shall refer the ~~minor~~ custodial parent to the social services agency for services, as provided in section 257.33.*

(h) (l) [VERIFICATION.] No less often than quarterly, the ~~local agency~~ *financial worker must verify that the ~~minor~~ custodial parent is meeting the requirements of this subdivision. Notwithstanding section 13.32, subdivision 3, when the local agency notifies the school that a ~~minor~~ custodial parent is subject to this subdivision, the school must furnish verification of school enrollment and, attendance, and progress to the local agency. The county agency must not impose the sanctions in paragraph (i) if the school fails to cooperate in providing verification of the minor parent's education, attendance, or progress.*

Sec. 16. Minnesota Statutes 1988, section 256.736, is amended by adding a subdivision to read:

Subd. 3d. [COORDINATION OF SERVICES FOR AT-RISK ADOLESCENTS.] (a) [PURPOSE.] The commissioners of education, human services, and jobs and training shall coordinate services between their departments for at-risk adolescents and teenage parents in order to improve access to educational programs, to evaluate current at-risk or teen parent programs, and to promote self-sufficiency. The coordination must include, but is not limited to, educating staff about the educational options and programs available through each department that are appropriate for adolescents and teenage parents; methods of informing adolescents and teenage parents of services and programs; methods of encouraging and motivating adolescents and teenage parents to use services and programs; and the advantages of doing so.

(b) [PILOT PROJECTS.] Money appropriated or received for purposes of this section may be used for one or more pilot projects designed to improve access to education for at-risk adolescents and teenage parents, especially those receiving AFDC. Pilot projects may focus on one or more of the following: improving access to services dealing with the needs of adolescent parents or adolescents at risk of pregnancy that address issues such as male responsibility and alternative placements for adolescent and teenage mothers with infants; or development of service models for adolescent parents already in the social services system. The commissioners of education, human services, and jobs and training shall request proposals for the projects and shall jointly review and select proposals.

(c) [PRIVATE FUNDING FOR LOCAL PROJECTS.] The commissioners of education, human services, and jobs and training may jointly seek private sources of funding to facilitate pilot projects at the local level. The commissioners shall determine how the private funding is to be allocated to local projects.

Sec. 17. Minnesota Statutes 1988, section 256.736, subdivision 4, is amended to read:

Subd. 4. [CONDITIONS OF CERTIFICATION.] The commissioner of human services shall:

(1) Arrange for or provide any caretaker or child required to participate

in employment and training services pursuant to this section with child-care services, transportation, and other necessary family services;

~~(2) Pay ten percent of the cost of the work incentive program and any other costs that are required of that agency by federal regulation for employment and training services for recipients of aid to families with dependent children;~~

~~(3) Provide that in determining a recipient's needs any monthly incentive training payment made to the recipient by the department of jobs and training is disregarded and the additional expenses attributable to participation in a program are taken into account in grant determination to the extent permitted by federal regulation; and~~

~~(4) (3) Provide that the county board shall impose the sanctions in clause (5) or (6) (4) when the county board:~~

~~(a) is notified that a caretaker or child required to participate in employment and training services has been found by the employment and training service provider to have failed without good cause to participate in appropriate employment and training services or to have failed without good cause to accept a bona fide offer of public or other employment;~~

~~(b) determines that a minor custodial parent under the age of 16 who is required to attend school under subdivision 3b has, without good cause, failed to attend school;~~

~~(c) (b) determines that subdivision 3c applies to a minor parent and the minor parent has, without good cause, failed to cooperate with development of a social service plan or to participate in execution of the plan, to live in a group or foster home, or to participate in a program that teaches skills in parenting and independent living; or~~

~~(d) (c) determines that a caretaker has, without good cause, failed to attend orientation-;~~

~~(5) (4) To the extent permissible by federal law, impose the following sanctions must be imposed for a recipient's failure to participate in required employment and training services, education, orientation, or the requirements of subdivision 3c:~~

~~(a) For the first failure, 50 percent of the grant provided to the family for the month following the failure shall be made in the form of protective or vendor payments;~~

~~(b) For the second and subsequent failures, the entire grant provided to the family must be made in the form of protective or vendor payments. Assistance provided to the family must be in the form of protective or vendor payments until the recipient complies with the requirement; and~~

~~(c) When protective payments are required, the local agency may continue payments to the caretaker if a protective payee cannot reasonably be found-;~~

~~(6) When the sanctions provided by clause (5) are not permissible under federal law, the following sanctions shall be imposed for a recipient's failure to participate in required employment and training services, education, orientation, or the requirements of subdivision 3c (5) Provide that the county board shall impose the sanctions in clause (6) when the county board:~~

(a) determines that a caretaker or child required to participate in employment and training services has been found by the employment and training service provider to have failed without good cause to participate in appropriate employment and training services or to have failed without good cause to accept, through the job search program described in subdivision 14, or the community work experience program described in section 256.737, a bona fide offer of public or other employment; or

(b) determines that a custodial parent aged 16 to 19 who is required to attend school under subdivision 3b has, without good cause, failed to enroll or attend school;

(6) To the extent required by federal law, the following sanctions must be imposed for a recipient's failure to participate in required employment and training services, to accept a bona fide offer of public or other employment, or to enroll or attend school under subdivision 3b:

(a) ~~If the caretaker fails to participate, the caretaker's~~ For the first failure, the needs of the noncompliant individual shall not be taken into account in making the grant determination, and aid for any dependent child in the family will be made in the form of protective or vendor payments, except that when protective payments are made, the local agency may continue payments to the caretaker if a protective payee cannot reasonably be found. ~~The standard of assistance for the remaining eligible members of the assistance unit is the standard that is used in other instances in which the caretaker is excluded from the assistance unit for noncompliance with a program requirement until the individual complies with the requirements.~~

(b) For the second failure, the needs of the noncompliant individual shall not be taken into account in making the grant determination until the individual complies with the requirement or for three consecutive months, whichever is longer.

(c) For subsequent failures, the needs of the noncompliant individual shall not be taken into account in making the grant determination until the individual complies with the requirement or for six consecutive months, whichever is longer.

(d) Aid with respect to a dependent child will be denied if a child who fails to participate is the only child receiving aid in the family.

(e) ~~If there is more than one child receiving aid in the family, aid for the child who fails to participate will be denied and the child's needs will not be taken into account in making the grant determination.~~

(d) ~~If the assistance unit's eligibility is based on the nonexempt principal earner's unemployment and this principal earner fails without good cause to participate or to accept employment, the entire assistance unit is ineligible for benefits under sections 256.72 to 256.87.~~

(e) If the noncompliant individual is a parent or other relative caretaker, payments of aid for any dependent child in the family must be made in the form of protective or vendor payments. When protective payments are required, the county agency may continue payments to the caretaker if a protective payee cannot reasonably be found. When protective payments are imposed on assistance units whose basis of eligibility is the unemployment or incapacity of a parent, cash payments may continue to the nonsanctioned caretaker in the assistance unit, subject to paragraph (f).

After removing a caretaker's needs from the grant, the standard of assistance applicable to the remaining eligible members of the assistance unit is the standard that is used in other instances in which the caretaker is excluded from the assistance unit for noncompliance with a program requirement.

(f) If the noncompliant individual is a parent or other caretaker of a family whose basis of eligibility is the unemployment of a parent and the noncompliant individual's spouse is not participating in an approved employment and training service, the needs of the spouse must not be taken into account in making the grant determination;

(7) Request approval from the Secretary of Health and Human Services to use vendor payment sanctions for persons listed in clause (5), paragraph (b). If approval is granted, the commissioner must begin using vendor payment sanctions as soon as changes to the state plan are approved.

Sec. 18. Minnesota Statutes 1988, section 256.736, subdivision 10, is amended to read:

Subd. 10. [COUNTY DUTIES.] (a) To the extent of available state appropriations, county boards shall:

(1) refer all priority caretakers required to register under subdivision 3 to an employment and training service provider for participation in employment and training services;

(2) identify to the employment and training service provider caretakers who fall into the priority groups;

(3) provide all caretakers with an orientation which ~~(a) gives information on available employment and training services and support services, and (b) encourages clients to view AFDC as a temporary program providing grants and services to clients who set goals and develop strategies for supporting their families without AFDC assistance meets the requirements in subdivisions 10a and 10b;~~

(4) work with the employment and training service provider to encourage voluntary participation by caretakers in the priority groups;

(5) work with the employment and training service provider to collect data as required by the commissioner;

(6) to the extent permissible under federal law, require all caretakers coming into the AFDC program to attend orientation;

(7) encourage nonpriority caretakers to develop a plan to obtain self-sufficiency;

(8) notify the commissioner of the caretakers required to participate in employment and training services;

(9) inform appropriate caretakers of opportunities available through the head start program and encourage caretakers to have their children screened for enrollment in the program where appropriate;

(10) provide transportation assistance using the employment special needs fund or other available funds to caretakers who participate in employment and training programs, with priority for services to caretakers in priority groups;

(11) ensure that orientation, employment search, and case management

services are made available to appropriate caretakers under this section, except that payment for case management services is governed by subdivision 13; and

(12) explain in its local service unit plan under section 268.88 how it will ensure that priority caretakers determined to be in need of social services are provided with such social services. The plan must specify how the case manager and the county social service workers will ensure delivery of needed services;

(13) to the extent allowed by federal laws and regulations, provide a job search program as defined in subdivision 14 and at least one of the following employment and training services: community work experience program (CWEP) as defined in section 256.737, grant diversion as defined in section 268.86, on-the-job training as defined in section 256.738, or another work and training program approved by the commissioner and the Secretary of the United States Department of Health and Human Services. Planning and approval for employment and training services listed in this clause must be obtained through submission of the local service unit plan as specified under section 268.88. Each county is urged to adopt grant diversion as the second program required under this clause;

(14) provide an assessment of each AFDC recipient who is required or volunteers to participate in one of the employment and training services specified in clause (13), including job search, and to recipients who volunteer for participation in case management under subdivision 11. The assessment must include an evaluation of the participant's (i) educational, child care, and other supportive service needs; (ii) skills and prior work experience; and (iii) ability to secure and retain a job which, when wages are added to child support, will support the participant's family. The assessment must also include a review of the results of the early and periodic screening, diagnosis and treatment (EPSDT) screening, if available; the participant's family circumstances; and, in the case of a custodial parent under the age of 18, a review of the effect of a child's development and educational needs on the parent's ability to participate in the program;

(15) develop an employability development plan for each recipient for whom an assessment is required under clause (14) which: (i) reflects the assessment required by clause 14; (ii) takes into consideration the recipient's physical capacity, skills, experience, health and safety, family responsibilities, place of residence, proficiency, child care and other supportive service needs; (iii) is based on available resources and local employment opportunities; (iv) specifies the services to be provided by the employment and training service provider; (v) specifies the activities the recipient will participate in; (vi) specifies necessary supportive services such as child care; (vii) to the extent possible, reflects the preferences of the participant; and (viii) specifies the recipient's employment goal; and

(16) assure that no work assignment under this section or sections 256.737 and 256.738 results in: (i) termination, layoff, or reduction of the work hours of an employee for the purpose of hiring an individual under the above sections; (ii) the hiring of an individual if any other person is on layoff from the same or a substantially equivalent job; (iii) any infringement of the promotional opportunities of any currently employed individual; (iv) the impairment of existing contracts for services or collective bargaining agreements; or (v) a participant filling an established unfilled position vacancy.

(b) Funds available under this subdivision may not be used to assist, promote, or deter union organizing.

(c) A county board may provide other employment and training services that it considers necessary to help caretakers obtain self-sufficiency.

(d) Notwithstanding section 256G.07, when a priority caretaker relocates to another county to implement the provisions of the caretaker's case management contract or other written employability development plan approved by the county human service agency or its case manager, the county that approved the plan is responsible for the costs of case management, child care, and other services required to carry out the plan. The county agency's responsibility for the costs ends when all plan obligations have been met, when the caretaker loses AFDC eligibility for at least 30 days, or when approval of the plan is withdrawn for a reason stated in the plan, whichever occurs first. A county human service agency may pay for the costs of case management, child care, and other services required in an approved employability development plan when the nonpriority caretaker relocates to another county or when a priority caretaker again becomes eligible for AFDC after having been ineligible for at least 30 days.

Sec. 19. Minnesota Statutes 1988, section 256.736, is amended by adding a subdivision to read:

Subd. 10a. [ORIENTATION.] (a) Each county agency must provide an orientation to all caretakers within its jurisdiction who are determined eligible for AFDC on or after July 1, 1989, and who are required to attend an orientation. The county agency shall require attendance at orientation of all caretakers except those who are (1) physically disabled, mentally ill, or developmentally disabled and whose condition has or is expected to continue for at least 90 days and will prevent participation in educational programs or employment and training services; (2) aged 55 or older; or (3) currently employed in unsubsidized employment that is expected to continue at least 30 days and that provides an average of at least 30 hours of employment per week.

(b) The orientation must consist of a presentation that informs caretakers of:

(1) the identity, location, and phone numbers of employment and training and support services available in the county;

(2) the types and locations of child care services available through the county agency that are accessible to enable a caretaker to participate in educational programs or employment and training services;

(3) the availability of assistance for participants to help select appropriate child care services and that, on request, assistance will be provided to select appropriate child care services;

(4) the obligations of the county agency and service providers under contract to the county agency;

(5) the rights, responsibilities, and obligations of participants;

(6) the grounds for exemption from mandatory employment and training services or educational requirements;

(7) the consequences for failure to participate in mandatory services or requirements;

(8) *the method of entering educational programs or employment and training services available through the county; and*

(9) *the availability and the benefits of the early and periodic screening, diagnosis and treatment (EPSDT) program.*

(c) *Orientation must encourage recipients to view AFDC as a temporary program providing grants and services to individuals who set goals and develop strategies for supporting their families without AFDC assistance. The content of the orientation must not imply that a recipient's eligibility for AFDC is time limited. Orientation may be provided through audio-visual methods, but the caretaker must be given an opportunity for face-to-face interaction with staff of the county agency or the entity providing the orientation, and an opportunity to express the desire to participate in educational programs and employment and training services offered through the county agency.*

(d) *County agencies shall not require caretakers to attend orientation for more than three hours during any period of 12 continuous months. The local agency shall also arrange for or provide needed transportation and child care to enable caretakers to attend.*

Sec. 20. Minnesota Statutes 1988, section 256.736, is amended by adding a subdivision to read:

Subd. 10b. [INFORMING.] Each county agency must provide written information concerning the topics identified in subdivision 10a, paragraph (b), to all AFDC caretakers within the county agency's jurisdiction who are exempt from the requirement to attend orientation, except those under age 16, and to recipients who have good cause for failing to attend orientation as specified in rules adopted by the commissioner. The written materials must tell the individual how the individual may indicate the desire to participate in educational programs and employment and training services offered through the county. The written materials must be mailed or hand delivered to the recipient at the time the recipient is determined to be exempt or have good cause for failing to attend an orientation.

Sec. 21. Minnesota Statutes 1988, section 256.736, subdivision 11, is amended to read:

Subd. 11. [CASE MANAGEMENT SERVICES.] (a) For clients described in subdivision 2a, the case manager shall:

(1) ~~Assess the education, skills, and ability of the caretaker to secure and retain a job which, when added to child support, will support the caretaker's family.~~ *Provide an assessment as described in subdivision 10, paragraph (a), clause (14). As part of the assessment, the case manager shall inform caretakers of the screenings available through the early and periodic screening, diagnosis and treatment (EPSDT) program under chapter 256B and preschool screening under chapter 123, and encourage caretakers to have their children screened.* The case manager must work with the caretaker in completing this task;

(2) ~~Set goals and develop a timetable for completing education and employment goals.~~ *Develop an employability development plan as described in subdivision 10, paragraph (a), clause (15).* The case manager must work with the caretaker in completing this task. For caretakers who are not literate or who have not completed high school, the first goal for the caretaker ~~must~~ *should* be to complete literacy training or a general education

equivalency diploma. Caretakers who are literate and have completed high school shall be counseled to set realistic attainable goals, taking into account the long-term needs of both the caretaker and the caretaker's family;

(3) Coordinate services such as child care, transportation, and education assistance necessary to enable the caretaker to work toward the goals developed in clause (2). When a client needs child care services in order to attend a Minnesota public or nonprofit college, university or technical institute, the case manager shall contact the appropriate agency to reserve child care funds for the client. A caretaker who needs child care services in order to complete high school or a general education *equivalency* diploma is eligible for child care under section 268.91;

(4) Develop, execute, and monitor a contract between the local agency and the caretaker. The contract must *be based upon the employability development plan described in subdivision 10, paragraph (a), clause (15), and must include:* (a) specific goals of the caretaker including stated measurements of progress toward each goal; (b) specific services provided by the county agency; and (c) conditions under which the county will withdraw the services provided;

The contract may include other terms as desired or needed by either party. In all cases, however, the case manager must ensure that the caretaker has set forth in the contract realistic goals consistent with the ultimate goal of self-sufficiency for the caretaker's family; and

(5) Develop and refer caretakers to counseling or peer group networks for emotional support while participating in work, education, or training.

(b) In addition to the duties in paragraph (a), for minor parents and pregnant minors, the case manager shall:

(1) Ensure that the contract developed under paragraph (a)(4) considers all factors set forth in section 257.33, subdivision 2;

(2) Assess the housing and support systems needed by the caretaker in order to provide the dependent children with adequate parenting. The case manager shall encourage minor parents and pregnant minors who are not living with friends or relatives to live in a group home or foster care setting. If minor parents and pregnant minors are unwilling to live in a group home or foster care setting or if no group home or foster care setting is available, the case manager shall assess their need for training in parenting and independent living skills and when appropriate shall refer them to available counseling programs designed to teach needed skills; and

(3) Inform minor parents or pregnant minors of, and assist them in evaluating the appropriateness of, the high school graduation incentives program under section 126.22, including post-secondary enrollment options, and the employment-related and community-based instruction programs.

(c) A caretaker may request a conciliation conference to attempt to resolve disputes regarding the contents of a contract developed under this section or a housing and support systems assessment conducted under this section. The caretaker may request a hearing pursuant to section 256.045 to dispute the contents of a contract or assessment developed under this section. The caretaker need not request a conciliation conference in order to request a hearing pursuant to section 256.045.

Sec. 22. Minnesota Statutes 1988, section 256.736, subdivision 14, is amended to read:

Subd. 14. [~~EMPLOYMENT JOB SEARCH.~~] (a) The commissioner of human services shall establish ~~an employment~~ *a job search* program under ~~United States Code, title 42, section 602(a)(35)~~ *Public Law 100-485*. The principal wage earner in an AFDC-UP assistance unit must ~~participate~~ *be referred to and must begin participation* in the ~~employment~~ *job search* program within four months of being determined eligible for AFDC-UP unless:

(1) the caretaker is already participating in another approved employment and training service;

(2) the caretaker's employability plan specifies other activities; ~~or~~

(3) *the caretaker is exempt from registration under subdivision 3; or*

(4) *the caretaker is unable to secure employment due to inability to communicate in the English language, is participating in an English as a second language course, and is making satisfactory progress towards completion of the course. If an English as a second language course is not available to the caretaker, the caretaker is exempt from participation until a course becomes available.*

~~The employment and training service provider shall refer caretakers unable to communicate in the English language to English as a second language courses.~~

(b) The ~~employment~~ *job search* program must provide the following services:

(1) an initial period of up to four weeks of job search activities for not more than 32 hours per week. The employment and training service provider shall specify for each participating caretaker the number of weeks and hours of job search to be conducted and shall report to the county board if the caretaker fails to cooperate with the employment search requirement; and

(2) an additional period of job search following the first period at the discretion of the employment and training service provider. The total of these two periods of job search may not exceed eight weeks *for any consecutive 12-month period beginning with the month of application.*

(c) The employment search program may provide services to non-AFDC-UP caretakers.

Sec. 23. Minnesota Statutes 1988, section 256.736, subdivision 16, is amended to read:

Subd. 16. [ALLOCATION AND USE OF MONEY.] (a) State money appropriated for employment and training services under this section must be allocated to counties as follows:

(1) Forty percent of the state money must be allocated based on the average monthly number of caretakers receiving AFDC in the county who are under age 21 and the average monthly number of AFDC cases open in the county for 24 or more consecutive months and residing in the county for the 12-month period ending ~~March~~ *December 31* of the previous fiscal year.

(2) Twenty percent of the state money must be allocated based on the average monthly number of nonpriority caretakers receiving AFDC in the county for the period ending ~~March~~ *December 31* of the previous fiscal

year. Funds may be used to develop employability plans for nonpriority caretakers if resources allow.

(3) Twenty-five percent of the state money must be allocated based on the average monthly number of assistance units in the county receiving AFDC-UP for the period ending ~~March~~ *December* 31 of the previous fiscal year.

(4) Fifteen percent of the state money must be allocated at the discretion of the commissioner based on participation levels for priority group members in each county.

(b) No more than 15 percent of the money allocated under paragraph (a) may be used for administrative activities.

(c) Except as provided in paragraph (d), at least 70 percent of the money allocated to counties must be used for case management services and employment and training services for caretakers in the priority groups. Up to 30 percent of the money may be used for employment search activities and employment and training services for nonpriority caretakers.

(d) A county ~~whose proportion of the statewide average monthly AFDC-UP caseload exceeds its proportion of the statewide AFDC caseload~~ *having a high proportion of nonpriority caretakers that interferes with the county's ability to meet the 70 percent spending requirement of paragraph (c) above* may, with the approval of the commissioner of human services, use up to 40 percent of the money allocated under this section for ~~employment search activities~~ *orientation* and employment and training services for nonpriority caretakers.

(e) *Money appropriated to cover the nonfederal share of costs for bilingual case management services to refugees for the employment and training programs under this section are allocated to counties based on each county's proportion of the total statewide number of AFDC refugee cases. However, counties with less than one percent of the statewide number of AFDC refugee cases do not receive an allocation.*

(f) Counties and the department of jobs and training shall bill the commissioner of human services for any expenditures incurred by the county, the county's employment and training service provider, or the department of jobs and training that may be reimbursed by federal money. The commissioner of human services shall bill the United States Department of Health and Human Services *and the United States Department of Agriculture* for the reimbursement and appropriate the reimbursed money to the county or employment and training service provider that submitted the original bill. The reimbursed money must be used to expand employment and training services.

(g) *The commissioner of human services shall review county expenditures of case management and employment and training block grant money at the end of the fourth quarter of the biennium and each quarter after that, and may reallocate unencumbered or unexpended money allocated under this section to those counties that can demonstrate a need for additional money. Reallocation of funds must be based on the formula set forth in paragraph (a), excluding the counties that have not demonstrated a need for additional funds.*

Sec. 24. Minnesota Statutes 1988, section 256.736, is amended by adding a subdivision to read:

Subd. 18. [PROGRAM OPERATION BY INDIAN TRIBES.] (a) The commissioner may enter into agreements with any federally recognized Indian tribe with a reservation in the state to provide employment and training programs under this section to members of the Indian tribe receiving AFDC. For purposes of this section, "Indian tribe" means a tribe, band, nation, or other organized group or community of Indians that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians; and for which a reservation exists as is consistent with Public Law Number 100-485, as amended.

(b) Agreements entered into under this subdivision must require the governing body of the Indian tribe to fulfill all county responsibilities required under this section in operation of the employment and training services covered by the contract, excluding the county share of costs in subdivision 13 and any county function related to AFDC eligibility determination or grant payment. The commissioner may enter into an agreement with a consortium of Indian tribes providing the governing body of each Indian tribe in the consortium agrees to these conditions.

(c) Agreements entered into under this subdivision must require the Indian tribe to operate the employment and training services within a geographic service area not to exceed the counties within which a border of the reservation falls. Indian tribes may also operate services in Hennepin and Ramsey counties or other geographic areas as approved by the commissioner of human services in consultation with the commissioner of jobs and training.

(d) Agreements entered into under this subdivision must require the Indian tribe to operate a federal jobs program under Public Law Number 100-485, section 482(i).

(e) Agreements entered into under this subdivision must require conformity with section 13.46 and any applicable federal regulations in the use of data about AFDC recipients.

(f) Agreements entered into under this subdivision must require financial and program participant activity recordkeeping and reporting in the manner and using the forms and procedures specified by the commissioner and that federal reimbursement received must be used to expand operation of the employment and training services.

(g) Agreements entered into under this subdivision must require that the Indian tribe coordinate operation of the programs with county employment and training programs, Indian Job Training Partnership Act programs, and educational programs in the counties in which the tribal unit's program operates.

(h) Agreements entered into under this subdivision must require the Indian tribe to allow inspection of program operations and records by representatives of the department.

(i) Agreements entered into under this subdivision must require the Indian tribe to contract with an employment and training service provider certified by the commissioner of jobs and training for operation of the programs, or become certified itself.

(j) Agreements entered into under this subdivision must require the Indian tribe to specify a starting date for each program with a procedure to enable

tribal members participating in county-operated employment and training services to make the transition to the program operated by the tribal unit. Programs must begin on the first day of a month specified by the agreement.

(k) If the commissioner and Indian tribe enter into an agreement, the commissioner may immediately reallocate county case management and employment and training block grant money from the counties in the Indian tribe's service area to the Indian tribe, prorating each county's annual allocations according to that percentage of the number of tribal unit members receiving AFDC residing in the county compared to the total number of AFDC recipients residing in the county and also prorating the annual allocation according to the month in which the Indian tribe program starts. If the Indian tribe cancels the agreement or fails, in the commissioner's judgment, to fulfill any requirement of the agreement, the commissioner shall reallocate money back to the counties in the Indian tribe's service area.

(l) Indian tribe members receiving AFDC and residing in the service area of an Indian tribe operating employment and training services under an agreement with the commissioner must be referred by county agencies in the service area to the Indian tribe for employment and training services.

(m) The Indian tribe shall bill the commissioner of human services for services performed under the contract. The commissioner shall bill the United States Department of Health and Human Services for reimbursement. Federal receipts are appropriated to the commissioner to be provided to the Indian tribe that submitted the original bill.

Sec. 25. Minnesota Statutes 1988, section 256.737, is amended to read:
256.737 [COMMUNITY WORK EXPERIENCE PROGRAM.]

Subdivision 1. [~~PILOT PROGRAMS ESTABLISHMENT AND PURPOSE.~~] In order that persons receiving aid under this chapter may be assisted in achieving self-sufficiency by enhancing their employability through meaningful work experience and training and the development of job search skills, the commissioner of human services may ~~continue the pilot community work experience demonstration programs that were approved by January 1, 1984. No new pilot community work experience demonstration programs may be established under this subdivision~~ establish additional community work experience programs in as many counties as necessary to comply with the participation requirements of the family support act of 1988, Public Law 100-485. Programs established on or after July 1, 1989, must be operated on a volunteer basis.

Subd. 1a. [COMMISSIONER'S DUTIES.] The commissioner shall: (a) assist counties in the design, and implementation, ~~and evaluation~~ of these ~~demonstration~~ programs; (b) promulgate, in accordance with chapter 14, emergency rules necessary for the implementation of this section, except that the time restrictions of section 14.35 shall not apply and the rules may be in effect until ~~the termination of the demonstration programs June 30, 1990, unless superseded by permanent rules; and~~ (c) seek any federal waivers necessary for proper implementation of this section in accordance with federal law. ~~The commissioner shall;~~ and (d) prohibit the use of participants in the programs to do work that was part or all of the duties or responsibilities of an authorized public employee position established as of January 1, ~~1985~~ 1989. The exclusive bargaining representative shall be notified no less than 14 days in advance of any placement by the

community work experience program. Concurrence with respect to job duties of persons placed under the community work experience program shall be obtained from the appropriate exclusive bargaining representative. The appropriate oversight committee shall be given monthly lists of all job placements under a community work experience program.

~~As the commissioner phases in case management and other employment and training services under section 256.736, and no later than June 30, 1989, the commissioner may phase out projects under this section.~~

Subd. 2. [ADDITIONAL PROGRAMS PROGRAM REQUIREMENTS.] ~~In addition to the pilot programs established in subdivision 1, the commissioner may approve the application of up to eight additional counties to enter into a community work experience program. The programs under this subdivision are governed by subdivision 1 except as in paragraphs (a) and (b). (a) Programs under this section are limited to projects that serve a useful public service such as: health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety and child care. To the extent possible, the prior training, skills, and experience of a recipient must be used in making appropriate work experience assignments.~~

~~(a) (b) As a condition to placing a person receiving aid to families with dependent children in a program under this subdivision, the county agency shall first provide the recipient the opportunity to participate in the following services:~~

~~(1) placement in suitable subsidized or unsubsidized employment through participation in job search under section 256.736, subdivision 14; or~~

~~(2) basic educational or vocational or occupational training for an identifiable job opportunity.~~

~~(b) (c) If the recipient refuses suitable employment and a training program, the county agency may, subject to subdivision 1, require the recipient to participate in a community work experience program as a condition of eligibility.~~

~~(d) The county agency shall limit the maximum number of hours any participant under this section may be required to work in any month to a number equal to the amount of the aid to families with dependent children payable to the family divided by the greater of the federal minimum wage or the applicable state minimum wage.~~

~~(e) After a participant has been assigned to a position under this section for nine months, the participant may not be required to continue in that assignment unless the maximum number of hours a participant is required to work is no greater than the amount of the aid to families with dependent children payable with respect to the family divided by the higher of (1) the federal minimum wage or the applicable state minimum wage, whichever is greater, or (2) the rate of pay for individuals employed in the same or similar occupations by the same employer at the same site.~~

~~(f) After each six months of a recipient's participation in an assignment, and at the conclusion of each assignment under this section, the county agency shall reassess and revise, as appropriate, each participant's employability development plan.~~

~~(g) The county agency shall apply the grant reduction sanctions specified in section 256.736, subdivision 4, clause (6), when it is determined that~~

a mandatory participant has failed, without good cause, to participate in the program.

Sec. 26. [256.738] [ON-THE-JOB TRAINING.]

(a) County agencies may, in accordance with section 256.736, subdivision 10, develop on-the-job training programs that permit voluntary participation by AFDC recipients. A county agency that chooses to provide on-the-job training as one of its optional employment and training services may make payments to employers for on-the-job training costs that, during the period of the training, average less than 50 percent of the wages paid by the employer to the participant. The payments are deemed to be in compensation for the extraordinary costs associated with training participants under this section and in compensation for the costs associated with the lower productivity of the participants during training.

(b) County agencies shall limit the length of training based on the complexity of the job and the recipient's previous experience and training. Placement in an on-the-job training position with an employer is for the purpose of training and employment with the same employer, who has agreed to retain the person upon satisfactory completion of training.

(c) Placement of any recipient in an on-the-job training position must be compatible with the assessment and employability development plan established for the recipient under section 256.736, subdivision 10, paragraph (a), clauses (14) and (15).

(d) Provision of an on-the-job training program under the job training partnership act, in and of itself, does not qualify as an on-the-job training program under section 256.736, subdivision 10, paragraph (a), clause (13).

Sec. 27. Minnesota Statutes 1988, section 256.74, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] The amount of assistance which shall be granted to or on behalf of any dependent child and mother or other needy eligible relative caring for the dependent child shall be determined by the county agency in accordance with rules promulgated by the commissioner and shall be sufficient, when added to all other income and support available to the child, to provide the child with a reasonable subsistence compatible with decency and health. The amount shall be based on the method of budgeting required in Public Law Number 97-35, section 2315, United States Code, title 42, section 602, as amended and federal regulations at Code of Federal Regulations, title 45, section 233. Nonrecurring lump sum income received by an assistance unit must be budgeted in the normal retrospective cycle. The number of months of ineligibility is determined by dividing the amount of the lump sum income and all other income, after application of the applicable disregards, by the standard of need for the assistance unit. An amount remaining after this calculation is income in the first month of eligibility. If the total monthly income including the lump sum income is larger than the standard of need for a single month the first month of ineligibility is the payment month that corresponds with the budget month in which the lump sum income was received. In making its determination the county agency shall disregard the following from family income:

(1) all of the earned income of each dependent child receiving aid to families with dependent children who is a full-time student or part-time

student, and not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit students for gainful employment as well as all the earned income derived from the job training and partnership act (JTPA) for a dependent child for six calendar months per year, together with unearned income derived from the job training and partnership act;

(2) all educational grants and loans;

(3) the first ~~\$75~~ \$90 of each individual's earned income. For self-employed persons, the expenses directly related to producing goods and services and without which the goods and services could not be produced shall be disregarded pursuant to rules promulgated by the commissioner;

(4) ~~an amount equal to the actual expenditures but not to exceed \$160 for the care of each dependent child or incapacitated individual living in the same home and receiving aid. In the case of a person not engaged in full-time employment or not employed throughout the month, the commissioner shall prescribe by rule a lesser amount to be disregarded;~~

~~(5)~~ thirty dollars plus one-third of the remainder of each individual's earned income ~~not already disregarded~~ for individuals found otherwise eligible to receive aid or who have received aid in one of the four months before the month of application. With respect to any month, the county welfare agency shall not disregard under this clause any earned income of any person who has: (a) reduced earned income without good cause within 30 days preceding any month in which an assistance payment is made; ~~or~~ (b) refused without good cause to accept an offer of suitable employment; ~~or~~ (c) left employment or reduced earnings without good cause and applied for assistance so as to be able later to return to employment with the advantage of the income disregard; or (d) failed without good cause to make a timely report of earned income in accordance with rules promulgated by the commissioner of human services. Persons who are already employed and who apply for assistance shall have their needs computed with full account taken of their earned and other income. If earned and other income of the family is less than need, as determined on the basis of public assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs, unless for any one of the four preceding months their needs were met in whole or in part by a grant payment. The disregard of \$30 and one-third of the remainder of earned income ~~described in clause (5)~~ shall ~~must~~ be applied to the individual's income for a period not to exceed four consecutive months. Any month in which the individual loses this disregard because of the provisions of clauses ~~(5)~~(a) to ~~(5)~~(d) shall ~~must~~ be considered as one of the four months. An additional \$30 work incentive must be available for an eight-month period beginning in the month following the last month of the combined \$30 and one-third work incentive. This period must be in effect whether or not the person has earned income or is eligible for AFDC. To again qualify for the earned income disregards ~~under clause (d)~~, the individual must not be a recipient of aid for a period of 12 consecutive months. When an assistance unit becomes ineligible for aid due to the fact that these disregards are no longer applied to income, the assistance unit shall be eligible for medical assistance benefits for a 12-month period beginning with the first month of AFDC ineligibility;

(5) *an amount equal to the actual expenditures for the care of each dependent child or incapacitated individual living in the same home and receiving aid, not to exceed: (a) \$175 for each individual age two and older, and \$200 for each individual under the age of two, when the family member whose needs are included in the eligibility determination is employed for 30 or more hours per week; or (b) \$174 for each individual age two or older, and \$199 for each individual under the age of two, when the family member whose needs are included in the eligibility determination is not employed throughout the month or when employment is less than 30 hours per week. The dependent care disregard must be applied after all other disregards have been applied;*

(6) *the first \$50 per assistance unit of the monthly support obligation collected by the support and recovery (IV-D) unit; and. The first \$50 of periodic support payments collected by the public authority responsible for child support enforcement from a person with a legal obligation to pay support for a member of the assistance unit must be paid to the assistance unit within 15 days after the end of the month in which the collection of the periodic support payments occurred and must be disregarded when determining the amount of assistance;*

(7) *that portion of an insurance settlement earmarked and used to pay medical expenses, funeral and burial costs, or to repair or replace insured property; and*

(8) *all earned income tax credit payments received by the family as a refund of federal income taxes or made as advance payments by an employer.*

~~The first \$50 of periodic support payments collected by the public authority responsible for child support enforcement from a person with a legal obligation to pay support for a member of the assistance unit shall be paid to the assistance unit within 15 days after the end of the month in which the collection of such periodic support payments occurred and shall be disregarded in determining the amount of assistance.~~

Sec. 28. Minnesota Statutes 1988, section 256.74, subdivision 1a, is amended to read:

Subd. 1a. [STEPPARENT'S INCOME.] In determining income available, the county agency shall take into account the remaining income of the dependent child's stepparent who lives in the same household after disregarding:

(1) *the first \$75 of the stepparent's gross earned income. The commissioner shall prescribe by rule lesser amounts to be disregarded for stepparents who are not engaged in full-time employment or not employed throughout the month;*

(2) *an amount for support of the stepparent and any other individuals whom the stepparent claims as dependents for determining federal personal income tax purposes liability and who live in the same household but whose needs are not considered in determining eligibility for assistance under sections 256.72 to 256.87. The amount equals the standard of need for a family of the same composition as the stepparent and these other individuals;*

(3) *amounts the stepparent actually paid to individuals not living in the same household but whom the stepparent claims as dependents for determining federal personal income tax purposes liability; and*

(4) alimony or child support, or both, paid by the stepparent for individuals not living in the same household.

Sec. 29. Minnesota Statutes 1988, section 256.74, is amended by adding a subdivision to read:

Subd. 1b. [REVIEW OF STANDARD OF NEED.] The commissioner of human services shall develop a household budget sufficient to maintain a family in Minnesota. The budget must be based on a market survey of the cost of items needed by families raising children to the extent these factors are consistent with the requirements of federal regulations. The commissioner shall develop recommendations for an AFDC standard of need and level of payment that are based on the budget. The commissioner shall submit to the legislature by January 1, 1990, a report identifying the methods proposed for the conduct of the market survey, the funds required for the survey, and a timetable for completion of the survey, establishment of a family budget, and recommendation of an AFDC standard of need.

Sec. 30. Minnesota Statutes 1988, section 256.85, is amended to read:

256.85 [LIBERAL CONSTRUCTION.]

Sections 256.031 to 256.036 and 256.72 to 256.87 shall be liberally construed with a view to accomplishing their purpose, which is to enable the state and its several counties to cooperate with responsible primary caretakers of children in rearing future citizens, when the cooperation is necessary on account of relatively permanent conditions, in order to keep the family together in the same household, reasonably safeguard the health of the children's primary caretaker and secure personal care and training to the children during their tender years.

Sec. 31. [256.983] [FRAUD PREVENTION INVESTIGATIONS.]

(a) Within the limits of available appropriations, and to the extent either required or authorized by applicable federal regulations, the commissioner of human services shall select and fund not less than four pilot projects for a two-year period to test the effectiveness of fraud prevention investigations conducted at the point of application for assistance. County agencies must be selected to be involved in the pilot projects based on their response to requests for proposals issued by the commissioner. One of the county agencies selected must be located in either Hennepin or Ramsey county, one must be from a county in the seven-county metropolitan area other than Hennepin and Ramsey counties, and two must be located outside the metropolitan area.

(b) If proposals are not submitted, the commissioner may select the county agencies to be involved. The county agencies must be selected from the locations described in paragraph (a).

Sec. 32. Minnesota Statutes 1988, section 256D.051, subdivision 6, is amended to read:

~~Subd. 6. [LOCAL AGENCY OPTIONS USE OF WORK READINESS FUNDS.] The local agency may, at its option, provide up to \$200 for each registrant who has completed an employment development plan for direct expenses incurred by the registrant for transportation, clothes, and tools necessary for employment. After paying direct expenses as needed by individual registrants, the local agency may use any remaining money to provide additional services as needed by any registrant including education, orientation, placement, other work experience, on-the-job training, and~~

~~other appropriate activities.~~ *The county agency shall pay the costs of clothing and tools needed for training or employment, and transportation and child care costs that are incurred by recipients and that are needed for participation in the work readiness program. After paying these direct participant expenses, the local agency may use available funding to pay the costs of services such as education, training, orientation, placement, work experience, on-the-job training, and other appropriate activities, including operation of the work readiness program.*

Sec. 33. Minnesota Statutes 1988, section 256D.051, is amended by adding a subdivision to read:

Subd. 10a. [REIMBURSEMENT OF PROGRAM EXPENDITURES.] To the extent of available resources, the county agency shall be reimbursed for 75 percent of the nonfederal share of actual costs paid to provide a work readiness program under subdivisions 2 and 6. Reimbursement must not exceed on average \$200 for each registrant for whom an employment development plan has been completed.

Sec. 34. Minnesota Statutes 1988, section 256D.051, is amended by adding a subdivision to read:

Subd. 10b. [FEDERAL REIMBURSEMENT.] Federal financial participation from the United States Department of Agriculture for work readiness expenditures that are eligible for reimbursement through the food stamp employment and training program are dedicated funds and are annually appropriated to the commissioner of human services for the operation of the work readiness program. In addition to the reimbursement specified in subdivision 10a, federal financial participation for the nonstate portion of work readiness costs must be paid to the county agency that incurred the costs.

Sec. 35. Minnesota Statutes 1988, section 268.0111, subdivision 4, is amended to read:

Subd. 4. [EMPLOYMENT AND TRAINING SERVICES.] "Employment and training services" means programs, activities, and services related to job training, job placement, and job creation including job service programs, job training partnership act programs, wage subsidies, ~~work incentive programs~~, work readiness programs, ~~employment~~ job search, counseling, case management, community work experience programs, displaced homemaker programs, disadvantaged job training programs, grant diversion, employment experience programs, youth employment programs, conservation corps, apprenticeship programs, community investment programs, supported work programs, community development corporations, economic development programs, and opportunities industrialization centers.

Sec. 36. Minnesota Statutes 1988, section 268.0111, is amended by adding a subdivision to read:

Subd. 5a. [INDIAN TRIBE.] For purposes of employment and training services, "Indian tribe" means a tribe, band, nation, or other organized group or community of Indians that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians, and for which a reservation exists as is consistent with Public Law Number 100-485, as amended.

Sec. 37. Minnesota Statutes 1988, section 268.0122, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] The commissioner of jobs and training shall:

- (1) administer and supervise all forms of unemployment insurance provided for under federal and state laws that are vested in the commissioner;
- (2) administer and supervise all employment and training services assigned to the department of jobs and training under federal or state law;
- (3) review and comment on local service unit plans and community investment program plans and approve or disapprove the plans;
- (4) establish and maintain administrative units necessary to perform administrative functions common to all divisions of the department;
- (5) supervise the county boards of commissioners, local service units, and any other units of government designated in federal or state law as responsible for employment and training programs;
- (6) establish administrative standards and payment conditions for providers of employment and training services;
- (7) act as the agent of, and cooperate with, the federal government in matters of mutual concern, including the administration of any federal funds granted to the state to aid in the performance of functions of the commissioner; ~~and~~
- (8) obtain reports from local service units and service providers for the purpose of evaluating the performance of employment and training services; *and*
- (9) *review and comment on plans for Indian tribe employment and training services and approve or disapprove the plans.*

Sec. 38. Minnesota Statutes 1988, section 268.0122, subdivision 3, is amended to read:

Subd. 3. [DUTIES AS A STATE AGENCY.] The commissioner shall:

- (1) administer the unemployment insurance laws and related programs;
- (2) administer the aspects of aid to families with dependent children, general assistance, work readiness, and food stamps that relate to employment and training services, subject to the contract under section 268.86, subdivision 2;
- (3) administer wage subsidies and the discretionary employment and training fund;
- (4) administer a national system of public employment offices as prescribed by United States Code, title 29, chapter 4B, the Wagner-Peyser Act, and other federal employment and training programs;
- (5) cooperate with the federal government and its employment and training agencies in any reasonable manner as necessary to qualify for federal aid for employment and training services and money;
- (6) enter into agreements with other departments of the state and local units of government as necessary;
- (7) certify employment and training service providers and decertify service providers that fail to comply with performance criteria according to standards established by the commissioner;

(8) provide consistent, integrated employment and training services across the state;

(9) establish the standards for all employment and training services administered under this chapter;

(10) develop standards for the contents and structure of the local service unit plans *and plans for Indian tribe employment and training services*;

(11) provide current state and substate labor market information and forecasts, in cooperation with other agencies;

(12) identify underserved populations, unmet service needs, and funding requirements;

(13) consult with the council for the blind on matters pertaining to programs and services for the blind and visually impaired; ~~and~~

(14) submit to the governor, the commissioners of human services and finance, and the chairs of the senate finance and house appropriations committees a semiannual report that:

(a) reports, by client classification, an unduplicated count of the kinds and number of services furnished through each program administered or supervised by the department or coordinated with it;

(b) reports on the number of job openings listed, developed, available, and obtained by clients;

(c) identifies the number of cooperative agreements in place, the number of individuals being served, and the kinds of service provided them;

(d) evaluates the performance of services, such as wage subsidies, community investments, work readiness, and grant diversions; and

(e) explains the effects of current employment levels, unemployment rates, and program performance on the unemployment insurance fund and general assistance, work readiness, and aid to families with dependent children caseloads and program expenditures; *and*

(15) *enter into agreements with Indian tribes as necessary to provide employment and training services as funds become available.*

Sec. 39. Minnesota Statutes 1988, section 268.86, subdivision 2, is amended to read:

Subd. 2. [INTERAGENCY AGREEMENTS.] By October 1, 1987, the commissioner and the commissioner of human services shall enter into a written contract for the design, delivery, and administration of employment and training services for applicants for or recipients of food stamps or aid to families with dependent children and work readiness, including AFDC employment and training programs, grant diversion, and supported work. The contract must be approved by the coordinator and must address:

(1) specific roles and responsibilities of each department;

(2) assignment and supervision of staff for interagency activities including any necessary interagency employee mobility agreements under the administrative procedures of the department of employee relations;

(3) mechanisms for determining the conditions under which individuals participate in services, their rights and responsibilities while participating, and the standards by which the services must be administered;

(4) procedures for providing technical assistance to local service units, *Indian tribes*, and employment and training service providers;

(5) access to appropriate staff for ongoing development and interpretation of policy, rules, and program standards;

(6) procedures for reimbursing appropriate agencies for administrative expenses; and

(7) procedures for accessing available federal funds.

Sec. 40. Minnesota Statutes 1988, section 268.871, subdivision 5, is amended to read:

Subd. 5. [REPORTS.] Each employment and training service provider under contract with a local service unit *or an Indian tribe* to deliver employment and training services must submit an annual report by March 1 to the local service unit *or the Indian tribe*. The report must specify:

(1) the types of services provided;

(2) the number of priority and nonpriority AFDC recipients served, the number of work readiness assistance recipients served, and the number of other clients served;

(3) how resources will be prioritized to serve priority and nonpriority public assistance recipients and other clients; and

(4) the manner in which state employment and training funds and programs are being coordinated with federal and local employment and training funds and programs.

Sec. 41. Minnesota Statutes 1988, section 268.88, is amended to read:
268.88 [LOCAL SERVICE UNIT PLANS.]

(a) Local service units shall prepare and submit to the commissioner by April 15 of each year an annual plan for the subsequent ~~calendar~~ *fiscal* year. The commissioner shall notify each local service unit ~~by May 1 of each year~~ *if within 60 days of receipt of its plan that the plan has been approved or disapproved*. The plan must include:

(1) a statement of objectives for the employment and training services the local service unit administers;

(2) the establishment of public assistance caseload reduction goals and the strategies and programs that will be used to achieve these goals;

(3) a statement of whether the goals from the preceding year were met and an explanation if the local service unit failed to meet the goals;

(4) the amount proposed to be allocated to each employment and training service;

(5) the proposed types of employment and training services the local service unit plans to utilize;

(6) a description of how the local service unit will use funds provided under section 256.736 to meet the requirements of that section. The description must include *the two work programs required by section 256.736, subdivision 10, paragraph (a), clause (13)*, what services will be provided, number of clients served, per service expenditures, *type of clients served*, and projected outcomes;

(7) a report on the use of wage subsidies, grant diversions, community investment programs, ~~sliding fee day care~~, and other services administered under this chapter;

(8) an annual update of the community investment program plan according to standards established by the commissioner;

(9) a performance review of the employment and training service providers delivering employment and training services for the local service unit; ~~and~~

(10) a copy of any contract between the local service unit and an employment and training service provider including expected outcomes and service levels for public assistance clients; *and*

(11) a copy of any other agreements between educational institutions, family support services, and child care providers.

(b) In counties with a city of the first class, the county and the city shall develop and submit a joint plan. The plan may not be submitted until agreed to by both the city and the county. The plan must provide for the direct allocation of employment and training money to the city and the county unless waived by either. If the county and the city cannot concur on a plan, the commissioner shall resolve their dispute. *In counties in which a federally recognized Indian tribe is operating an employment and training program under an agreement with the commissioner of human services, the plan must provide that the county will coordinate its employment and training programs and provide supporting services, including access to child care funds, to the program operated by the Indian tribe. The plan may not be submitted until the tribal unit has approved provisions in the plan. If the county and Indian tribe cannot concur on these provisions, the commissioners of jobs and training and human services shall resolve the dispute.*

(c) The commissioner may withhold the distribution of employment and training money from a local service unit that does not submit a plan to the commissioner by the date set by this section, and shall withhold the distribution of employment and training money from a local service unit whose plan has been disapproved by the commissioner until an acceptable amended plan has been submitted.

~~(d) For 1987, local service unit plans must be submitted by October 1, 1987. The plan must include the implementation plan for aid to families with dependent children employment and training services as required under Laws 1987, chapter 403, article 3, section 91. Notwithstanding Minnesota Statutes 1988, section 268.88, local service units shall prepare and submit to the commissioner by June 1, 1989, an annual plan for fiscal year 1990. The commissioner shall notify each local service unit within 30 days of receipt of its plan if its plan has been approved or disapproved.~~

Sec. 42. [268.881] [INDIAN TRIBE PLANS.]

The commissioner, in consultation with the commissioner of human services, shall review and comment on Indian tribe plans submitted to the commissioner for provision of employment and training services. The plan must be submitted at least 30 days before the program commences for the state fiscal year ending June 30, 1990. For subsequent years, the plan must be submitted at least 60 days before the program commences. The commissioner shall approve or disapprove the plan for the state fiscal year

ending June 30, 1990, within 30 days of receipt. The commissioner shall notify the Indian tribe of approval or disapproval of plans for subsequent years within 60 days of submission of the plans. The grant proposal must contain information that has been established by the commissioner and the commissioner of human services for the employment and training services grant program for Indian tribes.

Sec. 43. [APPROPRIATION; PLAN AND FUNDING REQUEST.]

\$190,000 in fiscal year 1990 and \$167,000 in fiscal year 1991 are appropriated from the general fund to the commissioner for activities relating to the Minnesota family investment program. The complement of the department of human services is increased by four positions to continue the development and design of the Minnesota family investment plan. After securing federal approval to implement the Minnesota family investment plan on a field trial basis, the commissioner shall submit a plan and funding request to the legislature for specific appropriations for the implementation of field trials.

Sec. 44. [REPEALER.]

Minnesota Statutes 1988, sections 256D.051, subdivision 6a, and 268.86, subdivision 7, are repealed.

Sec. 45. [EFFECTIVE DATE.]

Sections 1 to 9, 11 to 26, and 28 to 44 are effective July 1, 1989. Section 10 is effective October 1, 1990. Section 27 is effective October 1, 1989."

Delete the title and insert:

"A bill for an act relating to human services; creating the Minnesota family investment program; revising requirements relating to eligibility for and administration of the AFDC program; appropriating money; amending Minnesota Statutes 1988, sections 245.771, subdivision 3; 256.045, subdivision 3; 256.12, subdivision 14; 256.73, subdivision 3a; 256.736, subdivisions 3, 3b, 4, 10, 11, 14, 16, and by adding subdivisions; 256.737; 256.74, subdivisions 1, 1a, and by adding a subdivision; 256.85; 256D.051, subdivision 6, and by adding subdivisions; 268.0111, subdivision 4, and by adding a subdivision; 268.0122, subdivisions 2 and 3; 268.86, subdivision 2; 268.871, subdivision 5; and 268.88; proposing coding for new law in Minnesota Statutes, chapters 256 and 268; repealing Minnesota Statutes 1988, sections 256D.051, subdivision 6a; and 268.86, subdivision 7."

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. 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.

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

Delete everything after the enacting clause and insert:

"Section 1. [462A.057] [MINNESOTA RURAL AND URBAN HOMESTEADING PROGRAM.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them.

(1) "Contract for deed" is the agreement between the home buyer and eligible applicant that meets the requirements of subdivision 7.

(2) "Eligible organization" or "organization" means a political subdivision, nonprofit or cooperative organization, housing and redevelopment authority, or other organization designated by the agency, which demonstrates the capacity to perform the duties outlined in subdivision 4.

(3) "Eligible property" or "property" means a single family residential dwelling and surrounding property that is vacant, condemned, abandoned, or otherwise defined as eligible by the agency, which, if rehabilitated, may prevent or arrest the spread of blight.

(4) "Home buyer" means an individual or family who has not owned a residential dwelling in the past three years and who is homeless, receiving public assistance, or cannot afford or obtain a conventional loan for home ownership.

(5) "Designated home ownership area" or "designated area" means a specific area where the acquisition, rehabilitation, and sale of eligible properties may take place under this section. In the metropolitan area, as defined in section 473.121, subdivision 2, a designated area must be a specific four square block area.

(6) "Neighborhood advisory board" or "advisory board" means the board established by an organization under subdivision 5.

(7) "Program" means the Minnesota rural and urban homesteading program established in subdivision 2.

Subd. 2. [AUTHORIZATION.] The agency may make grants of up to \$300,000 to eligible organizations to acquire, rehabilitate, and sell eligible property for the purposes of preventing the spread of blight, conserving the existing housing supply, strengthening neighborhoods, and providing safe and affordable housing. Up to ten percent of the grant award may be used for the administrative costs of the organization and for other costs associated with the acquisition and sale of properties under this program, including the payment of property taxes during the period between the purchase and sale of the property.

Subd. 3. [AGENCY POWERS; DUTIES.] (a) The agency must:

(1) establish criteria for selecting eligible organizations;

(2) establish the terms and provisions of the contract for deed under subdivision 7;

(3) establish the standards for being a good neighbor in consultation with other state agencies, local governmental agencies, and other organizations. The good neighbor standards must include: (i) attendance at home maintenance classes organized by the organization, (ii) continued maintenance of the property to ensure that the property retains its value, (iii) continued payment of heat, electricity, sewer, water and other utilities, (iv) attendance at job training, chemical dependency services, educational

programs including progress toward a general equivalency diploma, and other social services that assist the home buyer with obtaining self-sufficiency, and (v) participation in neighborhood functions, including assisting others with home maintenance;

(4) establish construction and safety standards for properties that have been rehabilitated that must be met before the organization may sell the property to a home buyer. These standards should be designed to reduce the likelihood that major repairs will be necessary for at least five years;

(5) work with organizations in seeking waivers from building code requirements which may be barriers to providing affordable housing but do not jeopardize the structural integrity or safety of the property; and

(6) monitor the financial and other program activities of grant recipients, including auditing the financial records of the organizations.

(b) The agency may require that all contracts related to properties under the program, including the contracts for deed under subdivision 7, be approved by the agency before the execution of the contract. The agency may also require appraisals of property under the program.

Subd. 4. [ELIGIBLE ORGANIZATION; CAPACITY.] The eligible organization must demonstrate to the agency that it has the capacity to:

(1) organize and continue an ongoing relationship with the neighborhood advisory boards required under subdivision 5;

(2) provide the necessary staff to administer the program on the local level for an extended period of time;

(3) assist home buyers with obtaining social services that may be required to move the home buyer toward self-sufficiency and maintaining the good neighbor provisions of the contract for deed under subdivision 7;

(4) select and acquire property that meets program requirements and contract with businesses or organizations for the rehabilitation of the property;

(5) raise funds or in-kind contributions from persons, foundations, government units, and businesses to assist in the funding for this program. In-kind contributions may include tools and equipment for the tool library and property at no or minimal cost to the organization;

(6) organize and maintain or arrange for a tool library for lending tools to home buyers and other residents of the neighborhood area for the maintenance or improvement of their property;

(7) provide or arrange for classes on home maintenance and other relevant topics to home buyers and other neighborhood residents; and

(8) monitor the progress of home buyers who have acquired property under this section to determine if they maintain the good neighbor policies required under subdivision 7.

Subd. 5. [NEIGHBORHOOD ADVISORY BOARD.] Each organization must establish a neighborhood advisory board for each designated area. The advisory board must consist of residents of the designated area that reflect the racial composition of the area and who have demonstrated a commitment to strengthening their neighborhood and assisting home buyers. In the metropolitan area, as defined in section 473.121, subdivision 2, at least 20 percent of the advisory board must be minority residents.

The advisory board must:

(1) recommend to the organization properties that may be acquired for the program in the designated area;

(2) consent to the purchase of properties by the organization for the program;

(3) recommend to the organization the selection of home buyers;

(4) make recommendations for any termination of a contract for deed made under subdivision 10;

(5) assist the home buyer by ensuring that they receive training in home maintenance and the necessary social services to move the home buyer toward self-sufficiency; and

(6) assist the organization in monitoring the home buyer's progress of maintaining the good neighbor provisions of the contract for deed.

Subd. 6. [PURCHASE AND REHABILITATION.] An eligible organization may acquire up to five properties in a designated area with the advisory board's approval. The organization must rehabilitate these properties to the standards established by the agency. All rehabilitation of the properties except menial labor must be contracted out to businesses or organizations experienced in rehabilitation of residential property. The total maximum cost of the acquisition, rehabilitation, closing costs, and back taxes must be no greater than \$50,000 per individual property. The \$50,000 maximum may be exceeded if the excess costs over \$50,000 are attributed to rehabilitation or improvements to make the property handicapped accessible.

Subd. 7. [SALE OF PROPERTY TO HOME BUYER.] The eligible organization may sell rehabilitated property to home buyers. The organization's selection of the home buyer must have the recommendation of the advisory board in the designated area in which the property is located. The organization may not discriminate against the home buyer in the sale of the property based on race or sex. A contract for deed agreement between the home buyer and the organization must be entered into for each sale of property under this subdivision. The terms and other provisions of the contract for deed must be established by the agency. The following requirements must be included in the contract:

(1) the organization must retain title to the property until the entire purchase price is paid to the eligible organization;

(2) the purchase price paid by the home buyer must be equal to the total costs of acquiring and rehabilitating the property;

(3) no down payment or interest payment is required of the home buyer;

(4) the monthly payment must equal 25 percent of the home buyer's gross monthly income and must be applied according to subdivision 8;

(5) the organization may require verification of a home buyer's income;

(6) the organization may require the escrow of property tax and hazard insurance payments or verification that payments of property taxes and hazard insurance have been made by the homeowner;

(7) the home buyer may prepay the entire purchase price at any time during the term of the contract for deed and the title to the property must

be transferred to the homeowner at the time of prepayment;

(8) the organization may repurchase the property according to the terms established under subdivision 9;

(9) the home buyer agrees to meet the good neighbor standards set by the agency; and

(10) any other requirements established by the agency that meet the requirements and purposes of this section.

The contract for deed must be reviewed every five years to determine if the home buyer may be eligible to receive mortgage financing from another financing source including a mortgage company or other private financial institution. If other financing is made available to the home buyer, the contract for deed must be prepaid.

Subd. 8. [APPLICATION OF PAYMENTS.] The monthly payments required under subdivision 7 must be applied or distributed in the following order:

(1) hazard insurance for the property;

(2) property taxes due on the property; and

(3) the contract for deed principal amount.

The amount applied to the contract for deed principal amount may be used by the organization for (i) reasonable administrative costs of the organization directly related to the property, (ii) an escrow account for the maintenance and improvement of the property, and (iii) further acquisition and rehabilitation of eligible properties under the program.

The agency may audit the financial records of the organization to determine if the organization is collecting reasonable administrative costs from the monthly payment.

If the monthly payment is not sufficient to pay the hazard insurance and property taxes, the organization may use money from the amount collected under clause (3), money received from the grant award under subdivision 2, or other money of the organization to pay the difference. An amount equal to the amount to offset the difference between the monthly payment and payments for hazard insurance and property taxes must be added to the contract purchase price.

If the monthly payment is not sufficient to pay the hazard insurance and property taxes, the home buyer must agree to work toward increasing their income so that monthly payments are sufficient to pay the hazard insurance and property taxes. If the organization determines that the home buyer is not making sufficient effort to increase the home buyer's income after six months, the organization may find that the home buyer has failed to meet good neighbor standards and the contract for deed may be terminated.

Subd. 9. [RIGHT TO REPURCHASE.] The organization may repurchase the property if the home buyer rents, assigns, vacates, transfers, or offers to sell the property within 20 years of the purchase of the property from the organization. This option to repurchase does not apply to a transfer of the property to a surviving joint tenant or heir of the home buyer. If the organization chooses not to exercise its option to repurchase the property, the agency may repurchase the property.

The repurchase price paid by the organization or the agency may not exceed the lesser of the (1) appraised value of the property at the time of

repurchase, or (2) the sum of:

(i) the total amount paid by the homeowner to the organization for debt payment on the contract for deed;

(ii) the value of any major improvements to the property that are paid directly by the home buyer and were not part of the monthly payment required under subdivision 7; and

(iii) the product of the sum of (i) and (ii), and the increase in inflation based on the housing component of the federal Consumer Price Index.

Subd. 10. [TERMINATION OF CONTRACT FOR DEED.] The contract for deed under subdivision 7 may be terminated by the organization if any of the following occurs:

(1) the home buyer fails to make timely payments required by the contract for deed;

(2) the home buyer refuses to provide verification of income at the request of the organization;

(3) the home buyer fails to adequately maintain the property in compliance with all state, county, or municipal building, fire, health, or other codes and standards applicable to the eligible housing;

(4) the home buyer is found to be guilty of a criminal action relating to controlled substances, firearms, assault, or other serious offenses as determined by the agency; and

(5) the home buyer fails to meet the good neighbor standards established by the agency.

The organization must consult with the advisory board before terminating the contract for deed, except in the case where required payments are not made in a timely manner.

If the organization terminates the contract for deed, the home buyer may be evicted from the property. The home buyer is not entitled to any compensation for the payments made for the property when a contract for deed is terminated.

Subd. 11. [SUCCESSOR TO NEIGHBORHOOD ORGANIZATION.] If an organization is dissolved for any purpose or if the agency determines that the organization is unable to administer the program, the organization shall assign and transfer its entire interest in all the contracts for deed referred to in subdivision 7 to the agency.

Subd. 12. [REPORTS.] (a) Each organization that receives a grant under this section must submit an annual report to the agency by December 1 of each year that describes the use of grant funds. The report must include a description of the number of eligible properties acquired, the number of properties purchased by home buyers, the amount of nonpublic money used for the program, the effort by the organization and the advisory boards in ensuring that the home buyers maintain a good neighbor status, and any other information required by the agency.

(b) Beginning in 1991, the agency must submit an annual report to the legislature and the governor by January 15 that summarizes the reports of the organizations. The report may also include recommendations to improve the program.

Sec. 2. Minnesota Statutes 1988, section 462A.21, is amended by adding a subdivision to read:

Subd. 15. It may make grants to eligible organizations for the Minnesota rural and urban homesteading program under section 1 and may pay the costs and expenses necessary and incidental to the grant program.

Sec. 3. [APPROPRIATION.]

\$. is appropriated from the general fund to the commissioner of the Minnesota housing finance agency for the Minnesota rural and urban homesteading program established under section 1. The agency may award five pilot project grants. The agency may not award more than two pilot project grants in a county. The agency shall, to the extent possible, award five pilot project grants with one award in each of the following areas: (1) city of Minneapolis; (2) city of St. Paul; (3) a city in the seven-county metropolitan area other than the cities of St. Paul or Minneapolis; (4) a city located outside the seven-county metropolitan area with a population greater than 20,000; and (5) a city located outside the seven-county metropolitan area with a population less than 20,000."

Delete the title and insert:

"A bill for an act relating to housing; establishing the Minnesota rural and urban homesteading program; providing for pilot project grants; appropriating money; amending Minnesota Statutes 1988, section 462A.21, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462A."

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

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.

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 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 3, line 6, delete "*one representative each from*" and insert "*eleven persons, who must include representatives of*"

Page 4, line 30, delete "should" and insert "are encouraged to"

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. 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:

Delete everything after the enacting clause and insert:

"Section 1. [LEGISLATIVE TASK FORCE ON MINERALS.]

Subdivision 1. [MEMBERSHIP] The legislative task force on minerals consists of five members of the senate, including members of the minority caucus, appointed by the subcommittee on committees of the committee on rules and administration, and five members of the house of representatives, including members of the minority caucus, appointed by the speaker. The task force shall elect a chair or co-chairs from its members.

Subd. 2. [DUTIES.] The task force shall study issues relating to the environmentally sound development of the state's minerals industry and shall recommend legislation and administration actions to accomplish that goal. Issues addressed by the study must include the establishment in state government of a focused mineral development function, the economic competitiveness of the state for mineral development, state programs and practices that may impede mineral development without effectively serving a countervailing state purpose, the effectiveness and appropriateness of the state's involvement in mineral resource programs, and appropriate roles for the state in educational and professional programs relating to mineral resources and related scientific and technical disciplines. The task force shall report to the legislature and the legislative commission on Minnesota resources by January 15, 1991, and shall cease to exist upon submission of its report.

Subd. 3. [STAFF AND ADMINISTRATIVE ASSISTANCE.] The commissioner of natural resources shall provide staff and administrative support to the task force.

Sec. 2. [APPROPRIATION.]

§ 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, to cover costs associated with providing staff and administrative assistance to the legislative task force on minerals under section 1, and to cover expenses of the task force other than living expenses of members governed by Minnesota Statutes, section 3.101."

Delete the title and insert:

"A bill for an act relating to resource development; establishing a legislative task force on minerals; appropriating money."

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

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

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.

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 168A.151, is amended by adding a subdivision to read:

Subd. 5. [FORM REQUIRED.] Within ten days after a vehicle is acquired under subdivision 2, a dealer shall complete the appropriate form required by the department and submit one copy to the department. One copy must be kept on file on the dealer's business premises for three years. The fact that a vehicle was previously titled by or purchased in another state has no effect on the requirements imposed by this subdivision.”

Page 2, line 2, delete “1” and insert “2”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert “requiring dealers acquiring graded vehicles to submit information to the department of public safety within ten days and keep records for three years;”

Page 1, line 5, delete “section” and insert “sections 168A.151, by adding a subdivision; and”

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. 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.

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

Delete everything after the enacting clause and insert:

“Section 1. [LEGISLATIVE STUDY COMMISSION.]

Subdivision 1. [CREATION; PURPOSE.] A legislative study commission on rail passenger service is created. The study commission shall study and report on issues relating to Minnesota rail passenger service of the National Railroad Passenger Corporation, also known as AMTRAK, including social and economic benefits and funding relationships between the state and federal governments.

Subd. 2. [MEMBERSHIP.] The commission consists of ten legislative members, five appointed by the speaker of the house of representatives and five appointed by the senate subcommittee on committees. The appointees

from each house shall consist of three members of the majority caucus and two members of the minority caucus.

Sec. 2. [REPORT.]

The legislative study commission on rail passenger service shall submit its findings and recommendations to the legislature by December 31, 1989.

Sec. 3. [APPROPRIATION.]

\$50,000 is appropriated from the general fund to the legislative study commission on rail passenger service for expenses related to the work of the study commission. This appropriation is available until December 31, 1989.

Sec. 4. [REPEALER.]

Sections 1 to 3 are repealed, effective January 1, 1990.

Sec. 5. [EFFECTIVE DATE.]

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

Amend the title as follows:

Page 1, line 3, delete everything after "on" and insert "rail passenger service in Minnesota;"

Page 1, delete line 4

And when so amended the bill do pass and be re-referred to the Committee on Finance. Mr. Moe, D.M. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was re-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 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. 1098: A bill for an act relating to the environment; authorizing participation in the Great Lakes Protection Fund; appropriating money.

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

Page 1, line 18, delete everything after "*Fund*" and insert "*subject to approval by the legislature.*"

Page 1, delete line 19

Page 1, line 20, before "*The*" insert "*After approval.*"

Page 1, line 23, delete everything after "*incorporation*" and insert a period

Page 1, delete line 24

Page 2, line 7, after "*appropriated*" insert "*from the general fund to the governor*" and delete everything after "*for*"

Page 2, delete lines 8 and 9

Page 2, line 11, before the period, insert "*subject to the provisions of section 2*"

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. 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.

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.355, subdivision 7, is amended to read:

Subd. 7. [DATES AND TIMES HOUSES MAY REMAIN ON ICE.] (a) After February 28, a fish house or dark house may not be on the ice between 12:00 a.m. and ~~7:00 a.m.~~ *one hour before sunrise*. A fish house or dark house on the ice in violation of this subdivision is subject to the enforcement provisions of paragraph (b). The commissioner may, by order, extend the date beyond February 28 for any part of international boundary waters. Copies of the order must be conspicuously posted on the shores of the waters as prescribed by the commissioner.

(b) A conservation officer must confiscate a fish house or dark house in violation of paragraph (a). The officer may remove, burn, or destroy the house. The officer shall seize the contents of the house and hold them for 60 days. If the seized articles have not been claimed by the owner, they may be retained for the use of the division or sold at the highest price obtainable in a manner prescribed by the commissioner."

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. 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.

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. Chmielewski from the Committee on Employment, to which was referred

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.

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 268.08, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY CONDITIONS.] An individual shall be eligible to receive benefits with respect to any week of unemployment only if the commissioner finds that the individual:

(1) has registered for work at and thereafter has continued to report to an employment office, or agent of the office, in accordance with rules the commissioner may adopt; except that the commissioner may by rule waive or alter either or both of the requirements of this clause as to types of cases or situations with respect to which the commissioner finds that compliance with the requirements would be oppressive or would be inconsistent with the purposes of sections 268.03 to 268.24;

(2) has made a claim for benefits in accordance with rules as the commissioner may adopt;

(3) was able to work and was available for work, and was actively seeking work. The individual's weekly benefit amount shall be reduced one-fifth for each day the individual is unable to work or is unavailable for work. Benefits shall not be denied by application of this clause to an individual who is in training with the approval of the commissioner, *is a dislocated worker as defined in section 2 who is in training approved by the commissioner*, or in training approved pursuant to section 236 of the Trade Act of 1974, as amended.

An individual is deemed unavailable for work with respect to any week which occurs in a period when the individual is a full-time student in attendance at, or on vacation from an established school, college, or university unless a majority of the wage credits earned in the base period were for services performed during weeks in which the student was attending school as a full-time student.

An individual serving as a juror shall be considered as available for work and actively seeking work on each day the individual is on jury duty; and

(4) has been unemployed for a waiting period of one week during which the individual is otherwise eligible for benefits under sections 268.03 to 268.24. However, payment for the waiting week, not to exceed \$20, shall be made to the individual after the individual has qualified for and been

paid benefits for four weeks of unemployment in a benefit year which period of unemployment is terminated because of the individual's return to employment. No individual is required to serve a waiting period of more than one week within the one-year period subsequent to filing a valid claim and commencing with the week within which the valid claim was filed.

Sec. 2. [268.97] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 2 to 7, the following terms have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of jobs and training.

Subd. 3. [DISLOCATED WORKER.] "Dislocated worker" means an individual who has been terminated or laid off, or has received notice of termination or layoff from employment, as a result of a permanent closure or a substantial layoff at a plant, facility, or enterprise.

Subd. 4. [ELIGIBLE ORGANIZATION.] "Eligible organization" means a local government unit, nonprofit organization, community action agency, or labor organization that has applied for a prefeasibility grant under section 5.

Subd. 5. [LOCAL GOVERNMENT UNIT.] "Local government unit" means a statutory or home rule charter city, county, or town.

Subd. 6. [PERMANENT CLOSURE.] "Permanent closure" means the permanent or temporary shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment, and the shutdown results in an employment loss at the single site of employment during any 30-day period for 50 or more employees excluding any part-time employees.

Subd. 7. [PREFEASIBILITY STUDY GRANT.] "Prefeasibility study grant" or "grant" means the grant awarded under section 5.

Subd. 8. [SUBSTANTIAL LAYOFF] "Substantial layoff" means any reduction in work force which is not the result of a permanent closure and which results in an employment loss at a single site of employment during any 30-day period for:

(1) 33 percent of the employees and at least 50 employees, excluding those who work less than 20 hours per week; or

(2) at least 500 employees who are full-time equivalents.

Sec. 3. [268.971] [EARLY WARNING SYSTEM.]

Subdivision 1. [EARLY WARNING INDICATORS.] The commissioner, in cooperation with the commissioners of revenue and trade and economic development, shall establish and oversee an early warning system to identify industries and businesses likely to experience a permanent closure or substantial layoff by collecting and analyzing information which may include, but not be limited to: products and markets experiencing declining growth rates; companies and industries subject to competition from production in low-wage countries; changes in ownership, layoff, and employment patterns; payments of unemployment compensation contributions; and state tax payments. The commissioner may request the assistance of businesses, business organizations, and trade associations in identifying businesses, industries, and specific plants, facilities, or enterprises that are likely to

experience a permanent closure or substantial layoff. The commissioner may request information and other assistance from other state agencies for the purposes of this subdivision.

Subd. 2. [NOTICE.] The commissioner shall encourage businesses and industries considering a decision to effect a permanent closure, substantial layoff, or relocation of operations located in this state to give notice of that decision as early as possible to: the commissioner; the employees of the affected plant, facility, or enterprise; any employee organization representing the employees; and the local government unit in which the affected plant, facility, or enterprise is located. This notice must be in addition to any notice required under the worker adjustment and retraining notification act, United States Code, title 29, section 2101.

Subd. 3. [EMPLOYER RESPONSIBILITY.] An employer providing notice of a permanent closure, substantial layoff, or relocation of operations under the worker adjustment and retraining notification act, United States Code, title 29, section 2101, or under subdivision 2, shall report to the commissioner the names, addresses, and occupations of the employees who will be or have been terminated or laid off.

Sec. 4. [268.972] [RAPID RESPONSE PROGRAM.]

Subdivision 1. [PROGRAM ESTABLISHED.] (a) The commissioner shall establish a rapid response program to assist employees, employers, labor organizations, local government units, and community organizations to quickly and effectively respond to announced or actual permanent closures or substantial layoffs.

(b) The program must include or address at least the following:

(1) within five working days after becoming aware of an announced or actual permanent closure or substantial layoff, establish on-site contact with the employer, employees, labor organization if there is one representing the employees, and leaders of the local government units and community organizations to provide coordination of efforts to: formulate a community-wide response to the permanent closure or substantial layoff; provide information on the public and private service and programs that might be available; inform the affected parties of the prefeasibility study grants under section 5; and collect any information required by the commissioner to assist in responding to the permanent closure or substantial layoff;

(2) provide ongoing technical assistance to employers, employees, labor organizations, local government units, and community organizations to assist them in reacting to or developing responses to permanent closures or substantial layoffs;

(3) establish and administer the prefeasibility study grant program under section 5 to provide an initial assessment of the feasibility of options other than permanent closure or substantial layoff;

(4) work with employment and training service providers, employers, labor organizations, local government units, and community organizations in providing training, education, community support service, job search programs, job clubs, and other services to address the needs of potential or actual dislocated workers;

(5) coordinate with providers of economic development related financial and technical assistance services so that communities that are experiencing

permanent closures or substantial layoffs have immediate access to economic development related services; and

(6) collect and make available information on programs that might assist dislocated workers and the communities affected by permanent closures or substantial layoffs.

Subd. 2. [APPLICABILITY.] Notwithstanding section 2, subdivisions 6 and 8, the commissioner may waive the threshold requirements for finding a permanent closure or substantial layoff in special cases where the governor's job training council recommends waiver to the commissioner following a finding by the council that the number of workers dislocated as a result of a permanent closure or substantial layoff would have a substantial impact on the community or labor market where the closure or layoff occurs and, in the absence of intervention through the rapid response program, would overwhelm the capacity of other programs to provide effective assistance.

Sec. 5. [268.973] [PREFEASIBILITY STUDIES.]

Subdivision 1. [PREFEASIBILITY STUDY GRANTS.] (a) The commissioner may make grants for up to \$10,000 to eligible organizations to provide an initial assessment of the feasibility of options other than permanent closure or substantial layoff. The options may include: employee ownership; other new ownership; new products or production processes; or public financial or technical assistance to keep a plant, facility, or enterprise open. Two or more eligible organizations may jointly apply for a grant under this section.

(b) Interested eligible organizations must apply to the commissioner for the grants. As part of the application process, applicants must provide: a statement of need for a grant; information relating to the work force at the plant, facility, or enterprise; the area's unemployment rate; the community's and surrounding area's labor market characteristics; information about efforts to coordinate the community's response to the permanent closure or substantial layoff; a timetable for the prefeasibility study; a description of the eligible organization applying for the grant; a description of the qualifications of persons conducting the study; and any other information required by the commissioner.

(c) The commissioner must respond to the applicant within five working days of receiving the organization's application. The commissioner must inform each eligible organization that applied for but did not receive a grant the reasons for the grant not being awarded. The commissioner may request further information from an eligible organization that did not receive a grant, and the eligible organization may reapply for a grant.

Subd. 2. [PREFEASIBILITY STUDY.] (a) The prefeasibility study must explore the current and potential viability, profitability, and productivity of the plant, facility, or enterprise that may permanently close or substantially lay off individuals, and other options for use of the plant, facility, or enterprise. The study is not intended to be a major examination of each possible other option, but rather is meant to quickly determine if further action or examination is feasible and should more fully be explored.

(b) The prefeasibility study must contain:

(1) a description of the plant's, facility's, or enterprise's present products, production techniques, management structure, and history;

(2) a brief discussion of the feasibility of the various other options for ownership, production technique, and products;

(3) an estimate of the financing required to keep the plant, facility, or enterprise open and the potential sources of that financing;

(4) a description of the employer's, employees', and community's efforts to maintain the operation of the plant, facility, or enterprise; and

(5) any other information the commissioner may require.

Subd. 3. [REPORTS.] (a) The commissioner must report monthly to the program subcommittee of the governor's job training council on the grants made and studies completed during the previous month.

(b) The commissioner must provide an annual report to the governor, legislature, and the governor's job training council on the administration of the prefeasibility study grant program. The report must also include details of actions taken as a result of a grant.

Sec. 6. [268.974] [DISLOCATED WORKER COORDINATION.]

Subdivision 1. [SERVICES.] The commissioner shall coordinate the actions taken by state agencies and public post-secondary educational institutions to respond to or address the specific needs of dislocated workers and to provide services to dislocated workers including education and retraining. The commissioner shall also assist local government units, community groups, labor organizations, and others in coordinating their efforts and providing services to dislocated workers.

Subd. 2. [LIMITATION.] For purposes of subdivision 1, "dislocated workers" eligible for services under subdivision 1 are limited to individuals who are:

(1) Minnesota taxpayers;

(2) permanently laid off from a job with an employer located in the state of Minnesota; and

(3) eligible for or have exhausted unemployment compensation and are unlikely to return to their previous industry or occupation.

Sec. 7. [268.975] [PERFORMANCE STANDARDS.]

The commissioner shall establish performance standards for the programs and activities administered or funded through the rapid response program under section 4. The commissioner may use existing federal performance standards, or if the commissioner determines that the federal standards are inadequate or not suitable, may formulate new performance standards to ensure that the programs and activities of the rapid response program are effectively administered.

Sec. 8. [APPROPRIATION.]

Subdivision 1. [SERVICES TO DISLOCATED WORKERS.] \$ is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of jobs and training to be distributed to organizations applying for grants through the governor's job training council for the purpose of providing services and support pursuant to section 6 to dislocated workers who have lost their jobs through permanent closures or substantial layoffs.

Subd. 2. [DEPARTMENT OF JOBS AND TRAINING STAFF.]

§ is appropriated to the commissioner of jobs and training to fund additional department of jobs and training staff for the early warning system under section 3 and the rapid response program under section 4.

Subd. 3. [PREFEASIBILITY STUDY GRANTS.] § is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of jobs and training for the prefeasibility study grants awarded to eligible organizations under section 5."

Delete the title and insert:

"A bill for an act relating to dislocated workers; providing procedures to assist workers dislocated by permanent closures or substantial layoffs; appropriating money; amending Minnesota Statutes 1988, section 268.08, subdivision 1; 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.

Mr. Chmielewski from the Committee on Employment, to which was re-referred

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 employer who engages in a plant closing or mass layoff to pay community benefits, severance pay, and health benefits; establishing a community response committee; requiring repayment of certain financial assistance to businesses; appropriating money; 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. Mr. Moe, D.M. 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. 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.

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 145.38, subdivision 1, is amended to read:

Subdivision 1. No person shall sell to a person under ~~19~~ 18 years of age any glue ~~or~~, cement, or aerosol paint containing toluene, benzene, xylene, amyl nitrate, butyl nitrate, or other aromatic hydrocarbon solvents, or any similar substance which the state commissioner of health has, by rule adopted pursuant to sections 14.02, 14.04 to 14.36, 14.38, and 14.44 to 14.45, declared to have potential for abuse and toxic effects on the central

nervous system. This section does not apply if the glue or cement, or aerosol paint is contained in a packaged kit for the construction of a model automobile, airplane, or similar item.

Sec. 2. [145.385] [WARNING SIGNS.]

A business establishment that offers for sale at retail any item as described in section 145.38, subdivision 1, must display a conspicuous sign that contains the following, or substantially similar, language:

“NOTICE

It is unlawful for a person to sell glue, cement, or aerosol paint containing intoxicating substances to a person under 18 years of age, except as provided by law. Such an offense is a misdemeanor. It is also unlawful for a person to use or possess glue, cement, or aerosol paint with the intent of inducing intoxication, excitement, or stupefaction of the central nervous system. Such an offense is a misdemeanor. Such use can be harmful or fatal.”

Sec. 3. Minnesota Statutes 1988, section 145.39, subdivision 1, is amended to read:

Subdivision 1. No person ~~under 19 years of age~~ shall use or possess any glue, cement, aerosol paint, or any other substance containing toluene, benzene, xylene, amyl nitrate, butyl nitrate, or other aromatic hydrocarbon solvents, or any similar substance which the state commissioner of health has, by rule adopted pursuant to sections 14.02, 14.04 to 14.36, 14.38, and 14.44 to 14.45, declared to have potential for abuse and toxic effects on the central nervous system with the intent of inducing intoxication, excitement or stupefaction of the central nervous system, except under the direction and supervision of a medical doctor.

Sec. 4. [145.406] [INFORMATION ON THE SALE AND USE OF TOXIC SUBSTANCES.]

The commissioner of health shall prepare and distribute materials designed to provide information to retail businesses on the requirements of sections 145.38 to 145.40.

Sec. 5. [254A.145] [INHALANT ABUSE DEMONSTRATION PROJECT.]

Within the limits of the available appropriation and notwithstanding the requirements of chapter 254B, the commissioner of human services shall create a demonstration project to provide intervention and to coordinate community services for inhalant abusers aged seven to 14. The project shall be established in a community that has been shown to be at great risk of such inhalant abuse and shall include assessment, education, and case management components. For individuals identified as inhalant abusers, case managers shall make referrals to services otherwise offered in the community. The case manager shall also monitor the progress of the individuals referred.

As part of this project, the commissioner of human services shall work with other agencies that provide services to youth and children, including education agencies and other drug treatment and counseling agencies, to increase public awareness concerning inhalant abuse among youth and children.

Sec. 6. [REPORT ON INHALANT ABUSE DEMONSTRATION PROJECT.]

The commissioner shall prepare a report on the outcome of the inhalant abuse demonstration project in section 5, to be presented to the legislature by February 1, 1991. In that report, the commissioner shall include information on the effectiveness of the chemical dependency treatment system for children under 14 years of age, particularly children who are inhalant abusers, and shall issue recommendations for the appropriate provision of services for this population group.

Sec. 7. [PLANNING GRANT.]

The commissioner of human services is authorized to award, for the biennium ending June 30, 1991, a planning grant to a public or private agency or program experienced in working with youth and inhalant/chemical abuse, in order to establish a treatment program for children under age 12 identified as inhalant abusers. This treatment program shall evaluate clients, provide treatment and aftercare services, and coordinate services provided with existing agencies. The agency or program receiving the planning grant must report program results and recommendations to the commissioner of human services by February 15, 1991.

Sec. 8. [APPROPRIATION.]

§ is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, for the purposes of section 4.

§ is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1991, for the purposes of sections 5 and 7."

Delete the title and insert:

"A bill for an act relating to health and human services; limiting the sale of certain kinds of products; requiring warning signs; requiring the commissioner of health to distribute information on toxic substances; requiring the commissioner of human services to establish an inhalant abuse demonstration project; authorizing a planning grant; appropriating money; amending Minnesota Statutes 1988, sections 145.38, subdivision 1; and 145.39, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 145 and 254A."

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. 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.

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.431, is amended by adding a subdivision to read:

Subd. 2j. [OPERATING COSTS AFTER JULY 1, 1989.] For rate years beginning on or after July 1, 1989, a nursing home that is exempt under

subdivision 2b, paragraph (d), clause (2); whose total number of licensed beds are licensed under Minnesota Rules, parts 9570.2000 to 9570.3600; and that maintains an average length of stay of less than 365 days during each reporting year, is limited to 140 percent of the other-operating-cost limit for hospital-attached nursing homes as established by Minnesota Rules, part 9549.0055, subpart 2, item E, subitem (2), as modified by subdivision 2i, paragraph (a). For purposes of this subdivision, the nursing home's average length of stay must be computed by dividing the nursing home's actual resident days for the reporting year by the nursing home's total discharges for that reporting year."

Delete the title and insert:

"A bill for an act relating to human services; nursing home rates; creating special other-operating-cost limits for certain nursing homes; amending Minnesota Statutes 1988, section 256B.431, by adding a subdivision."

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

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

S.F. No. 653: A bill for an act relating to agriculture; requiring certain disposable waste containers to be degradable; amending Minnesota Statutes 1988, section 325E.045, subdivision 1, and by adding subdivisions.

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

Page 2, line 3, delete everything after "waste" and insert "means"

Page 2, line 4, delete everything before "garden"

Page 2, line 5, delete "and" and insert "or"

Page 2, line 15, delete the second "and" and insert "or"

Page 2, line 22, before "facility" insert "disposable bag at a"

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. 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.

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

Delete everything after the enacting clause and insert:

"Section 1. [256B.32] [FACILITY FEE FOR OUTPATIENT HOSPITAL EMERGENCY ROOM AND CLINIC VISITS.]

The commissioner shall establish a facility fee payment mechanism that will pay a facility fee to all enrolled outpatient hospitals for each emergency

room or outpatient clinic visit provided on or after July 1, 1989. This payment mechanism may not result in an overall increase in outpatient payment rates. This section does not apply to federally mandated maximum payment limits, department approved program packages, or services billed using a non-outpatient hospital provider number.

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; requiring a facility fee payment for outpatient and emergency room services provided by a hospital; proposing coding for new law in Minnesota Statutes, chapter 256B."

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. 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

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

Page 1, lines 14 and 15, delete "VULNERABLE ADULTS" and insert "HANDICAPPED PERSONS"

Page 1, lines 21, 23, and 27, delete "*vulnerable adults*" and insert "*handicapped persons*"

Page 1, line 28, delete "VULNERABLE ADULTS" and insert "HANDICAPPED PERSONS"

Page 2, line 6, delete "*Vulnerable adult*" and insert "*Handicapped person*" and delete "*18 years of age or*"

Page 2, line 7, delete "*older*"

Page 2, line 8, after "*that*" insert "*substantially*"

Page 2, lines 18 and 19, delete "*vulnerable adults*" and insert "*handicapped persons*"

Page 2, lines 28 and 30, delete "*vulnerable adults*" and insert "*handicapped persons*"

Page 2, line 29, delete "*one or more*"

Page 3, line 1, delete "*vulnerable adult*" and insert "*handicapped person*"

Page 3, lines 2 and 3, delete "*vulnerable adults*" and insert "*handicapped persons*"

Amend the title as follows:

Page 1, line 4, delete "vulnerable adults" and insert "handicapped persons"

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. 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.

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

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

S.F. No. 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.

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

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

S.F. No. 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; 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.

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. 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; 488A.119; 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.

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

Page 13, line 13, strike "district administrator"

Page 13, line 14, before "*within*" insert "*chief judge, after consultation with the judges of the district,*"

Page 15, line 34, strike "district"

Page 15, line 35, strike "administrator" and before "*within*" insert "*chief judge, after consultation with the judges of the district,*"

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. 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; 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 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:

"Section 1. [FINDINGS.]

The legislature 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.01] [HEALTH CARE ACCESS COMMISSION.]

Subdivision 1. [MEMBERSHIP; COMPENSATION; CHAIR.] The Minnesota health care access commission consists of 15 members. Seven 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. 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. The director may hire advisors, consultants, and employees, as authorized by the commission, and prescribe their duties. Employees are state employees in the unclassified service and are members of the state unclassified employees retirement program.

Subd. 3. [DUTIES.] The health care access commission shall:

(1) develop a system to estimate the total number of uninsured Minnesotans by age, sex, employment status, income level, geography, and other relevant characteristics;

(2) explore all potential insurance options including size and makeup of risk groups;

(3) prepare a legal analysis of restrictions and other potential legal issues of the Employee Retirement Income Security Act, United States Code, title 29, sections 1001 to 1461;

(4) study and make recommendations on insurance and health care law changes that will improve access to health care;

(5) study and make recommendations regarding the benefits to be covered by health plans offered by the health care access commission;

(6) study and make recommendations on incentives and disincentives to ensure that employers continue to provide health insurance coverage;

(7) identify cost savings to public programs that will result from implementation of the health care access program;

(8) develop a cost containment policy after reviewing cost containment methods such as hospital admission precertification, concurrent review of hospital stays, discharge planning, hospital bill audit prior to discharge, primary gatekeepers, claims data analysis, a drug formulary, pharmacy data analysis, bulk discounts, emergency room use, outpatient surgery oversight, protocols for preventive care and common acute care, practice data compared to peers, practitioner rewards and penalties, and other cost containment methods;

(9) develop a financial plan for implementing the health care access program, including an actuarial analysis; a sliding fee scale analysis; reserve fund requirements; revenue projections from a payroll tax in an amount sufficient to generate one-half of the total costs of the health care access program, but not more than \$150,000,000 per year; and recommendations and revenue projections from any alternative sources of financing identified by the commission;

(10) develop a system to administer the health care access program;

(11) define the number, functions, and duties of administrative staff;

(12) develop a system for collection of premium payments; and

(13) 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.

Subd. 4. [PROPOSED LEGISLATION.] The commission shall develop

and propose to the legislature a draft for legislation necessary to fully implement the health care access program. The commission must consider and may include in its proposal provisions that:

(1) create specific authority for the commission to contract with carriers and health care providers, establish conversion and continuation privileges for health plans to be offered through the health care access program, negotiate premium rates and coverage provisions, develop reasonable cost containment measures, and contract for the management of enrollment and plan selection;

(2) require the commission to offer enrollees a choice from at least two health plans, policies, or contracts, to the extent feasible;

(3) exempt payments from the commission to a carrier or health plan from the tax imposed by section 60A.15 and the assessment under section 62E.11;

(4) require the commission and its contractors to contract with community clinics when feasible and appropriate;

(5) require enrollee contracts to contain a detailed statement of benefits offered and include any maximums, limitations, and exclusions;

(6) establish the coverage and benefits provided by health plans offered through the commission, which may be less than the minimum coverage and benefit levels mandated by state law for other health plans, policies, or contracts;

(7) require every resident of the state to have coverage at least equivalent to the coverage and benefits of the basic plan offered by the commission;

(8) establish eligibility requirements for participation in the health care access program that will enable those Minnesota residents to participate who do not have health coverage, who have inadequate coverage, who are self-employed, or who are covered by the comprehensive health insurance plan under chapter 62E;

(9) establish eligibility requirements for employers to participate in the health care access program that will allow those employers to participate who do not offer coverage, who offer inadequate coverage, or who choose to participate in order to reduce the costs of coverage;

(10) establish a sliding fee scale for the enrollee's contribution to the costs of coverage through the health care access program and create mechanisms for collecting the enrollee's contribution including income withholding by an employer when appropriate;

(11) authorize the commission to engage in outreach activities to inform persons and employers about the health care access program;

(12) authorize the commission to collect, and require employers and persons to provide, evidence regarding health coverage;

(13) create a health care access account to be funded by penalties on employers that discontinue coverage, enrollee sliding fee contributions, and other sources identified and recommended by the commission;

(14) establish a payroll tax or other financing mechanism based on the financial plan and analysis required under subdivision 3, clause (9); and

(15) require employers that discontinue health coverage without offering

equivalent substitute coverage to pay a penalty to be deposited in the health care access account.

Subd. 5. [REPORT.] The commission shall report to the legislature by February 15, 1991, with the results of its study and its specific recommendations, including proposed language for legislation necessary to implement the health care access program.

Sec. 3. [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, 1992, at which time the commission shall repay this amount to the general fund from the health care access account."

Delete the title and insert:

"A bill for an act relating to health care; creating a health care access commission to plan, implement, and administer a health care access program; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 62J."

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

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

S.F. No. 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 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.

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

Page 17, after line 21, insert:

"Subd. 4. [DEFENSES.] The defenses provided in section 566.23 are defenses to an action brought under this section."

Page 17, line 22, delete "4" and insert "5"

Page 17, line 26, delete "5" and insert "6"

Page 18, line 11, delete "6" and insert "7"

Page 18, line 12, delete everything after the period

Page 18, delete lines 13 to 16 and insert "A certified copy of an inspection report meets the requirements of rule 803(8) of the Rules of Evidence as an exception to the rule against hearsay, and meets the requirements of rules 901 and 902 of the Rules of Evidence as to authentication."

Page 18, line 17, delete "7" and insert "8"

Page 18, line 26, delete "8" and insert "9"

Page 18, line 31, delete "9" and insert "10"

Page 19, line 5, delete "15" and insert "9"

Page 19, line 19, delete "10" and insert "11"

Page 19, line 29, delete "11" and insert "12"

Page 19, line 33, after "owner" insert ", except as provided in subdivision 2"

Page 25, after line 8, insert:

"Sec. 9. [566.261] [VIOLATIONS OF BUILDING REPAIR ORDERS.]

Subdivision 1. [NONCOMPLIANCE; FINES.] Upon finding an owner has willfully failed to comply with a court order to remedy a violation, the court shall fine the owner according to the following schedule:

(1) \$250 for the first failure to comply;

(2) \$500 for the second failure to comply with an order regarding the same violation; and

(3) \$750 for the third and subsequent failure to comply with an order regarding the same violation.

Subd. 2. [CRIMINAL PENALTY.] An owner who willfully fails to comply with a court order to remedy a violation is guilty of a gross misdemeanor if it is the third or subsequent time that the owner has willfully failed to comply with an order to remedy a violation within a three-year period.

Subd. 3. [FINES COLLECTED.] Fines collected under subdivision 1 in Hennepin county must be used for expenses of the fourth judicial district, housing calendar consolidation project. Fines collected under subdivision 1 in Ramsey county must be used for expenses of the second judicial district, housing calendar consolidation project."

Page 27, line 36, after the period, insert "A proceeding under sections 566.01 to 566.17 may not be delayed because of the consolidation of matters under the housing calendar project."

Page 29, line 6, delete "1993" and insert "1992"

Page 29, line 7, after "group" insert ", appointed by the state court administrator," and delete "in each judicial district"

Page 29, line 9, delete "be appointed by"

Page 29, line 10, delete "the chief judge of each district" and insert

“include representatives of the second and fourth judicial districts”

Page 29, line 11, after *“representative”* insert *“from each”*

Page 29, delete section 16

Page 30, line 2, delete *“15”* and insert *“16”*

Page 30, delete lines 7 and 8 and insert *“state court administrator to distribute to the second and fourth judicial districts for the housing”*

Page 30, line 13, delete *“Section 15 is”* and insert *“Sections 9, subdivision 3, and 16 are”*

Renumber the sections of article 2 in sequence

Page 30, delete lines 14 and 15

Pages 30 to 35, delete sections 1 and 2

Page 35, line 33, delete *“4”* and insert *“3”*

Page 36, line 10, delete everything after the period

Page 36, delete lines 11 and 12

Page 36, line 22, before *“An”* insert *“(a)”*

Page 36, line 26, after the period, insert *“The owner must inform non-disabled 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.*

(b)”

Page 36, line 28, delete *“nonhandicapped equipped”* and insert *“nonhandicapped-equipped”*

Page 36, delete lines 30 and 31

Page 36, line 32, delete *“(2)”* and insert *“(1)”*

Page 36, line 35, delete *“(3)”* and insert *“(2)”* and delete *“nonaccessible”* and insert *“nonhandicapped-equipped”*

Pages 45 to 47, delete sections 7 to 9 and insert:

“Sec. 7. Minnesota Statutes 1988, section 582.03, is amended to read:

582.03 [PURCHASER AT FORECLOSURE, EXECUTION, OR JUDICIAL SALE MAY PAY TAXES, ASSESSMENTS, INSURANCE PREMIUMS, OR INTEREST.]

The purchaser at any sale, upon foreclosure of mortgage or execution or at any judicial sale during the ~~year~~ *period* of redemption, may pay any taxes or assessments on which any penalty would otherwise accrue, and may pay the premium upon any policy of insurance procured in renewal of any expiring policy upon mortgaged premises, *may pay any costs incurred under section 582.031*, and may, in case any interest or installment of principal upon any prior or superior mortgage, *lien, or contract for deed* is in default or shall become due during ~~such year~~ *the period* of redemption, pay the same, and, in all such cases, the sum so paid, with interest, shall be a part of the sum required to be paid to redeem from such sale. Such payments shall be proved by the affidavit of the purchaser or the purchaser's agent or attorney, stating the items and describing the premises, which must

be filed for record with the county recorder or registrar of titles, and a copy thereof shall be furnished to the sheriff at least ten days before the expiration of the ~~year~~ *period* of redemption.

Sec. 8. [582.031] [LIMITED RIGHT OF ENTRY BY MORTGAGEE OR PURCHASER AT FORECLOSURE SALE.]

Subdivision 1. [RIGHT OF ENTRY.] If premises described in a mortgage or a sheriff's certificate are vacant or unoccupied, the holder of the mortgage or a sheriff's certificate or the holder's agents and contractors may enter upon the premises to protect the premises from waste, until the holder of the mortgage or the sheriff's certificate receives notice that the premises are occupied. The holder of the mortgage or a sheriff's certificate does not become a mortgagee in possession by taking actions authorized under this section. An affidavit of the sheriff, the holder of the mortgage or sheriff's certificate, or a person acting on behalf of the holder, describing the premises and stating that the same are vacant or unoccupied, is prima facie evidence of the facts stated in the affidavit when recorded in the office of the county recorder or the registrar of titles in the county where the premises are located.

Subd. 2. [AUTHORIZED ACTIONS.] The holder of the mortgage or sheriff's certificate may take the following actions to protect the premises from waste: install or change locks on doors and windows, board windows, and otherwise prevent or minimize damage to the premises from the elements, vandalism, trespass, or other illegal activities. If the holder of the mortgage or the sheriff's certificate installs or changes locks under this section, a key to the premises must be promptly delivered to the mortgagor or any person lawfully claiming through the mortgagor, upon request.

Subd. 3. [COSTS.] All costs incurred by the holder of the mortgage or the sheriff's certificate to protect the premises from waste may be added to the principal balance of the mortgage. The costs may bear interest to the extent provided in the mortgage and may be added to the redemption price if the costs are incurred after a foreclosure sale. If the costs are incurred after a foreclosure sale, the purchaser at the foreclosure sale must comply with the provisions of section 582.03. The provisions of this section are in addition to, and do not limit or replace, any other rights or remedies available to holders of mortgages and sheriff's certificates, at law or under the applicable mortgage agreements."

Page 47, line 28, delete "10" and insert "9"

Page 47, line 32, delete "11" and insert "10"

Renumber the sections of article 3 in sequence

Page 47, line 36, delete "5" and insert "4"

Amend the title as follows:

Page 1, line 16, delete everything after the semicolon and insert "providing a limited right of entry to secure vacant or unoccupied buildings;"

Page 1, delete line 17

Page 1, line 20, delete "273.13,"

Page 1, line 21, delete "subdivision 25;"

Page 1, line 27, delete everything after the semicolon and insert "582.03;"

Page 1, line 28, delete "subdivisions;"

Page 1, line 32, delete "462C;" and delete "and" and after "566" insert "; and 582"

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

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

S.F. No. 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; and 171.30, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 65B and 169; repealing Minnesota Statutes 1988, section 65B.481.

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

Page 1, line 20, delete "14" and insert "16"

Page 2, line 5, delete "notarized"

Page 2, line 8, delete "such" and insert "the"

Page 2, line 17, delete "stating:" and insert a period

Page 2, delete lines 18 to 24

Page 2, line 25, delete the paragraph coding

Page 3, line 2, strike "misdemeanor" and insert "crime"

Page 3, lines 3 to 6, delete the new language

Page 3, line 9, before "Any" insert "(a)"

Page 3, lines 12 to 20, delete the new language

Page 3, line 20, strike "Also" and insert "*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 that 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. The same prosecuting authority who is responsible for prosecuting misdemeanor violations of this section is responsible for prosecuting gross misdemeanor violations of this section.*"

(b) In addition to the criminal penalty"

Page 3, line 21, strike "operator's" and after "license" insert "*of an operator convicted under this section"*

Page 3, line 29, after the period, insert:

“(c)”

Page 3, line 36, after “require” insert “the surrender to the court of”

Page 4, line 1, delete “or motorcycle” and delete “owned by” and insert “that is owned by the convicted person”

Page 4, line 2, delete everything before “for”

Page 6, line 28, delete “or motorcycle”

Page 6, line 33, delete “produce” and insert “deliver to the place stated in the notice provided by the officer any of the following:”

Page 7, line 4, delete everything after “demand”

Page 7, line 5, delete “by the officer”

Page 7, lines 15 and 16, delete “or motorcycle”

Page 7, line 29, delete “or motorcycle”

Page 7, line 34, delete “produce” and insert “deliver”

Page 8, line 13, after “require” insert “the surrender of”

Page 8, line 14, delete “involved in the violation”

Page 8, line 15, delete everything after “person” and insert “that was involved in the violation, as provided in this”

Page 8, delete lines 17 to 21

Page 8, line 22, delete “6” and insert “5”

Page 8, line 23, after the period, insert “A second or subsequent violation within five years of a previous conviction under this section is a gross misdemeanor. The same prosecuting authority who is responsible for prosecuting misdemeanor violations of this section is responsible for prosecuting gross misdemeanor violations of this section.”

Page 8, line 27, delete “or motorcycle” and delete the second “or”

Page 8, line 28, delete “motorcycle”

Page 8, lines 33 and 34, delete “or motorcycle”

Page 9, line 2, delete “or motorcycle”

Page 9, line 4, delete “produce” and insert “deliver to the place stated in the notice provided by the officer any of the following:”

Page 9, line 10, delete everything after “demand”

Page 9, line 11, delete everything before the period

Page 9, line 17, delete “then”

Page 9, line 27, delete “produce” and insert “deliver”

Page 9, line 29, delete “within”

Page 10, line 1, delete “herein” and insert “by this subdivision”

Page 10, line 7, delete “produce” and insert “deliver”

Page 10, line 18, delete “will be” and insert “is”

Page 10, line 19, delete “beginning”

Page 10, line 22, delete "not less"

Page 10, line 23, delete "than"

Page 10, line 28, after "knowing" insert "or having reason to know"

Page 11, line 15, delete "not less than"

Page 11, line 19, before "At" insert "(a)"

Page 11, line 30, delete "provisions" and insert "procedures required under sections 14.57 to 14.69"

Page 11, line 31, delete "in sections 14.01 to 14.69"

Page 11, line 32, before "The" insert "(b)"

Page 12, line 1, delete "of"

Page 12, line 2, delete "public safety"

Page 12, lines 11 and 12, delete "of public safety"

Page 12, lines 15 and 16, delete "of public safety"

Page 12, delete lines 21 to 25

Page 12, line 32, delete "or motorcycle"

Page 13, line 4, after the period, insert "A second or subsequent violation within five years of a previous conviction under this section is a gross misdemeanor. The same prosecuting authority who is responsible for prosecuting misdemeanor violations of this section is responsible for prosecuting gross misdemeanor violations of this section."

Page 13, line 10, delete "15" and insert "16"

Page 13, after line 18, insert:

"Sec. 15. [169.797] [COVERED VEHICLES; EXEMPTIONS.]

Sections 9 to 14 apply to all motor vehicles as defined in section 169.01, subdivision 3, but do not apply to buses or other commercial vehicles operated by the metropolitan transit commission, commercial vehicles required to file proof of insurance under chapter 221, and school buses as defined in section 169.01, subdivision 6."

Page 14, lines 30 and 31, delete "of public safety"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "registration" and insert "license"

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. 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; 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; amending Minnesota Statutes 1988, sections 256.01, by adding a subdivision; 383B.225, by adding a subdivision; 390.11, subdivision 10; 390.32, by adding a subdivision; 609.378; 626.556, subdivision 2; and 626.558; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Pages 1 to 4, delete sections 1 to 5 and insert:

“Section 1. [145.898] [SUDDEN INFANT DEATH.]

The commissioner of health shall develop uniform investigative guidelines and protocols for coroners and medical examiners conducting death investigations and autopsies of children under two years of age.

Sec. 2. Minnesota Statutes 1988, section 256.01, is amended by adding a subdivision to read:

Subd. 12. [CHILD MORTALITY REVIEW PANEL.] (a) The commissioner may establish a child mortality review panel for reviewing deaths of children in Minnesota including deaths attributed to maltreatment or in which maltreatment may be a contributing cause. The commissioners of health, education, and public safety and the attorney general shall each designate a representative to the panel. Other panel members shall be appointed by the commissioner. The purpose of the panel is to make recommendations to the state and local agencies for improving the child protection system, including modifications in statute, rule, policy, and procedure.

(b) The commissioner may require a local agency to establish a local child mortality review panel. The commissioner may establish procedures for conducting local reviews and may require that all professionals with knowledge of a child mortality case participate in the local review. In this section, “professional” means a person licensed to perform or a person performing a specific service in the child protective service system. “Professional” includes law enforcement personnel, social service agency attorneys, and social service, health care, mental health care providers, and educators.

(c) If the commissioner of human services has reason to believe that a child's death was caused by maltreatment or that maltreatment was a contributing cause, the commissioner has access to not public data under chapter 13 maintained by state agencies, statewide systems, or political subdivisions that are related to the child's death or circumstances surrounding the care of the child. Access to data under this paragraph is limited to police investigative data; autopsy records and coroner or medical examiner investigative data; hospital, public health, or other medical records of the child; hospital and other medical records of the child's parent that relate to prenatal care; and records created by social service agencies that provided services to the child or family within three years preceding the child's death. A state agency, statewide system, or political subdivision shall provide the data upon request of the commissioner. Not public data may be shared with members of the state or local child mortality review panel in connection with an individual case.

(d) Notwithstanding the data's classification in the possession of any other agency, data acquired by a local or state child mortality review panel

in the exercise of its duties are protected nonpublic or confidential data as defined in section 13.02, but may be disclosed as necessary to carry out the purposes of the review panel. The data are not subject to subpoena or discovery. The commissioner may disclose conclusions of the review panel, but shall not disclose data that were confidential or private data on decedents under section 13.10, or private, confidential, or nonpublic data in the disseminating agency.

A person attending a child mortality review panel meeting shall not disclose what transpired at the meeting except to carry out the purposes of the mortality review panel. The proceedings and records of the mortality review panel are protected nonpublic data as defined in section 13.02, subdivision 13, and are not subject to discovery or introduction into evidence in a civil or criminal action against a professional or state or local agency arising out of the matters the panel is reviewing. Information, documents, and records otherwise available from original sources are not immune from discovery or use in a civil or criminal action merely because they were presented during proceedings of the review panel. A person who presented information before the review panel or who is a member of the panel shall not be prevented from testifying about matters within the person's knowledge. However, in a civil or criminal proceeding a person cannot be asked about the person's presentation of information to the review panel or opinions formed by the person as a result of the review meetings."

Page 5, line 3, delete "willfully" and insert "intentionally"

Page 5, line 5, delete "produce bodily or emotional harm or death" and insert "substantially harm the child's physical or mental health or cause the child's death"

Page 5, line 6, after the period, insert "This paragraph does not prevent a parent, legal guardian, or caretaker from causing or permitting a child to engage in activities that are appropriate to the child's age, stage of development, and experience, or from selecting health care as defined in subdivision 1, paragraph (a)."

Page 5, line 8, before "that" insert "or paragraph (b)."

Page 5, lines 9 and 11, after "neglect" insert "or endangerment"

Page 6, line 15, strike the first comma and delete the new language and strike "or (2)" and insert "in lieu of medical care; except that there is a duty to report if a lack of medical care may cause imminent and serious danger to the child's health. This section does not"

Page 6, line 20, delete everything after the period

Page 6, delete lines 21 to 23

Page 7, after line 12, insert:

"Sec. 5. Minnesota Statutes 1988, section 626.556, subdivision 10e, is amended to read:

Subd. 10e. [DETERMINATIONS.] Upon the conclusion of every assessment or investigation it conducts, the local welfare agency shall make two determinations: first, whether maltreatment has occurred; and second, whether child protective services are needed.

(a) For the purposes of this subdivision, "maltreatment" means any of the following acts or omissions committed by a person responsible for the

child's care:

(1) an assault, as defined in section 609.02, subdivision 10, or any physical contact not exempted by section 609.379, where the assault or physical contact is either severe or recurring and causes either injury or significant risk of injury to the child;

(2) neglect as defined in subdivision 2, paragraph (c); or

(3) sexual abuse as defined in subdivision 2, paragraph (a).

(b) For the purposes of this subdivision, a determination that child protective services are needed means that the local welfare agency has documented conditions during the assessment or investigation sufficient to cause a child protection worker, as defined in section 626.559, subdivision 1, to conclude that a child is at significant risk of maltreatment if protective intervention is not provided and that the individuals responsible for the child's care have not taken or are not likely to take actions to protect the child from maltreatment or risk of maltreatment.

(c) This subdivision does not mean that maltreatment has occurred solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, in lieu of medical care. However, if lack of medical care may result in imminent and serious danger to the child's health, the local welfare agency may ensure that necessary medical services are provided to the child."

Page 8, delete lines 34 to 36

Page 9, delete line 1

Page 9, line 2, delete "(b)" and insert "(a)"

Page 9, line 5, delete "under chapter 13" and insert "as defined in section 13.02, subdivision 8,"

Page 9, line 8, delete "(c)" and insert "(b)"

Page 9, line 10, delete "and functions, shall be" and insert "are" and after "confidential" insert "as defined in section 13.02, subdivision 3,"

Page 9, line 29, after the comma, insert "in a civil or criminal proceeding"

Page 9, line 32, after the period, insert paragraph coding and delete "section" and insert "subdivision"

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 7 and insert "clarifying provisions of the child abuse reporting act dealing with neglect;"

Page 1, line 8, delete "of an infant;"

Page 1, line 12, delete everything after the semicolon

Page 1, delete line 13

Page 1, line 14, delete "a subdivision;" and delete "subdivision 2" and insert "subdivisions 2 and 10e"

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. 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.

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 48.61, is amended by adding a subdivision to read:

Subd. 7. [PARITY WITH NATIONAL BANKS.] A state bank or trust company may invest in any securities that are authorized investments for national banks on the effective date of this section, subject to the same restrictions as apply to national banks. The commissioner may authorize a state bank or trust company to invest in any securities that become authorized investments for national banks after the effective date of this section, subject to the same restrictions as apply to national banks. This authority is in addition to the investment authority granted to state banks under other provisions of state law."

Pages 5 to 12, delete sections 5 to 8

Pages 14 and 15, delete section 10 and insert:

"Sec. 6. Minnesota Statutes 1988, section 514.19, is amended to read:

514.19 [RIGHT OF DETAINER.]

Subdivision 1. [CREATED.] A lien and right of detainer exists for:

(1) Transporting property from one place to another but not as a carrier under article 7 of the Uniform Commercial Code;

(2) Keeping or storing property as a bailee but not as a warehouse operator under article 7 of the Uniform Commercial Code;

(3) Keeping, feeding, pasturing, or otherwise caring for domestic animals or other beasts, including medical or surgical treatment and shoeing;

(4) The use and storage of molds and patterns in the possession of the fabricator belonging to the customer for the balance due from the customer for fabrication work;

(5) Making, altering or repairing any article, or expending any labor, skill or material on it.

The liens embrace all lawful charges against the property paid to any other person by the person claiming the lien, and the price or value of the care, storage or contribution and all reasonable disbursements occasioned by the detention or sale of the property.

Subd. 2. [STORAGE LIEN NOTICE.] The lien and right of detainer for

keeping or storing property under subdivision 1, clause (2), is not enforceable against a person with a perfected security interest in the property, unless written notice is given to the secured party within ten days after the lien attaches."

Page 15, line 24, delete "10" and insert "6"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "authorizing certain investments by state banks;"

Page 1, line 3, delete "companies;" and after "practices" insert "of industrial loan and thrifts"

Page 1, line 6, delete everything after the semicolon

Page 1, delete line 7

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

Page 1, line 9, delete everything after the semicolon and insert "requiring notice to perfect certain storage liens"

Page 1, line 10, delete "notices" and after "sections" insert "48.61, by adding a subdivision;"

Page 1, line 11, delete "subdivision 3a, and"

Page 1, line 12, delete everything after "56.12;"

Page 1, line 13, delete "580.03" and insert "514.19"

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. 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; and Minnesota Rules, parts 1505.0740 and 1505.0750.

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

Page 1, line 20, delete the first "a" and insert "the" and strike "special"

Page 1, line 21, strike "two-thirds"

Page 1, line 22, strike "mill" and insert "a gross tax capacity rate of .55 percent or a net tax capacity rate of .68 percent" and strike "or statutory millage" and insert "tax capacity rate"

Page 1, line 23, reinstate the stricken language

Page 1, line 24, before the period, insert "*except that the levy for the grasshopper control program under sections 23 to 26 is not subject to the 50 cents per capita limitation*"

Page 1, line 30, strike "1-1/3 mills" and insert "*a gross tax capacity rate of 1.1 percent or a net tax capacity rate of 1.36 percent*"

Page 3, line 25, before "Except" insert "(a)"

Page 4, after line 4, insert:

"(b) For property that is subject to a public utility easement as defined in section 115B.02, subdivision 14, the person controlling the surface of the land other than the holder of the public utility easement is the person responsible for control of noxious weeds and plant pests under this chapter."

Page 7, line 31, after "in" insert "a"

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. 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.

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

Page 4, line 23, reinstate the stricken semicolon and delete the period

Page 4, line 24, reinstate the stricken language

Page 4, line 25, after the stricken "325.76" insert "*325D.30 to 325D.42*" and reinstate the stricken "*, the Minnesota unfair cigarette sales act.*"

Page 7, line 22, strike "January" and insert "*July*"

Page 10, delete section 11

Page 11, delete section 13

Page 15, after line 31, insert:

"Sec. 21. 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. 22. 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. 23. [325D.415] [CIGARETTE DISTRIBUTOR FEES.]

A cigarette distributor as defined in section 297.01, subdivision 7, shall pay to the commissioner an annual fee as follows:

(1) a fee of \$2,500 is due from those distributors whose annual cigarette tax collections exceed \$2,000,000; and

(2) a fee of \$1,200 is due from those distributors whose annual cigarette tax collections are \$2,000,000 or less.

The annual fee must be paid at the time of licensing under chapter 297 and is a condition of the licensing. The annual fee must be deposited into the general fund."

Page 16, line 6, after the apostrophe, insert a space

Page 16, line 11, delete "(a)"

Page 16, delete lines 14 to 16

Page 16, line 18, delete ", 11, 13, and 24, clause (b)," and insert "and 21 to 24"

Page 16, lines 21 and 22, delete "15, 16, 17, 18, and 20" and insert

"13, 14, 15, 16, and 18"

Page 16, line 23, delete "16" and insert "14"

Page 16, line 29, delete "12, 19, 21, and 24, clause (a)," and insert "11, 17, 19, and 25"

Page 16, line 34, delete "24, clause (a)," and insert "25"

Page 17, line 3, delete "14" and insert "12"

Page 17, line 4, delete "22" and insert "20"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "repealing" and insert "modifying"

Page 1, line 13, after "5," insert "and" and delete ", and 9"

Page 1, line 14, delete "297.06, subdivision 3;"

Page 1, line 16, delete the second "and"

Page 1, line 17, after "subdivision;" insert "325D.32, subdivision 10; and 325D.37, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 325D;"

Page 1, line 20, after "13;" insert "and" and delete "; and" and insert a period

Page 1, delete line 21

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

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

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:

Amend the report from the Committee on Employment, adopted by the Senate April 10, 1989, as follows:

Page 1, line 24, after the first comma, insert "dentist,"

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

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

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.

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. 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.

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. 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.

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

Page 1, line 16, delete "by or"

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

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

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.

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

Page 8, after line 3, insert:

"Sec. 13. Minnesota Statutes 1988, section 171.321, is amended by adding a subdivision to read:

Subd. 3. [STUDY OF APPLICANT.] Before issuing or renewing a school bus endorsement, the commissioner shall conduct a criminal records check of the applicant. The commissioner may also conduct the check at any time while a person is so licensed. The check shall consist of a criminal records check of the state criminal records repository. If the applicant has resided in Minnesota for less than five years, the check shall also include a criminal records check of information from the state law enforcement agencies in the states where the person resided during the five years before moving to Minnesota, and of the national criminal records repository including the criminal justice data communications network. The applicant's failure to

cooperate with the commissioner in conducting the records check is reasonable cause to deny an application or cancel a school bus endorsement. The commissioner may not release the results of the records check to any person except the applicant."

Page 8, line 8, delete "13" and insert "14"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "requiring commissioner of public safety to conduct background study on applicant for school bus endorsement;"

Page 1, line 11, delete "and" and before the semicolon, insert "; and 171.321, by adding a subdivision"

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

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.

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

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.

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 under Rule 35, together with the committee report thereon,

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.

Reports the same back with the recommendation that the report from the Committee on Local and Urban Government, shown in the Journal for April 25, 1989, be amended to read:

"the bill do pass and be re-referred to the Committee on Governmental Operations". Report adopted.

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

H.F. No. 1626: A bill for an act relating to state lands; conveying easement for sanitary sewer to city of Cambridge.

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

Page 1, line 7, delete "*or other law.*"

Page 2, line 12, delete the period and insert "; and"

Page 2, delete line 13

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

H.F. No. 1416: A bill for an act relating to state lands; authorizing private conveyance of certain tax-forfeited land in Benton 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

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.

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

Page 1, line 11, delete "*a valid driver's*" and insert "*an angling*" and delete "*, Minnesota*" and insert a period

Page 1, delete lines 12 to 16

Amend the title as follows:

Page 1, line 2, delete "elderly"

Page 1, line 3, after "residents" insert "over age 65"

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

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

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.

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 160.292, subdivision 2, is amended to read:

Subd. 2. “Specific service sign” means a rectangular sign panel not greater than 1-1/2 feet by six feet displaying the name of a rural agricultural or tourist-oriented business, place of worship, motel, restaurant, resort, or recreational camping area and, where appropriate, the direction to and distance to the rural agricultural or tourist-oriented business, camping area, motel, restaurant, or resort.

Sec. 2. Minnesota Statutes 1988, section 160.292, subdivision 10, is amended to read:

Subd. 10. “Specific service” means restaurants ~~and~~, rural agricultural or tourist-oriented businesses, places of worship, and motels, resorts, or recreational camping areas that provide sleeping accommodations for the traveling public. “Tourist-oriented business” means a business, service, or activity that receives the major portion of its income or visitors during the normal business season from motorists not residing in the immediate area of the business or activity. “Tourist-oriented business” includes, but is not limited to: (1) a greenhouse or nursery, (2) a bait and tackle shop, (3) a marina, and (4) a gift or antique shop.

Sec. 3. Minnesota Statutes 1988, section 160.293, subdivision 3, is amended to read:

Subd. 3. [NUMBER OF TRUNK HIGHWAY INTERSECTIONS.] A specific service sign for a rural agricultural or tourist-oriented business, place of worship, restaurant, motel, resort, or recreational camping area is limited to one intersection on the trunk highway system.

Sec. 4. Minnesota Statutes 1988, section 160.295, subdivision 5, is amended to read:

Subd. 5. [RURAL AGRICULTURAL BUSINESS OR TOURIST-ORIENTED BUSINESS.] A rural agricultural or tourist-oriented business must be open a minimum of eight hours per day, six days per week, and 12 months per year. However, a seasonal business may qualify if it is open eight hours per day and six days per week during the normal seasonal period.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment.”

Delete the title and insert:

“A bill for an act relating to highways; expanding definition of specific service signs to cover tourist-oriented businesses; amending Minnesota Statutes 1988, section 160.292, subdivisions 2 and 10; 160.293, subdivision 3; and 160.295, subdivision 5.”

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

Mr. Chmielewski from the Committee on Employment, to which was referred

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.

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

Page 5, line 12, after the period, insert "*The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees.*"

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

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

H.F. No. 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.

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

H.F. No. 831: A bill for an act relating to game and fish; Mom Fishing Weekend; season opening date for certain game fish; amending Minnesota Statutes 1988, sections 97A.445, by adding a subdivision; and 97C.395, subdivision 1.

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

Page 1, line 17, before "The" insert "(a)"

Page 2, after line 3, insert:

"(b) The commissioner shall close the season in areas of the state where fish are spawning and closing the season will protect the resource."

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

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

H.F. No. 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.

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. 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.

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

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

H.F. No. 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.

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. 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.

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

Page 1, lines 11 and 12, delete "*subdivision 5 of*"

Page 1, line 16, strike "ACT EXCEPTION"

Delete the title and insert:

"A bill for an act relating to human rights; permitting comparable worth plans to be used as evidence; amending Minnesota Statutes 1988, sections 43A.05, by adding a subdivision; and 471.997."

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. 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.

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

Page 1, after line 9, insert:

"Section 1. [504.181] [COVENANT OF LESSEE NOT TO ALLOW

DRUGS.]

Subdivision 1. [COVENANT NOT TO SELL DRUGS OR ALLOW DRUG SALES.] In every lease or license of residential premises, whether in writing or parol, the lessee or licensee covenants that the premises, common area, and curtilage will not be used by the lessee or licensee or others acting under his or her control to manufacture, sell, give away, barter, deliver, exchange, distribute, or possess with intent to manufacture, sell, give away, barter, deliver, exchange, or distribute a controlled substance in violation of chapter 152.

Subd. 2. [BREACH VOIDS RIGHT TO POSSESSION.] A breach of the covenant created by subdivision 1 voids the lessee's or licensee's right to possession of the residential premises. All other provisions of the lease or license, including but not limited to the obligation to pay rent, remain in effect until the lease is terminated by the terms of the lease or operation of law.

Subd. 3. [WAIVER NOT ALLOWED.] The parties to a lease or license of residential premises may not waive or modify the covenant imposed by this section."

Page 1, lines 18, 19, and 25, delete "6" and insert "7"

Page 6, line 19, delete ", whether or not"

Page 6, line 20, delete everything before the comma

Page 6, line 25, before "The" insert "The notice is not required during an ongoing investigation."

Page 8, line 1, after "3" insert ", paragraph (b)"

Page 8, line 3, delete "1, 3, 4, 5, and 6" and insert "2, 4, 5, 6, and 7"

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

Page 8, line 12, delete "2" and insert "3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "chapters" insert "504;" and after "566" insert a semicolon

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. 1282 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.
1282	1040				

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. 146 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.
146	1145				

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. 1445 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.
1445	744				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1445 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1445 and insert the language after the enacting clause of S.F. No. 744, the first engrossment; further, delete the title of H.F. No. 1445 and insert the title of S.F. No. 744, the first engrossment.

And when so amended H.F. No. 1445 will be identical to S.F. No. 744, and further recommends that H.F. No. 1445 be given its second reading and substituted for S.F. No. 744, 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. 390 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.
390	105				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 390 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 390 and insert the language after the enacting clause of S.F. No. 105, the first engrossment; further, delete the title of H.F. No. 390 and insert the title of S.F. No. 105, the first engrossment.

And when so amended H.F. No. 390 will be identical to S.F. No. 105, and further recommends that H.F. No. 390 be given its second reading and substituted for S.F. No. 105, 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. 1067, 1105, 1195, 1502, 653, 1453, 1278, 29, 1252, 1044 and 1123 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 300, 627, 22, 223, 218, 1311, 1048, 1626, 1416, 169, 278, 564, 1459, 831, 765, 1357, 243, 456, 159, 1282, 146, 1445 and 390 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Moe, D.M. moved that the name of Mr. McGowan be added as a co-author to S.F. No. 330. The motion prevailed.

Mr. Anderson moved that the name of Mr. Lessard be added as a co-author to S.F. No. 1399. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Lessard be added as a co-author to S.F. No. 1418. The motion prevailed.

Mr. Mehrkens moved that the name of Mr. Laidig be added as a co-author to S.F. No. 1598. The motion prevailed.

Mr. Merriam moved that S.F. No. 1, No. 1 on the Calendar, be stricken and placed on General Orders. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 164, 886, 1039, 786, 735, 858, 490, 840, 1139, H.F. Nos. 85, 212, 1172, 43, 279, 1056, 895, 989, 483, 774, 635, 1438, 489, 819 and 812 which the committee recommends to pass.

S.F. No. 631, which the committee recommends be re-referred to the Committee on Finance.

H.F. No. 266, which the committee recommends to pass with the following amendments offered by Messrs. Stumpf and Waldorf:

Mr. Stumpf moved to amend H.F. No. 266, as amended pursuant to Rule 49, adopted by the Senate March 30, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 205.)

Page 18, line 11, delete "This"

Page 18, delete lines 12 to 15

Page 18, line 16, delete "subdivision."

Page 19, delete lines 9 to 12

Page 19, line 13, delete "subdivision."

The motion prevailed. So the amendment was adopted.

Mr. Waldorf moved to amend H.F. No. 266, as amended pursuant to Rule 49, adopted by the Senate March 30, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 205.)

Page 20, after line 3, insert:

"Sec. 24. Minnesota Statutes 1988, section 297B.025, subdivision 2, is amended to read:

Subd. 2. [COLLECTOR VEHICLES.] A passenger automobile that is ~~currently~~ registered under section 168.10, ~~subdivisions~~ *subdivision 1a, 1b, 1c, and or 1d*, shall be taxed under section 297B.02, subdivision 3, and the registrar shall not designate as an above-market automobile a passenger automobile registered under those subdivisions *unless the vehicle is subsequently registered in another class not under section 168.10, subdivision 1a, 1b, 1c, or 1d, within one year of the date of registration under those subdivisions. Vehicles removed from registration under those subdivisions within one year shall be subject to the full excise tax imposed under subdivision 1.*"

Page 27, line 9, delete "29" and insert "30"

Page 27, line 17, delete "28, 30" and insert "29, 31"

Page 27, delete line 18 and insert "to 35, and 37 are effective July 1, 1989. Section 36 is"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 27, after the first semicolon, insert "297B.025, subdivision 2;"

The motion prevailed. So the amendment was adopted.

Mr. Anderson moved to amend H.F. No. 266, as amended pursuant to Rule 49, adopted by the Senate March 30, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 205.)

Page 19, after line 14, insert:

"Sec. 22. Minnesota Statutes 1988, section 297A.27, subdivision 1, is amended to read:

Subdivision 1. ~~Except as provided in section 297A.275,~~ On or before the 20th day of each month in which taxes imposed by sections 297A.01 to 297A.44 are payable, a return for the preceding reporting period shall be filed with the commissioner in such form as the commissioner may prescribe, verified by a written declaration that it is made under the criminal penalties for willfully making a false return, and in addition shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid. Any person making sales at retail at two or more places of business may file a consolidated return subject to such rules as the commissioner may prescribe."

Page 27, line 4, before "Minnesota" insert "(a)"

Page 27, after line 7, insert:

"(b) Minnesota Statutes 1988, section 297A.275, is repealed."

Page 27, line 9, delete "29" and insert "30"

Page 27, line 17, delete "22 to 28, 30" and insert "23 to 29, 31"

Page 27, line 18, delete "34, and 36" and insert "35, and 37, paragraph (a)," and delete "35" and insert "36"

Page 27, line 19, after the period, insert "Sections 22 and 37, paragraph (b), are effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, after the semicolon, insert "eliminating the accelerated payment of June sales tax liability;"

Page 1, line 26, after "16;" insert "297A.27, subdivision 1;"

Page 1, line 36, after "297A.253;" insert "297A.275;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Frederickson, D.R.	Lessard	Ramstad
Beckman	Brataas	Gustafson	McGowan	Renneke
Belanger	Davis	Johnson, D.E.	McQuaid	Storm
Benson	Decker	Knutson	Mehrkens	Taylor
Berg	DeCramer	Laidig	Olson	Vickerman
Bernhagen	Frederick	Larson	Pariseau	

Those who voted in the negative were:

Adkins	Diessner	Lantry	Novak	Spear
Berglin	Frederickson, D.J.	Luther	Pehler	Stumpf
Brandl	Freeman	Marty	Peterson, R. W.	Waldorf
Chmielewski	Hughes	Merriam	Piper	
Cohen	Johnson, D.I.	Metzen	Pogemiller	
Dahl	Kroening	Moe, D.M.	Samuelson	
Dicklich	Langseth	Moe, R.D.	Solon	

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

S.F. No. 723, which the committee recommends to pass with the following amendment offered by Mr. Knutson:

Page 13, line 30, before the second "The" insert "*In the case of a person applying for a license,*"

The motion prevailed. So the amendment was adopted.

H.F. No. 707, which the committee recommends to pass with the following amendment offered by Mrs. Lantry:

Amend H.F. No. 707, as amended pursuant to Rule 49, adopted by the Senate April 10, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 588.)

Page 3, line 26, after the period, insert "*The commission may allow the licensee to commingle its wagering pools with the wagering pools at a facility located outside of this state that is regulated by a state racing commission, when it transmits telecasts under this paragraph.*"

The motion prevailed. So the amendment was adopted.

H.F. No. 593, which the committee recommends to pass with the following amendment offered by Mr. Frederick:

Page 1, line 7, delete "TICKET" and insert "CITATION"

Page 1, delete lines 8 to 25

Page 2, delete lines 1 to 12 and insert:

"*Subdivision 1. [CITATION AUTHORIZED.] The board of electricity may issue a citation for violations of sections 326.241 to 326.248, rules adopted under those sections, and ordinances of political subdivisions. The citation must be in a form as provided by subdivision 2.*"

Page 2, line 13, delete "REVISION OF TICKET" and insert "FORM OF CITATION"

Page 2, line 14, delete "by rule" and insert "pursuant to chapter 14" and delete "the uniform" and insert "an"

Page 2, line 15, delete "ticket" in both places and insert "citation" in both places

Page 2, line 16, delete "ticket" and insert "citation"

Page 2, line 17, delete everything after the period

Page 2, delete lines 18 and 19

Page 2, line 23, after "may" insert "use or"

Page 2, line 24, delete "uniform" and delete everything after "violation" and insert "citation adopted by the board of electricity under subdivision 2."

Page 2, delete lines 25 and 26

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "allowing the board of electricity to issue citations for electrical violations;"

Page 1, line 3, delete everything before "proposing"

The motion prevailed. So the amendment was adopted.

H.F. No. 1429, which the committee recommends to pass with the following amendment offered by Mr. Benson:

Page 1, delete section 1

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "subdivisions 4 and" and insert "subdivision"

The motion prevailed. So the amendment was adopted.

H.F. No. 955, which the committee recommends to pass with the following amendment offered by Mr. Spear:

Amend H.F. No. 955, as amended pursuant to Rule 49, adopted by the Senate April 20, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 863.)

Page 2, line 19, delete "and"

Page 2, line 21, before the period, insert "; and

(3) any other activity authorized for a national bank, a bank holding company, or a subsidiary of a national bank or bank holding company under federal law or regulation of general applicability, and approved by the commissioner by rule"

Page 3, after line 7, insert:

"Sec. 3. [48.892] [CLERICAL SERVICES OFFICES.]

A bank may perform clerical services, as defined in section 48.89, subdivision 1, for itself at an off-premises data processing and storage center located within the state if the bank furnishes assurances satisfactory to the commissioner that the performances of those services will be subject to regulation and examination by the commissioner to the same extent as if the services were being performed at the bank's main office or detached facility. A data processing and storage center is not considered a branch or detached facility, as defined in section 47.51. The establishment of a data processing and storage center may include acquiring real and personal property, which shall be subject to section 47.10."

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "permitting banks to perform clerical services at off-premises data processing and storage centers;"

Page 1, line 9, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 48"

The motion prevailed. So the amendment was adopted.

S.F. No. 809, which the committee recommends to pass with the following

amendment offered by Mr. Spear:

Page 3, line 6, after the period, insert "*“Emotional maltreatment” does not include reasonable training or discipline administered by the person responsible for the child’s care or the reasonable exercise of authority by that person.*”

The motion prevailed. So the amendment was adopted.

S.F. No. 1269, which the committee recommends to pass with the following amendment offered by Mr. Diessner:

Page 1, lines 14 and 15, delete "*in violation of section 2*”

Page 1, line 25, delete "CASH AWARDS" and insert "RECEIVING CASH"

Page 1, line 26, delete "*awards or*”

Page 3, line 4, delete "*a violation of*”

Page 3, line 5, delete everything before "*is*” and insert "*making payments from any game or in connection with the operation of any device*”

Page 4, after line 12, insert:

"Sec. 6. [INDIAN COMPACTS.]

Section 2 may not be construed as prohibiting the state from entering into a tribal-state compact under the provisions of the Federal Gaming Regulatory Act, Public Law No. 100-497, as it relates to video poker and blackjack games of chance currently operated by Indian tribes in this state."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete everything before "requiring”

Page 1, line 5, delete everything after the first semicolon

The motion prevailed. So the amendment was adopted.

S.F. No. 281, which the committee recommends to pass with the following amendment offered by Mr. Bernhagen:

Page 2, line 4, delete "*there is*”

Page 2, line 5, after "*waste*” and insert "*is reasonably*”

Page 2, line 6, after "*farm*” insert "*, as determined by resolution of the county board of the county where the person’s farm is located*”

The motion prevailed. So the amendment was adopted.

S.F. No. 1283, which the committee recommends to pass with the following amendment offered by Mr. Belanger:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 609.75, is amended by adding a subdivision to read:

Subd. 8. [CASINO NIGHT.] “Casino night” means an event at which persons are given the opportunity to participate in games of chance normally found in casinos, including blackjack, poker, dice, keno, and roulette.

where winnings from the games are in the form of scrip or redeemable tokens that are used to purchase items of value that have been acquired for this purpose.

Sec. 2. 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) *Conducts a casino night, or with intent to conduct a casino night, possesses facilities or equipment for doing so."*

Delete the title and insert:

"A bill for an act relating to gambling; clarifying that casino nights are prohibited; providing penalties; amending Minnesota Statutes 1988, sections 609.75, by adding a subdivision; and 609.76, 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.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that Senate Resolution No. 109 be withdrawn from the Committee on Rules and Administration. The motion prevailed.

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.

WHEREAS, more than 10,000 American workers are killed on the job every year; and

WHEREAS, another 100,000 workers die from cancer, lung disease, and other illnesses related to toxic chemical exposure at their workplace; and

WHEREAS, tens of thousands of workers are permanently disabled in the performance of their jobs; and

WHEREAS, millions more experience work-related injuries; and

WHEREAS, the families of these workers also suffer from the devastating effects of these incapacitating accidents and illnesses; and

WHEREAS, all Minnesotans support the basic right of employees to work in a healthy and safe environment; and

WHEREAS, employees and state officials are joining in a spirit of cooperation to rededicate themselves to improved protection of the work environment, standards of safety, and just compensation for work-related injuries; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it acknowledges that the victims of workplace injuries and disease should be remembered and declares Workers' Memorial Day, April 28, 1989, in recognition of workers killed, injured, and disabled at their workplace.

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 appropriate organizations planning public remembrances of Workers' Memorial Day.

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

REPORTS OF COMMITTEES

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

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

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

Page 11, line 26, delete "*nor more than \$1,800,000 annually*"

Pages 14 and 15, delete section 4

Page 19, delete section 6 and insert:

"Sec. 5. Minnesota Statutes 1988, section 297A.25, subdivision 11, is amended to read:

Subd. 11. [SALES TO GOVERNMENT.] The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities, the University of Minnesota, state universities, community colleges, technical institutes, state academies, and political subdivisions of the state are exempt. Sales exempted by this subdivision include sales under section 297A.01, subdivision 3, clause (f), *but do not include sales under section 297A.01, subdivision 3, paragraph (j), clause (vii)*. This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities.

Sec. 6. Minnesota Statutes 1988, section 297A.25, subdivision 16, is amended to read:

Subd. 16. [SALES TO NONPROFIT GROUPS.] The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders, are exempt. Sales exempted by this subdivision include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f), *but do not include sales under section 297A.01, subdivision 3, paragraph (j), clause (vii)*. This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract

or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities."

Page 20, line 23, after the period, insert "*No less than 82.5 percent of the amount credited to the solid waste reduction and recycling account under this section must be appropriated annually for distribution to counties under section 1.*"

Page 20, line 27, delete "297A.02" and insert "297A.01, subdivision 3, paragraph (j), clause (vii)."

Page 21, line 2, delete "297A.02" and insert "297A.01, subdivision 3, paragraph (j), clause (vii)" and after the period, insert "*The cost of a service or the portion of a service to collect waste residue from recycling facilities at which recyclable materials are separated or processed for the purpose of recycling, and 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, in which there is at least an 85 percent volume reduction of the solid waste processed, shall be exempt from the tax imposed in section 297A.02.*"

Renumber the sections of article 2 in sequence

Amend the title as follows:

Page 1, line 32, delete "275.51, subdivision 1;"

Page 1, line 33, delete everything after the first semicolon and insert "297A.25, subdivisions 11 and 16;"

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. 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.

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

Page 1, line 9, before "*The*" insert "*(a)*"

Page 1, line 11, delete "*Twin Cities*"

Page 1, line 13, delete "*(a)*" and insert "*(1)*"

Page 1, line 15, delete "*(b)*" and insert "*(2)*"

Page 1, line 18, delete "*(c)*" and insert "*(3)*"

Page 1, line 19, after the period, insert:

"*(b)*"

Page 1, line 24, delete "*continually*"

Page 1, line 25, delete "*metropolitan affairs*" and insert "*local government and environment*"

Page 2, line 2, delete ", and be available to the public"

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

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.

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

Page 2, after line 12, insert:

"Sec. 2. [216B.161] [AREA DEVELOPMENT RATE.]

Notwithstanding chapter 216B, the commission may approve area development rates that are requested jointly by a city and a utility and are designed to assist commercial revitalization projects located within the service territory of the petitioning utility. The rate may be used to prevent the loss of existing customers, expand present facilities or operations, and attract new customers. The rate may not be used to compete against a qualifying facility governed by section 216B.164 or a district heating utility as defined by section 216B.166, subdivision 2, paragraph (c). The joint petition must include:

- (1) the potential impact of the rate on economically disadvantaged areas;*
- (2) the geographic boundaries of the revitalization projects; and*
- (3) other economic development assistance to be provided in the area.*

The rate must be designed to recover at least the incremental cost of providing service to the customers and must remain in effect for at least one year but no longer than five years. Recovery may be made only from the class of customers to which the rate is offered and not from residential customers.

If the commission approves an area development rate, it may require the utility to provide customers to whom it is applied an energy audit and to inform those customers of all existing energy conservation improvement programs available from the utility. The commission may also require the utility to provide reporting to it and to the department of public service concerning the use of the rate by customers."

Page 2, line 20, delete "1,000" and insert "2,000"

Page 3, delete line 17

Page 3, line 18, delete "(4)" and insert "(3)"

Page 3, line 21, delete "(5)" and insert "(4)"

Page 3, line 24, delete "and"

Page 3, line 25, delete "(6)" and insert "(5)"

Page 3, line 27, before the period, insert "*other than a customer in which the utility has a financial interest; and*

(6) that the rate does not compete with district heating or cooling provided by a district heating utility as defined by section 216B.166, subdivision 2, paragraph (c)"

Page 5, line 32, delete "1994" and insert "1993"

Page 6, line 3, delete "shall" and insert "may"

Page 6, line 4, delete "of"

Page 6, delete section 5

Page 6, line 26, delete "subdivision" and insert "subdivisions"

Page 6, line 27, after "5" insert a comma

Page 6, after line 27, insert:

"Sections 2 and 3 are repealed July 1, 1993."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing for the establishment of area development rates for certain electric utility customers;"

Page 1, line 7, delete everything after the semicolon

Page 1, delete lines 8 and 9

Page 1, line 12, delete everything after the semicolon

Page 1, line 13, delete "4;"

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

Mr. Pehler from the Committee on Education, to which was referred

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.

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

Page 1, line 18, before "This" insert "*Subdivision 1. [EXTENSION.]*" and delete "1993" and insert "1991"

Page 1, after line 18, insert:

"Subd. 2. [STATE AUDIT.] The state auditor shall conduct an audit of the school's finances for fiscal years 1989 and 1990. A preliminary or, if

completed, a final report for fiscal year 1989 shall be submitted by February 15, 1990, to the White Earth reservation tribal council, the Pine Point Indian education committee, and the education committees of the legislature.

Subd. 3. [EVALUATION.] The department of education shall conduct a management and program evaluation of the school and make recommendations about continuing the school. The council shall cooperate with and make available any information requested by the department. The evaluation and recommendations shall be submitted to the education committees of the legislature by January 1, 1991."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "requiring the state auditor to audit the records of Pine Point school; requiring the department of education to evaluate continuation of the school;"

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. 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 6; 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.

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.02, is amended by adding a subdivision to read:

Subd. 2a. [CONTINUED.] An insurance policy that is issued for a term in excess of one year or that has no specified term or that is designated as being continuous is "continued" each year on the anniversary date of the issuance of the policy.

Sec. 2. Minnesota Statutes 1988, section 60A.08, subdivision 12, is amended to read:

Subd. 12. [~~EXCLUSIONS~~ **RENTED VEHICLES.**] All commercial automobile liability policies must provide coverage for rented vehicles as required in chapter 65B.

~~This subdivision does not apply to liability policies that the commissioner has exempted by order.~~

This coverage can be excess over any and all specific motor vehicle coverage that is applicable.

Sec. 3. Minnesota Statutes 1988, section 60A.08, is amended by adding a subdivision to read:

Subd. 13. [REDUCTION OF LIMITS BY COSTS OF DEFENSE PROHIBITED.] (a) No insurer shall issue or renew a policy of liability insurance in this state that reduces the limits of liability stated in the policy by the costs of legal defense.

(b) This subdivision does not apply to:

(1) professional liability insurance with limits of liability greater than \$100,000, including directors' and officers' and errors and omissions liability insurance;

(2) environmental impairment liability insurance;

(3) insurance policies issued to large commercial risks; or

(4) coverages that the commissioner determines to be appropriate which will be published in the manner prescribed for surplus lines insurance in section 60A.201, subdivision 4.

(c) For purposes of this subdivision, "large commercial risks" means an insured whose gross annual revenues in the fiscal year preceding issuance of the policy were at least \$10,000,000.

Sec. 4. 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~~ *as provided for in section 45.027, subdivision 6*, 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. Further, the commissioner may, 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.

(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. 5. Minnesota Statutes 1988, section 60A.198, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE FOR OBTAINING LICENSE.] A person licensed as an agent in this state pursuant to other law may obtain a surplus lines license by doing the following:

(a) filing an application in the form and with the information the commissioner may reasonably require to determine the ability of the applicant to act in accordance with sections 60A.195 to 60A.209;

(b) maintaining an agent's license in this state;

(c) delivering to the commissioner a financial guarantee bond from a surety acceptable to the commissioner for the greater of the following:

(1) \$5,000; or

(2) the largest semiannual surplus lines premium tax liability incurred by the applicant in the immediately preceding five years; and

(d) agreeing to file with the commissioner of revenue no later than February 15 and August 15 annually, a sworn statement of the charges for insurance procured or placed and the amounts returned on the insurance canceled under the license for the preceding six-month period ending December 31 and June 30 respectively, and at the time of the filing of this statement, paying the commissioner a tax on premiums equal to three percent of the total written premiums less cancellations; and

(e) annually paying a fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause ~~(H)~~ (I4).

Sec. 6. Minnesota Statutes 1988, section 621.02, subdivision 2, is amended to read:

Subd. 2. [DIRECTOR.] The association shall have a board of directors composed of 11 persons chosen ~~annually~~ as follows: five persons elected by members of the association at a meeting called by the commissioner; three public members, as defined in section 214.02, appointed by the commissioner; and three members, appointed by the commissioner representing groups to whom coverage has been extended by the association. *The terms of the members shall be four years. Terms may be staggered so that no more than six members are appointed or elected every two years. Members may serve until their successors are appointed or elected.* If at any time no coverage is currently extended by the association, then either additional public members may be appointed to fill these three positions or, at the option of the commissioner, representatives from groups who had previously been covered by the association may serve as directors.

Sec. 7. Minnesota Statutes 1988, section 621.16, subdivision 3, is amended to read:

Subd. 3. [SUPERVISION.] All money paid into the fund shall be held in ~~trust escrow~~ by the ~~corporate trustee escrow administrator~~ selected by the board of directors. The ~~corporate trustee escrow administrator~~ may invest the money held in ~~trust escrow~~ subject to the approval of the board. All investment income shall be credited to the fund. All expenses of the administration of the fund shall be charged against the fund. The money held in ~~trust escrow~~ shall be used solely for the purpose of discharging when due any retrospective premium charges payable by policyholders and any retrospective premium refunds payable to policyholders under the group retrospective rating plan. Payment of retrospective premium charges shall be made upon certification of the amount due. If all money accruing to the fund is exhausted in payment of retrospective premium charges, all liability and obligations of the association's policyholders with respect to the payment of retrospective premium charges shall terminate and shall be conclusively presumed to have been discharged. Any stabilization reserve fund charges from a particular policy year not used to pay retrospective premiums must be returned to policyholders after all claims and expense obligations from that particular policy year are satisfied.

Sec. 8. Minnesota Statutes 1988, section 65A.29, subdivision 8, is amended to read:

Subd. 8. [RULES.] (a) The commissioner may adopt rules pursuant to chapter 14, to specify the grounds for nonrenewal, reduction in limits of coverage, or elimination of coverage of a homeowner's policy. The rules must limit the grounds to the following factors:

- (~~a~~) (1) reasons stated for cancellation in section 65A.01, subdivision 3a;
- (~~b~~) (2) reasons stated in section 72A.20, subdivision 13;
- (~~c~~) (3) insured's loss experience, not to include natural causes; and
- (~~d~~) (4) other factors deemed reasonable by the commissioner.

The rules may give consideration to the form and content of the termination notice to the insured, a statement as to what constitutes receipt of

the termination notice, and the procedure by which the insured may appeal a termination notice.

The rules adopted under this subdivision may provide for imposition of a monetary penalty not greater than \$500 per occurrence upon insurers who are found to be in violation of the law or the rules.

(b) In addition to any rules adopted under this subdivision, an insured may appeal any nonrenewal under this section to the commissioner of commerce. If the commissioner finds that the nonrenewal is unjustified, arbitrary, or capricious, the commissioner shall order the insurer to reinstate the insured's policy. The commissioner's order may be appealed pursuant to chapter 14. The insured's policy shall continue in force pending the conclusion of the appeal to the commissioner. The insurer must notify the insured of the insured's right to appeal the nonrenewal to the commissioner in the notice of nonrenewal required under subdivision 7.

Sec. 9. Minnesota Statutes 1988, section 65A.29, is amended by adding a subdivision to read:

Subd. 12. [DEFINITION.] For purposes of this section, "homeowner's insurance" includes mobile home insurance.

Sec. 10. Minnesota Statutes 1988, section 65A.33, subdivision 3, is amended to read:

Subd. 3. "Property or liability insurance" means the coverage against direct loss to real or tangible personal property at a fixed location that is provided in the standard fire policy, extended coverage endorsement, homeowners insurance, as defined in section 65A.27, subdivision 4, cooperative housing insurance, condominium insurance, builders risk, and such vandalism and malicious mischief insurance and such other classes of insurance as may be added to the program with respect to said property by amendment as hereinafter provided. Property or liability insurance does not include automobile, ~~farm~~, commercial liability, or such manufacturing risks as may be excluded by the commissioner.

Sec. 11. Minnesota Statutes 1988, section 65B.15, subdivision 1, is amended to read:

Subdivision 1. No cancellation or reduction in the limits of liability of coverage during the policy period of any policy shall be effective unless notice thereof is given and unless based on one or more reasons stated in the policy which shall be limited to the following:

1. Nonpayment of premium; or
2. The policy was obtained through a material misrepresentation; or
3. Any insured made a false or fraudulent claim or knowingly aided or abetted another in the presentation of such a claim; or
4. The named insured failed to disclose fully motor vehicle accidents and moving traffic violations of the named insured for the preceding 36 months if called for in the written application; or
5. The named insured failed to disclose in the written application any requested information necessary for the acceptance or proper rating of the risk; or
6. The named insured knowingly failed to give any required written notice of loss or notice of lawsuit commenced against the named insured,

or, when requested, refused to cooperate in the investigation of a claim or defense of a lawsuit; or

7. The named insured or any other operator who either resides in the same household, ~~unless the other operator is identified by name in any other policy as an insured~~; or customarily operates an automobile insured under such policy, ~~unless the other operator is identified as a named insured in another policy as an insured~~:

(a) has, within the 36 months prior to the notice of cancellation, had that person's driver's license under suspension or revocation; or

(b) is or becomes subject to epilepsy or heart attacks, and such individual does not produce a written opinion from a physician testifying to that person's medical ability to operate a motor vehicle safely, such opinion to be based upon a reasonable medical probability; or

(c) has an accident record, conviction record (criminal or traffic), physical condition or mental condition, any one or all of which are such that the person's operation of an automobile might endanger the public safety; or

(d) has been convicted, or forfeited bail, during the 24 months immediately preceding the notice of cancellation for criminal negligence in the use or operation of an automobile, or assault arising out of the operation of a motor vehicle, or operating a motor vehicle while in an intoxicated condition or while under the influence of drugs; or leaving the scene of an accident without stopping to report; or making false statements in an application for a driver's license, or theft or unlawful taking of a motor vehicle; or

(e) has been convicted of, or forfeited bail for, one or more violations within the 18 months immediately preceding the notice of cancellation, of any law, ordinance, or rule which justify a revocation of a driver's license.

8. The insured automobile is:

(1) so mechanically defective that its operation might endanger public safety; or

(2) used in carrying passengers for hire or compensation, provided however that the use of an automobile for a car pool shall not be considered use of an automobile for hire or compensation; or

(3) used in the business of transportation of flammables or explosives; or

(4) an authorized emergency vehicle; or

(5) subject to an inspection law and has not been inspected or, if inspected, has failed to qualify within the period specified under such inspection law; or

(6) substantially changed in type or condition during the policy period, increasing the risk substantially, such as conversion to a commercial type vehicle, a dragster, sports car or so as to give clear evidence of a use other than the original use.

Sec. 12. Minnesota Statutes 1988, section 65B.44, subdivision 3, is amended to read:

Subd. 3. [DISABILITY AND INCOME LOSS BENEFITS.] Disability

and income loss benefits shall provide compensation for 85 percent of the injured person's loss of present and future gross income from inability to work proximately caused by the nonfatal injury subject to a maximum of \$250 per week. Loss of income includes the costs incurred by a self-employed person to hire substitute employees to perform tasks which are necessary to maintain the income of the injured person, which are normally performed by the injured person, and which cannot be performed because of the injury.

If the injured person is unemployed at the time of injury and is receiving or is eligible to receive unemployment benefits under chapter 268, but the injured person loses eligibility for those benefits because of inability to work caused by the injury, disability and income loss benefits shall provide compensation for the lost benefits in an amount equal to the unemployment benefits which otherwise would have been payable, subject to a maximum of \$250 per week.

Compensation under this subdivision shall be reduced by any income from substitute work actually performed by the injured person or by income the injured person would have earned in available appropriate substitute work which the injured person was capable of performing but unreasonably failed to undertake.

For the purposes of this section "inability to work" means disability which prevents the injured person from engaging in any substantial gainful occupation or employment on a regular basis, for wage or profit, for which the injured person is or may by training become reasonably qualified. If the injured person returns to employment and is unable by reason of the injury to work continuously, compensation for lost income shall be reduced by the income received while the injured person is actually able to work. The weekly maximums may not be prorated to arrive at a daily maximum, even if the injured person does not incur loss of income for a full week.

For the purposes of this section, an injured person who is "unable by reason of the injury to work continuously" includes, but is not limited to, a person who misses time from work, including reasonable travel time, and loses income, vacation, or sick leave benefits, to obtain medical treatment for an injury arising out of the maintenance or use of a motor vehicle.

Sec. 13. 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, *and pickup trucks and vans as defined under section 168.011* must provide that all of the obligation for damage and loss of use to a rented *private passenger vehicle, including pickup trucks and vans as defined under section 168.011*, 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 *private passenger* rental vehicles, including pickup trucks and vans as defined under section 168.011, 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) 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.

Sec. 14. Minnesota Statutes 1988, section 65B.525, subdivision 1, is amended to read:

Subdivision 1. The supreme court and the several courts of general trial jurisdiction of this state shall by rules of court or other constitutionally allowable device, provide for the mandatory submission to *binding* arbitration of all cases at issue where the claim at the commencement of arbitration is in an amount of \$5,000 or less against any insured's reparation obligor for no-fault benefits or comprehensive or collision damage coverage.

Sec. 15. Minnesota Statutes 1988, section 72A.20, subdivision 17, is amended to read:

Subd. 17. [RETURN OF PREMIUMS.] (a) Refusing, upon surrender of an individual policy of life insurance *in the case of the insured's death, or in the case of a surrender prior to death, of an individual insurance policy not covered by the standard nonforfeiture laws under section 61A.24,* to refund to the ~~estate of the insured~~ owner all unearned premiums paid on the policy covering the insured as of the time of the insured's death if the unearned premium is for a period of more than one month.

~~The insurer may deduct from the premium any previously accrued claim for loss or damage under the policy.~~

~~For the purposes of this section, a premium is unearned during the period of time the insurer has not been exposed to any risk of loss.~~

(b) Refusing, upon termination or cancellation of a policy of automobile insurance under section 65B.14, subdivision 2, or a policy of homeowner's insurance under section 65A.27, subdivision 4, or a policy of accident and sickness insurance under section 62A.01, or a policy of comprehensive health insurance under chapter 62E, to refund to the insured all unearned premiums paid on the policy covering the insured as of the time of the termination or cancellation if the unearned premium is for a period of more than one month.

~~The insurer may deduct from the premium any previously accrued claim for loss or damage under the policy~~

(c) This subdivision does not apply to policies of insurance providing coverage only for motorcycles or other seasonally rated or limited use vehicles where the rate is reduced to reflect seasonal or limited use.

(d) For purposes of this section, a premium is unearned during the period of time the insurer has not been exposed to any risk of loss. Except for premiums for motorcycle coverage or other seasonally rated or limited use vehicles where the rate is reduced to reflect seasonal or limited use, the unearned premium is determined by multiplying the premium by the fraction that results from dividing the period of time from the date of termination to the date the next scheduled premium is due by the period of time for which the premium was paid.

(e) The owner may cancel a policy referred to in this section at any time during the policy period. This provision supersedes any inconsistent provision of law or any inconsistent policy provision.

Sec. 16. Minnesota Statutes 1988, section 72A.20, is amended by adding a subdivision to read:

Subd. 20. No insurance company doing business in this state shall engage in any selection or underwriting practice that is arbitrary, capricious, or unfairly discriminatory.

Sec. 17. Minnesota Statutes 1988, section 72A.20, is amended by adding a subdivision to read:

Subd. 21. [LIMITATIONS ON HEALTH CARE PROVIDERS.] (a) No insurer providing benefits under the Minnesota no-fault automobile insurance act or a plan authorized by sections 471.617 or 471.98 to 471.982 may limit the type of licensed health care provider who may provide treatment for covered conditions under a policy so long as the services provided are within the scope of licensure for the provider. The insurer may not exclude a specific method of treatment for a covered condition if that exclusion has the effect of excluding a specific type of licensed health care provider from treating a covered condition.

(b) This subdivision does not limit the right of an insurer to contract with individual members of any type of licensed health care provider to the exclusion of other members of the group, nor shall it limit the right to the insurer to exclude coverage for a type of treatment if the insurer can show the treatment is not medically necessary or is not medically appropriate.

Sec. 18. Minnesota Statutes 1988, section 72A.20, is amended by adding a subdivision to read:

Subd. 22. [DISCRIMINATION IN AUTOMOBILE INSURANCE POLICIES.] No insurer that offers an automobile insurance policy in this state shall:

(1) use the employment status of the applicant or the failure to maintain no-fault coverage as a result of an overseas assignment or coverage provided by an employer as an underwriting standard or guideline; or

(2) deny coverage to a policyholder for the same reason.

No insurer that offers an automobile insurance policy in this state shall:

(1) use the applicant's status as a tenant, as the term is defined in section 566.18, subdivision 2, as an underwriting standard or guideline; or

(2) deny coverage to a policyholder for the same reason.

Sec. 19. Minnesota Statutes 1988, section 72A.201, subdivision 5, is amended to read:

Subd. 5. [STANDARDS FOR FAIR SETTLEMENT OFFERS AND AGREEMENTS.] The following acts by an insurer, an adjuster, a self-insured, or a self-insurance administrator constitute unfair settlement practices:

(1) making any partial or final payment, settlement, or offer of settlement, which does not include an explanation of what the payment, settlement, or offer of settlement is for;

(2) making an offer to an insured of partial or total settlement of one part of a claim contingent upon agreement to settle another part of the claim;

(3) refusing to pay one or more elements of a claim by an insured for which there is no good faith dispute;

(4) threatening cancellation, rescission, or nonrenewal of a policy as an inducement to settlement of a claim;

(5) *notwithstanding any inconsistent provision of section 65A.01, subdivision 3, failing to issue payment for any amount finally agreed upon in settlement of all or part of any claim within five business days from the receipt of the agreement by the insurer or from the date of the performance by the claimant of any conditions set by such agreement, whichever is later;*

(6) *failing to inform the insured of the policy provision or provisions under which payment is made;*

(7) *settling or attempting to settle a claim or part of a claim with an insured under actual cash value provisions for less than the value of the property immediately preceding the loss, including all applicable taxes and license fees. In no case may an insurer be required to pay an amount greater than the amount of insurance;*

(8) *except where limited by policy provisions, settling or offering to settle a claim or part of a claim with an insured under replacement value provisions for less than the sum necessary to replace the damaged item with one of like kind and quality, including all applicable taxes, license, and transfer fees;*

(9) *reducing or attempting to reduce for depreciation any settlement or any offer of settlement for items not adversely affected by age, use, or obsolescence;*

(10) *reducing or attempting to reduce for betterment any settlement or any offer of settlement unless the resale value of the item has increased over the preloss value by the repair of the damage.*

Sec. 20. Minnesota Statutes 1988, section 72A.201, is amended by adding a subdivision to read:

Subd. 11. [DISCLOSURE MANDATORY.] An insurer must disclose the coverage and limits of an insurance policy within 30 days after the information is requested in writing by a claimant.

Sec. 21. Minnesota Statutes 1988, section 72A.201, is amended by adding a subdivision to read:

Subd. 12. [PREJUDGMENT INTEREST.] If a judgment is entered against an insured, the principal amount of which is within the applicable policy limits, the insurer is responsible for their insured's share of the costs, disbursements, and prejudgment interest, as determined under section 549.09, included in the judgment even if the total amount of the judgment is in excess of the applicable policy limits.

Sec. 22. Minnesota Statutes 1988, section 79.251, is amended by adding a subdivision to read:

Subd. 6. [AGENTS.] A person licensed under section 60A.17 may submit an application for coverage to the assigned risk plan and receive a fee from the assigned risk plan for submitting the application. However, the licensee is not an agent of the assigned risk plan for purposes of state law. All checks or similar instruments submitted in payment of assigned risk plan premiums must be made payable to the assigned risk plan and not the agent.

Sec. 23. [REPEALER.]

(a) Minnesota Statutes 1988, section 621.12, is repealed.

(b) Minnesota Rules, part 2780.2700, is repealed.

Sec. 24. [EFFECTIVE DATES.]

Sections 1, 4 to 8, 10 to 12, and 14 to 23 are effective the day following final enactment.

Sections 2, 3, 9, and 13 are effective for policies issued or renewed on or after August 1, 1989."

Amend the title as follows:

Page 1, line 8, after "60A.08," insert "subdivision 12, and"

Page 1, line 12, delete "subdivisions" and insert "a subdivision"

Page 1, line 13, after "3;" insert "65B.49, subdivision 5a;"

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. 371 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.
371	605				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 371 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 371 and insert the language after the enacting clause of S.F. No. 605, the first engrossment; further, delete the title of H.F. No. 371 and insert the title of S.F. No. 605, the first engrossment.

And when so amended H.F. No. 371 will be identical to S.F. No. 605, and further recommends that H.F. No. 371 be given its second reading and substituted for S.F. No. 605, 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 the following appointment as reported in the Journal for January 12, 1989:

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Andrea Schmidt

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. Pehler from the Committee on Education, to which was referred the following appointment as reported in the Journal for January 23, 1989:

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Carol A. Blomberg

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. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for February 9, 1989:

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Andy Hilger

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Steve Senich

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

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

Mr. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for February 20, 1989:

STATE BOARD OF EDUCATION

Thomas Lindquist
Douglas Wallace

STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION

Patricia Allinder
Donna Anderson
Alan Olson

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

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

Mr. Pehler from the Committee on Education, to which was referred the following appointment as reported in the Journal for March 2, 1989:

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Peter X. Fugina

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. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for March 13, 1989:

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Earl Herring
Kathryn Jarvinen

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

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

Mr. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for March 28, 1989:

STATE UNIVERSITY BOARD

Julie Bleyhl
Erin McCabe
Rodney Searle

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

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

Mr. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for April 10, 1989:

**BOARD OF THE MINNESOTA SCHOOL
AND RESOURCE CENTER FOR THE ARTS**

Audrey Eickhof
H. Ted Grindal
Owen Husney
Mary Ingebrand-Pohlad
William Richards

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

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

Mr. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for April 18, 1989:

STATE BOARD FOR COMMUNITY COLLEGES

Patricia Goldman
Cindy (Cynthia R.) Hanson
B. Elaine Markey

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. 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 ENVIRONMENTAL QUALITY BOARD

Martha C. Brand

MINNESOTA POLLUTION CONTROL AGENCY

Van R. Ellig

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. Lessard from the Committee on Environment and Natural Resources, to which was referred the following appointment as reported in the Journal for February 9, 1989:

**BOARD OF WATER AND SOIL RESOURCES
CHAIR**

Donald Ogaard

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. Lessard from the Committee on Environment and Natural Resources, to which were referred the following appointments as reported in the Journal for February 23, 1989:

MINNESOTA POLLUTION CONTROL AGENCY

William Bryson
Daniel D. Foley, M.D.

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. No. 1418 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1502, 1283 and 371 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. introduced—

Senate Concurrent Resolution No. 8: A Senate concurrent resolution adopting permanent joint rules of the Senate and House of Representatives.

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

The Permanent Joint Rules of the Senate and House of Representatives for the 76th Legislature shall read as follows:

**JOINT RULES OF THE SENATE AND
HOUSE OF REPRESENTATIVES**

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ARTICLE I: JOINT CONVENTIONS

HOW GOVERNED

Rule 1.01. The Speaker of the House shall preside at all Conventions of the two houses of the Legislature and shall call the members to order. The Chief Clerk of the House shall be the Secretary and the Sergeant at Arms of the House shall be the Sergeant at Arms of the Convention.

PRESIDENT'S DUTIES

Rule 1.02. The President of the Convention shall preserve order and decorum. He may speak on all points of order in preference to other members and shall decide questions of order, subject to an appeal to the Convention by any member. He shall rise to put a question but may state it while seated.

PRESIDENT'S RIGHT TO VOTE

Rule 1.03. The President shall have the right to vote in all cases except appeals from his decisions. He shall vote last on all questions.

STATING QUESTIONS

Rule 1.04. Questions shall be put to the Convention in the following form: "As many as are of the opinion that (the question) shall pass, say 'Aye.'" After an affirmative vote is expressed the nays shall be called as follows: "As many as are of the contrary opinion, say 'No.'" If the President is in doubt or a division is called, those in the affirmative shall rise first and those in the negative afterward.

ORDER OF DEBATE

Rule 1.05. When any member wishes to speak to the Convention on any matter, he shall rise and respectfully address the President, and not speak further until recognized. He shall confine himself to the question under debate and avoid personal remarks. When two or more members rise at the same time, the President shall designate the member to speak first. No member shall speak more than twice on the same question without permission of the Convention.

CALLING MEMBER TO ORDER

Rule 1.06. If any member of the Joint Convention is called to order for offensive words in debate, the member calling him to order shall report the words to which exception is taken and the Secretary shall record them. No member may be called to order for any language used in debate if exception is not taken before any other member has spoken or any other business has taken place. A member called to order shall immediately sit down unless another member moves to permit him to explain. In any case, the Joint Convention, if appealed to, shall decide without debate. Only if the decision is in favor of the member called to order shall he be at liberty to proceed.

CALL OF THE CONVENTION

Rule 1.07. Five members may demand a call of the Convention at any time except after voting has commenced. When such a call is demanded, the doors shall be closed, the roll shall be called, the absent members shall be sent for, and no member may be permitted to leave the Chamber, unless excused by the President, until the call is lifted. Proceedings under the roll call may be suspended by a majority vote of all the members of the Convention. A call of the Convention may be lifted by a majority vote of all the members of the Convention.

ELECTIONS

Rule 1.08. In all elections by the Joint Convention, members shall vote viva voce and the roll of Senate members shall be called first. Whenever there is an election of any officer in Joint Convention, the result shall be certified by the President of the Senate and the Speaker of the House and announced by them to their respective houses. The result shall be entered on the Journal of each house and communicated to the Governor by the Secretary of the Convention.

NO SMOKING

Rule 1.09. No person is permitted to smoke in the Chamber or in the gallery during a Joint Convention.

PARLIAMENTARY PROCEDURE

Rule 1.10. The rules of the House shall be the Rules of the Joint Convention of both houses in all cases in which the foregoing rules are not applicable.

ARTICLE II: BILLS

FORM

Rule 2.01. The title of each bill shall clearly state its subject and briefly state its purpose. When a bill amends or repeals an existing act, the title shall refer to the chapter, section or subdivision.

Reference shall be made to Minnesota Statutes for the provisions appearing therein unless reference to previous session laws is required for some special reason.

Bills shall refer to Minnesota Statutes as follows:

“Minnesota Statutes , section ”

Bills shall refer to the session laws as follows:

“Laws , chapter , section ”

A bill for the amendment of a statute shall contain the full text of the section or subdivision to be amended as it appears in the latest edition of Minnesota Statutes unless it has been amended, in which event it shall contain the full text as amended.

The words and characters constituting the amending matter shall be inserted in the proper place in the text and underscored. The words and characters to be eliminated by the amendment shall be stricken by drawing a line through

them. The text of a new section or subdivision shall also be underscored when a bill amends an existing chapter or section by adding a new section or subdivision. In the omnibus appropriation bills required by Joint Rule 2.02, sections making an appropriation or transfer and not amending a statute or session law need not have new material underscored. Before a committee favorably reports upon a bill, the chairman of the committee shall see that the bill conforms to this rule. When a bill is printed in the Journal, the new matter shall be in italics or underscored and the matter to be eliminated shall be capitalized and in parentheses or stricken by drawing a line through it. A bill drafted by the Revisor of Statutes for the purposes of correcting errors in Minnesota Statutes need not comply with the provisions of this paragraph if the bill is labeled "REVISOR'S BILL" immediately below the title, and if there is attached thereto a memorandum of information explaining the reasons for the bill.

If the bill is for an original law and not for an amendment of an existing law, the sections and subdivisions shall be arranged, subdivided, and numbered in like manner as Minnesota Statutes. If such a bill assigns to the sections thereof headnotes or identification by the decimal system of numbering used in Minnesota Statutes, such headnotes and decimal identification may be submitted by standing committee chairmen to the Revisor of Statutes for examination. Any such headnotes shall be capital letters enclosed in brackets, and shall be subject to the provisions of Minnesota Statutes, section 648.36.

All numbers in titles shall be expressed in figures. All numbers of section or chapter of law shall be in figures. In the body of a bill numbers in excess of ten shall be in figures, except for a special reason they may be written, but when written they shall not be followed by numbers or parentheses.

APPROPRIATING MONEY

Rule 2.02. The same bill shall not appropriate public money or property to more than one local or private purpose.

No clause appropriating money for a local or private purpose shall be contained in a bill appropriating money for the State government or public institutions. All resolutions authorizing the issuing of abstracts by the Secretary of the Senate or the Chief Clerk of the House for the payment of money shall be upon the call of "yeas" and "nays."

In odd-numbered years, at least twenty calendar days prior to the last day the Legislature can meet in regular session [Tuesday, May 2, 1989], the Committee on Finance of the Senate and the Committee on Appropriations of the House shall report to their respective houses, unless directed by concurrent resolution to report different appropriation bills, ~~eight~~ *five* separate appropriation bills as follows:

(a) A bill appropriating money for the general administrative and judicial expenses of the State government for the succeeding two fiscal years including salaries, office expenses and supplies and other necessary expenses connected therewith;

(b) A bill covering all appropriations relating to public welfare, health and corrections for the support and maintenance of all State penal and charitable institutions, and other institutions of the State except educational for the two succeeding fiscal years;

(c) A bill appropriating money for the support and maintenance of all State educational institutions for the two succeeding fiscal years;

(d) A bill covering all appropriations providing for the payment of claims against the State of Minnesota which may have been allowed by the Finance Committee of the Senate or the Appropriations Committee of the House;

(e) A bill covering all appropriations made for *transportation and* semi-state activities;

~~(f) A bill covering all appropriations for construction and major rehabilitation of public buildings to be financed by issuance of bonds;~~

~~(g) A bill covering all appropriations for maintenance, repair, and minor rehabilitation and construction of public buildings; and~~

~~(h) A bill covering appropriations for the department of transportation.~~

No other appropriations shall be contained in any of said bills but all other appropriations shall be contained in separate bills.

DEADLINES

Rule 2.03. (a) In odd-numbered years, committee reports on bills favorably acted upon by a committee in the house of origin after ~~April 10, 1987~~ *April 14, 1989*, and committee reports on bills originating in the other house favorably acted upon by a committee after ~~April 28, 1987~~ *April 26, 1989*, shall be referred in the Senate to the Committee on Rules and Administration, and in the House of Representatives to the Committee on Rules and Legislative Administration for disposition. Referral is not required when a committee after the earlier date and by the later date set by this paragraph acts on a bill that is a companion to a bill that has met the earlier deadline in the other house. This rule does not apply to the Senate Committees on Finance and on Taxes and Tax Laws, and the House Committees on Appropriations and on Taxes.

Conference committees on the major appropriation bills specified in Joint Rule 2.02 shall have their reports on the members' desks by the last Thursday on which the Legislature can meet in regular session [May 18, 1989]. After the last Friday on which the Legislature can meet in regular session [May 19, 1989], neither house shall act on bills other than those contained in:

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

(b) In even-numbered years the Legislature shall establish by concurrent resolution deadlines based on the date intended to be the date of adjournment sine die.

AMENDING BILLS ORIGINATING IN OTHER HOUSE

Rule 2.04. Either house shall have the power to amend any bill, memorial, or resolution passed by the other house.

RECEDING FROM POSITION

Rule 2.05. Prior to a Conference Committee on any matter, either house may recede from its position on any difference existing between the two houses. In order to recede, and if the matter is not in the possession of a house, that house shall request return of the matter from the other house. To recede, a majority of a house shall govern, except in cases otherwise provided in the Constitution. If the question is put and lost, it shall not be put again on the same day. A reconsideration of the question shall in all respects be regulated by the rules of that house.

CONFERENCE COMMITTEES

Rule 2.06. In all cases of disagreement between the Senate and House on amendments adopted by either house to a bill, memorial or resolution passed by the other house, a Conference Committee consisting of not less than three members nor more than five members from each house may be requested by either house. The other house shall appoint a similar committee.

The manner of procedure shall be as follows: The house of origin passes a bill and transmits it to the other body. If the other body adopts an amendment to the bill and passes it as amended, it shall return the bill with a record of its actions to the house of origin. If the house of origin refuses to concur in the amendment, it shall ask for a Conference Committee, appoint such a committee on its part, and transmit the bill with a record of its action to the other house. If the other house adheres to its amendment, it shall appoint a like committee and return the bill to the house of origin.

All Conference Committees shall be open to the public. Meetings of Conference Committees shall be announced as far in advance as practical. At an agreed upon hour the Conference Committee shall meet. The members from each house shall state to the members from the other house, orally or in writing, the reason for their respective positions. The members shall confer thereon and shall report to their respective houses the agreement they have reached, or, if none, the fact of a disagreement. No report of a Conference Committee may be made to either house unless it reports action taken at an open meeting of the Conference Committee. A report in violation of this rule is out of order.

If an agreement is reported, the house of origin shall act first upon the report. A Conference Committee report must be limited to provisions that are germane to the bill and amendment that were referred to the Conference Committee. A provision is not germane if it relates to a substantially different subject or is intended to accomplish a substantially different purpose from that of the bill and amendment that were referred to the Conference Committee. If the report is adopted and repassed as amended by the Conference Committee by the house of origin, the report, the bill and a record of its action shall be transmitted to the other house.

~~All Conference Committees shall be open to the public. Meetings of Conference Committees shall be announced as far in advance as practical.~~

Except after the last Thursday on which the Legislature can meet in regular session in odd-numbered years [May 18, 1989], and after the last Thursday on which the Legislature intended, when it adopted the concurrent resolution required by Rule 2.03, paragraph (b), to meet in regular session

in even-numbered years, a written copy of a report of a Conference Committee shall be placed on the desk of each member of a house twelve hours before action on the report by that house. If the report has been reprinted in the Journal of either house for a preceding day and is available to the members, the Journal copy shall serve as the written report. The member presenting the Conference Committee report to the body shall disclose, either in writing or orally, the substantial changes from the bill or the amendment as they were last before the body.

ENROLLMENT AND SIGNATURE

Rule 2.07. After a bill or memorial has been passed by both houses, it shall be carefully and properly enrolled by the Revisor of Statutes under the direction of the Secretary of the Senate for a matter originating in the Senate or the Chief Clerk of the House for a matter originating in the House. The Revisor of Statutes shall obtain the signatures and certificates of the proper officers to the enrolled copy of the bill or memorial and present it to the Governor for his approval.

A bill or memorial may be prepared for presentation to the Governor on good quality paper approximately 8 1/2" x 14" in size and may be produced by means of a copying machine. An enrolled bill shall be labeled "An Act" and it shall be identical to the bill passed by the Legislature. An enrolled bill which is amendatory of any existing law or constitutional provision shall indicate deletions and additions in the manner provided in Rule 2.01 for printed bills.

ARTICLE III: GENERAL PROVISIONS

SUSPENSION OF JOINT RULES

Rule 3.01. Either house may suspend the Joint Rules of the Senate and House by a vote of two-thirds of its members.

ODD YEAR SESSION ADJOURNMENT

Rule 3.02. Adjournment of the regular session in any odd-numbered year to a date certain in the following year shall be equivalent to daily adjournment, except that upon adjournment in any odd-numbered year to a date certain in the following year:

(a) Any bill being considered by a Conference Committee shall be returned to the house of origin, laid on the table, and the Conference Committee shall be discharged;

(b) Any bill referred to the Committee on Rules and Administration in the Senate or the Committee on Rules and Legislative Administration in the House pursuant to Joint Rule 2.03 shall be returned to the standing committee to which it was last previously referred; and

(c) Any bill returned by the Governor to the house of origin with his objections following such adjournment shall be laid on the table.

INTERIM COMMITTEE AND COMMISSION REPORTS

Rule 3.03. Except as otherwise provided by law, the report of any interim committee or commission to the Legislature shall be submitted on paper 8 1/2" x 11" in size, spiral bound, stapled, or punched on the left edge to

fit a standard size three ring binder intended for that size paper. A brief summary of the recommendations of the commission or committee shall appear first and be clearly separated from its findings, discussions, and exhibits. If the report contains legislative recommendations, a copy of any proposed legislation, particularly if extensive in character, shall if possible be attached as an exhibit at the end of the report.

ARTICLE IV: ELECTION OF REGENTS

JOINT COMMITTEE

Rule 4.01. By April 30 of each odd-numbered year, a joint committee shall meet to recommend nominees for regent of the University of Minnesota to be presented to a Joint Convention of the legislature. The members of the joint committee are the members of the senate and house committees on education and the members of the education division of the senate committee on finance and the education division of the house committee on appropriations. A majority of the members of the committee from each house is a quorum of the joint committee.

The joint committee shall determine the number of persons, and the person or persons to be recommended for each open seat.

Each person recommended by the regent candidate advisory council is considered to be nominated. Other persons may be nominated by a member of the committee at the meeting. Nominations may be made by committee members only. Nominations must be made for a specified congressional or student seat, or for any at-large seat.

Voting must be by public ballot. Each member has one vote for each recommendation to be made. A majority vote of the members of the committee from each house is required for a candidate to be recommended.

JOINT CONVENTION

Rule 4.02. At the Joint Convention of the senate and house of representatives called to elect regents, the joint committee shall report the name of the person or persons recommended for each seat. These persons are considered to be nominated. Any member of the legislature may submit additional nominations. If there is more than one at-large seat to be filled, all candidates for an at-large seat run for any of the at-large seats.

The roll shall be called viva voce on the election of regents. The roll must be called first on congressional district seats until they are filled, then on the student seat, and then on the at-large seats. The candidate for each seat receiving a majority of the votes cast must be declared elected. If no candidate receives a majority of the votes cast for a seat, on each succeeding ballot the candidate with the fewest votes must be dropped from consideration and the votes cast again until a majority vote is achieved. Any candidate with fewer than 20 votes on any ballot shall also be dropped on succeeding ballots.

Mr. Luther moved to amend Senate Concurrent Resolution No. 8 as follows:

Page 6, line 17, after "for" insert "agriculture," and after "transportation" insert a comma and strike the semicolon

Page 6, line 25, reinstate the stricken period

Page 8, lines 20 and 21, delete the new language and insert "*As much as practical, meetings of Conference Committees shall be announced as far in advance as possible and actions taken shall be agreed upon in an open meeting.*"

Page 8, lines 27 to 30, delete the new language

Page 11, delete lines 19 to 22 and insert:

"The roll shall be called viva voce on the recommendation of regents. A majority vote of the members of the joint committee is required for a candidate to be recommended."

Mr. Laidig requested division of the amendment as follows:

First portion:

Page 11, delete lines 19 to 22 and insert:

"The roll shall be called viva voce on the recommendation of regents. A majority vote of the members of the joint committee is required for a candidate to be recommended."

Second portion:

Page 6, line 17, after "for" insert "*agriculture,*" and after "*transportation*" insert a comma and strike the semicolon

Page 6, line 25, reinstate the stricken period

Page 8, lines 20 and 21, delete the new language and insert "*As much as practical, meetings of Conference Committees shall be announced as far in advance as possible and actions taken shall be agreed upon in an open meeting.*"

Page 8, lines 27 to 30, delete the new language

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.

RECONSIDERATION

Having voted on the prevailing side, Mr. Moe, R.D. moved that the vote whereby the first portion of the Luther amendment to Senate Concurrent Resolution No. 8 was not adopted be now reconsidered. The motion prevailed.

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.

Mr. Moe, R.D. moved to amend the second portion of the Luther amendment as follows:

Page 8, line 33, strike "amendment" and insert "*amendments*"

The motion prevailed. So the amendment to the second portion of the Luther amendment was adopted.

The question was taken on the adoption of the second portion of the Luther amendment, as amended.

The motion prevailed. So the second portion of the Luther amendment, as amended, was adopted.

Mr. Pehler moved to amend Senate Concurrent Resolution No. 8 as follows:

Page 11, line 2, delete "April 30" and insert "May 7"

The motion prevailed. So the amendment was adopted.

Mr. Bernhagen moved to amend Senate Concurrent Resolution No. 8 as follows:

Page 10, after line 36, insert:

"CONGRESSIONAL DISTRICT SEATS

Rule 4.01. The chairs of the joint committee provided for in Rule 4.02 shall notify in a timely manner all members who represent any part of a congressional district in which there is a vacancy in the position of regent of the University of Minnesota. The congressional district delegation shall meet in a timely manner, select from among its delegation a chair and a secretary, and adopt a nominating and voting procedure.

Each delegation shall interview all candidates from their congressional district forwarded to the delegation by the regent candidate advisory council. The delegation of each congressional district in which there is a regent vacancy shall recommend a single nominee for their congressional district and submit that recommendation to the joint committee provided for in Rule 4.02. The recommendation of each congressional district delegation must be submitted to the joint committee no later than a date determined by the joint committee. The joint committee must notify each congressional district delegation of that date in a timely manner."

Page 11, line 14, after "council" insert "or a congressional district delegation"

Renumber the rules in sequence

Amend the table of contents as follows:

Page 1, after line 34, insert:

"4.01 Congressional District Seats"

Page 1, line 35, delete "4.01" and insert "4.02"

Page 1, line 36, delete "4.02" and insert "4.03"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	Olson	Storm
Belanger	Decker	Knaak	Pariseau	Taylor
Benson	Frederick	McGowan	Ramstad	
Berg	Frederickson, D.R.	McQuaid	Reichgott	
Bernhagen	Gustafson	Mehrkens	Renneke	

Those who voted in the negative were:

Adkins	Davis	Laidig	Moe, D.M.	Spear
Beckman	DeCramer	Langseth	Moe, R.D.	Stumpf
Berglin	Dicklich	Lantry	Morse	Vickerman
Bertram	Diessner	Lessard	Pehler	Waldorf
Brandl	Frederickson, D.J.	Luther	Peterson, D.C.	
Chmielewski	Freeman	Marty	Peterson, R.W.	
Cohen	Johnson, D.J.	Merriam	Piper	
Dahl	Kroening	Metzen	Schmitz	

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

Mr. Benson moved to amend Senate Concurrent Resolution No. 8 as follows:

Page 1, after line 33, insert:

“3.04 Caucus Fund-raisers”

Page 10, after line 35, insert:

“CAUCUS FUND-RAISERS

Rule 3.04. *No caucus of members of the Senate or House of Representatives may conduct a political fund-raiser after the deadline established in Rule 2.03 for bills originating in the other house.*”

The question was taken on the adoption of the amendment.

Mr. Berg moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 28 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Knaak	Mehrkens	Ramstad
Benson	Decker	Laidig	Merriam	Renneke
Berg	Frederick	Lantry	Moe, D.M.	Storm
Bernhagen	Frederickson, D.R.	Marty	Olson	Taylor
Brandl	Gustafson	McGowan	Pariseau	
Brataas	Johnson, D.E.	McQuaid	Peterson, R.W.	

Those who voted in the negative were:

Adkins	Davis	Kroening	Morse	Schmitz
Beckman	DeCramer	Langseth	Pehler	Solon
Berglin	Dicklich	Lessard	Peterson, D.C.	Stumpf
Bertram	Diessner	Luther	Piper	Vickerman
Chmielewski	Frederickson, D.J.	Metzen	Reichgott	Waldorf
Cohen	Johnson, D.J.	Moe, R.D.	Samuelson	

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

Mr. Laidig moved to amend Senate Concurrent Resolution No. 8 as follows:

Page 8, line 27, after the period, insert “*No report of a Conference Committee may be made to either house unless it reports action taken at an open meeting of the Conference Committee. A report in violation of this rule is out of order.*”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Johnson, D.E.	Mehrkens	Renneke
Belanger	Decker	Knaak	Metzen	Storm
Benson	Frederick	Laidig	Olson	Taylor
Bernhagen	Frederickson, D.R.	McGowan	Pariseau	
Brataas	Gustafson	McQuaid	Ramstad	

Those who voted in the negative were:

Adkins	Davis	Kroening	Morse	Schmitz
Beckman	DeCramer	Lantry	Pehler	Solon
Berglin	Dicklich	Lessard	Peterson, D.C.	Spear
Bertram	Diessner	Luther	Peterson, R.W.	Stumpf
Brandl	Frederickson, D.J.	Merriam	Piper	Vickerman
Chmielewski	Freeman	Moe, D.M.	Reichgott	Waldorf
Cohen	Johnson, D.J.	Moe, R.D.	Samuelson	

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

Mr. Moe, R.D. moved the adoption of Senate Concurrent Resolution No. 8, as amended.

The question was taken on the adoption of the foregoing resolution, as amended.

The roll was called, and there were yeas 41 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Lantry	Morse	Solon
Beckman	Dicklich	Lessard	Pariseau	Spear
Berg	Diessner	Luther	Pehler	Stumpf
Berglin	Frederickson, D.J.	Marty	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	McQuaid	Peterson, R.W.	Waldorf
Chmielewski	Freeman	Merriam	Piper	
Cohen	Johnson, D.J.	Metzen	Reichgott	
Dahl	Kroening	Moe, D.M.	Samuelson	
Davis	Langseth	Moe, R.D.	Schmitz	

Those who voted in the negative were:

Anderson	Brataas	Johnson, D.E.	Mehrkens	Taylor
Belanger	Decker	Knaak	Ramstad	
Benson	Frederick	Laidig	Renneke	
Bernhagen	Gustafson	McGowan	Storm	

The motion prevailed. So the resolution, as amended, 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:

S.F. No. 104: Messrs. Beckman, Berg and Vickerman.

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.

Ms. Berglin introduced—

S.F. No. 1601: A bill for an act relating to health; regulating mandated health care benefits; requiring referral and review by the commissioner; establishing review criteria; proposing coding for new law as Minnesota Statutes, chapter 62J.

Referred to the Committee on Health and Human Services.

Messrs. Morse, Berg, Davis and Stumpf introduced—

S.F. No. 1602: A bill for an act relating to game and fish; providing experimental deer management in certain areas; requiring a study and report of the deer management program.

Referred to the Committee on Environment and Natural Resources.

Mr. Beckman introduced—

S.F. No. 1603: 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. Renneke; Mehrkens; Frederickson, D.R.; Bernhagen and Anderson introduced—

S.F. No. 1604: A bill for an act relating to education; providing equity in revenue for all school districts; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Mr. Mehrkens, Ms. Olson, Mrs. McQuaid, Messrs. Knutson and Belanger introduced—

S.F. No. 1605: A bill for an act relating to education; proposing a commission on school funding alternatives; appropriating money.

Referred to the Committee on Education.

Mr. Marty and Ms. Piper introduced—

S.F. No. 1606: A bill for an act relating to ethics in government; prescribing standards of conduct for state and local officials; expanding the financial disclosure requirements for state officials; imposing disclosure requirements on local officials; changing the reporting requirements for lobbyists; amending Minnesota Statutes 1988, sections 10A.01, subdivision 11, and by adding subdivisions; 10A.02, subdivisions 1, 3, and by adding subdivisions; 10A.04, subdivisions 4 and 5; 10A.06; 10A.07; and 10A.09, subdivisions 1, 2, 5, 7, and by adding subdivisions; proposing

coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1988, section 10A.02, subdivisions 11, 11a, and 12.

Referred to the Committee on Elections and Ethics.

Ms. Peterson, D.C. introduced—

S.F. No. 1607: A bill for an act relating to commerce; granting motor fuel retailers the option to purchase from wholesalers other than the refiner; proposing coding for new law in Minnesota Statutes, chapter 80C.

Referred to the Committee on Commerce.

Mr. Samuelson introduced—

S.F. No. 1608: A bill for an act relating to retirement; teachers retirement association; setting age 62 as the normal retirement age; providing for actuarial reductions for early retirement; changing the retirement formula and adopting a rule of 90; amending Minnesota Statutes 1988, sections 354.44, subdivisions 6 and 7; 354.46, subdivision 1; 354.48, subdivisions 3 and 10; 354.49, subdivision 3; and 354.55, subdivision 11.

Referred to the Committee on Governmental Operations.

MEMBERS EXCUSED

Mr. Frank was excused from the Session of today. Mr. Larson was excused from the Session of today at 10:00 a.m. Mr. Knaak was excused from the Session of today from 9:15 a.m. to 12:00 noon. Ms. Reichgott was excused from the Session of today from 8:00 to 10:40 a.m. Ms. Peterson, D.C. was excused from the Session of today from 8:00 to 10:00 a.m. Mr. Purfeerst was excused from the Session of today at 11:30 a.m. Messrs. Novak, Stumpf, Pogemiller and Johnson, D.J. were excused from the Session of today from 10:00 to 11:00 a.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:00 a.m., Friday, April 28, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-FIRST DAY

St. Paul, Minnesota, Friday, April 28, 1989

The Senate met at 8:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

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

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

Adkins	Dahl	Johnson, D.J.	Metzen	Reichgott
Anderson	Davis	Knaak	Moe, D.M.	Renneke
Beckman	Decker	Kroening	Moe, R.D.	Samuelson
Belanger	DeCramer	Laidig	Morse	Schmitz
Benson	Dicklich	Langseth	Novak	Solon
Berg	Diessner	Lantry	Olson	Spear
Berglin	Frederick	Lessard	Pariseau	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	Mehrkens	Purfeerst	
Cohen	Johnson, D.E.	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.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

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
	1586	41	1635 hours April 21	April 21

Sincerely,
Joan Anderson Growe
Secretary of State

April 19, 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. 916 and 156.

Sincerely,
Rudy Perpich, Governor

April 20, 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
916		42	2055 hours April 19	April 19
	321	43	2058 hours April 19	April 19
156		44	2057 hours April 19	April 19

Sincerely,
Joan Anderson Growe
Secretary of State

April 24, 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. 115, 192, 358, 560 and 681.

Sincerely,
Rudy Perpich, Governor

April 25, 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. 1051.

Sincerely,
Rudy Perpich, Governor

April 25, 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. 271, 332, 478 and 1080.

Sincerely,
Rudy Perpich, Governor

April 25, 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 Filed 1989
			Date Approved 1989	
681		47	2131 hours April 24	April 25
358		49	2143 hours April 24	April 25
192		50	2145 hours April 24	April 25
560		52	2147 hours April 24	April 25
115		53	2149 hours April 24	April 25

Sincerely,
Joan Anderson Growe
Secretary of State

April 26, 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
1051		Res. No. 3		April 25
271		45	1656 hours April 25	April 25
332		46	1654 hours April 25	April 25
1080		48	1658 hours April 25	April 25
478		51	1659 hours April 25	April 25

Sincerely,
Joan Anderson Growe
Secretary of State

April 26, 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. 294 and 361.

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. 123 and 671.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 27, 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. 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.

Senate File No. 206 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 27, 1989

Mr. Belanger moved that S.F. No. 206 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. 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.

Senate File No. 695 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 27, 1989

Mr. Moe, R.D. moved that S.F. No. 695 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. 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.

Senate File No. 827 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 27, 1989

Mr. Cohen moved that S.F. No. 827 be laid on the table. 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. 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.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 27, 1989

Mr. President:

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

Senate Concurrent Resolution No. 8: A Senate concurrent resolution adopting permanent joint rules of the Senate and House of Representatives.

Senate Concurrent Resolution No. 8 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 27, 1989

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 8 be laid on the table. The motion prevailed.

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. 2: A House concurrent resolution providing for a joint convention of the Senate and the House of Representatives to elect members of the Board of Regents of the University of Minnesota.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 27, 1989

House Concurrent Resolution No. 2: A House concurrent resolution providing for a joint convention of the Senate and the House of Representatives to elect members of the Board of Regents of the University of Minnesota.

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

The House of Representatives and the Senate shall meet in joint convention on Wednesday, May 3, 1989, at 12 o'clock, noon in the chamber of the House of Representatives to elect members to the Board of Regents of the University of Minnesota.

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

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. 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.

There has been appointed as such committee on the part of the House: Winter, Steensma and Dille.

Senate File No. 104 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 27, 1989

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 46:

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.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Anderson, G.; Anderson, R.; Carlson, L.; Dorn and Krueger have been appointed as such committee on the part of the House.

House File No. 46 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 27, 1989

Mr. Merriam moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 46, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees

on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 647, 949, 909, 1581, 1574, 729, 1131, 1506, 333, 700 and 1150.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 27, 1989

FIRST READING OF HOUSE BILLS

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

H.F. No. 647: 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 155, now on General Orders.

H.F. No. 949: A bill for an act relating to traffic safety; increasing penalties for persons convicted of DWI after a previous conviction for criminal vehicular operation or for another impaired driving crime; amending Minnesota Statutes 1988, section 169.121, subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 735, now on the Calendar.

H.F. No. 909: 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 Rules and Administration for comparison with S.F. No. 839, now on General Orders.

H.F. No. 1581: 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 Rules and Administration for comparison with S.F. No. 1376, now on General Orders.

H.F. No. 1574: 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 four years; eliminating procedures 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.111, subdivision 3; 302A.161, subdivision 17; 302A.241, subdivision 1; 302A.251, subdivision 2; 302A.435, subdivision 1; 302A.671, subdivision 1; and 302A.673, subdivisions 1 and 3; repealing Minnesota Statutes 1988, section 302A.243.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 190, now on General Orders.

H.F. No. 729: A bill for an act relating to marriage dissolution; 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 ongoing 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; amending Minnesota Statutes 1988, sections 257.022, by adding a subdivision; 518.17, subdivision 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 573, now on General Orders.

H.F. No. 1131: A bill for an act relating to Olmsted county; authorizing certain appropriations for economic and agricultural development.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 941, now on General Orders.

H.F. No. 1506: 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 82A.02, by adding a subdivision; 82A.04, subdivision 2; 82A.13, subdivision 2; 83.20, by adding a subdivision; and 83.30, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1359, now on General Orders.

H.F. No. 333: A bill for an act relating to recreational vehicles; regulating all-terrain vehicles; setting fees; revising liability provisions regarding county administered lands, recreational areas and the Minnesota zoological garden; 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; 169.02, subdivision 1; and 171.03; repealing Minnesota Statutes 1988, sections 84.922, subdivision 8; 84.925, subdivision 2; 84.928, subdivision 7; and 466.03, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 124.

H.F. No. 700: A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability, age, political affiliation, membership or lack of membership in a labor union, 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 Rules and Administration for comparison with S.F. No. 412, now on General Orders.

H.F. No. 1150: 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; regulating classification of and access to certain data and meetings; 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 13.02, subdivision 9; 13.10, subdivision 1; 13.32, subdivisions 3 and 5; 13.41, by adding a subdivision; 13.46, subdivision 8; 13.64; 13.82, subdivisions 8 and 10; 16A.055, subdivision 1; 144.581, by adding a subdivision; 245.94, subdivision 1; 260.161, subdivision 3; and 340A.503, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 13.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 974.

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. 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.

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. 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 299F362, subdivisions 1, 9, and by adding a subdivision.

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

Page 2, after line 12, insert:

"Sec. 2. Minnesota Statutes 1988, section 299F362, is amended by adding a subdivision to read:

Subd. 3a. [NEW CONSTRUCTION; DWELLINGS.] In new construction of a dwelling, each smoke detector must be attached to a centralized

power source.

Sec. 3. Minnesota Statutes 1988, section 299F362, subdivision 6, is amended to read:

Subd. 6. [PENALTIES.] (a) Any person who violates any provision of this section shall be subject to the same penalty ~~incurred and the enforcement mechanism that is provided~~ for violation of the uniform fire code, as specified in section 299F011, subdivision 6.

(b) An occupant who willfully disables a smoke detector or causes it to be nonfunctioning, resulting in damage or injury to persons or property, is guilty of a misdemeanor.

Sec. 4. Minnesota Statutes 1988, section 299F362, subdivision 7, is amended to read:

Subd. 7. [LOCAL UNITS OF GOVERNMENT; VARIANCES.] This section prohibits a local unit of government from adopting standards different from those provided in this section; ~~except that, as to new construction, a local unit of government may require that smoke detectors be attached to a centralized electrical power source.~~

Page 2, line 35, delete "3" and insert "6"

Page 2, after line 35, insert:

"Sec. 8. [REPEALER.]

Section 6 is repealed June 30, 1991.

Sec. 9. [EFFECTIVE DATE.]

Sections 6 and 7 are effective July 1, 1989. Section 2 is effective August 1, 1989, for construction of dwellings begun on or after that date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "requiring certain types of smoke detectors in new construction;"

Page 1, line 7, after "1," insert "6, 7," and delete "a subdivision" and insert "subdivisions"

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. 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.

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.]

\$140,000 is appropriated from the general fund to the commissioner of agriculture for purposes of the demonstration project and study of industry by-product soil buffering materials, to be available until June 30, 1991. The complement of the department of agriculture is increased by one position."

Delete the title and insert:

"A bill for an act relating to agriculture; appropriating money for a demonstration project and study of soil buffering materials."

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. 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 2, after line 20, insert:

"Sec. 2. Minnesota Statutes 1988, section 275.50, subdivision 2, is amended to read:

Subd. 2. [GOVERNMENTAL SUBDIVISION.] (a) "Governmental subdivision" means a county, a home rule charter city, or a statutory city, except a home rule charter or statutory city that has a population of less than 2,500 according to the most recent federal census.

(b) "Governmental subdivision" also includes any home rule charter or statutory city or town that receives a distribution from the taconite municipal aid account in the levy year.

(c) "Governmental subdivision" also includes a regional rail authority.

Sec. 3. Minnesota Statutes 1988, section 275.51, subdivision 3f, is amended to read:

Subd. 3f. [LEVY LIMIT BASE.] (a) The property tax levy limit base for governmental subdivisions for taxes levied in 1988 shall be equal to the total actual levy for taxes payable in 1988 plus the amount of any payments the governmental subdivision was certified to receive in 1988 under sections 477A.011 to 477A.014 and minus any special levies claimed for taxes payable in 1988 pursuant to Laws 1987, chapter 268, article 5, section 12, subdivision 4, clauses (1), (2), (3), and (4). A county's levy limit base will be increased by the amount of any increase in its levy under

section 134.07 over that levied under section 134.07 for taxes payable in 1988 which is required under section 134.341. For governmental subdivisions located in the seven-county metropolitan area, the total actual levy for taxes payable in 1988 shall include the fiscal disparities distribution levy pursuant to Minnesota Statutes 1986, section 473F08, subdivision 7a.

(b) *Except as provided in paragraph (c), for taxes levied in 1989 and subsequent years, a governmental subdivision's levy limit base is equal to its adjusted levy limit base for the preceding year not including the adjustment made under subdivision 3h, paragraph (c), plus for taxes levied in 1989 the administrative reimbursement aid received in 1988.*

(c) *For taxes levied in 1989, the levy limit base of a governmental subdivision defined in section 275.50, subdivision 2, paragraph (c), is its levy for taxes levied in 1988, payable in 1989.*"

Page 4, line 15, delete "A"

Page 4, delete lines 16 to 20

Page 9, lines 3, 4, and 15, delete "8" and insert "10"

Page 9, line 17, delete "12" and insert "14"

Page 9, lines 18 and 19, delete "11" and insert "13"

Page 10, delete section 16

Page 11, line 4, delete "to 17" and insert "and 4 to 18"

Page 11, line 6, after the period, insert "*Sections 2 and 3 are effective for taxes levied in 1989, payable in 1990, and thereafter.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, after the semicolon, insert "imposing levy limitations on regional rail authorities;"

Page 1, line 11, after the semicolon, insert "275.50, subdivision 2; 275.51, subdivision 3f;"

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

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

H.F. No. 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.

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

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.

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

Page 1, line 14, before "with" insert "grain"

Page 1, line 19, delete everything after the headnote

Page 1, delete lines 20 and 21

Page 1, line 22, delete everything before "The" and insert "A business licensed to buy or receive grain must post the following notice in a conspicuous place. The notice must be at least 8-1/2 by 11 inches in size with letters at least one-half inch in size stating: "UNDER MINNESOTA STATUTES, SECTION 17B.048, A PURCHASER AND A SELLER OF GRAIN MAY, BY MUTUAL AGREEMENT, AVERAGE THE MEASUREMENTS FROM MULTIPLE LOADS OF ACCEPTABLE QUALITY GRAIN WITH RESPECT TO THOSE FACTORS USED TO DETERMINE PRICE.""

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. 1540 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.
1540	1396				

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. 1389 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.
1389	1341				

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. 1354 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.
1354	1169				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1354 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1354 and insert the language after the enacting clause of S.F. No. 1169, the first engrossment; further, delete the title of H.F. No. 1354 and insert the title of S.F. No. 1169, the first engrossment.

And when so amended H.F. No. 1354 will be identical to S.F. No. 1169, and further recommends that H.F. No. 1354 be given its second reading and substituted for S.F. No. 1169, 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. 1454 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.
1454	1331				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1454 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1454 and insert the language after the enacting clause of S.F. No. 1331; further, delete the title of H.F. No. 1454 and insert the title of S.F. No. 1331.

And when so amended H.F. No. 1454 will be identical to S.F. No. 1331, and further recommends that H.F. No. 1454 be given its second reading and substituted for S.F. No. 1331, 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. 1339 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.
1339	1235				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1339 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1339 and insert the language after the enacting clause of S.F. No. 1235, the first engrossment; further, delete the title of H.F. No. 1339 and insert the title of S.F. No. 1235, the first engrossment.

And when so amended H.F. No. 1339 will be identical to S.F. No. 1235, and further recommends that H.F. No. 1339 be given its second reading and substituted for S.F. No. 1235, 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. 930 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.
930	970				

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. 1027 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.
1027	855				

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. 1107 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.
1107	804				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1107 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1107 and insert the language after the enacting clause of S.F. No. 804; further, delete the title of H.F. No. 1107 and insert the title of S.F. No. 804.

And when so amended H.F. No. 1107 will be identical to S.F. No. 804, and further recommends that H.F. No. 1107 be given its second reading and substituted for S.F. No. 804, 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. 1323 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.
1323	1133				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1323 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1323 and insert the language after the enacting clause of S.F. No. 1133, the first engrossment; further, delete the title of H.F. No. 1323 and insert the title of S.F. No. 1133, the first engrossment.

And when so amended H.F. No. 1323 will be identical to S.F. No. 1133, and further recommends that H.F. No. 1323 be given its second reading and substituted for S.F. No. 1133, 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. 1202 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1498, 1108, 1540, 1389, 1354, 1454, 1339, 930, 1027, 1107 and 1323 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Frederick moved that S.F. No. 169 be taken from the table. The motion prevailed.

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.

Mr. Frederick moved that the Senate do not concur in the amendments by the House to S.F. No. 169, 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.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 1191, 1009, 1258, 598, 583, 486, 49, 572, 476, 847, 180, 1070, 1083, 459, 1401, 922, 1031, 783, 590, 1027, 243, H.F. Nos. 1077, 804, 65, 1517, 100, 1351, 826, 502, 527 and 76 which the committee recommends to pass.

H.F. No. 390, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Amend H.F. No. 390, as amended pursuant to Rule 49, adopted by the Senate April 27, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 105.)

Page 3, line 3, strike "three" and insert "two"

Page 3, line 6, after "item" insert a comma

The motion prevailed. So the amendment was adopted.

H.F. No. 1104, which the committee reports progress, subject to the following motions:

Mr. Marty moved to amend H.F. No. 1104, as amended pursuant to Rule 49, adopted by the Senate April 20, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1079.)

Page 2, line 4, before the period, insert "*in a board hearing or a hearing by the personnel director. The director shall issue a subpoena when requested by the employer or by the employee's collective bargaining exclusive representative*"

Mr. Freeman requested division of the amendment as follows:

First portion:

Page 2, line 4, before the period, insert "*in a board hearing or a hearing by the personnel director*"

Second portion:

Page 2, line 4, after the period insert "*The director shall issue a subpoena when requested by the employer or by the employee's collective bargaining exclusive representative.*"

The question was taken on the adoption of the first portion of the Marty amendment.

The motion prevailed. So the first portion of the Marty amendment was adopted.

Mr. Merriam moved to amend the second portion of the Marty amendment as follows:

Page 1, line 8, delete "*by the employer or*"

The motion prevailed. So the amendment to the second portion of the Marty amendment was adopted.

The question was taken on the adoption of the second portion of the Marty amendment, as amended.

The motion did not prevail. So the second portion of the Marty amendment, as amended, was not adopted.

H.F. No. 1104 was then progressed.

S.F. No. 834, which the committee recommends to pass with the following amendment offered by Mrs. Lantry:

Page 2, lines 5 and 30, delete "*was submerged or flooded above the floor*"

Page 2, lines 6 and 31, delete "*level or*"

Page 4, line 20, delete "*been*"

Page 4, delete lines 21 and 22

Page 4, line 26, delete "*flood*"

Page 5, line 7, delete everything after the first "."

Page 5, line 8, delete "*not*"

Page 5, line 14, delete everything after "*damage*"

Page 5, line 15, delete everything before the comma

Page 6, line 5, after the period, insert "*The photographs and other documents submitted as proof under this subdivision must be filed and retained by the registrar so as to permit verification of the proof offered.*"

Page 6, line 22, after "vehicle" insert ", damaged by collision or other occurrence,"

Page 6, line 24, after "damage" insert "based on a written retail repair estimate or invoice"

Page 6, line 26, after "written" insert "retail repair"

Page 6, after line 34, insert:

"Subd. 8. [FLOOD DAMAGE; DEALER LOTS.] If a motor vehicle, which is part of a licensed motor vehicle dealer's inventory, has been submerged or flooded above the floor level while parked on the dealer's lot, the dealer must disclose that fact in writing to any buyer and must orally disclose that fact in the course of a sales presentation to any prospective buyer. The buyer must also disclose the existence of the flood damage in writing to any subsequent buyer."

The motion prevailed. So the amendment was adopted.

S.F. No. 1042, which the committee recommends to pass with the following amendment offered by Mr. Taylor:

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 economically feasible, the state printer shall consider the use of soy-based ink for 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 consider, when practical and economically feasible, specifying the use of soy-based ink 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 consider specifying 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."

Delete the title and insert:

"A bill for an act relating to agriculture; requiring the use of soy-based ink for some printing operations; proposing coding for new law in Minnesota Statutes, chapter 16B."

The motion prevailed. So the amendment was adopted.

H.F. No. 1061, which the committee recommends to pass with the following amendment offered by Mr. Frederickson, D.R.:

Amend H.F. No. 1061, as amended pursuant to Rule 49, adopted by the Senate April 13, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 846.)

Page 2, after line 27, insert:

"All construction plans and specifications for the residential treatment facility to be built on the site must be submitted to the commissioner of administration for review and approval."

The motion prevailed. So the amendment was adopted.

H.F. No. 956, which the committee recommends to pass with the following amendment offered by Mr. Knaak:

Amend H.F. No. 956, as amended pursuant to Rule 49, adopted by the Senate April 20, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 960.)

Page 3, after line 18, insert:

"Sec. 3. 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 *gross* misdemeanor, and shall be sentenced as provided in section 609.03, clause (3). 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."

Page 3, line 23, after the period, insert "*Section 3 is effective August 1, 1989, and applies to crimes committed on or after that date.*"

Re number the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "increasing the penalty for operating a vehicle without insurance;"

Page 1, line 4, delete "section" and insert "sections" and before the period, insert "; and 65B.67, subdivision 4"

The motion prevailed. So the amendment was adopted.

S.F. No. 187, which the committee recommends to pass, after the following motion:

Ms. Reichgott moved to amend S.F. No. 187 as follows:

Page 2, line 16, delete "60 days"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Brandl	Johnson, D.E.	Olson	Schmitz
Belanger	Brataas	Lessard	Peterson, R. W.	Stumpf
Benson	Decker	McGowan	Purfeerst	
Berg	Frederick	Mehrkens	Ramstad	
Bernhagen	Gustafson	Moe, D.M.	Reichgott	

Those who voted in the negative were:

Adkins	DeCramer	Laidig	Moe, R.D.	Spear
Beckman	Dicklich	Langseth	Morse	Storm
Berglin	Diessner	Lantry	Novak	Vickerman
Bertram	Frederickson, D.J.	Marty	Pariseau	Waldorf
Chmielewski	Frederickson, D.R.	McQuaid	Peterson, D.C.	
Cohen	Freeman	Merriam	Piper	
Davis	Johnson, D.J.	Metzen	Solon	

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

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Freeman moved that S.F. No. 701 be taken from the table. The motion prevailed.

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.

CONCURRENCE AND REPASSAGE

Mr. Freeman moved that the Senate concur in the amendments by the House to S.F. No. 701 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 701 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	Mehrkens	Reichgott
Anderson	Davis	Johnson, D.E.	Merriam	Renneke
Beckman	Decker	Kroening	Metzen	Schmitz
Belanger	DeCramer	Laidig	Moe, D.M.	Spear
Benson	Dicklich	Langseth	Moe, R.D.	Storm
Berglin	Frederick	Lantry	Morse	Vickerman
Bernhagen	Frederickson, D.J.	Luther	Pariseau	Waldorf
Bertram	Frederickson, D.R.	Marty	Peterson, D.C.	
Brataas	Freeman	McGowan	Peterson, R. W.	
Chmielewski	Gustafson	McQuaid	Piper	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Belanger moved that S.F. No. 206 be taken from the table. The motion prevailed.

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.

Mr. Belanger moved that the Senate do not concur in the amendments by the House to S.F. No. 206, 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. Moe, R.D. moved that Senate Concurrent Resolution No. 8 be taken from the table. The motion prevailed.

Senate Concurrent Resolution No. 8: A Senate concurrent resolution adopting permanent joint rules of the Senate and House of Representatives.

Mr. Moe, R.D. moved that the Senate concur in the amendments by the House to Senate Concurrent Resolution No. 8. The motion prevailed.

Mr. Moe, R.D. then moved that Senate Concurrent Resolution No. 8, as amended, be now adopted. The motion prevailed. So the resolution, as amended, 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. 46: Messrs. Freeman, Samuelson, Waldorf, Morse and Johnson, D.E.

S.F. No. 169: Mr. Frederick, Mrs. Lantry and Mr. Diessner.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

REPORTS OF COMMITTEES

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

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

S.F. No. 1000: A bill for an act relating to agriculture; providing drought emergency relief; establishing a program to reimburse farmers for reseeded 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.

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

Page 3, lines 13 and 14, delete “, *including emergency rules,*”

Page 4, lines 28 and 29, delete “, *including emergency rules,*”

Page 4, after line 35, insert:

“Sec. 5. [APPROPRIATION.]

\$300,000 is appropriated from the general fund to the commissioner of agriculture to be used for a hay lift program in calendar year 1990 in the counties where the commissioner has declared a drought continues to persist.”

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. 1404: A bill for an act relating to rural development; providing for a rural community needs assessment model; 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 I

COMMUNITY NEEDS ASSESSMENT

Section 1. [COMMUNITY NEEDS ASSESSMENT MODEL.]

Subdivision 1. [MODEL DEVELOPMENT.] The rural development board, as part of its rural investment strategy, shall select an organization to develop, test, and implement a rural community needs assessment model. The commissioner of trade and economic development shall publish in the State Register a request for proposals for the community needs assessment model project. The organization must select five rural communities in 1990 and ten rural communities in 1991 within which to perform community needs assessments using the model developed.

Subd. 2. [ORGANIZATION.] The organization selected must meet the following criteria:

(1) knowledge of the concerns and needs of rural Minnesota residents

and their communities;

(2) demonstrated expertise in performing needs assessments;

(3) ability to develop, test, refine, demonstrate, and implement a community needs assessment process; and

(4) experience in gathering, classifying, analyzing, reporting, and interpreting data.

Subd. 3. [MODEL REQUIREMENTS.] The community needs assessment model must identify community needs in the areas of social services, transportation, housing, education, health care, recreation, employment, public infrastructure, and economic development. In order to identify those needs, information must be collected from the most recent existing statistical data bases, experts, and community residents. After needs are identified, the community needs assessment model must establish priorities, assist the community in analyzing existing resources, develop strategies to meet community needs, and assist the community in considering available options and in deciding what alternatives to act upon.

Subd. 4. [COMMUNITY PARTICIPATION.] The community needs assessment model must be designed to maximize community involvement and participation in the community needs assessment process. The model must be capable of guiding the community through a strategy of information collection, discussion, refinement, and consensus. To encourage community involvement in this process, the organization may provide incentive grants to assist rural community leaders and residents to implement the model.

Subd. 5. [REPORT.] The organization selected to develop the community needs assessment model shall report to the legislature by January 1, 1991, regarding the development and implementation of the model. A second report must be submitted to the legislature by January 1, 1992.

ARTICLE 2

NATIVE GRASS AND WILDFLOWER SEED PROGRAM

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.

ARTICLE 3

AGRICULTURAL DATA COLLECTION TASK FORCE

Section 1. [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. 2. 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. 3. 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.

ARTICLE 4 AQUICULTURE

Section 1. Minnesota Statutes 1988, section 17.49, is amended to read:

17.49 [AQUICULTURE PROGRAM ESTABLISHMENT AND PROMOTION.]

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner shall establish and promote a program for the commercial raising of fish in fish farms in consultation with an advisory committee consisting of the University of Minnesota, the commissioner of natural resources, the commissioner of agriculture, the commissioner of trade and economic development, the commissioner of the state planning agency, representatives of private fish raising industry, and the chairs of the environment and natural resources committees of the house of representatives and senate.

Subd. 2. [COORDINATION.] Aquiculture programs in the state must be coordinated through the commissioner of agriculture. The commissioner of agriculture shall direct the development of aquiculture in the state. Aquiculture research, projects, and demonstrations must be reported to the commissioner before state appropriations for the research, projects, and demonstrations are encumbered. The commissioner shall maintain a data base of aquiculture research, demonstrations, and other related information pertaining to aquiculture in the state.

Sec. 2. [17.491] [AQUICULTURE IS AGRICULTURAL PURSUIT.]

Aquiculture is an agricultural pursuit.

Sec. 3. [17.492] [AQUICULTURE DEFINITION.]

"Aquiculture" means to cultivate plants and animals in water for harvest, including hydroponics and raising fish in fish farms.

ARTICLE 5 DAIRY INDUSTRY CHECKOFF RATE

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.

ARTICLE 6

LAND TRANSFERS FROM FEDERAL AGENCIES

Section 1. [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.

ARTICLE 7

AGRICULTURAL UTILIZATION AND RESEARCH INSTITUTE

Section 1. Minnesota Statutes 1988, section 116O.09, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] *The agricultural utilization research institute is established as a nonprofit corporation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The ~~corporation shall establish an~~ agricultural utilization research institute ~~to~~ shall promote the establishment of new products and product uses and the expansion of existing markets for the state's agricultural commodities and products. The institute must be located near an existing agricultural research facility in the agricultural region of the state.*

Sec. 2. Minnesota Statutes 1988, section 116O.09, is amended by adding a subdivision to read:

Subd. 1a. [BOARD OF DIRECTORS.] The board of directors of the agricultural utilization research institute is comprised of:

- (1) the chairs of the senate agriculture and rural development committee and the house of representatives agriculture committee;*
- (2) two representatives of statewide farm organizations;*
- (3) two representatives of agribusiness, one of whom is a member of the greater Minnesota corporation board representing agribusiness; and*
- (4) three representatives of the commodity promotion councils.*

Sec. 3. Minnesota Statutes 1988, section 116O.09, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] *(a) In addition to the duties and powers assigned to the institutes in section 116O.08, the agricultural utilization research institute shall:*

- (1) identify the various market segments characterized by Minnesota's agricultural industry, address each segment's individual needs, and identify development opportunities in each segment;*
- (2) develop and implement a utilization program for each segment that addresses its development needs and identifies techniques to meet those needs;*

(3) coordinate research among the public and private organizations and individuals specifically addressing procedures to transfer new technology to businesses, farmers, and individuals; and

(4) provide research grants to public and private educational institutions and other organizations that are undertaking basic and applied research that would promote the development of the various agricultural industries.

(b) The agricultural utilization research institute board of directors, with the concurrence of the advisory board, shall have the sole approval authority for establishing agricultural utilization research priorities, requests for proposals to meet those priorities, awarding of grants, hiring and direction of personnel, and other expenditures of funds consistent with the adopted and approved mission and goals of the agricultural utilization research institute. The actions and expenditures of the agricultural utilization research institute are subject to audit and regular annual report to the legislature in general and specifically the house of representatives agriculture committee, the senate agriculture and rural development committee, the house of representatives appropriations committee, and the senate finance committee.

Sec. 4. [ADVISORY BOARD AND AURI BOARD.]

The advisory board is the permanent advisory board, and the present steering committee as constituted with elective positions from the advisory board is the governing board of the agricultural utilization research institute.

Sec. 5. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 8

COMMUNITY AND URBAN REFORESTATION

Section 1. [COMMUNITY AND URBAN REFORESTATION STUDY.]

Subdivision 1. [LEGISLATIVE FINDINGS.] The legislature recognizes that the perils of disease and, increasingly in recent times, commercial and residential development present a serious threat to the prosperity and even survival of our community and urban forests. Prompt action must be taken to reverse this trend.

Subd. 2. [STUDY.] A main step in assuring preservation and prosperity of our community and urban forests is the prompt identification of the exact nature of the threat and a logical order of measures to be taken to relieve the threat. To this end, the Minnesota shade tree advisory committee, in conjunction with the University of Minnesota and the state department of agriculture shall conduct a study of problems presently facing our community and urban forests. The study shall focus upon such aspects of the problem as preserving the cooling effect of forestation with resulting energy savings, filtration of harmful particulate matter and absorption of harmful emissions, noise reduction, strategic planting and preservation of existing trees to maximize the benefits trees contribute to our environment, and such other aspects of the problem as the committee considers advisable.

Subd. 3. [RECOMMENDATIONS.] The committee shall make its recommendations to the appropriate committees of the legislature in January of 1990. Recommendations shall take the form of specific steps to halt the decline in community and urban forestation and to promote planting and preservation. The recommendations shall be prioritized to stress the more

critical needs and shall be accompanied by cost estimates wherever possible.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

ARTICLE 9

AGRICULTURAL INTERPRETIVE CENTER

Section 1. [POLICY OF PRESERVING HISTORY OF BASIC INDUSTRIES.]

Minnesota's historic basic industries are agriculture, mining, and forestry. The history of these great human enterprises reaches back to and beyond the settlement of Minnesota by Minnesotans from other continents. Throughout their long history each has evolved in ways that no single generation could foresee and no individual alone can remember. Their history holds intense fascination for contemporary Minnesotans. It is the policy of the state to preserve and present that history in ways that do justice to its dramatic past and dynamic future. For these reasons the maintenance of a living history agricultural interpretive center is a desirable public purpose.

ARTICLE 10

APPROPRIATIONS

Section 1. [17B.33] [INSPECTION COSTS; DULUTH.]

\$50,000 is appropriated annually from the general fund to the commissioner of agriculture to be applied to the mandated cost of state grain inspection of bagged grain at the Seaway Port Authority of Duluth.

Sec. 2. [APPROPRIATIONS.]

Subdivision 1. [COMMUNITY NEEDS ASSESSMENT.] \$225,000 is appropriated from the general fund to the commissioner of trade and economic development for the community needs assessment model project as provided in article 1, section 1.

Subd. 2. [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. 3. [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. 4. [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. 5. [TECHNICAL INFORMATION ON NATIVE SEED PRODUCTION.] \$70,000 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. 6. [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. 7. [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. 8. [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. 9. [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.

Subd. 10. [AQUICULTURE.] \$ is appropriated from the general fund to the commissioner of agriculture to be available until June 30, 1991, for aquiculture research, demonstration, and promotion.

Subd. 11. [MINNESOTA DAIRY TASK FORCE.] \$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.

Subd. 12. [SHADE TREE ADVISORY COMMITTEE.] \$25,000 is appropriated from the general fund to the commissioner of agriculture for disbursement to the shade tree advisory committee for the costs of the committee and consulting services in connection with the study directed by article 8, section 1.

Subd. 13. [FARMAMERICA.] \$ is appropriated from the general fund to the commissioner of agriculture to be disbursed to the Minnesota Agricultural Interpretive Center for operation of Farmamerica in Waseca county. One-half of the sum appropriated shall be disbursed in each of the fiscal years ending June 30, 1990, and June 30, 1991.

Subd. 14. [AGRICULTURE INFORMATION CENTERS.] \$500,000 in fiscal year 1990 is appropriated from the general fund to the commissioner of agriculture for agriculture information centers. The appropriation is available until June 30, 1991.

Subd. 15. [BARLEY REFERENDUM.] \$20,000 is appropriated from the general fund to the commissioner of agriculture for the biennium ending June 30, 1991, to conduct a referendum for barley under Minnesota Statutes, section 17.54.

Subd. 16. [BY-PRODUCT SOIL BUFFERING.] \$140,000 is appropriated from the general fund to the commissioner of agriculture for purposes of the demonstration project and study of industry by-product soil buffering materials, to be available until June 30, 1991. The complement of the department of agriculture is increased by one position.

Subd. 17. [ON-FARM COMPUTERIZED FERTILIZER RATE APPLICATION.] \$75,000 is appropriated from the general fund to the University of Minnesota to be available until June 30, 1991, for a project by the department of soil science to design, develop, and demonstrate a portable computerized system automatically adapting fertilization rates to soil characteristics using existing on-farm applicators.

Subd. 18. [AGRICULTURE LAND PRESERVATION AND CONSERVATION.] \$290,000 is appropriated from the general fund to the commissioner of agriculture to administer the agricultural land preservation and conservation responsibilities contained in Minnesota Statutes, chapter 40A. The approved complement of the department of agriculture is increased by one position.

Subd. 19. [VOCATIONAL PROGRAMS.] \$1,225,000 in fiscal year 1990 and \$1,425,000 in fiscal year 1991 are appropriated from the general fund to the state board of vocational technical education for:

- (1) reduced tuition costs for existing farm business management and small business management programs;*
- (2) support staff and workshops to assist farm business management instructors in providing farmers' assistance with processing FmHA emergency drought loans and farm mediation;*
- (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.*

Subd. 20. [CENTER FOR FARM FINANCIAL MANAGEMENT.] \$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.

Subd. 21. [COUNTY AND DISTRICT AGRICULTURAL SOCIETIES.] \$722,000 is appropriated from the general fund to the commissioner of agriculture to provide full statutory levels of state aid to county and district agricultural societies under Minnesota Statutes, section 38.02, during the biennium ending June 30, 1991.

Subd. 22. [PSEUDORABIES RESEARCH.] \$400,000 is appropriated from the general fund to the commissioner of agriculture for further research on pseudorabies and the control or eradication of pseudorabies in Minnesota. Of this appropriation \$200,000 is available for the first year and \$200,000

is available for the second year of the biennium ending June 30, 1991.

Subd. 23. [PSEUDORABIES CONTROL.] \$400,000 is appropriated from the general fund to the board of animal health for the biennium ending June 30, 1991, to be used for continuing and expanding a control program for pseudorabies in swine. The program must be coordinated by board of animal health personnel. This appropriation is in addition to other appropriations to the board of animal health for pseudorabies control."

Delete the title and insert:

"A bill for an act relating to rural development; providing for a rural community needs assessment model; providing for research and development; providing mechanisms for agriculture diversification; providing a native grass and wildflower seed loan program; reactivating the agricultural data collection task force; 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; changing the dairy industry checkoff rate; extending the Minnesota dairy task force; providing conditions to accept certain land transfers from the federal government; establishing the board of directors of the agricultural utilization research institute and an advisory board; directing a study and report on community and urban reforestation; providing a policy of preserving basic resource industries; appropriating money; amending Minnesota Statutes 1988, sections 17.49; 17.59, by adding a subdivision; 1160.09, subdivisions 1, 2, and by adding a subdivision; Laws 1985, chapter 19, section 2, subdivision 2, as amended, and section 6, subdivision 6, as amended; and Laws 1988, chapter 688, article 3, sections 1, subdivision 3; 2; and 3; proposing coding for new law in Minnesota Statutes, chapters 17 and 84."

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. 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.

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

Page 3, line 3, delete "*specifically*"

Page 3, line 6, delete "*immediately*"

Page 3, line 7, delete everything after the first "*appeals*" and insert "*and may request*"

Page 3, line 8, delete "*appeal*"

Page 4, line 13, delete "*shall*" and insert "*may*" and after "*conduct*" insert "*appropriate*"

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. 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.

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. 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.

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

Page 1, line 10, delete "UNFOUNDED" and insert "INACTIVE" and delete "If there is a"

Page 1, delete lines 11 and 12

Page 1, line 13, delete "inactive" and delete "relating" and insert "that become inactive under subdivision 5, clause (a) or (b), and that relate"

Page 1, line 24, strike "Report records" and insert "Reports"

Page 2, line 3, delete "records relating to" and insert "data other than the"

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

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

H.F. No. 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.

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

Page 1, line 11, delete "EXECUTION" and insert "IMPOSITION"

Page 1, line 12, delete "execution" and insert "imposition"

Page 1, line 13, before the period, insert "if the offender will serve less than nine months at the state institution"

Page 1, line 14, delete "individual" and insert "offender"

Page 1, line 15, delete "another" and insert "a previously imposed"

Page 1, line 22, strike everything after "year"

Page 1, strike lines 23 and 24

Page 1, line 25, strike "board"

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

adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 805 and 1239 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 731 and 193 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Luther moved that S.F. No. 1067, No. 200 on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Purfeerst moved that H.F. No. 363, No. 1 on General Orders, be stricken and re-referred to the Committee on Transportation. The motion prevailed.

Mr. Pogemiller moved that S.F. No. 600, No. 6 on General Orders, be stricken and re-referred to the Committee on General Legislation and Public Gaming. The motion prevailed.

Mr. Peterson, R. W. moved that S.F. No. 1032, No. 123 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Spear moved that S.F. No. 912, No. 142 on General Orders, be stricken and re-referred to the Committee on Judiciary. 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. Marty, Merriam and Peterson, R. W. introduced—

S.F. No. 1609: A bill for an act relating to the legislature; requiring the legislature to conform to the open meeting law; amending Minnesota Statutes 1988, section 471.705, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Rules and Administration.

Mr. Waldorf introduced—

S.F. No. 1610: A bill for an act relating to economic development; establishing the Minnesota Project Outreach Corporation; appropriating money.

Referred to the Committee on Economic Development and Housing.

Mr. Chmielewski introduced—

S.F. No. 1611: A bill for an act relating to natural resources; regulating the growing, harvesting, processing, and sale of certain wild rice; providing for a wild rice marketing program; imposing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 30; repealing Minnesota Statutes 1988, section 30.49.

Referred to the Committee on Environment and Natural Resources.

Mr. Johnson, D.J. introduced—

S.F. No. 1612: A bill for an act relating to natural resources; authorizing the commissioner to appoint Indians as special enforcement officers under certain conditions; amending Minnesota Statutes 1988, section 97A.241.

Referred to the Committee on Environment and Natural Resources.

MEMBERS EXCUSED

Messrs. Frank, Larson and Pehler were excused from the Session of today. Mr. Dahl was excused from the Session of today at 11:15 a.m. Mr. Kroening was excused from the Session of today from 8:00 to 11:45 a.m. Mr. Novak was excused from the Session of today from 9:00 to 10:30 a.m. Mr. Knaak was excused from the Session of today at 11:45 a.m. Messrs. Dicklich and Stumpf were excused from the Session of today at 12:45 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Monday, May 1, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-SECOND DAY

St. Paul, Minnesota, Monday, May 1, 1989

The Senate met at 1:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Chmielewski 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. Mary Marcoux.

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

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	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	

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.

April 27, 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
	664	54	1821 hours April 26	April 26
294		55	1820 hours April 26	April 26
	424	56	1820 hours April 26	April 26
	553	57	1819 hours April 26	April 26
361		58	1818 hours April 26	April 26
	29	59	1815 hours April 26	April 26

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. The motion prevailed.

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

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.

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 169.126, subdivision 4, is amended to read:

Subd. 4. [CHEMICAL USE ASSESSMENT.] (a) Except as otherwise provided in paragraph (d), when an alcohol problem screening shows that the defendant has an identifiable chemical use problem, the court shall require the defendant to undergo a comprehensive chemical use assessment conducted by an assessor qualified under rules adopted by the commissioner of human services under section 254A.03, subdivision 3. *Notwithstanding section 13.82, the assessor shall have access to any police reports, laboratory test results, and other law enforcement data relating to the current offense or previous offenses that are necessary to complete the evaluation.* An assessor providing a chemical use assessment for the court may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If an independent assessor is not available, the court may use the services of an assessor authorized to perform assessments for the county social services agency under a variance granted under rules adopted by the commissioner of human services under section 254A.03, subdivision 3. An appointment for the defendant to undergo the chemical use assessment shall be made by the court, a court services probation officer, or the court administrator as soon as possible but in no case more than one week after the defendant's court appearance. The comprehensive chemical use assessment must be completed no later than ~~two~~ *three* weeks after the ~~appointment date~~ *defendant's*

court appearance. If the assessment is not performed within this time limit, the county where the defendant is to be sentenced shall perform the assessment. The county of financial responsibility shall be determined under chapter 256G.

(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.

(c) The state shall reimburse the county for the entire cost of each chemical use assessment and report at a rate established by the department of human services up to a maximum of \$100 in each case. The county may not be reimbursed for the cost of any chemical use assessment or report not completed within the time limit provided in this subdivision. Reimbursement to the county must be made from the special account established in subdivision 4a.

(d) If the preliminary alcohol problem screening is conducted by an assessor qualified under rules adopted by the commissioner of human services under section 254A.03, subdivision 3, consists of a comprehensive chemical use assessment of the defendant, and complies with the chemical use assessment report requirements of paragraph (b), it is a chemical use assessment for the purposes of this section and the court may not require the defendant to undergo a second chemical use assessment under paragraph (a). The state shall reimburse counties for the cost of alcohol problem screenings that qualify as chemical use assessments under this paragraph in the manner provided in paragraph (c) in lieu of the reimbursement provisions of section 169.124, subdivision 3.”

Delete the title and insert:

“A bill for an act relating to alcohol assessment; allowing assessors to have access to law enforcement data; imposing a time limit for performance of the assessment; amending Minnesota Statutes 1988, section 169.126, subdivision 4.”

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

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

S.F. No. 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 9, line 29, after the first “*The*” insert “*pollution control*”

Page 9, line 30, delete the comma and after “*health*” insert a comma

Page 9, line 32, delete “*and from*” and insert a comma and after “*operations*” insert a comma

Pages 9 and 10, delete section 10 and insert:

“Sec. 10. Minnesota Statutes 1988, section 388.051, subdivision 2, is

amended to read:

Subd. 2. [SPECIAL PROVISIONS.] (a) In Anoka, Carver, Dakota, Hennepin, Scott, and Washington counties, only the county attorney shall prosecute gross misdemeanor violations of sections 290.53, subdivisions 4 and 11; 290.92, subdivision 15; 290A.11, subdivision 2; 297A.08; 297A.39, subdivisions 4 and 8; 297B.10; 609.255, subdivision 3; 609.377; 609.378; 609.41; and 617.247.

(b) The county attorney shall prosecute failure to report physical or sexual child abuse or neglect as provided under section 626.556, subdivision 6, and shall prosecute violations of fifth-degree criminal sexual conduct under section 609.3451, and environmental law violations under sections 115.071, 299F.098, and 609.671.

Sec. 11. 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 or arranges for the disposal of infectious waste as defined in section 2 at a location or in a manner that is prohibited by section 3 is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year, or to payment of a fine of not more than \$10,000, or both. A person convicted a second or subsequent time under this subdivision is guilty of a felony and may be sentenced to imprisonment for not more than two years, or to payment of a fine of not more than \$25,000, or both."

Page 10, line 30, delete "8, and 10" and insert "and 8"

Page 10, line 31, after the period, insert "Section 11 is effective January 1, 1990, and applies to crimes committed on or after that date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "section" and insert "sections 388.051, subdivision 2; and"

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. 6: A bill for an act relating to taxation; exempting an Itasca county levy from the penalty for levies in excess of limitations.

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

Page 1, after line 9, insert:

"Sec. 2. [LEVY LIMIT EXCEPTION.]

For taxes levied in 1989 and 1990 only, payable in 1990 and 1991 only, a levy by the Itasca county board under Laws 1988, chapter 517, is not subject to the levy limitations of Minnesota Statutes, sections 275.50 to 275.56, or other law."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "limitations" insert "; temporarily exempting an Itasca county levy for economic development from levy limits"

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. 38: 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.

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

Page 2, line 23, delete "*or manufactured home*"

Page 2, after line 27, insert:
 ""*Park trailer*" does not include a *manufactured home*."

Page 2, line 29, after "*that*" insert ":

(1)"

Page 2, line 30, delete the third comma and insert ";

(2)"

Page 2, line 32, delete "*, and*" and insert ";

(3)"

Page 2, line 33, delete the period and insert ";

(4) *does not exceed eight feet in width.*

(d) "*Gross trailer area*" is the total plan area of a travel trailer measured to the maximum horizontal projection of exterior walls when in the setup mode, but not including the area of that portion of the body of a fifth wheel trailer that is raised to extend over the towing vehicle and has a ceiling height of less than five feet."

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. 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.

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

Page 2, line 2, delete the second "and"

Page 2, line 3, before the period, insert "; and

(4) recommend programs targeted to small businesses in need of assistance"

Page 2, line 11, delete "ex officio" and insert "as a nonvoting member"

Pages 2 to 15, delete sections 2 to 24 and insert:

"Sec. 2. [STUDY OF SMALL BUSINESS PROGRAM.]

The commissioner of administration shall assist the commission established by section 1 in its study of small business procurement programs. The commissioner shall review recent United States Supreme Court decisions to determine whether there is sufficient justification under a strict scrutiny standard to establish a narrowly tailored purchasing program for the benefit of any socially disadvantaged groups and shall make recommendations to the commission regarding legislation and program operation where justification exists. The commissioner shall make recommendations:

(1) for revising the definition of small business contained in Minnesota Statutes, section 645.445; and

(2) for alternative programs to stimulate growth opportunities for small businesses.

The commissioner shall also assess the feasibility of establishing a preference program that incorporates urban and rural areas of high unemployment."

Page 15, line 23, delete "The amendments"

Page 15, delete lines 24 and 25

Page 15, delete section 26

Page 15, line 35, delete "26" and insert "3"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 5, delete everything after the semicolon

Page 1, delete lines 6 and 7

Page 1, line 8, delete "study;" and delete everything after "money" and insert a period

Page 1, delete lines 9 to 15

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. 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.

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

Page 1, delete section 1

Page 2, line 9, delete "*When identifying*"

Page 2, delete lines 10 to 13

Page 3, line 10, delete "*shall*" and insert "*may*"

Page 3, line 21, delete "*must be*" and insert "*is*"

Page 4, line 11, delete "*A*" and insert "*The*"

Page 4, line 12, delete "*is established. The board*"

Page 4, lines 14, delete "*shall*" and insert "*must*" in both places

Page 4, line 15, delete "*shall*" and insert "*must*"

Page 4, line 20, delete "*shall*" and insert "*must*" and delete the first "*be*"

Page 4, line 30, delete everything after the period

Page 4, delete lines 31 to 35

Page 5, lines 2 and 6, delete "*shall*" and insert "*may*"

Page 5, line 9, delete "*shall*" and insert "*must*"

Page 6, lines 33 and 36, delete "*shall*" and insert "*must*"

Page 7, lines 1 and 2, delete "*shall*" and insert "*must*"

Page 8, lines 3, 20, and 28, delete "*shall*" and insert "*must*"

Page 9, line 8, delete "*shall be*" and insert "*is*"

Page 9, line 11, delete "*shall*" and insert "*must*"

Page 10, lines 5 and 32, delete "*shall*" and insert "*must*"

Page 11, line 4, delete "*shall*" and insert "*must*"

Page 11, line 18, delete "*shall*" and insert "*may*"

Page 12, line 20, delete "HOW MADE" and insert "PROCEDURE"

Page 13, line 29, delete "*shall*" and insert "*may*"

Page 14, line 4, before "*license*" insert "*a*" and delete "*shall be*" and insert "*is*"

Page 14, lines 28 and 31, delete "*shall*" and insert "*may*"

Page 15, line 2, delete the second "*the*"

Page 15, line 3, delete "*provisions of*"

Page 17, line 18, delete "21" and insert "20"

Page 17, line 21, delete "*ten*" and insert "30"

Page 18, line 6, delete "*shall*" and insert "*may*"

Page 18, after line 7, insert:

"Sec. 25. [INITIAL APPOINTMENTS.]

Notwithstanding section 5, subdivision 3, the commissioner of commerce shall appoint the initial members of the real estate appraiser advisory board to the following terms:

(1) two public members, three appraiser members, and two consumer members to three-year terms;

(2) two public members, three appraiser members, and one consumer member to two-year terms; and

(3) two appraiser members to one-year terms."

Page 18, line 10, after "82B" insert a period

Page 18, line 15, delete "25" and insert "24"

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. 3: 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 pre-assessment 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 interjurisdictional 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.

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

Page 26, line 17, delete “*director of drug policy*” and insert “*commissioner of public safety*”

Page 27, line 16, delete “*a director*” and insert “*an assistant commissioner*”

Page 27, lines 17, 18, and 25, delete “*director*” and insert “*assistant commissioner*”

Page 28, lines 4 and 6, delete “*prosecutors*” and insert “*drug program agencies*”

Page 28, delete lines 9 to 29 and insert:

“Subdivision 1. [PROGRAM.] The drug abuse resistance education program assists law enforcement agencies or school districts by providing grants to enable peace officers to undergo the training described in subdivision 3. Grants may be used to cover the cost of the training as well as reimbursement for actual, reasonable travel and living expenses incurred in connection with the training. The commissioner shall administer the program, shall promote it throughout the state, and is authorized to receive money from public and private sources for use in carrying it out. For purposes of this section, “law enforcement agency” means a police department or sheriff’s office.

Subd. 2. [MATCHING GRANTS.] A law enforcement agency or a school district may apply to the commissioner for a grant under subdivision 1. The commissioner may award a matching grant, up to a dollar-for-dollar match, to the applicant.

Subd. 3. [TRAINING PROGRAM.] The bureau of criminal apprehension shall develop a program to train peace officers to teach a curriculum on drug abuse resistance in schools. The training program must be approved by the commissioner.”

Page 28, lines 33 and 36, delete “*director*” and insert “*commissioner*”

Page 29, lines 2, 7, and 19, delete “*director*” and insert “*commissioner*”

Pages 29 and 30, delete section 6 and insert:

“Sec. 6. [299A.33] [INTERAGENCY TASK FORCE ON CRIMINAL JUSTICE POLICY.]

Subdivision 1. [MEMBERSHIP.] The interagency task force on criminal justice policy consists of:

- (1) the commissioner of public safety, who shall serve as the chair;*
- (2) the commissioners of corrections, human services, and state planning;*
- (3) the ombudsman for corrections;*
- (4) the state public defender;*
- (5) the attorney general or the attorney general's designee;*
- (6) a representative of the supreme court appointed by the chief justice;*
- (7) three members of the senate, one of whom must be a member of the minority caucus, appointed by the subcommittee on committees of the committee on rules and administration; and*
- (8) three members of the house of representatives, one of whom must be a member of the minority caucus, appointed by the speaker.*

Subd. 2. [STAFF SUPPORT.] The assistant commissioner of public safety assigned to the office of drug policy shall provide staff and administrative support to the task force. Other agencies shall provide information and staff and administrative support upon request.

Subd. 3. [DUTIES.] The task force shall:

- (1) coordinate the development and implementation of criminal justice policies and programs within state government that require interagency cooperation; and*
- (2) advise the governor and the legislature on measures to increase public safety, foster interagency coordination, and improve the workings of the state's criminal justice system.”*

Page 30, lines 12, 25, and 27, delete “director” and insert “assistant commissioner assigned to the office of drug policy”

Page 30, line 26, delete “or services”

Page 32, line 26, delete “governor” and insert “commissioner of corrections or the commissioner's designee”

Page 33, after line 3, insert:

“Sec. 12. [STUDY AND REPORT.]

The interagency task force on criminal justice policy established by section 6 shall review existing drug abuse prevention programs and shall develop and recommend to the governor and the legislature 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 report and recommendations must be submitted before January 1, 1991.”

Page 33, line 7, delete “director of the”

Page 33, delete section 13

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 26, delete "felony" and insert "gross misdemeanor"

Page 1, line 36, delete "a director" and insert "an assistant commissioner"

Page 1, line 37, delete "director" and insert "assistant commissioner"

Page 1, line 46, delete "a drug abuse prevention council" and insert "an interagency task force on criminal justice policy"

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. 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 persons performing radon testing to be registered by the commissioner of administration; 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, delete section 1

Page 1, line 15, delete "326.84" and insert "326.83"

Page 1, line 16, delete "8" and insert "4"

Page 1, delete lines 18 to 20

Page 1, line 21, delete "3" and insert "2"

Page 1, line 25, delete "326.85" and insert "326.84"

Page 3, delete section 4

Page 3, line 14, delete "326.87" and insert "326.85"

Pages 3 to 5, delete sections 6 to 9 and insert:

"Sec. 4. [MANDATORY TESTING.]

By July 1, 1991, public and private schools and licensed day care centers shall conduct screening tests for radon in classrooms and other areas in which children are accommodated and shall report the results to the commissioner of health."

Page 5, lines 15, 19, 23, 27, 31, and 35, delete "3" and insert "2"

Page 6, lines 3 and 7, delete "3" and insert "2"

Page 6, delete lines 9 to 11

Page 6, line 12, delete "10" and insert "9"

Page 6, delete lines 14 to 17

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "plumbing code and"

Page 1, line 6, delete everything after the semicolon

Page 1, delete line 7

Page 1, line 8, delete everything before "appropriating"

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. 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; providing for a study on the effects of a runway expansion at Airlake airport; amending Minnesota Statutes 1988, sections 473.604, subdivision 1; 473.608, subdivision 1; and 473.621, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Page 10, delete lines 10 to 35 and insert:

"(1) the commissioners of transportation, state planning, and the pollution control agency;

(2) a member of the metropolitan council, appointed by the council;

(3) a member of the metropolitan airports commission, appointed by the commission;

(4) a representative of the aviation industry, appointed by the metropolitan council;

(5) four elected city officials, one from each of the cities of Bloomington, Minneapolis, Richfield, and St. Paul, appointed, respectively, by the governing body of Bloomington, Minneapolis, Richfield, and St. Paul;

(6) a representative of the Federal Aviation Administration, serving as a nonvoting member;

(7) a member of the Minnesota congressional delegation, serving as a nonvoting member, selected by the delegation; and

(8) two public members who are not eligible for appointment under clauses (1) to (7), one appointed by the majority leader of the senate and one appointed by the speaker of the house of representatives.

The advisory council shall elect a chair from among its members."

Page 10, line 36, delete "5" and insert "4"

Page 11, line 4, delete "6" and insert "5"

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. 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.

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

Delete everything after the enacting clause and insert:

“Section 1. [254A.075] [MULTIDISCIPLINARY CHEMICAL ABUSE PREVENTION TEAM.]

Subdivision 1. [ESTABLISHMENT OF TEAM.] A county, a multicounty organization of counties formed by an agreement under section 471.59, or a city with a population of no more than 50,000, may establish a multidisciplinary chemical abuse prevention team. The chemical abuse prevention team may include, but not be limited to, representatives of health, mental health, public health, law enforcement, educational, social service, court service, community education, religious, and other appropriate agencies, and parent and youth groups. For purposes of this section, “chemical abuse” has the meaning given in Minnesota Rules, part 9530.6605, subpart 6. When possible the team must coordinate its activities with existing local groups, organizations, and teams dealing with the same issues the team is addressing.

Subd. 2. [DUTIES OF TEAM.] (a) A multidisciplinary chemical abuse prevention team shall:

(1) assist in coordinating chemical abuse prevention and treatment services provided by various groups, organizations, and agencies in the community;

(2) disseminate information on the chemical abuse prevention and treatment services that are available within the community in which the team is established;

(3) develop and conduct educational programs on chemical abuse prevention for adults and youth within the community in which the team is established;

(4) conduct activities to address other high-risk behaviors related to chemical abuse, including, but not limited to, suicide, delinquency, and family violence; and

(5) conduct other appropriate chemical abuse prevention activities.

(b) The team, in carrying out its duties under this subdivision, must focus on chemical abuse issues and needs unique to the community in which the team is established. In defining the needs and goals of the team, the team shall consult with the governmental body of the city or county in which the team is established. When a team is established in a multicounty area, the team shall consult with representatives of the county boards of each county.

(c) The team, in carrying out its duties, shall comply with the government data practices act in chapter 13, and requirements for confidentiality of

records under Code of Federal Regulations, title 42, sections 2.1 to 2.67, as amended through December 31, 1988, and section 254A.09.

Subd. 3. [GRANTS FOR DEMONSTRATION PROGRAM.] The state planning agency may award a grant to a county, multicounty organization, or city, as described in subdivision 1, for establishing and operating a multidisciplinary chemical abuse prevention team. The agency may approve up to five applications for grants under this subdivision. The grant funds must be used to establish a multidisciplinary chemical abuse prevention team to carry out the duties in subdivision 2.

Subd. 4. [STATE PLANNING; ADMINISTRATION OF GRANTS.] The state planning agency shall develop a process for administering grants under subdivision 3. The process must be compatible with the community grant program that the agency administers under the Drug Free Schools and Communities Act, Public Law Number 100-690. The process for administering the grants must include establishing criteria the state planning agency shall apply in awarding grants. The state planning agency shall issue requests for proposals for grants under subdivision 3. The request must be designed to obtain detailed information about the applicant and other information the state planning agency considers necessary to evaluate and select a grant recipient. The applicant shall submit a proposal for a grant on a form and in a manner prescribed by the state planning agency. The state planning agency shall award grants under this section so that 50 percent of the funds appropriated for the grants go to the metropolitan area comprised of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties, and 50 percent of the funds go to the area outside the metropolitan area. The process for administering the grants must also include procedures for monitoring the recipients' use of grant funds and reporting requirements for grant recipients.

Sec. 2. [MONITORING AND REPORT OF CHEMICAL ABUSE PREVENTION TEAMS.]

The state planning agency shall monitor the activities of teams funded under the demonstration program for multidisciplinary chemical abuse prevention teams under section 1, and report to the legislature on or before January 1, 1991, on the teams' operation and progress.

Sec. 3. [APPROPRIATION.]

§ is appropriated for the biennium ending June 30, 1991, from the general fund to the commissioner of the state planning agency for the purposes of sections 1 and 2."

Amend the title as follows:

Page 1, line 3, delete "dependency" and insert "abuse"

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. 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.

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 252.32, is amended by adding a subdivision to read:

Subd. 5. [PILOT PROJECT.] (a) The commissioner of human services shall establish a pilot project to provide subsidies to the following persons who have received training equivalent to case manager training under Minnesota Rules, part 9525.0155:

(1) a primary caregiver for a relative between 22 and 35 years of age with mental retardation or a related condition living in the primary caregiver's home; and

(2) persons with mental retardation or a related condition between 22 and 35 years of age.

(b) The subsidy may be used for any goods and services agreed upon by the screening team to carry out the goals in the individual service plan as defined in Minnesota Rules, part 9525.0075, for the person with mental retardation or a related condition. The subsidy may not be used to supplant existing funding sources.

(c) The commissioner shall develop procedures for determining the amount of subsidy, but the yearly total may not exceed \$3,000 for each eligible person. The commissioner shall establish procedures for paying the subsidy to a person eligible under paragraph (a). The procedures must allow the person to receive the subsidy in the form of cash payments or a voucher for goods and services that meet the requirements in paragraph (b). In establishing the pilot project the commissioner shall review the results of the consumer case management project funded by the state planning agency between 1986 and 1989.

(d) Twenty percent of the cost of the subsidy program must be paid with nonstate funds.

(e) At least one of the counties participating in the pilot project must be from rural Minnesota, provided the county agrees to comply with the requirements of this section.

(f) The commissioner shall report to the legislature by February 1, 1991, on the effectiveness of the project in terms of cost and in meeting the goals of the individual service plan.

Sec. 2. [APPROPRIATION.]

\$200,000 is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1991, for the pilot project subsidies in section 1. Money may be distributed beginning October 1, 1989."

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. 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.

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

Delete everything after the enacting clause and insert:

“Section 1. [144.851] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 15.

Subd. 2. [ABATEMENT.] “Abatement” means the use of the best available technology to remove or encapsulate deteriorating or intact lead paint or to reduce the availability of lead in soil and house dust, air, water, municipal solid waste, industrial waste, construction debris, compost, medicines, and any other sources considered a lead hazard by the commissioner.

Subd. 3. [BOARD OF HEALTH.] “Board of health” means an administrative authority established under section 145A.03 or 145A.07.

Subd. 4. [COMMISSIONER.] “Commissioner” means the commissioner of health.

Subd. 5. [DEPARTMENT.] “Department” means the department of health.

Subd. 6. [ELEVATED BLOOD LEAD LEVEL.] “Elevated blood lead level” means at least 25 micrograms per deciliter.

Subd. 7. [ENCAPSULATION.] “Encapsulation” refers to the secure covering or containment of a lead source in soil or the stabilization of deteriorating paint and repainting to prevent harmful exposure to a toxic level of lead. Encapsulation includes maintenance of a stable condition of paint or soil cover and monitoring by the property owner. Sod cover or placement of soils below 25 parts per million and seeding is permitted. Treatment for walkways and car parking areas may be included in an order.

Subd. 8. [HIGH-EFFICIENCY VACUUMING.] “High-efficiency vacuuming” means the use of the best available vacuum technology to effectively reduce dust lead levels so as to produce a lead safe environment in dwellings or other locations containing a lead dust hazard or deteriorating paint requiring abatement.

Subd. 9. [IMMEDIATE LEAD HAZARD.] “Immediate lead hazard” means a lead source in deteriorating paint, dust, or bare soil with a toxic level of lead that is found to be readily available for ingestion by children or adults.

Subd. 10. [LEAD ABATEMENT CONTRACTOR.] “Lead abatement contractor” means an employer or other person or entity who, for financial gain, directly performs or causes to be performed, through subcontracting or similar delegation, work related to lead hazard abatement or immediate hazard removal.

Subd. 11. [LEAD HAZARD.] “Lead hazard” means the existence of a

toxic level of lead that is potentially a source of exposure to children who are known to ingest paint or tamper with painted surfaces or tamper with and consume soil.

Subd. 12. [LEAD SAFE.] "Lead safe" means a property, portion of a property, or lead source that is free of immediate lead hazards.

Subd. 13. [LOCAL HEALTH BOARD.] "Local health board" means a city or county board of health established under section 145A.03 or 145A.07.

Subd. 14. [LOW BLOOD LEAD LEVEL.] "Low blood lead level" means the blood lead level guideline of ten micrograms per deciliter.

Subd. 15. [TOXIC LEVEL OF LEAD.] "Toxic level of lead" means a lead level that pollutes the environment or causes harm to persons through consumption, ingestion, or prolonged exposure. Toxic levels for the following sources must be no greater than the following protocols set for determining abatement:

(1) any painted surface in deteriorating condition that is available for teething or tampering by a child must not contain a lead level greater than .5 percent lead by dry weight or loose chips containing greater than .01 percent lead as measured by atomic absorption spectrophotometry or test sample of 1.0 milligrams of lead per square centimeter of surface as measured on-site by portable XRF Analyzer or properly calibrated comparable technology;

(2) median lead content of any bare soil accessible to children must not exceed 100 parts per million;

(3) lead levels must not exceed 300 micrograms per square meter for any surface dust in the interior or exterior of a dwelling or workplace and 100 parts per million of lead dust in furniture, carpets, or household belongings; and

(4) lead levels for drinking water must not exceed a lead content of five parts per billion.

Sec. 2. [144.852] [PROACTIVE LEAD EDUCATION STRATEGY.]

The commissioner shall contract with local health boards, lead advocacy organizations, and businesses to design and implement a uniform, proactive educational program to promote the prevention of exposure to all sources of lead to target populations. Priority shall be given to provide ongoing education to health care and social service providers, registered lead abatement contractors, building trades professionals and nonprofessionals, property owners, and parents. Educational materials shall be multilingual and multicultural to meet the needs of diverse populations.

Sec. 3. [144.853] [LEAD SCREENING FOR CHILDREN.]

The commissioner shall contract with the local health boards of Minneapolis, St. Paul, and Duluth to promote and subsidize a baseline blood lead test of all children at risk who live in the high risk areas served by these local health boards and who are under six years of age. The lead screening must be advocated on a statewide basis through the proactive education efforts of local health boards. The lead screening must be promoted to be carried out in conjunction with routine blood tests. Medical laboratories performing blood lead analyses must provide copies of the laboratory report form for all blood lead levels of at least ten micrograms per deciliter to the commissioner and to the board of health of the city or

county in which the patient resides. The information obtained from the screenings must be reported by address and census tract and made available for research and to the public. The commissioner shall work through the statewide WIC program to ensure that testing of children in low-risk areas is integrated as a state reimbursed screening component of WIC services. The commissioner shall also evaluate the accessibility and affordability of lead screening for children throughout the state as provided by other health care providers and report the findings to the legislature by January 1, 1990.

Sec. 4. [144.854] [PERMIT REQUIRED.]

The owner of any property or a lead abatement contractor must obtain a permit from a local health board before beginning any sandblasting or burning of paint with a toxic level of lead.

Sec. 5. [144.855] [RESIDENTIAL ASSESSMENT AND ABATEMENT.]

Subdivision 1. [RESIDENCE ASSESSMENT.] If a child is identified as having a blood lead level that exceeds 25 micrograms per deciliter, the local health board must do a timely assessment of the child's residence to determine the sources of lead contamination and must provide education to the residents and the owner on the best means of reducing the danger of the lead sources. If a child or pregnant woman is identified as having a blood lead level that exceeds ten micrograms per deciliter, a lead abatement advocate or local health board shall provide education on prevention methods and services.

Subd. 2. [ABATEMENT ORDERS.] If the level of lead in paint, soil, dust, or water found during the assessment conducted under subdivision 1 exceeds the interim standards for a toxic level of lead, the board of health may issue an order for monitoring, immediate hazard removal, encapsulation, or permanent removal of the lead source.

Subd. 3. [WARNING NOTICE.] A warning notice must be posted on all entrances to properties for which an order to abate an intact lead paint source has been issued by a board of health. This notice must remain posted until the abatement has been completed in accordance with the order, or until the board of health removes it. This warning must be at least 8-1/2 by 11 inches in size, and must include the following provisions, or provisions using substantially similar language:

(a) "This property contains dangerous amounts of lead to which children under age six and pregnant women should not be exposed."

(b) "It is unlawful to remove or deface this warning. This warning may be removed only upon the direction of the local board of health."

Subd. 4. [RELOCATION OF RESIDENTS.] Relocation of residents is required from rooms or dwellings for removal of intact paint and the removal or disruption of intact lead-painted surfaces and plaster walls during construction or remodeling projects. The commissioner shall contract with local boards for safe housing for relocation requirements. Efforts must be made to minimize disruption and ensure that a family may return to their place of residence, if they desire, after abatement is completed.

Subd. 5. [RETESTING REQUIRED.] Monitoring for compliance after an abatement order issued for any case of an elevated blood lead level shall be prompt and include the retesting of all sources previously in violation. Persons relocated during abatement may reoccupy the residence

or rooms only when the retesting confirms compliance with a lead safe environment.

Sec. 6. [144.856] [REGISTRATION OF ABATEMENT CONTRACTORS.]

After July 1, 1989, abatement contractors who contract for the removal of leaded soil, dust, or deteriorating paint must register by phone, by mail, or in person with the commissioner and notify the local board of health of all abatement projects undertaken in response to an abatement order. All abatement contractors shall be given instructional materials on safe abatement methods and the requirements of relocation from rooms or dwellings by residents. By July 1, 1990, the commissioner shall develop or contract for a training program for abatement contractors and adopt rules specifying the abatement methods that must be used by contractors to provide for the safe sandblasting, collection, handling, storage, encapsulation, removal, transportation, and disposal of any material containing lead. By January 1, 1991, the commissioner shall report to the legislature concerning the need for licensure or certification of lead abatement contractors.

Sec. 7. [144.857] [LEAD ABATEMENT ADVOCATE.]

The commissioner shall administer a program to fund community-based advocates who, following the detection of a toxic level of lead, a low or elevated blood lead level, or after the issuance of an abatement order, will visit the family in their residence to instruct them about lead prevention, safety measures, materials, and procedures to be followed before, during, and after an abatement order.

Sec. 8. [144.858] [RULES.]

By June 30, 1990, the commissioner of the pollution control agency and the commissioner of health shall jointly adopt rules to set abatement procedures for the removal of intact paint through sandblasting, burning, or other methods approved by the commissioner.

Sec. 9. [144.859] [COMMITTEE ON LEAD PREVENTION.]

The commissioner of state planning shall convene a committee consisting of a representative of the Minnesota housing finance agency, the pollution control agency, the department of health, the state planning agency, the department of education, abatement contractors, realtors, community council representatives from high-risk areas, parents of lead-burdened children, lead researchers, and cultural groups at a high risk of lead poisoning. The committee shall evaluate the costs of providing assistance to property owners and local communities required to do abatement under this law and of providing subsidized programs to assist them. The committee shall also present recommendations for a statewide subsidized abatement service program. The commissioner shall report the findings and recommendations to the legislature by January 1, 1990.

Sec. 10. [144.860] [ENVIRONMENTAL SURVEY; ABATEMENT ORDERS.]

Subdivision 1. [ENVIRONMENTAL SURVEY REQUIRED.] The commissioner shall administer and contract for an environmental survey of soil lead levels and lead hazards in paint throughout high-risk areas, as is demonstrated by significant numbers of children with low and elevated blood lead levels.

Inspections shall include ten samples of interior floor dust from a square meter area and ten surface scrape soil samples from foundation soils near entrances, midyard, and streetside locations.

When an immediate lead hazard is found in a multiunit building, the commissioner may order an inspection of all units in the building.

Subd. 2. [ISSUANCE OF ABATEMENT ORDERS.] If an inspection reveals the need for the removal or encapsulation of an immediate lead hazard, if detection of a low or elevated blood lead level is found, or if the local board of health determines that a lead hazard exists at a residence, an order for abatement shall be issued. This order shall involve, in order of priority:

(1) an order for continued maintenance of a stable, nondeteriorating condition of a lead source for a temporary or permanent approach;

(2) an order for an immediate hazard removal of loose paint, dust, or loose soil with a toxic level of lead;

(3) an order for encapsulation of a lead source with a toxic level of lead; or

(4) an order for the removal of intact lead paint, painted surfaces, furnishings, or soil that is readily available to a child with a known pica for paint or soil.

Subd. 3. [HANDLING OF WASTE.] All liquid and solid waste generated or collected that is known to contain lead must be handled, source separated, processed, recycled, or disposed of in a manner to minimize the generation or distribution of lead in air or water.

Subd. 4. [NOTIFICATION OF LAW.] All abatement orders must include educational materials on safety specifications. The orders must also provide current information on tools and services required to perform the proposed abatement in compliance with safety and relocation specifications.

Sec. 11. [144.861] [ABATEMENT PROCEDURES.]

Subdivision 1. [FURNITURE AND POSSESSIONS.] In cases of abating an intact lead paint hazard or lead paint abatement dust, household furniture and personal possessions with a toxic level of lead dust shall be cleaned, encapsulated, or removed as part of the abatement procedure.

Subd. 2. [MAINTENANCE AND MONITORING REQUIRED.] Where a known intact surface or reservoir with a toxic level of lead exists, but does not pose a risk of being a lead hazard, the board of health shall issue an order requiring maintenance of a stable condition or secure encapsulation and monitoring for potential hazards from deterioration, weathering, remodeling, or the disturbing of soil cover by the property owner.

Subd. 3. [PROHIBITED PROCEDURES.] The dry scraping, brushing, sweeping, or dusting of a lead source containing a toxic level of lead is prohibited. Removal of intact lead-based paint through interior or exterior sanding, sandblasting, burning, or any other methods which the commissioner considers to generate a lead hazard, is prohibited.

Subd. 4. [HANDLING OF DUST.] During any lead abatement, dust and waste must be removed through high-efficiency vacuuming or repeated detergent washing of all surfaces and items requiring abatement. Household or industrial vacuuming is allowed only when the lead source is

saturated with a wet detergent or solvent. Cleanup must include the complete drying of all washed surfaces immediately following final wash.

Subd. 5. [PROTECTION OF NONCONTAMINATED AREAS.] Precautions must be taken to keep immediate lead hazards in dust, soil, and loose paint from noncontaminated and lead safe areas, materials, or belongings. Foundation soil, sidewalks, steps, plants, and other exterior property are to be covered with sheets of cloth or plastic.

Subd. 6. [RECOMMENDED PROCEDURES.] Lead paint removal on exteriors shall include, to the maximum extent feasible, the use of high-powered water spraying and wetting during scraping procedures and the secure covering of windows and entrances to reduce the generation and distribution of lead paint dust. Interior lead paint removal shall include the use of solvents, wet washing, high-efficiency vacuuming, and removal of painted surfaces.

Sec. 12. [144.862] [ENFORCEMENT OF COMPLIANCE.]

If a lead source constitutes an immediate lead hazard, or if there is failure to adequately protect workers, the environment, or residents, or if the source of lead remains a lead hazard for a child known to teethe on or consume nonfood items, the local health board shall order the abatement to be done by a registered lead abatement contractor. The costs of abatement may be levied on the property owner's property tax statement.

Sec. 13. [144.863] [SUBSIDIZED ABATEMENT SERVICES.]

The commissioner shall provide subsidized lead abatement services to tenants or property owners with incomes equal to or below 185 percent of the federal poverty guidelines or to any day care facility with a detected immediate lead hazard. The commissioner shall provide these services by contracting with organizations and businesses with experience in environmental lead abatement and lead prevention advocacy and which employ a principal investigator with experience in lead research. Abatement services must include, but are not limited to, water bill subsidy, temporary or permanent relocation of residents, immediate hazard removal, and temporary or permanent encapsulation or permanent removal of a lead source. Services shall be made available statewide with a priority given to persons living in residences where an elevated blood lead level has been detected. Tenant subsidy shall include relocation and immediate hazard removal and prevention tools. The commissioner may allow residences, at which a low or elevated blood lead level has been detected, to water designated play areas during drought conditions.

Sec. 14. [144.864] [PARKING REQUIREMENTS.]

For the purposes of paving new parking facilities for over ten cars which would result in the destruction of land and natural resources within 100 feet of an existing day care facility or within 1,000 feet of a federal reserve or national park, an environmental impact statement and documentation of nonpolluting environmental alternatives are required.

Sec. 15. [REPORT ON PAINT, SOIL, AND BLOOD LEAD.]

The commissioner shall contract with local health boards, Minnesota lead prevention advocacy organizations, and businesses with research experience to draft a report for review. The report shall consist of a statistical and geographic analysis by census tract of the data collected in

section 10 and an analysis of data from the statewide survey. The department shall review the literature, recommend appropriate response actions, and provide an estimate of the social costs of lead exposure. Cost estimates for treating the estimation of lead hazards shall include analysis of current abatement techniques and the effectiveness of the definitions for a toxic level of lead in paint, soil, dust, and water. Recommendations related to safety considerations shall address the progress of the state lead abatement programs, the benefits of the proactive lead education strategy, and subsidized abatement services. The report shall be submitted to the commissioner of health and the legislature by January 1, 1991.

Sec. 16. [APPROPRIATION.]

(a) \$ is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to implement sections 1 to 15.

(b) \$ is appropriated from the general fund to the commissioner of health to provide grants to the cities of Minneapolis, St. Paul, and Duluth for the biennium ending June 30, 1991, for the enforcement of compliance required in section 12. Of this amount, \$ is for the city of Minneapolis, \$ for the city of St. Paul, and \$ for the city of Duluth.

(c) \$ is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, for the report required in section 15.

(d) \$ is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, for lead prevention education and services targeting Hmong communities. The commissioner shall contract with a Hmong advocacy organization, a lead-related business, or a community-based clinic to provide environmental lead prevention educational materials and other services related to lead prevention, and to study the benefits of removing lead hazards in soil, dust, paint, and medicines in the Hmong community.

(e) \$ is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, for the subsidized lead abatement services required in section 13."

Delete the title and insert:

"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."

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

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

S.F No. 272: 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.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 1, after line 6, insert:

“Section 1. [198.345] [VETERANS HOME; LUVERNE.]

Subdivision 1. [ESTABLISHMENT.] The board may establish a veterans home in Luverne to provide at least 60 beds for skilled nursing care in conformance with licensing rules of the commissioner of health.

Subd. 2. [FUNDING.] The home must be purchased or built with funds, 65 percent of which must be provided by the federal government and 35 percent by other nonstate sources, including local units of government, veterans' organizations, and corporations or other business entities. Contracts made by the board for the purposes of this section are subject to chapter 16B.”

Page 1, line 10, delete the first comma and insert “*and the interagency board for quality assurance*”

Page 2, delete lines 29 to 33 and insert:

“Sec. 3. [SUNSET.]

Section 1 is repealed July 1, 1992, unless the United States Veterans Administration has approved the request to establish a veterans nursing home in Luverne.”

Page 3, line 1, delete “1” and insert “2”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert “*providing for the establishment of a veterans home in Luverne;*”

Page 1, line 5, after “money” insert “; proposing coding for new law in Minnesota Statutes, chapter 198”

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

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

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.

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

Page 2, line 6, after the period, insert “*To the best of our knowledge,*” and reinstate the stricken language

Page 2, lines 7 and 8, reinstate the stricken language

Page 2, delete lines 9 and 10

Page 2, delete lines 23 to 25 and insert:

“(b) A person entitled to a lien does not lose the right to the lien for failure to strictly comply with this subdivision if a good faith effort is made to comply, unless the owner or lien claimant proves damage as a direct

result of the failure to comply.”

Page 2, line 28, after the period, insert “*Until August 1, 1990, a notice given in conformity with Minnesota Statutes 1988, section 514.011, subdivision 2, is valid.*”

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. 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.

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 13.42, subdivision 3, is amended to read:

Subd. 3. [CLASSIFICATION OF MEDICAL DATA.] Unless the data is summary data or a statute specifically provides a different classification, medical data are private but are available only to the subject of the data as provided in section 144.335, and shall not be disclosed to others except:

- (a) Pursuant to section 13.05;
- (b) Pursuant to a valid court order;
- (c) To administer federal funds or programs;
- (d) To the surviving spouse ~~or next of kin~~, *parents, children, and siblings* of a deceased patient or client *or, if there are no surviving spouse, parents, children, or siblings, to the surviving heirs of the nearest degree of kindred*;
- (e) To communicate a patient’s or client’s condition to a family member or other appropriate person in accordance with acceptable medical practice, unless the patient or client directs otherwise; or
- (f) As otherwise required by law.

Sec. 2. Minnesota Statutes 1988, section 13.83, subdivision 8, is amended to read:

Subd. 8. [ACCESS TO PRIVATE DATA.] The data made private by this section ~~shall be~~ *are* accessible to the legal representative of the decedent’s estate ~~or and to the decedent’s surviving spouse or next of kin or, parents, children, and siblings and their legal representative representatives.~~

Sec. 3. Minnesota Statutes 1988, section 144.335, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them:

- (a) “Patient” means a natural person who has received health care services from a provider for treatment of a medical, psychiatric, or mental condition, *the surviving spouse and parents of a deceased patient*, or a person the patient designates in writing as a representative. Except for

minors who have received health care services pursuant to sections 144.341 to 144.347, in the case of a minor, "patient" includes a parent or guardian, or a person acting as a parent or guardian in the absence of a parent or guardian.

(b) "Provider" means (1) any person who furnishes health care services and is licensed to furnish the services pursuant to chapter 147, 148, 148B, 150A, 151, or 153; (2) a home care provider licensed under section 144A.46; and (3) a health care facility licensed pursuant to this chapter or chapter 144A."

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

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.

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

Amend the report from the Committee on Agriculture and Rural Development, adopted by the Senate April 25, 1989, as follows:

Page 4, line 6, delete everything after "year" and insert a semicolon

Page 4, delete lines 7 to 14

Page 5, after line 1, insert:

"The descriptions of programs under clause (1) must include a statement of purpose for each program; a description of the administration of the program, including the activities the corporation was responsible for and the responsibilities that other organizations had in administering the program; the results of the program, including how the results were measured; the expenses of the program paid by the corporation; and the source of corporate and noncorporate funding for the program."

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

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

H.F. No. 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.

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, to the extent feasible, 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 must include one physician and one other medical care provider and two enrollees, and 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;

(3) the management of health care quality assurance systems and programs; or

(4) the management of health insurance services, health maintenance organization services, or other health plan services, including marketing, actuarial, underwriting, or financial services.

(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) *Notwithstanding section 62E.06, subdivision 1, establish a fee schedule for payments for services covered by the comprehensive health insurance plan according to section 7;*

(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 an 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 (i).~~

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. The association may petition the commissioner of commerce for, and the commissioner may grant, a waiver of any of the requirements of this chapter and chapters 60A, 62A, and 62D, to allow the experimental use of alternative health delivery systems.

Sec. 7. Minnesota Statutes 1988, section 62E.10, is amended by adding a subdivision to read:

Subd. 10. [FEE SCHEDULE.] (a) The association shall 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. The fee schedule must be established no later than January 1, 1990. The fee schedule must be based on a weighted average of the following payments made to providers in the seven-county Minneapolis-St. Paul metropolitan area:

- (1) payments made under the medical assistance program;*
- (2) payments made under the Medicare program;*
- (3) payments made by the two largest contributing members of the association;*
- (4) workers' compensation payments; and*
- (5) payments by commercial insurers according to the fee schedule established by the Health Insurance Association of America.*

(b) A proposed fee schedule established under paragraph (a) must be published in the State Register along with notice of a public hearing on the fee schedule and solicitation of public comment on the fee schedule. Following the public hearing and comment period, the final fee schedule must be published in the State Register and is effective 30 days after publication.

(c) The association and the writing carrier must not reduce payments for services prior to the establishment of a fee schedule under this section.

(d) Information collected by the association for purposes of establishing a fee schedule under paragraph (a) is nonpublic, trade secret information as defined in section 13.37, subdivision 1, paragraph (b). The association may not disclose any information, formulas, or calculations relating to the fee schedule that would result in the direct or indirect release of the information described in paragraph (a), clause (3).

(e) 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. However, a licensed physician may elect to be exempt from the requirements of this paragraph by annually informing the association at the times and in the manner prescribed by the association. The

association shall provide to enrollees a list of the physicians who do not accept the fee schedule as payment in full and shall inform enrollees that they are responsible for any portion of the provider's charges that exceed the fee schedule payment. A physician who has not informed the association that the physician elects to be exempt from this paragraph and who accepts a payment on behalf of an enrollee is deemed to have agreed to accept the fee schedule payment as payment in full and may not charge to or collect from the enrollee any charges in excess of the fee schedule payment.

Sec. 8. 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 or articles that are determined by the writing carrier to be not medically necessary or to be experimental or investigative.

Sec. 9. [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) an analysis 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. 10. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1989, and applies to policies issued or renewed on or after that date. The changes in section 3, paragraph (b), relating to the terms of members of the board of directors, are effective August 1, 1989, and apply to members appointed or elected on or after that date. The changes in section 3, paragraph (a), relating to the public members of the board of directors, are effective August 1, 1989, and apply to members selected on or after that date, so that full compliance with the changes will be achieved when the commissioner has appointed four public members subsequent to August 1, 1989, according to the existing schedule for the expiration of terms and appointment of members. The remaining changes in section 3, and sections 2 and 4 to 9 are effective July 1, 1989."

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 by adding a subdivision; and 62E.12."

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. 949 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.
				949	735

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 949 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 949 and insert the language after the enacting clause of S.F. No. 735, the first engrossment; further, delete the title of H.F. No. 949 and insert the title of S.F. No. 735, the first engrossment.

And when so amended H.F. No. 949 will be identical to S.F. No. 735, and further recommends that H.F. No. 949 be given its second reading and substituted for S.F. No. 735, 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. 1131 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.
1131	941				

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. 1581 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.
1581	1376				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1581 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1581 and insert the language after the enacting clause of S.F. No. 1376, the first engrossment; further, delete the title of H.F. No. 1581 and insert the title of S.F. No. 1376, the first engrossment.

And when so amended H.F. No. 1581 will be identical to S.F. No. 1376, and further recommends that H.F. No. 1581 be given its second reading

and substituted for S.F. No. 1376, 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. 909 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.
909		839			

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 909 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 909 and insert the language after the enacting clause of S.F. No. 839, the first engrossment; further, delete the title of H.F. No. 909 and insert the title of S.F. No. 839, the first engrossment.

And when so amended H.F. No. 909 will be identical to S.F. No. 839, and further recommends that H.F. No. 909 be given its second reading and substituted for S.F. No. 839, 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. 647 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.
647		155			

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 647 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 647 and insert the language after the enacting clause of S.F. No. 155, the first engrossment; further, delete the title of H.F. No. 647 and insert the title of S.F. No. 155, the first engrossment.

And when so amended H.F. No. 647 will be identical to S.F. No. 155, and further recommends that H.F. No. 647 be given its second reading and substituted for S.F. No. 155, 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. 729 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.
729	573				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 729 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 729 and insert the language after the enacting clause of S.F. No. 573, the first engrossment; further, delete the title of H.F. No. 729 and insert the title of S.F. No. 573, the first engrossment.

And when so amended H.F. No. 729 will be identical to S.F. No. 573, and further recommends that H.F. No. 729 be given its second reading and substituted for S.F. No. 573, 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. 1574 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.
1574	190				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1574 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1574 and insert the language after the enacting clause of S.F. No. 190, the first engrossment; further, delete the title of H.F. No. 1574 and insert the title of S.F. No. 190, the first engrossment.

And when so amended H.F. No. 1574 will be identical to S.F. No. 190, and further recommends that H.F. No. 1574 be given its second reading and substituted for S.F. No. 190, 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. 700 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.
700	412				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 700 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 700 and insert the language after the enacting clause of S.F. No. 412, the first engrossment; further, delete the title of H.F. No. 700 and insert the title of S.F. No. 412, the first engrossment.

And when so amended H.F. No. 700 will be identical to S.F. No. 412, and further recommends that H.F. No. 700 be given its second reading and substituted for S.F. No. 412, 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. 1506 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.
1506	1359				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1506 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1506 and insert the language after the enacting clause of S.F. No. 1359, the first engrossment; further, delete the title of H.F. No. 1506 and insert the title of S.F. No. 1359, the first engrossment.

And when so amended H.F. No. 1506 will be identical to S.F. No. 1359, and further recommends that H.F. No. 1506 be given its second reading and substituted for S.F. No. 1359, 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. 1375, 6, 38 and 1358 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1014, 444, 1604, 1285, 949, 1131, 1581, 909, 647, 729, 1574, 700 and 1506 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Storm moved that his name be stricken as a co-author to S.F. No. 187. The motion prevailed.

Mr. Luther moved that S.F. No. 1150, No. 109 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Luther moved that S.F. No. 721, No. 71 on General Orders, be stricken and re-referred to the Committee on Elections and Ethics. The motion prevailed.

Mr. Luther moved that S.F. No. 1483, No. 58 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Beckman moved that S.F. No. 466, No. 11 on General Orders, be stricken and re-referred to the Committee on Employment. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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.	Luther	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Marty	Peterson, R.W.	Vickerman
Brataas	Freeman	McGowan	Piper	Waldorf
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Metzen	Ramstad	

So the bill passed and its title was agreed to.

H.F No. 212: A bill for an act relating to the city of Hibbing; authorizing two additional on-sale liquor licenses.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Laidig voted in the negative.

So the bill passed and its title was agreed to.

H.F No. 1172: A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land in Carlton county.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.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	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	Hughes	McGowan	Peterson, R.W.	Vickerman
Cohen	Johnson, D.E.	McQuaid	Piper	

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

Was read the third time 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 8, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson	Knaak	McGowan	Olson	Renneke
Frederick	Larson	McQuaid		

So the bill passed and its title was agreed to.

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; 148.283; and 319A.02, subdivision 2; 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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Purfeerst
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	Langseth	Olson	Solon
Bernhagen	Frederick	Lantry	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	Waldorf
Cohen	Hughes	McQuaid	Pogemiller	

Messrs. Larson and Vickerman voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 39 and nays 28, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Johnson, D.E.	Mehrkens	Pogemiller
Belanger	Diessner	Johnson, D.J.	Metzen	Purfeerst
Berglin	Frank	Kroening	Moe, D.M.	Samuelson
Bertram	Frederick	Langseth	Moe, R.D.	Schmitz
Brandl	Frederickson, D.J.	Lantry	Novak	Solon
Cohen	Frederickson, D.R.	Lessard	Pehler	Spear
Dahl	Freeman	McGowan	Peterson, D.C.	Stumpf
Davis	Hughes	McQuaid	Piper	

Those who voted in the negative were:

Anderson	Chmielewski	Laidig	Olson	Storm
Beckman	Decker	Larson	Pariseau	Taylor
Benson	DeCramer	Luther	Peterson, R.W.	Vickerman
Berg	Gustafson	Marty	Ramstad	Waldorf
Bernhagen	Knaak	Merriam	Reichgott	
Brataas	Knutson	Morse	Renneke	

So the bill passed and its title was agreed to.

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.

Was read the third time 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	Piper
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.	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	Taylor
Chmielewski	Gustafson	Marty	Peterson, D.C.	Vickerman
Cohen	Hughes	McGowan	Peterson, R.W.	Waldorf

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

H.F. No. 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Davis	Knaak	Merriam	Ramstad
Beckman	Decker	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	Spear
Bernhagen	Frederickson, D.J.	Larson	Olson	Storm
Bertram	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Brandl	Freeman	Luther	Pehler	Taylor
Brataas	Gustafson	Marty	Peterson, D.C.	Vickerman
Chmielewski	Hughes	McGowan	Peterson, R.W.	Waldorf
Cohen	Johnson, D.E.	McQuaid	Piper	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Mehrkens	Ramstad
Beckman	Decker	Knaak	Merriam	Reichgott
Belanger	DeCramer	Knutson	Metzen	Renneke
Benson	Dicklich	Kroening	Moe, D.M.	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.	Lessard	Peterson, D.C.	Stumpf
Brataas	Freeman	Luther	Peterson, R.W.	Taylor
Chmielewski	Gustafson	Marty	Piper	Vickerman
Cohen	Hughes	McGowan	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

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.

Was read the third time 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:

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.	Stumpf
Chmielewski	Gustafson	Marty	Peterson, R.W.	Taylor
Cohen	Hughes	McGowan	Piper	Vickerman
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Waldorf

Mr. Morse voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 3, as follows:

Those who voted in the affirmative were:

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

Ms. Berglin, Messrs. Knaak and Peterson, R. W. voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	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	Freeman	McGowan	Piper	Waldorf
Brataas	Gustafson	McQuaid	Pogemiller	
Chmielewski	Hughes	Mehrkens	Purfeerst	
Cohen	Johnson, D.E.	Merriam	Ramstad	
Dahl	Johnson, D.J.	Metzen	Reichgott	

Mr. Knaak voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Purfeerst
Anderson	Davis	Johnson, D.J.	Metzen	Ramstad
Beckman	Decker	Knaak	Moe, D.M.	Reichgott
Belanger	DeCramer	Knutson	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

Messrs. Kroening and Merriam voted in the negative.

So the bill passed and its title was agreed to.

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.

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 63 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Merriam voted in the negative.

So the resolution passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Kroening voted in the negative.

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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

So the bill passed and its title was agreed to.

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.

Was read the third time 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	Knutson	Moe, D.M.	Reichgott
Belanger	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.	Mehrkens	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 1269: A bill for an act relating to gambling; video games of chance; requiring notice to the public and to employees of the consequences of participating in cash awards; amending Minnesota Statutes 1988, sections 349.51, subdivision 2; 349.53; and 349.56; proposing coding for new law in Minnesota Statutes, chapter 349.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 41 and nays 24, as follows:

Those who voted in the affirmative were:

Belanger	Dicklich	Knaak	Moe, D.M.	Ramstad
Berg	Diessner	Kroening	Moe, R.D.	Reichgott
Berglin	Frank	Laidig	Olson	Solon
Bernhagen	Frederickson, D.J.	Lantry	Pariseau	Spear
Bertram	Frederickson, D.R.	Lessard	Pehler	Vickerman
Brandl	Freeman	Luther	Peterson, D.C.	
Cohen	Hughes	Marty	Peterson, R.W.	
Dahl	Johnson, D.E.	McGowan	Piper	
Decker	Johnson, D.J.	McQuaid	Purfeerst	

Those who voted in the negative were:

Adkins	Chmielewski	Knutson	Metzen	Samuelson
Anderson	Davis	Langseth	Morse	Schmitz
Beckman	DeCramer	Larson	Novak	Stumpf
Benson	Frederick	Mehrkens	Pogemiller	Taylor
Brataas	Gustafson	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 858: 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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

S.F. No. 1139: A bill for an act relating to occupations and professions; providing that psychologists licensed by the board of psychology and competent in marriage and family therapy may 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, 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 61 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Knaak	Metzen	Renneke
Anderson	Decker	Knutson	Moe, D.M.	Samuelson
Beckman	DeCramer	Laidig	Moe, R.D.	Schmitz
Belanger	Dicklich	Langseth	Morse	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	Piper	Vickerman
Brandl	Gustafson	McGowan	Pogemiller	
Brataas	Hughes	McQuaid	Purfeerst	
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	

Those who voted in the negative were:

Davis	Freeman	Kroening	Peterson, R.W.	Waldorf
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So the bill passed and its title was agreed to.

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.

Was read the third time 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	Metzen	Reichgott
Anderson	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.	Vickerman
Brandl	Freeman	Marty	Peterson, R.W.	Waldorf
Brataas	Gustafson	McGowan	Piper	
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

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 planning and providing technical and financial assistance for land application of certain solid wastes; 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; 115A.46, subdivision 2; 115A.48, subdivisions 1, 2, and by adding a subdivision; and 116.07, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 17.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Metzen	Ramstad
Anderson	Decker	Knutson	Moe, D.M.	Reichgott
Beckman	DeCramer	Kroening	Moe, R.D.	Renneke
Belanger	Dicklich	Laidig	Morse	Samuelson
Benson	Diessner	Langseth	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
Chmielewski	Gustafson	McGowan	Piper	Vickerman
Cohen	Hughes	McQuaid	Pogemiller	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Purfeerst	

Mrs. Brataas, Messrs. Knaak and Merriam voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 4, as follows:

Those who voted in the affirmative were:

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

Messrs. Morse, Novak, Pehler and Samuelson voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1283: A bill for an act relating to gambling; clarifying that casino nights are prohibited; providing penalties; amending Minnesota Statutes 1988, sections 609.75, by adding a subdivision; and 609.76, 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 20 and nays 46, as follows:

Those who voted in the affirmative were:

Belanger	Davis	Knutson	Moe, D.M.	Spear
Benson	Dicklich	Laidig	Morse	Storm
Berg	Freeman	Luther	Peterson, R.W.	Taylor
Brandl	Knaak	Marty	Solon	Waldorf

Those who voted in the negative were:

Adkins	Decker	Johnson, D.J.	Metzen	Ramstad
Anderson	DeCramer	Kroening	Moe, R.D.	Reichgott
Beckman	Diessner	Langseth	Novak	Renneke
Berglin	Frank	Lantry	Olson	Samuelson
Bernhagen	Frederick	Larson	Pariseau	Stumpf
Bertram	Frederickson, D.J.	Lessard	Pehler	Vickerman
Brataas	Frederickson, D.R.	McGowan	Peterson, D.C.	
Chmielewski	Gustafson	McQuaid	Piper	
Cohen	Hughes	Mehrkens	Pogemiller	
Dahl	Johnson, D.E.	Merriam	Purfeerst	

So the bill failed to pass.

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.

Was read the third time 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
Anderson	DeCramer	Kroening	Moe, R.D.	Samuelson
Beckman	Dicklich	Laidig	Morse	Schmitz
Belanger	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.	Mehrrens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	
Davis	Knaak	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 834: A bill for an act relating to consumer protection; requiring motor vehicle damage disclosures and branding certificates of title; 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

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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.	Mehrrens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Pogemiller
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.	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	

Messrs. Kroening and Waldorf voted in the negative.

So the bill passed and its title was agreed to.

S.F No. 1009: A bill for an act relating to Carver and Scott counties; 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.

Was read the third time 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	Knutson	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.

H.F No. 390: 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Piper
Anderson	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

Messrs. Purfeerst and Waldorf voted in the negative.

So the bill passed and its title was agreed to.

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; 92.19; 94.09, subdivision 2; 94.342, subdivision 3; 94.343, subdivision 3; and 94.344, 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 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	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	

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1042: A bill for an act relating to agriculture; requiring the use of soy-based ink for some printing operations; proposing coding for new law in Minnesota Statutes, chapter 16B.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	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	Spear
Berglin	Frederickson, D.J.	Lessard	Pariseau	Storm
Bernhagen	Frederickson, D.R.	Luther	Pehler	Stumpf
Bertram	Freeman	Marty	Peterson, D.C.	Taylor
Brandl	Gustafson	McGowan	Peterson, R.W.	Vickerman
Chmielewski	Hughes	McQuaid	Piper	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Pogemiller	
Davis	Johnson, D.J.	Merriam	Purfeerst	

Mrs. Brataas and Mr. Dahl voted in the negative.

So the bill passed and its title was agreed to.

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.

Was read the third time 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
Anderson	DeCramer	Kroening	Moe, R.D.	Samuelson
Beckman	Dicklich	Laidig	Morse	Schmitz
Belanger	Diessner	Langseth	Novak	Solon
Benson	Frank	Lantry	Olson	Spear
Berg	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. 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 36 and nays 28, as follows:

Those who voted in the affirmative were:

Belanger	Dicklich	Laidig	Olson	Samuelson
Berg	Frank	Langseth	Pariseau	Storm
Berglin	Frederickson, D.J.	Lantry	Peterson, D.C.	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Peterson, R.W.	Taylor
Bertram	Gustafson	Lessard	Pogemiller	
Cohen	Hughes	McQuaid	Purfeerst	
Dahl	Johnson, D.E.	Merriam	Ramstad	
DeCramer	Johnson, D.J.	Moe, R.D.	Renneke	

Those who voted in the negative were:

Adkins	Davis	Knutson	Moe, D.M.	Solon
Anderson	Decker	Kroening	Morse	Spear
Beckman	Diessner	Luther	Pehler	Vickerman
Brandl	Frederick	McGowan	Piper	Waldorf
Brataas	Freeman	Mehrkens	Reichgott	
Chmielewski	Knaak	Metzen	Schmitz	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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; 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; proposing coding for new law in Minnesota Statutes, chapter 5.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Renneke
Anderson	Decker	Kroening	Moe, R. D.	Samuelson
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.	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	

Messrs. Frederick, Knutson and Ms. Reichgott voted in the negative.

So the bill passed and its title was agreed to.

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.

Was read the third time 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	Metzen	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.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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.	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.

H.F. No. 1077: A bill for an act relating to state lands; authorizing conveyance of state land to the city of St. Peter.

Was read the third time 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	Metzen	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.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

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; appropriating money; amending Minnesota Statutes 1988, section 116C.57, by adding a subdivision.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

Was read the third time 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 8, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berg	Kroening	Peterson, R.W.	Storm	Waldorf
Knutson	Merriam	Pogemiller		

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Bertram	Freeman	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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	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. 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.

Was read the third time 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	Diessner	Langseth	Morse	Schmitz
Berglin	Frank	Lantry	Novak	Solon
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.	Taylor
Chmielewski	Hughes	McGowan	Peterson, R.W.	Vickerman
Cohen	Johnson, D.E.	McQuaid	Piper	

So the bill passed and its title was agreed to.

S.F. No. 922: A bill for an act relating to education; limiting the number of and altering petition procedures for school district levy referendums; amending Minnesota Statutes 1988, section 124A.03, 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 61 and nays 2, as follows:

Those who voted in the affirmative were:

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

Mrs. Brataas and Mr. Knutson voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 187: 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 32 and nays 32, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Laidig	Metzen	Pogemiller
Beckman	Frank	Langseth	Moe, R.D.	Solon
Berglin	Frederickson, D.J.	Lantry	Morse	Spear
Cohen	Freeman	Luther	Novak	Waldorf
Dahl	Johnson, D.J.	Marty	Pariseau	
Davis	Knaak	McQuaid	Peterson, D.C.	
DeCramer	Kroening	Merriam	Piper	

Those who voted in the negative were:

Anderson	Chmielewski	Johnson, D.E.	Pehler	Storm
Belanger	Decker	Larson	Peterson, R.W.	Stumpf
Benson	Diessner	Lessard	Purfeerst	Taylor
Bernhagen	Frederick	McGowan	Ramstad	Vickerman
Bertram	Frederickson, D.R.	Mehrkens	Reichgott	
Brandl	Gustafson	Moe, D.M.	Renneke	
Brataas	Hughes	Olson	Samuelson	

So the bill failed to pass.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Ramstad
Anderson	Decker	Knaak	Metzen	Reichgott
Beckman	DeCramer	Knutson	Moe, D.M.	Renneke
Belanger	Dicklich	Kroening	Moe, R.D.	Samuelson
Benson	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	Taylor
Brataas	Freeman	Marty	Peterson, D.C.	Vickerman
Chmielewski	Gustafson	McGowan	Piper	Waldorf
Cohen	Hughes	McQuaid	Pogemiller	
Dahl	Johnson, D.E.	Mehrkens	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 590: 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Purfeerst
Anderson	Davis	Johnson, D.J.	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	Piper	Vickerman
Cohen	Hughes	McQuaid	Pogemiller	

Mr. Waldorf voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Knaak	Metzen	Reichgott
Belanger	DeCramer	Knutson	Moe, D.M.	Renneke
Benson	Dicklich	Kroening	Moe, R.D.	Samuelson
Berg	Diessner	Laidig	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	Piper	Vickerman
Cohen	Hughes	McQuaid	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

H.F. No. 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Ramstad
Anderson	Davis	Johnson, D.J.	Merriam	Reichgott
Beckman	Decker	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	Taylor
Brataas	Freeman	Marty	Piper	Vickerman
Chmielewski	Gustafson	McGowan	Pogemiller	Waldorf
Cohen	Hughes	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Mehrkens	Ramstad
Beckman	Decker	Knaak	Merriam	Reichgott
Belanger	DeCramer	Knutson	Metzen	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	Piper	Vickerman
Cohen	Hughes	McGowan	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Ramstad
Anderson	Davis	Johnson, D.J.	Merriam	Reichgott
Beckman	Decker	Knutson	Metzen	Renneke
Belanger	DeCramer	Kroening	Moe, D.M.	Samuelson
Benson	Dicklich	Laidig	Morse	Schmitz
Berg	Diessner	Langseth	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	Piper	Vickerman
Chmielewski	Gustafson	McGowan	Pogemiller	Waldorf
Cohen	Hughes	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Knaak	Metzen	Reichgott
Belanger	DeCramer	Knutson	Moe, D.M.	Renneke
Benson	Dicklich	Kroening	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	Piper	Vickerman
Cohen	Hughes	McQuaid	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

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.

Was read the third time 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 13, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Beckman	DeCramer	Knutson	Renneke	Vickerman
Benson	Frederick	Mehrkens	Schmitz	
Berg	Gustafson	Purfeerst	Taylor	

So the bill passed and its title was agreed to.

RECONSIDERATION

Mr. Benson moved that the vote whereby H.F. No. 1429 was passed by the Senate on May 1, 1989, be now reconsidered. The motion prevailed.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 38 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Laidig	Moe, R. D.	Schmitz
Anderson	Davis	Lantry	Novak	Spear
Belanger	DeCramer	Lessard	Pariseau	Storm
Berglin	Frederickson, D.J.	Luther	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Marty	Peterson, D.C.	Vickerman
Brandl	Hughes	McGowan	Piper	Waldorf
Brataas	Knaak	McQuaid	Purfeerst	
Chmielewski	Kroening	Metzen	Ramstad	

Those who voted in the negative were:

Beckman	Diessner	Johnson, D.J.	Morse	Samuelson
Benson	Frank	Knutson	Olson	Taylor
Bertram	Frederick	Langseth	Peterson, R. W.	
Dahl	Freeman	Larson	Pogemiller	
Decker	Gustafson	Mehrkens	Reichgott	
Dicklich	Johnson, D.E.	Moe, D.M.	Renneke	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

H.F. No. 1626: A bill for an act relating to state lands; conveying easement for sanitary sewer to city of Cambridge.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knaak	Merriam	Purfeerst
Anderson	DeCramer	Knutson	Metzen	Ramstad
Beckman	Dicklich	Kroening	Moe, D.M.	Reichgott
Belanger	Diessner	Laidig	Moe, R.D.	Renneke
Benson	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
Dahl	Johnson, D.E.	McQuaid	Piper	Waldorf
Davis	Johnson, D.J.	Mehrkens	Pogemiller	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 1394, 1498, 1378, H.F. Nos. 472, 1440, 426, 1492, 832, 943, 931, 529, 1115, 942, 371, 1411, 438, 300, 22, 218 and 1311 which the committee recommends to pass.

H.F. No. 827, which the committee recommends to pass with the following amendment offered by Mr. Benson:

Amend H.F. No. 827, the unofficial engrossment, as follows:

Page 6, line 13, delete "*person may*" and insert "*county board may authorize persons hunting fox to*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1196, which the committee recommends to pass with the following amendments offered by Ms. Berglin and Mr. Knutson:

Ms. Berglin moved to amend S.F. No. 1196 as follows:

Page 6, after line 15, insert:

"Sec. 3. [256B.32] [FACILITY FEE FOR OUTPATIENT HOSPITAL EMERGENCY ROOM AND CLINIC VISITS.]

The commissioner shall establish a facility fee payment mechanism that will pay a facility fee to all enrolled outpatient hospitals for each emergency room or outpatient clinic visit provided on or after July 1, 1989. This payment mechanism may not result in an overall increase in outpatient payment rates. This section does not apply to federally mandated maximum payment limits, department approved program packages, or services billed using a non-outpatient hospital provider number.

Sec. 4. [EFFECTIVE DATE.]

Section 3 is effective July 1, 1989."

Amend the title as follows:

Page 1, line 16, delete "chapter 144" and insert "chapters 144 and 256B"

The motion prevailed. So the amendment was adopted.

Mr. Knutson moved to amend S.F. No. 1196 as follows:

Page 4, line 10, after the period, insert "*The facility may require, prior to admission, a person to assume financial responsibility who would be a guarantor of the costs of the resident's care.*"

Page 5, line 4, delete "will" and insert "may"

Page 5, line 8, after the period, insert "*A facility need not submit a medical assistance claim but may petition for a representative to file the claim.*"

Page 5, line 11, delete "or subsequent days" and insert "*, if the discharge occurs before 12:00 noon, and may not charge for days subsequent to the resident's discharge*"

Mrs. Lantry requested division of the amendment as follows:

First portion:

Page 4, line 10, after the period, insert "*The facility may require, prior to admission, a person to assume financial responsibility who would be a guarantor of the costs of the resident's care.*"

Second portion:

Page 5, line 4, delete "will" and insert "may"

Page 5, line 8, after the period, insert "*A facility need not submit a medical assistance claim but may petition for a representative to file the claim.*"

Page 5, line 11, delete "or subsequent days" and insert "*, if the discharge occurs before 12:00 noon, and may not charge for days subsequent to the resident's discharge*"

The question was taken on the adoption of the first portion of the Knutson amendment.

The motion did not prevail. So the first portion of the Knutson amendment was not adopted.

The question was taken on the adoption of the second portion of the Knutson amendment.

The motion prevailed. So the second portion of the Knutson amendment

was adopted.

H.F. No. 1107, which the committee recommends to pass with the following amendment offered by Mr. Knaak:

Amend H.F. No. 1107, as amended pursuant to Rule 49, adopted by the Senate April 28, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 804.)

Page 2, line 1, delete "24" and insert "48"

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 Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on H.F. No. 837 and S.F. Nos. 1356 and 652. The motion prevailed.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-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 be amended as follows:

Pages 2 and 3, delete section 2

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "changing"

Page 1, delete line 4

Page 1, line 5, delete everything before "amending"

Page 1, line 6, delete "sections" and insert "section" and delete "and 214.04,"

Page 1, line 7, delete "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. 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.

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

Page 3, line 16, delete everything after "child"

Page 3, line 17, delete everything before "for"

Page 3, line 18, after "privileges" insert "under section 260.195, subdivision 3a."

Pages 3 to 5, delete sections 2 to 7

Page 6, line 4, strike "require the child to"

Page 6, line 5, after "(a)" insert "Require the child to"

Page 6, lines 6 and 7, before "Participate" insert "Require the child to"

Page 6, line 30, delete "HABITUAL PETTY OFFENDER;" and insert "ENHANCED"

Page 6, line 31, delete "is a habitual petty offender" and insert "has committed a second or subsequent juvenile alcohol or controlled substance offense"

Page 6, line 36, delete "habitual"

Page 7, lines 3 and 9, delete "habitual"

Page 7, after line 14, insert:

"Sec. 4. Laws 1985, chapter 278, section 2, is amended to read:

Sec. 2. [REPEALER.]

Section 1 is repealed effective August 1, ~~1989~~ 1990."

Page 7, line 16, delete "9" and insert "3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "eliminating juvenile"

Page 1, delete line 3

Page 1, line 4, delete "aggravated DWI offenders;"

Page 1, line 9, delete "habitual" and insert "repeat"

Page 1, line 10, after the semicolon, insert "extending a repealer;"

Page 1, delete lines 12 and 13

Page 1, line 14, delete "by adding a subdivision; and"

Page 1, line 15, delete "subdivisions" and insert "a subdivision; and Laws 1985, chapter 278, section 2"

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. 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 1, line 19, delete "*any*" and insert "*an*"

Page 1, line 20, delete "*desires*" and insert "*is eligible*"

Page 2, delete sections 2 to 4

Amend the title as follows:

Page 1, line 4, before "inmates" insert "eligible" and delete "denying "good time" "

Page 1, delete lines 5 and 6

Page 1, line 7, delete "educational programs;"

Page 1, line 8, delete everything after the first comma and insert "section 244.03."

Page 1, delete line 9

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

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

S.F. No. 1356: 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.

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

Page 44, line 14, delete the second “*the*”

Page 44, line 15, delete “*of representatives, and the*” and insert “, *and*”

Page 44, line 17, delete “*which shall*” and insert “*to*”

Page 44, line 18, before “*recommend*” insert “*to*”

Page 45, line 18, delete “WORKERS’ COMPENSATION COURT OF APPEALS” and insert “WCCA”

Page 46, line 20, before the comma, insert “*or after the case has been considered by the panel but prior to the service and filing of the decision*”

Page 46, line 21, delete “*either*” and delete “*or after the*”

Page 46, delete line 22

Page 46, line 23, delete “*and filing of the decision*”

Page 47, line 3, after “*Notwithstanding*” insert “*Minnesota Statutes,*”

And when so amended the bill be re-referred to the Committee on Finance without recommendation.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

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 15A.083, subdivision 7; 175A.01; 175A.02; 175A.05; and 175A.07, subdivision 2.

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

Page 5, line 13, after “*panel*” insert “*or after the case has been considered by the panel but prior to the service and filing of the decision*”

Page 5, line 14, delete “*either*” and delete “*or after the*”

Page 5, delete line 15

Page 5, line 16, delete “*and filing of the decision*”

Page 5, line 25, delete the comma

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on

Rules and Administration.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 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.

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 15.16, is amended to read:

15.16 [TRANSFER OF LANDS BETWEEN DEPARTMENTS AND AGENCIES.]

Subdivision 1. [AGREEMENT.] ~~In order~~ To facilitate the transfer of the control of state owned lands between state departments *and agencies* of government and *to* avoid the necessity of condemning state lands by a department *or agency* of government of the state, ~~any~~ a department *or agency* of the state government of the State of Minnesota may acquire the control of state lands for public purposes from the department *or agency* of state government having ~~such~~ those lands under its control and supervision, upon ~~such~~ terms and conditions ~~as may be that are~~ mutually agreed upon by the heads of the interested state departments *or agencies*.

Subd. 2. [EXECUTIVE COUNCIL TO DETERMINE TERMS.] ~~In the event~~ If the heads of ~~such~~ the departments *or agencies* acting under subdivision 1 are unable to agree ~~as to~~ on the terms and conditions of a transfer of control of ~~these~~ state lands, the executive council, upon application of a state department *or agency* having the power to acquire lands for public purposes, shall determine the terms and conditions and may order the transfer of the control of state lands to the department ~~so~~ *or agency* requesting the transfer.

Subd. 3. [COMMISSIONER OF FINANCE AND TREASURER TO TRANSFER FUNDS.] The commissioner of finance and the state treasurer are ~~hereby~~ authorized and directed to transfer funds between state departments *and agencies* to effect the terms and conditions to transfer the control of real estate as ~~hereinbefore~~ provided *in this section*.

Subd. 4. [ATTORNEY GENERAL TO PRESCRIBE FORM OF TRANSFER.] The transfer of control of real estate as ~~hereinbefore~~ provided shall under *this section* must be made on ~~such~~ transfer documents ~~as prescribed~~ by the attorney general shall prescribe, and ~~all such~~ the transfer documents shall *must* be permanently filed in the office of the commissioner of finance.

Subd. 5. [OBTAINING RECOMMENDATION.] No control of state-owned lands shall ~~may~~ be transferred between state departments *or agencies* without ~~the departments or agencies~~ first consulting the chairs of the senate finance committee and house of representatives appropriations committee and obtaining their recommendations. The recommendations shall ~~be~~ *are*

advisory only. Failure to obtain a prompt recommendation shall be is deemed a negative recommendation.

Sec. 2. Minnesota Statutes 1988, section 15.39, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding the provisions of section 15.38, or any other law to the contrary, the commissioner of the department of jobs and training of the state of Minnesota may insure the state of Minnesota purchase insurance against loss by fire, flood, windstorm, or tornado to state-owned buildings occupied by said the department, in from any insurance companies licensed to do business in this state in such an amount as that the commissioner may from time to time determine and to pay premiums therefor for the insurance from federal funds granted for the administration of the department of jobs and training.

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 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;
Chair, metropolitan waste control commission;

\$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 15A.081, subdivision 7, is amended to read:

Subd. 7. [PART-TIME METROPOLITAN OFFICERS.] The governor shall set the salary rate within the range set forth below for the following part-time positions, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

	Effective July 1, 1987
Chair, metropolitan airports commission	\$15,000-\$25,000
Chair, metropolitan waste control commission	\$25,000-\$35,000

Fringe benefits for unclassified employees of the metropolitan waste control commission shall not exceed those fringe benefits received by unclassified employees of the metropolitan council.

Sec. 5. Minnesota Statutes 1988, section 16A.85, subdivision 2, is amended to read:

Subd. 2. [COVENANTS.] The commissioner of finance may covenant in a master lease that the state will abide by the terms and provisions that are customary in net lease or lease-purchase transactions including, but not limited to, covenants providing that the state:

(1) will maintain ~~rental interruption, liability, and casualty~~ insurance ~~notwithstanding section 15.38 as required under the terms of the lease agreement;~~

(2) is responsible to the lessor for any public liability or property damage claims or costs related to the selection, use, or maintenance of the leased equipment, to the extent of insurance or self-insurance maintained by the lessee, and for costs and expenses incurred by the lessor as a result of any default by the lessee;

(3) authorizes the lessor to exercise the rights of a secured party with respect to the equipment subject to the lease in the event of default by the lessee and, in addition, for the present recovery of lease rentals due during the current term of the lease as liquidated damages.

Sec. 6. Minnesota Statutes 1988, section 16B.06, subdivision 4, is amended to read:

Subd. 4. [SUBJECT TO AUDIT.] A contract or any disbursement of public funds to a provider of services or a grantee, made by or under the supervision of the commissioner, an agency, or any county or unit of local government ~~shall~~ *must* include, expressly or impliedly, an audit clause that provides that the books, records, documents, and accounting procedures and practices of the contractor or other party, relevant to the contract or transaction are subject to examination by the contracting agency, and either the legislative auditor or the state auditor as appropriate. *A state contract made for purchase, lease, or license of software and data from the state is not required to contain that audit clause.*

Sec. 7. Minnesota Statutes 1988, section 16B.09, subdivision 5, is amended to read:

Subd. 5. [COOPERATIVE AGREEMENTS.] *The commissioner may enter into cooperative purchasing agreements under section 471.59 with cities, counties, towns, school districts, or other political subdivisions or instrumentalities of a governmental unit or any entity that is statutorily authorized to purchase materials and services through state contracts. The commissioner may charge a fee to cover the commissioner's administrative expenses to government units that have joint or cooperative purchasing agreements with the state under section 471.59.*

Sec. 8. Minnesota Statutes 1988, section 16B.20, subdivision 2, is amended to read:

Subd. 2. [ADVISORY COUNCIL.] ~~A~~ *The small business procurement advisory council is created. The council* consists of 13 members appointed by the commissioner of administration. A chair of the advisory council ~~shall~~ *must* be elected from among the members. The appointments are subject to the appointments program provided by section 15.0597. The terms and removal of members are as provided in section 15.059, ~~but members do not receive per diem. The council expires as provided in section 15.059, subdivision 5.~~

Sec. 9. Minnesota Statutes 1988, section 16B.24, subdivision 1, is amended to read:

Subdivision 1. [OPERATION AND MAINTENANCE OF BUILDINGS.] The commissioner is authorized to maintain and operate the state capitol building and grounds, subject to whatever standards and policies are set for its appearance and cleanliness by the capitol area architectural and planning board and the commissioner pursuant to under section 15.50, subdivision 2, clause (h), and the state office building, the historical society building, ~~the Normandale, Anoka-Ramsey, North Hennepin, Lakewood, Metropolitan, and South East Metropolitan Community Colleges,~~ the economic security buildings in Minneapolis and St. Paul, the state department of health building, and the surplus property building, and their grounds, and, when the commissioner considers it advisable and practicable, any other building or premises owned or rented by the state for the use of a state agency. The commissioner shall assign and reassign office space in the capitol and state buildings to make an equitable division of available space among agencies. The power granted in this subdivision does not apply to state hospitals or to educational, penal, correctional, or other institutions not enumerated in this subdivision the control of which is vested by law in some other agency.

Sec. 10. Minnesota Statutes 1988, section 16B.24, subdivision 6, is amended to read:

Subd. 6. [PROPERTY RENTAL.] (a) [LEASES.] The commissioner shall rent land and other premises when necessary for state purposes. The commissioner may lease land or premises for five years or less, subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use. The commissioner may not rent non-state-owned land and buildings or substantial portions of land or buildings within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board. Lands needed by the department of transportation for storage of vehicles or road materials may be rented for five years or less, such leases for terms over two years being subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use.

(b) [RESTRICTION ON LEASING.] *The commissioner may not rent or lease more than 50,000 square feet of a non-state-owned building for the purpose of providing office space for a state agency. This restriction does not apply to currently leased property or to the lease or rental of property as part of a funded plan for relocation of an agency in a state-owned building in the capitol area as defined in section 15.50.*

(c) [USE VACANT PUBLIC SPACE.] No agency may initiate or renew a lease for space for its own use in a private building unless the commissioner has thoroughly investigated presently vacant space in public buildings, such as closed school buildings, and found that none is available.

(e) (d) [PREFERENCE FOR CERTAIN BUILDINGS.] For needs beyond those which can be accommodated in state-owned buildings, the commissioner shall acquire and utilize space in suitable buildings of historical, architectural, or cultural significance for the purposes of this subdivision unless use of that space is not feasible, prudent and cost effective compared with available alternatives. Buildings are of historical, architectural, or cultural significance if they are listed on the national register of historic

places, designated by a state or county historical society, or designated by a municipal preservation commission.

(d) (e) [RECYCLING SPACE.] Leases for space of 30 days or more for 5,000 square feet or more must require that space be provided for recyclable materials.

Sec. 11. Minnesota Statutes 1988, section 16B.405, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] To offset ~~the department of administration's~~ software development costs through the sale of products developed, the commissioner may sell or license computer software products or services developed by ~~the commissioner~~ state agencies or custom developed by a vendor, through whatever sales method the commissioner considers appropriate. Prices for the software products or services may be based on market considerations.

Sec. 12. [16B.465] [STATEWIDE TELECOMMUNICATIONS ACCESS ROUTING SYSTEM.]

Subdivision 1. [FUNCTION.] The statewide telecommunications access routing system provides voice, data, video, and other telecommunications transmission services to state agencies, educational institutions, public corporations, and state political subdivisions. It is not a telephone company for purposes of chapter 237. It may not resell or sublease any services or facilities to nonpublic entities. The commissioner is responsible for planning, development, and operations of a statewide telecommunications access routing system in order to provide cost-effective telecommunications transmission services to system users.

Subd. 2. [ADVISORY COUNCIL.] The statewide telecommunications access routing system is managed by the commissioner. Subject to section 15.059, subdivisions 1 to 4, the commissioner shall appoint an advisory council to provide assistance in implementing a statewide telecommunications access routing system. The council consists of:

(1) one member appointed by the higher education advisory council established by section 136A.02, subdivision 6;

(2) the system heads, or their designees, of the University of Minnesota, the state university system, the community colleges system, and the board of vocational technical education; and

(3) five members appointed by the governor or the governor's designee or designees, four of whom must be agency heads or their designees or representatives of political subdivisions.

No member of the advisory council may be a vendor of telecommunications equipment or services or an employee or representative of a vendor.

Subd. 3. [DUTIES.] The commissioner, after consultation with the council, shall:

(1) provide voice, data, video, and other telecommunications transmission services to the state and to political subdivisions through the statewide telecommunications access routing system revolving fund;

(2) appoint a chief executive officer of the system to serve in the unclassified service;

(3) manage vendor relationships, network function, and capacity planning in order to be responsive to the needs of the system users;

(4) set rates and fees for services;

(5) approve contracts relating to the system; and

(6) develop the system plan, including plans for the phasing of its implementation, maintenance of the initial system, and the annual program and fiscal plans for the system.

Subd. 4. [REVOLVING FUND.] The statewide telecommunications access routing system revolving fund is a separate fund for the department of administration in the state treasury for the receipt of and payment of money for the statewide telecommunications access routing system established in subdivision 1. Money appropriated to the fund and fees for communications services provided by the statewide telecommunications access routing system must be deposited in the fund. Money in the fund is appropriated annually to the commissioner to operate the statewide telecommunications access routing system.

Subd. 5. [EXEMPTION.] The system is exempt from the five-year limitation on contracts set by section 16B.07, subdivision 2.

Sec. 13. Minnesota Statutes 1988, section 16B.48, is amended to read:

16B.48 [GENERAL SERVICES AND COMPUTER SERVICES INTER-TECHNOLOGIES REVOLVING FUNDS.]

Subdivision 1. [REIMBURSEMENTS.] Fees prescribed pursuant to under section 16B.51, for the rendering of the services provided in that section are deposited in the state treasury by the collecting agency and credited to the general services revolving fund.

Subd. 2. [PURPOSE OF FUNDS.] Money in the state treasury credited to the general services revolving fund and money which that is deposited in the fund is appropriated annually to the commissioner for the following purposes:

(1) to operate a central store and equipment service;

(2) to operate a central duplication and printing service;

(3) to purchase postage and related items and to refund postage deposits as necessary to operate the central mailing service;

(4) to operate a documents service as prescribed by section 16B.51;

(5) to provide advice and other services to political subdivisions for the management of their records, information, and telecommunication systems;

(6) to provide services for the maintenance, operation, and upkeep of buildings and grounds managed by the commissioner of administration;

(7) to provide analytical, statistical, and organizational development services to state agencies, local units of government, metropolitan and regional agencies, and school districts;

(8) to provide capitol security services through the department of public safety; and

(9) to perform services for any other agency. Money shall may be expended for this purpose only when directed by the governor. The agency receiving the services shall reimburse the fund for their cost, and the commissioner

shall make the appropriate transfers when requested. The term "services" as used in this clause means compensation paid officers and employees of the state government; supplies, materials, equipment, and other articles and things used by or furnished to an agency; and utility services, and other services for the maintenance, operation, and upkeep of buildings and offices of the state government.

Subd. 3. [~~COMPUTER SERVICES~~ *INTERTECHNOLOGIES REVOLVING FUND.*] Money in the ~~computer services~~ *intertechnologies* revolving fund is appropriated annually to the commissioner to operate ~~the division of computer information, records, and telecommunications services.~~

Subd. 4. [REIMBURSEMENTS.] Except as specifically provided otherwise by law, each agency shall reimburse ~~the computer services intertechnologies~~ and general services revolving funds for the cost of all services, supplies, materials, labor, and depreciation of equipment, including reasonable overhead costs, which the commissioner is authorized and directed to furnish an agency. The cost of all publications or other materials produced by the commissioner and financed from the general services revolving fund ~~shall must~~ include reasonable overhead costs. The commissioner of finance shall make appropriate transfers to the revolving funds described in this section when requested by the commissioner of administration. The commissioner of administration may make allotments, encumbrances, and, with the approval of the commissioner of finance, disbursements in anticipation of such transfers. In addition, the commissioner of administration, with the approval of the commissioner of finance, may require an agency to make advance payments to the revolving funds in this section sufficient to cover the agency's estimated obligation for a period of at least 60 days. All ~~such~~ reimbursements and other money received by the commissioner of administration under this section ~~shall must~~ be deposited in the appropriate revolving fund. Any earnings remaining in the fund established to account for the documents service prescribed by section 16B.51 at the end of each fiscal year not otherwise needed for present or future operations, as determined by the commissioners of administration and finance, ~~shall must~~ be transferred to the general fund.

Subd. 5. [LIQUIDATION.] If the ~~computer services intertechnologies~~ or general services revolving fund is abolished or liquidated, the total net profit from the operation of each fund ~~shall must~~ be distributed to the various funds from which purchases were made. The amount to be distributed to each fund ~~shall must~~ bear to ~~such~~ the net profit the same ratio as the total purchases from each fund bears to the total purchases from all the funds during ~~such the same~~ period of time as ~~shall fairly reflect the amount of net profit each fund is entitled to receive under the distribution required by this section.~~

Sec. 14. 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~~ *currently* 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~~ *must* 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, ~~and~~ the office of the attorney general, *the investigative staff of the department of jobs and training, and the department of revenue to conduct seizures or criminal investigations.*

Sec. 15. Minnesota Statutes 1988, section 136.24, subdivision 1, is amended to read:

Subdivision 1. [PROPRIETARY PURCHASES.] Technical educational equipment may be procured for the state universities on request of the state university board either by brand designation or in accordance with standards and specifications the board may promulgate, notwithstanding the ~~provisions~~ *competitive bidding requirements* of chapter 16B to the contrary. *The procurement is still subject to supervision by the office of information systems management under section 16B.41.*

Sec. 16. Minnesota Statutes 1988, section 136.622, subdivision 1, is amended to read:

Subdivision 1. [PROPRIETARY PURCHASES.] Technical educational equipment may be procured for the state community colleges on request of the state board for community colleges either by brand designation or in accordance with standards and specifications the board may promulgate, notwithstanding the *competitive bidding requirements* of chapter 16B. *The procurement is still subject to supervision by the office of information systems management under section 16B.41.*

Sec. 17. Minnesota Statutes 1988, section 214.07, subdivision 2, is amended to read:

Subd. 2. [SUMMARY OF BOARD REPORTS.] Not later than December 15 of each even-numbered year, the commissioner of health with respect

to the health-related licensing boards and the commissioner of administration with respect to the non-health-related boards shall prepare summary reports compiling the information required by subdivision 1, clauses (b) and (g) to (p) and contained in the reports submitted by the boards the preceding year pursuant to subdivision 1. The summary reports shall also specify the staff and services provided by the departments department to each board. The summary reports shall be distributed to the legislature pursuant to under section 3.195 and to the governor.

Sec. 18. Minnesota Statutes 1988, section 473.141, subdivision 3, is amended to read:

Subd. 3. [CHAIR.] The chair of each agency shall be appointed by the governor with the advice and consent of the senate, shall be the ninth voting member and shall meet all qualifications established for members, except the chair need only reside within the metropolitan area. The council, by resolution after a public meeting on the subject, shall provide the governor with a list of nominees for the position. Senate confirmation is as provided by section 15.066. The chair shall preside at all meetings of the agency, if present, and shall perform all other duties and functions assigned by the agency or by law. *The chair is responsible for providing leadership in developing policy, coordinating the activities of the agency board, establishing and appointing committees of the board, chairing the internal audit committee, ensuring effective communication between the agency and other governmental entities and the general public, ensuring that the board is fully informed of the activities of the chief administrator and the agency, ensuring that the chief administrator implements the policies of the board and is held accountable to the board, and evaluating the chief administrator's performance.* Each agency may appoint from among its members a vice-chair to act for the chair during temporary absence or disability.

Sec. 19. [TECHNOLOGY AND COMMUNICATIONS TASK FORCE.]

Subdivision 1. [MEMBERSHIP; REPORT; STAFF] A technology and communications task force consisting of:

(1) the commissioners of administration, public safety, public service, and transportation or their designees;

(2) two members of the senate appointed by the subcommittee on committees of the committee on rules and administration and two members of the house of representatives appointed by the speaker, or their designees;

(3) four representatives of the courts appointed by the chief justice; and

(4) the president of the University of Minnesota, the chancellor of the state university system, the chancellor of the community colleges system, and the state director of vocational technical education or their designees

shall study the communications and technological capabilities, plans, and needs of state agencies, educational institutions, the courts, and the legislature and shall report its findings and recommendations to the legislature by February 15, 1990. The assistant commissioner of administration assigned to the information policy office shall serve as the primary staff person for the task force. Members of the task force may designate other agency, legislative, and judicial staff to assist the task force.

Subd. 2. [DUTIES.] *The task force shall:*

(1) survey state agencies, each house of the legislature, the courts, and public post-secondary educational institutions to determine their current capabilities and anticipated future needs in communication of voice, data, and video within each entity surveyed, between entities, and between each entity and the public;

(2) compile a list of technological equipment and systems currently in use by the entities surveyed, whether owned by the entity or leased from an outside public or private supplier, and a list of equipment or systems the entities plan to acquire;

(3) identify any duplication or underutilization of equipment or systems and any unmet needs for equipment or systems; and

(4) identify an appropriate existing entity, or recommend the establishment of a new entity, to coordinate the design, acquisition, maintenance, and administration of a statewide system to serve the current and future communications and technological needs of state executive agencies, post-secondary educational institutions, the legislature, and the courts efficiently and effectively.

The task force's recommendation under clause (4) must outline an administrative structure capable of evaluating communications and technological needs and selecting appropriate equipment and systems to meet those needs consistent with the overall needs of the state and the equipment and systems already in place.

Subd. 3. [MORATORIUM.] The University of Minnesota, the state universities, the community colleges, and the technical institutes may not purchase, contract for, or otherwise commit themselves to new telecommunications equipment, systems, or services until the task force has submitted the report required under subdivision 1.

Sec. 20. [RULE SUSPENDED.]

Minnesota Rules, part 5200.1105, is suspended until May 1, 1990, pending legislative review of its effect on competitive bidding under Minnesota Statutes, section 16B.07.

Sec. 21. [REPEALER.]

Minnesota Statutes 1988, section 15.38, is repealed.

Sec. 22. [EFFECTIVE DATE.]

Sections 3, 4, and 18 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington and are effective July 1, 1989.

Sections 15 and 16 are effective July 1, 1989.

Sections 19 and 20 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state government; regulating markings on state vehicles; 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; regulating transactions between units of government and other

entities; clarifying responsibility for the operation and maintenance of certain buildings; establishing a state telecommunications access routing system; 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; establishing a task force to study communications and technology; suspending Minnesota Rules, part 5200.1105, pending legislative review; amending Minnesota Statutes 1988, sections 15.16; 15.39, subdivision 1; 15A.081, subdivisions 1 and 7; 16A.85, subdivision 2; 16B.06, subdivision 4; 16B.09, subdivision 5; 16B.20, subdivision 2; 16B.24, subdivisions 1 and 6; 16B.405, subdivision 1; 16B.48; 16B.54, subdivision 2; 136.24, subdivision 1; 136.622, subdivision 1; 214.07, subdivision 2; and 473.141, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1988, section 15.38.”

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. 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.

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 363.01, subdivision 25, is amended to read:

Subd. 25. [DISABILITY.] “Disability” means any condition or characteristic that renders a person a disabled person. A disabled person is any person who (1) has a physical, sensory, or mental impairment which ~~substantially~~ materially limits one or more major life activities; (2) has a record of such an impairment; or (3) is regarded as having such an impairment.

Sec. 2. Minnesota Statutes 1988, section 363.01, subdivision 25a, is amended to read:

Subd. 25a. [QUALIFIED DISABLED PERSON.] “Qualified disabled person” means:

(1) with respect to employment, a disabled person who, with reasonable

accommodation, can perform the essential functions required of all applicants for the job in question; and

(2) with respect to services and programs, a disabled person who, with physical and program access, meets the essential eligibility criteria required of all applicants for the program or service in question.

For the purposes of this subdivision, "disability" excludes any condition resulting from alcohol or drug abuse which prevents a person from performing the essential functions of the job in question or constitutes a direct threat to property or the safety of others.

If a respondent contends that the person is not a qualified disabled person, the burden is on the respondent to prove that it was reasonable to conclude the disabled person, with reasonable accommodation, could not have met the requirements of the job or that the selected person was demonstrably better able to perform the job.

Sec. 3. Minnesota Statutes 1988, section 363.01, subdivision 31, is amended to read:

Subd. 31. [FAMILIAL STATUS.] "Familial status" means the condition of one or more minors being domiciled with (a) their parent or parents or the minor's legal guardian or (b) the designee of the parent or parents or guardian with the written permission of the parent or parents or guardian. *The protections afforded against discrimination on the basis of family status apply to any person who is pregnant or is in the process of securing legal custody of an individual who has not attained the age of majority.*

Sec. 4. Minnesota Statutes 1988, section 363.02, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENT.] The provisions of section 363.03, subdivision 1, shall not apply to:

(1) The employment of any individual

(a) by the individual's parent, grandparent, spouse, child, or grandchild, or

(b) in the domestic service of any person;

(2) A religious or fraternal corporation, association, or society, with respect to qualifications based on religion, when religion shall be a bona fide occupational qualification for employment;

(3) The employment of one person in place of another, standing by itself, shall not be evidence of an unfair discriminatory practice;

(4) The operation of a bona fide seniority system which mandates differences in such things as wages, hiring priorities, layoff priorities, vacation credit, and job assignments based on seniority, so long as the operation of the system is not a subterfuge to evade the provisions of this chapter;

(5) With respect to age discrimination, a practice by which a labor organization or employer offers or supplies varying insurance benefits or other fringe benefits to members or employees of differing ages, so long as the cost to the labor organization or employer for the benefits is reasonably equivalent for all members or employees;

(6) A restriction imposed by state statute, home rule charter, ordinance, or civil service rule, and applied uniformly and without exception to all

individuals, which establishes a maximum age for entry into employment as a peace officer or firefighter.

(7) Nothing in this chapter concerning age discrimination shall be construed to validate or permit age requirements which have a disproportionate impact on persons of any class otherwise protected by section 363.03, subdivision 1 or 5.

(8) It is not an unfair employment practice for an employer, employment agency, or labor organization:

(i) to require or request a person to undergo physical examination, which may include a medical history, for the purpose of determining the person's capability to perform available employment, provided (a) that an offer of employment has been made on condition that the person meets the physical or mental requirements of the job; (b) that the examination tests only for essential job-related abilities; and (c) that the examination except for examinations authorized under chapter 176 is required of all persons conditionally offered employment for the same position regardless of disability; or

(ii) with the consent of the employee, to obtain additional medical information for the purposes of establishing an employee health record;

(iii) to administer preemployment tests, provided that the tests (a) measure only essential job-related abilities, (b) are required of all applicants for the same position regardless of disability except for tests authorized under chapter 176, and (c) accurately measure the applicant's aptitude, achievement level, or whatever factors they purport to measure rather than reflecting the applicant's impaired sensory, manual, or speaking skills except when those skills are the factors that the tests purport to measure; or

(iv) to limit receipt of benefits payable under a fringe benefit plan for disabilities to that period of time which a licensed physician reasonably determines a person is unable to work; or

(v) to provide special safety considerations for pregnant women involved in tasks which are potentially hazardous to the health of the unborn child, as determined by medical criteria.

Sec. 5. Minnesota Statutes 1988, section 363.02, subdivision 2, is amended to read:

Subd. 2. [HOUSING.] (1) The provisions of section 363.03, subdivision 2, shall not apply to:

(a) rooms in a temporary or permanent residence home run by a nonprofit organization, if the discrimination is by sex; or

(b) the rental by a resident owner or occupier of a one-family accommodation of a room or rooms in the accommodation to another person or persons if the discrimination is by sex, marital status, status with regard to public assistance or disability. ~~Nothing in this chapter shall be construed to require any~~ Except as provided elsewhere in this chapter or other state or federal law, no person or group of persons selling, renting, or leasing property is required to modify the property in any way, or exercise a higher degree of care for a person having a disability than for a person who does not have a disability; nor shall this chapter be construed to relieve any person or persons of any obligations generally imposed on all persons regardless of any disability in a written lease, rental agreement, or contract

of purchase or sale, or to forbid distinctions based on the inability to fulfill the terms and conditions, including financial obligations of the lease, agreement or contract.

(2) The provisions of section 363.03, subdivision 2, prohibiting discrimination because of familial status shall not be construed to defeat the applicability of any local, state or federal restrictions regarding the maximum number of occupants permitted to occupy a dwelling unit and shall not apply to:

(a) any unoccupied dwelling unit in one building of a housing complex consisting of two buildings or, in a housing complex consisting of three or more buildings, any unoccupied dwelling unit in up to one third of all buildings in the housing complex. For the purposes of this clause, "housing complex" means a group of buildings each containing five or more units on a contiguous parcel of land owned by the same person; a building shall not be exempt from section 363.03, subdivision 2, pursuant to this clause unless the owner has filed an election to designate the building as exempt with the commissioner; an election made by an owner pursuant to this clause may not be withdrawn for purposes of designating another building in the housing complex as exempt for a period of one year from the filing of the election; or

(b) any unit in a condominium created prior to April 12, 1980, any unit in a condominium, other than a condominium converted from a residential building, created on or after April 12, 1980, and any unit in an adults-only condominium created from an existing adults-only rental building on or after April 12, 1980; or

(c) an unoccupied dwelling unit in any building in which at least a majority of the dwelling units are occupied by elderly persons or are unoccupied and available for occupancy solely by households of which at least one member is an elderly person; or

(d) any owner occupied building containing four or fewer dwelling units; or

(e) an unoccupied dwelling unit in any building which is the subject of a valid certificate filed with the commissioner pursuant to the provisions of this clause. To be valid, a certificate must be on a form provided by the commissioner, be received by the commissioner, state that on the date that the certificate is received by the commissioner at least a majority of the dwelling units in the building are occupied by elderly persons or are unoccupied and available for occupancy solely by households of which at least one member is an elderly person, state that on the date that the certificate is received by the commissioner there is on file with the owner of the building or a specified duly authorized agent of the owner for each occupied unit relied upon in support of the certificate a signed statement by an elderly person occupying the unit on the date that the certificate is received by the commissioner that the person is an elderly person, state that for a period of 180 days following the receipt of the certificate by the commissioner the owner or duly authorized agent will preserve the signed statements of the elderly persons and will, upon request, make the statements available for inspection by the commissioner or by any local commission having jurisdiction over the building, be signed by the owner or the duly authorized agent, and be in all respects true and accurate. A valid certificate shall remain valid for a period of 180 days following the date on which it is received by the commissioner. Any owner or authorized

agent who files a certificate containing statements or information that the owner or authorized agent knows or should reasonably know to be false shall be guilty of a misdemeanor;

(f) any unoccupied dwelling unit of up to one-third of the units in a building that is not part of a multibuilding complex; or

(g) any dwelling unit in a building owned by a cooperative apartment corporation, other than a building converted from a residential rental building to a cooperative apartment corporation building on or after April 12, 1980, unless that conversion was from an existing adults-only residential rental building.

(b) housing for elderly persons. "Housing for elderly persons" means housing:

(i) provided under any state or federal program that the commissioner determines is specifically designed and operated to assist elderly persons, as defined in the state or federal program;

(ii) intended for, and solely occupied by, persons 62 years of age or older; or

(iii) intended and operated for occupancy by at least one person 55 years of age or older per unit, provided that:

(A) there are significant facilities and services specifically designed to meet the physical or social needs of older persons, or if the provision of these facilities and services is not practicable, that the housing is necessary to provide important housing opportunities for older persons;

(B) at least 80 percent of the units are occupied by at least one person 55 years of age or older per unit; and

(C) there is publication of, and adherence to, policies and procedures that demonstrate an intent by the owner or manager to provide housing for persons 55 years of age or older.

Housing does not fail to meet the requirements for housing for elderly persons by reason of persons residing in the housing as of the effective date of this act who do not meet the age requirements of clauses (b)(ii) and (b)(iii) if new occupants of the housing meet the age requirements of clause (b)(ii) or (b)(iii). In addition, housing does not fail to meet the requirements by reason of unoccupied units if unoccupied units are reserved for occupancy by persons who meet the age requirements of clause (b)(ii) or (b)(iii).

Sec. 6. Minnesota Statutes 1988, section 363.02, subdivision 2a, is amended to read:

Subd. 2a. [MANUFACTURED HOME PARKS.] ~~The provisions of subdivision 2, prohibiting discrimination because of familial status:~~

(1) do not apply to a manufactured home park the majority of whose lots are reserved by park rule to households containing at least one elderly person; and

(2) do not apply to a section or sections of a manufactured home park which are identified by park rule and do not comprise more than one-third of the lots in the park. In order to qualify for exemption under this subdivision, A park owner must comply with section 327C.02, subdivision 2, 327C.05, or 327C.07, subdivision 4, when adopting or amending a rule

concerning the permitted familial status of residents or of buyers of homes offered for in park sale.

Sec. 7. Minnesota Statutes 1988, section 363.02, subdivision 2b, is amended to read:

Subd. 2b. [EVICTION DUE TO FAMILIAL STATUS.] The provisions of section 363.03, subdivision 2, prohibiting discrimination because of familial status, do not apply to eviction from, or denial of continuing tenancy in, dwelling units exempt through certification under this section, provided that (1) one year has elapsed from the commencement of the familial status and (2) six months prior written notice has been given to the tenant, unless the eviction or denial of continuing tenancy is for non-payment of rent, damage to the premises, disturbance of other tenants, or other breach of the lease.

Sec. 8. Minnesota Statutes 1988, section 363.02, subdivision 6, is amended to read:

Subd. 6. [AGE.] By law or published retirement policy, a mandatory retirement age may be established without being a violation of this chapter if it is established consistent with section 181.81. Nothing in this chapter nor in section 181.81 shall prohibit employee pension and retirement plans from granting pension credit to employees over the age of 65 at a lesser rate than is granted to other employees, provided that in no event may an employee's accumulated pension credits be reduced by continued employment, and further provided that no other state or federal law is violated by the reduced rate of pension credit accrual. Nothing in this chapter shall be construed to prohibit the establishment of differential privileges, benefits, services or facilities for persons of designated ages if (a) such differential treatment is provided pursuant to statute, or (b) the designated age is greater than 59 years or less than 21 years. *Clause (b) does not apply to hiring, tenure, compensation, upgrading, or conditions of employment.*

Sec. 9. Minnesota Statutes 1988, section 363.03, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENT.] Except when based on a bona fide occupational qualification, it is an unfair employment practice:

(1) For a labor organization, because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or age,

(a) to deny full and equal membership rights to a person seeking membership or to a member;

(b) to expel a member from membership;

(c) to discriminate against a person seeking membership or a member with respect to hiring, apprenticeship, tenure, compensation, terms, upgrading, conditions, facilities, or privileges of employment; or

(d) to fail to classify properly, or refer for employment or otherwise to discriminate against a person or member.

(2) For an employer, because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, membership or activity in a local commission, disability, or age,

(a) to refuse to hire or to maintain a system of employment which unreasonably excludes a person seeking employment; or

(b) to discharge an employee; or

(c) to discriminate against a person with respect to hiring, tenure, compensation, terms, upgrading, conditions, facilities, or privileges of employment.

(3) For an employment agency, because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or age,

(a) to refuse or fail to accept, register, classify properly, or refer for employment or otherwise to discriminate against a person; or

(b) to comply with a request from an employer for referral of applicants for employment if the request indicates directly or indirectly that the employer fails to comply with the provisions of this chapter.

(4) For an employer, employment agency, or labor organization, before a person is employed by an employer or admitted to membership in a labor organization, to

(a) require the person to furnish information that pertains to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance ~~or~~, disability, or age; or, *subject to section 363.02, subdivision 1, to require or request a person to undergo physical examination; unless, for the sole and exclusive purpose of national security, information pertaining to national origin is required by the United States, this state or a political subdivision or agency of the United States or this state, or for the sole and exclusive purpose of compliance with the public contracts act or any rule, regulation, or laws of the United States or of this state requiring the information pertaining to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance or disability is required by the United States or a political subdivision or agency of the United States or examination; or*

(b) *seek and obtain for purposes of making a job decision, information from any source that pertains to the person's race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or age, unless for the sole and exclusive purpose of compliance with the public contracts act or any rule, regulation, or laws of the United States or of this state requiring the information; or*

(c) cause to be printed or published a notice or advertisement that relates to employment or membership and discloses a preference, limitation, specification, or discrimination based on race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or age.

Any individual who is required to provide information that is prohibited by this subdivision is an aggrieved party under section 363.06.

(5) For an employer, an employment agency or a labor organization, with respect to all employment related purposes, including receipt of benefits under fringe benefit programs, not to treat women affected by pregnancy, childbirth, or disabilities related to pregnancy or childbirth, the same as other persons who are not so affected but who are similar in their ability or inability to work.

(6) For an employer with 50 or more permanent, full-time employees, an employment agency or a labor organization, not to make reasonable accommodation to the known disability of a qualified disabled person or job applicant unless the employer, agency, or organization can demonstrate that the accommodation would impose an undue hardship on the business, agency, or organization. "Reasonable accommodation" means steps which must be taken to accommodate the known physical or mental limitations of a qualified disabled person. "Reasonable accommodation" may include but is not limited to, *nor does it necessarily require*: (a) making facilities readily accessible to and usable by disabled persons; and (b) job restructuring, modified work schedules ~~that do not reduce the total number of hours normally worked~~, acquisition or modification of equipment or devices, and the provision of aides on a temporary or periodic basis.

In determining whether an accommodation would impose an undue hardship on the operation of a business or organization, factors to be considered include:

(a) the overall size of the business or organization with respect to number of employees or members and the number and type of facilities;

(b) the type of the operation, including the composition and structure of the work force, and the number of employees at the location where the employment would occur;

(c) the nature and cost of the needed accommodation;

(d) the reasonable ability to finance the accommodation at each site of business; and

(e) documented good faith efforts to explore less restrictive or less expensive alternatives, including consultation with the disabled person or with knowledgeable disabled persons or organizations.

A prospective employer need not pay for an accommodation for a job applicant if it is available from an alternative source without cost to the employer or applicant.

Sec. 10. Minnesota Statutes 1988, section 363.03, is amended by adding a subdivision to read:

Subd. 1a. [DISCLOSURE OF MEDICAL INFORMATION.] If any health care records or medical information adversely affects any employment decision concerning an applicant or employee, the employer must notify the affected party of that information within ten days of the final decision.

Sec. 11. Minnesota Statutes 1988, section 363.03, subdivision 2, is amended to read:

Subd. 2. [REAL PROPERTY.] It is an unfair discriminatory practice:

(1) For an owner, lessee, sublessee, assignee, or managing agent of, or other person having the right to sell, rent or lease any real property, or any agent of any of these:

(a) to refuse to sell, rent, or lease or otherwise deny to or withhold from any person or group of persons any real property because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status; or

(b) to discriminate against any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with

regard to public assistance, disability, or familial status in the terms, conditions or privileges of the sale, rental or lease of any real property or in the furnishing of facilities or services in connection therewith, except that nothing in this clause shall be construed to prohibit the adoption of reasonable rules intended to protect the safety of minors in their use of the real property or any facilities or services furnished in connection therewith; or

(c) in any transaction involving real property, to print, circulate or post or cause to be printed, circulated, or posted any advertisement or sign, or use any form of application for the purchase, rental or lease of real property, or make any record or inquiry in connection with the prospective purchase, rental, or lease of real property which expresses, directly or indirectly, any limitation, specification, or discrimination as to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status, or any intent to make any such limitation, specification, or discrimination except that nothing in this clause shall be construed to prohibit the advertisement of a dwelling unit as available to adults-only if the person placing the advertisement reasonably believes that the provisions of this subdivision prohibiting discrimination because of familial status do not apply to the dwelling unit.

(2) For a real estate broker, real estate salesperson, or employee, or agent thereof:

(a) to refuse to sell, rent, or lease or to offer for sale, rental, or lease any real property to any person or group of persons or to negotiate for the sale, rental, or lease of any real property to any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status or represent that real property is not available for inspection, sale, rental, or lease when in fact it is so available, or otherwise deny or withhold any real property or any facilities of real property to or from any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status; or

(b) to discriminate against any person because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status in the terms, conditions or privileges of the sale, rental or lease of real property or in the furnishing of facilities or services in connection therewith; or

(c) to print, circulate, or post or cause to be printed, circulated, or posted any advertisement or sign, or use any form of application for the purchase, rental, or lease of any real property or make any record or inquiry in connection with the prospective purchase, rental or lease of any real property, which expresses directly or indirectly, any limitation, specification or discrimination as to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status or any intent to make any such limitation, specification, or discrimination except that nothing in this clause shall be construed to prohibit the advertisement of a dwelling unit as available to adults-only if the person placing the advertisement reasonably believes that the provisions of this subdivision prohibiting discrimination because of familial status do not apply to the dwelling unit.

(3) For a person, bank, banking organization, mortgage company, insurance company, or other financial institution or lender to whom application is made for financial assistance for the purchase, lease, acquisition, construction, rehabilitation, repair or maintenance of any real property or any agent or employee thereof:

(a) to discriminate against any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status of the person or group of persons or of the prospective occupants or tenants of the real property in the granting, withholding, extending, modifying or renewing, or in the rates, terms, conditions, or privileges of the financial assistance or in the extension of services in connection therewith; or

(b) to use any form of application for the financial assistance or make any record or inquiry in connection with applications for the financial assistance which expresses, directly or indirectly, any limitation, specification, or discrimination as to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status or any intent to make any such limitation, specification, or discrimination; or

(c) to discriminate against any person or group of persons who desire to purchase, lease, acquire, construct, rehabilitate, repair, or maintain real property in a specific urban or rural area or any part thereof solely because of the social, economic, or environmental conditions of the area in the granting, withholding, extending, modifying, or renewing, or in the rates, terms, conditions, or privileges of the financial assistance or in the extension of services in connection therewith.

(4) For any real estate broker or real estate salesperson, for the purpose of inducing a real property transaction from which the person, the person's firm, or any of its members may benefit financially, to represent that a change has occurred or will or may occur in the composition with respect to race, creed, color, national origin, sex, marital status, status with regard to public assistance, or disability of the owners or occupants in the block, neighborhood, or area in which the real property is located, and to represent, directly or indirectly, that this change will or may result in undesirable consequences in the block, neighborhood, or area in which the real property is located, including but not limited to the lowering of property values, an increase in criminal or antisocial behavior, or a decline in the quality of schools or other public facilities.

(5) For a person to deny a totally or partially blind, physically handicapped, or deaf person with a service dog full and equal access to real property provided for in this section. The person may not be required to pay extra compensation for the service dog but is liable for damage done to the premises by the service dog.

(6) For a home improvement, repair, or maintenance business to discriminate in terms, conditions, or extension of services against any person or group of persons who desire to rehabilitate, repair, or maintain real property in a specific urban or rural area or any part of the area because of the social or economic conditions of the area.

Notwithstanding the provisions of any law, ordinance, or home rule charter to the contrary, no person shall be deemed to have committed an unfair discriminatory practice based upon age if the unfair discriminatory practice

alleged is attempted or accomplished for the purpose of obtaining or maintaining one of the exemptions provided for a dwelling unit provided for in section 363.02, subdivision 2.

Sec. 12. Minnesota Statutes 1988, section 363.03, is amended by adding a subdivision to read:

Subd. 2a. [REAL PROPERTY; DISABILITY DISCRIMINATION.] (a) For purposes of subdivision 2, discrimination includes:

(1) a refusal to permit, at the expense of the disabled person, reasonable modifications of existing premises occupied or to be occupied by the disabled person if modifications may be necessary to afford the disabled person full enjoyment of the premises; a landlord may, where it is reasonable to do so, condition permission for a modification on the renter agreeing to restore the interior of the premises to the condition that existed before the modification, excluding reasonable wear and tear;

(2) a refusal to make reasonable accommodations in rules, policies, practices, or services, when accommodations may be necessary to afford a disabled person equal opportunity to use and enjoy a dwelling; or

(3) in connection with the design and construction of covered multifamily dwellings for first occupancy after March 13, 1991, a failure to design and construct those dwellings in a manner that:

(i) the public use and common use portions are readily accessible to and usable by a disabled person;

(ii) all the doors designed to allow passage into and within all premises are sufficiently wide to allow passage by disabled persons in wheelchairs; and

(iii) all premises contain the following features of adaptive design: an accessible route into and through the dwelling; light switches, electrical outlets, thermostats, and other environmental controls in accessible locations; reinforcements in bathroom walls to allow later installation of grab bars; and usable kitchens and bathrooms so that an individual in a wheelchair can maneuver about the space.

(b) As used in this subdivision, the term "covered multifamily dwellings" means:

(1) a building consisting of four or more units if the building has one or more elevators; and

(2) ground floor units in other buildings consisting of four or more units.

(c) This subdivision does not invalidate or limit any law of the state or political subdivision of the state, or other jurisdiction in which this subdivision applies, that requires dwellings to be designed and constructed in a manner that affords disabled persons greater access than is required by this subdivision.

(d) This subdivision does not require that a dwelling be made available to an individual whose tenancy would constitute a direct threat to the health or safety of other individuals or whose tenancy would result in substantial physical damage to the property of others.

Sec. 13. Minnesota Statutes 1988, section 363.03, subdivision 3, is amended to read:

Subd. 3. [PUBLIC ACCOMMODATIONS.] It is an unfair discriminatory practice:

(1) To deny any person the full and equal enjoyment of the goods, services, facilities, privileges, advantages, and accommodations of a place of public accommodation because of race, color, creed, religion, disability, national origin or sex. It is an unfair discriminatory practice for a taxicab company to discriminate in the access to, full utilization of or benefit from service because of a person's disability. ~~Nothing in this subdivision requires any person to exercise a higher degree of care for a person having a disability or to modify property in any way except as required by the accessibility provisions of the state building code.~~

(2) For a place of public accommodation not to make reasonable accommodation to the known physical disability of a disabled person. In determining whether an accommodation is reasonable, the factors to be considered may include:

(a) the frequency and predictability with which members of the public will be served by the accommodation at that location;

(b) the size of the business or organization at that location with respect to physical size, annual gross revenues, and the number of employees;

(c) the extent to which disabled persons will be further served from the accommodation;

(d) the type of operation;

(e) the nature and amount of both direct costs and legitimate indirect costs of making the accommodation and the reasonableness for that location to finance the accommodation;

(f) the extent to which any persons may be adversely affected by the accommodation.

State or local building codes control where applicable. Violations of state or local building codes are not violations of this chapter and must be enforced under normal building code procedures. Nothing in this subdivision requires structural changes to real property except as required by state or local building codes.

This subdivision does not create a different standard of care. It applies only to unfair discriminatory practice cases brought under this statute and to no other causes of action.

Sec. 14. Minnesota Statutes 1988, section 363.03, subdivision 7, is amended to read:

Subd. 7. [REPRISALS.] It is an unfair discriminatory practice for any employer, labor organization, employment agency, public accommodation, public service, educational institution, or owner, lessor, lessee, sublessee, assignee or managing agent of any real property, or any real estate broker, real estate salesperson or employee or agent thereof to intentionally engage in any reprisal against any person because that person:

(1) Opposed a practice forbidden under this chapter or has filed a charge, testified, assisted, or participated in any ~~matter~~ manner in an investigation, proceeding or hearing under this chapter; or

(2) Associated with a person or group of persons who are disabled or who are of different race, color, creed, religion, or national origin.

A reprisal includes, but is not limited to, any form of intimidation, retaliation, or harassment. It is a reprisal for an employer to do any of the following with respect to an individual because that individual has engaged in the activities listed in clause (1) or (2): refuse to hire the individual; depart from any customary employment practice; transfer or assign the individual to a lesser position in terms of wages, hours, job classification, job security, or other employment status; or inform another employer that the individual has engaged in the activities listed in clause (1) or (2).

Sec. 15. Minnesota Statutes 1988, section 363.03, subdivision 8, is amended to read:

Subd. 8. [CREDIT; ~~SEX~~ DISCRIMINATION.] It is an unfair discriminatory practice:

(1) to discriminate in the extension of personal or commercial credit to a person, or in the requirements for obtaining credit, because of *race, color, creed, religion, disability, national origin, sex* or marital status; or

(2) for a credit card issuer to refuse to issue a credit card to a woman under her current or former surname unless there is an intent to defraud or mislead, except that a credit card issuer may require that a woman requesting a card under a former surname open a separate account in that name. A credit card issuer may also require disclosure of any other names under which the credit card applicant may have a credit history.

Sec. 16. Minnesota Statutes 1988, section 363.05, subdivision 2, is amended to read:

Subd. 2. [SERVICE, ENFORCEMENT, AND EFFECT OF SUBPOENA.] (a) Disobedience of a subpoena issued by the commissioner pursuant to subdivision 1 shall be punishable in like manner as a contempt of the district court in proceedings instituted upon application of the commissioner made to the district court of the county where the alleged unfair discriminatory practice in connection with a charge made by a charging party or a complaint filed by the commissioner has occurred or where the respondent resides or has a principal place of business.

(b) It is not a violation of rights conferred by chapter 13 or any other statute related to the confidentiality of government data for ~~an~~ a state agency, *statewide system, or political subdivision, as defined in section 13.02, subdivision 11*, to provide data or information under a subpoena issued by the commissioner under this section.

(c) *A subpoena issued under subdivision 1 must be served personally or by mailing a copy of the subpoena, by first class mail, postage prepaid, to the person to be served. The subpoena must include two copies of a notice and acknowledgment of service on a form to be provided by the commissioner, and a return envelope, postage prepaid, addressed to the sender. If acknowledgment of service is not received by the commissioner within 20 days, service is not effective. Unless good cause is shown for not doing so, a court or administrative law judge shall order the payment of the costs of personal service by the person served if the person does not complete and return the notice and acknowledgment of receipt of the subpoena within the time allowed.*

Sec. 17. Minnesota Statutes 1988, section 363.073, subdivision 1, is amended to read:

Subdivision 1. [SCOPE OF APPLICATION.] No department or agency

of the state shall receive, enter into, or accept any bid or proposal for a contract nor execute any contract for goods, services, or the performance of any function, or any agreement to transfer funds for any reason in excess of \$50,000 with any person having more than 20 full-time employees in Minnesota at any time during the previous 12 months, unless the person has an affirmative action plan for the employment of minority persons, women, and the disabled that has been approved by the commissioner of human rights. Receipt of a certificate of compliance issued by the commissioner shall signify that a person has an affirmative action plan that has been approved by the commissioner. A certificate shall be valid for a period of two years.

Sec. 18. Minnesota Statutes 1988, section 363.117, is amended to read:

363.117 [WITHDRAWAL FROM A LOCAL COMMISSION.]

Notwithstanding the provisions of any law or ordinance to the contrary, a person who has filed a charge with a local commission may bring a civil action as provided in section 363.14 at the following times:

(a) Within 45 days after *receipt of notice that the local commission has determined that there is no probable cause to credit the allegations contained in the charge; receipt of notice is presumed to be five days from the date of service by mail of the written notice; or*

(b) After 45 days from the filing of the charge if a hearing has not been held or if the local commission has not entered into a conciliation agreement to which the charging party is a signator. The charging party shall notify the local commission of an intention to bring a civil action, which shall be commenced within 90 days of giving the notice.

A charging party bringing a civil action shall mail by registered or certified mail a copy of the summons and complaint to the local commission and upon their receipt the local commission shall terminate all proceedings before the local commission relating to the charge. No charge shall be filed or reinstated with the local commission after a civil action relating to the same unfair discriminatory practice has been brought unless the civil action has been dismissed without prejudice.

Sec. 19. Minnesota Statutes 1988, section 363.123, is amended to read:

363.123 [VIOLATION OF ACT.]

It shall be a violation of ~~Laws 1973, this chapter 729~~ for any person furnishing credit service to discriminate against any person who is the recipient of federal, state or local public assistance, including medical assistance, or who is a tenant receiving federal, state or local housing subsidies, including rental assistance or rent supplements, ~~solely~~ because the individual is such a recipient.

Sec. 20. Minnesota Statutes 1988, section 363.14, subdivision 1, is amended to read:

Subdivision 1. [COURT ACTIONS, SUITS BY PRIVATE PARTIES, INTERVENTION.] (a) The commissioner or a person may bring a civil action seeking redress for an unfair discriminatory practice directly to district court. In addition, a person may bring a civil action:

(1) within 45 days after *receipt of notice that the commissioner has dismissed a charge because it is frivolous or without merit, because the charging party has failed to provide required information, because the*

commissioner has determined that further use of department resources is not warranted, or because the commissioner has determined that there is no probable cause to credit the allegations contained in a charge filed with the commissioner;

(2) within 45 days after receipt of notice that the commissioner has reaffirmed a determination of no probable cause if the charging party requested a reconsideration of the no probable cause determination, or has decided not to reopen a dismissed case that the charging party has asked to be reopened; or

(3) after 45 days from the filing of a charge pursuant to section 363.06, subdivision 1, if a hearing has not been held pursuant to section 363.071 or if the commissioner has not entered into a conciliation agreement to which the charging party is a signator. The charging party shall notify the commissioner of an intention to bring a civil action, which shall be commenced within 90 days of giving the notice.

For purposes of clauses (1) and (2), receipt of notice is presumed to be five days from the date of service by mail of the written notice.

(b) If the commissioner has issued both probable cause and no probable cause determinations on separate issues in the same charge, the charging party may, if a hearing is held, require that all matters be heard at the hearing or may bring a civil action for the no probable cause charges at the same time as the probable cause charges under the rules and time frames that govern the probable cause charges.

(c) A charging party bringing a civil action shall mail by registered or certified mail a copy of the summons and complaint to the commissioner, and upon their receipt the commissioner shall terminate all proceedings in the department relating to the charge. No charge shall be filed or reinstated with the commissioner after a civil action relating to the same unfair discriminatory practice has been brought unless the civil action has been dismissed without prejudice.

(d) Upon application by the complaining party to the district court at a special term and under circumstances the court deems just, the court may appoint an attorney for the person and may authorize the commencement of the action without payment of fees, costs, or security.

(e) Upon timely application, the court may permit the department to intervene in a civil action brought pursuant to this section upon certification that the case is of general public importance.

Sec. 21. Minnesota Statutes 1988, section 363.15, is amended to read:
363.15 [NOTICE OF APPEAL TO THE COMMISSIONER.]

In any case that is appealed to the supreme court or the court of appeals in which an issue is raised under this chapter, the party raising the issue shall serve a copy of the notice of appeal on the commissioner. ~~The clerk of the appellate courts may not accept~~ *At the time of filing a notice of appeal or other papers, documents, or briefs from any in the case, a party in an action involving this chapter without shall file* proof of service of the papers, documents, or briefs upon the commissioner.

Sec. 22. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes the revisor of statutes shall

renumber Minnesota Statutes, section 363.123, as section 363.03, subdivision 8b.

Sec. 23. [REPEALER.]

Minnesota Statutes 1988, section 363.01, subdivisions 30 and 32, are repealed."

Amend the title as follows:

Page 1, line 2, before "clarifying" insert "adopting federal fair housing amendments;"

Page 1, line 6, delete "placing" and insert "clarifying"

Page 1, line 10, delete everything after the semicolon

Page 1, line 11, delete everything before "striking"

Page 1, line 15, after the semicolon, insert "modifying notice requirements in certain human rights appeals;"

Page 1, line 16, after "25" insert ", 25a,"

Page 1, line 19, delete "363.061, subdivision 3; 363.072,"

Page 1, line 20, delete the first "subdivision 1;"

Page 1, line 21, delete "and" and after the second semicolon, insert "and 363.15;"

Page 1, line 22, delete "sections" and insert "section"

Page 1, line 23, delete "; and 363.071, subdivision 1a"

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. 124: 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.

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 84.87, subdivision 1, is amended to read:

Subdivision 1. [OPERATION ON STREETS AND HIGHWAYS.] (a) No person shall operate a snowmobile upon the roadway, shoulder, or inside bank or slope of any 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 in sections 84.81 to 84.90. No person shall operate a snowmobile within the right-of-way

of any 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 such right-of-way and in the same direction as the highway traffic on the nearest lane of the roadway adjacent thereto. No snowmobile shall be operated at any time within the right-of-way of any interstate highway or freeway within this state.

(b) A snowmobile may make a direct crossing of a street or highway at any hour of the day provided:

(1) The crossing is made at an angle of approximately 90 degrees to the direction of the highway and at a place where no obstruction prevents a quick and safe crossing; and

(2) The snowmobile is brought to a complete stop before crossing the shoulder or main traveled way of the highway; and

(3) The driver yields the right-of-way to all oncoming traffic which constitutes an immediate hazard; and

(4) In crossing a divided highway, the crossing is made only at an intersection of such highway with another public street or highway; 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; and

(6) A snowmobile may be operated upon a bridge, other than a bridge that is part of the main traveled lanes of an interstate highway, when required for the purpose of avoiding obstructions to travel when no other method of avoidance is possible; provided the snowmobile is operated in the extreme right-hand lane, the entrance to the roadway is made within 100 feet of the bridge and the crossing is made without undue delay.

(c) No snowmobile shall be operated upon a public street or highway unless it is equipped with at least one headlamp, one tail lamp, each of minimum candlepower as prescribed by rules of the commissioner, reflector material of a minimum area of 16 square inches mounted on each side forward of the handle bars, and with brakes each of which shall conform to standards prescribed by rule of the commissioner pursuant to the authority vested in the commissioner by section 84.86, and each of which shall be subject to approval of the commissioner of public safety.

(d) A snowmobile may be operated upon a public street or highway other than as provided by clause (b) in an emergency during the period of time when and at locations where snow upon the roadway renders travel by automobile impractical.

(e) All provisions of chapter 169 shall apply to the operation of snowmobiles upon streets and highways, except for those relating to required equipment, and except those which by their nature have no application. *Section 169.09 applies to the operation of snowmobiles anywhere in the state or on the ice of any boundary water of the state.*

(f) Any sled, trailer, or other device being towed by a snowmobile must be equipped with reflective materials as required by rule of the commissioner."

Page 9, line 26, after the period, insert "*Section 169.09 applies to the operation of all-terrain vehicles anywhere in the state or on the ice of any boundary water of the state.*"

Amend the title as follows:

Page 1, line 3, after "vehicles" insert "and snowmobiles; providing that hit-and-run law applies to all snowmobile and all-terrain vehicle operations" and delete "revising liability"

Page 1, line 4, delete "provisions;"

Page 1, line 5, delete "3.736, subdivision 3" and insert "84.87, 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. 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:

Page 2, line 21, before "*Commercial*" insert "(a)"

Page 2, line 27, delete everything after "*is*" and insert "*a bus*"

Page 2, line 28, delete "*the driver*"

Page 2, after line 30, insert:

"(b) For purposes of sections 4, 5, 7, and 8, a commercial motor vehicle does not include a farm truck, firefighting equipment, or recreational equipment being operated by a person within the scope of section 171.02, subdivision 2, paragraph (a)."

Page 3, line 10, delete everything after "*is*"

Page 3, line 11, delete "*violation of*" and insert "*violating*"

Page 3, lines 18 and 21, delete "*pursuant to*" and insert "*under*"

Page 3, line 26, delete everything after "*for*" and insert "*violating*"

Page 3, line 27, delete everything before "*subdivision*"

Page 3, line 34, delete everything after "*of*" and insert "*the violation*"

Page 3, line 35, delete everything before "*and*"

Page 4, line 1, delete "*Provided, that*"

Page 4, line 7, delete "*or not*"

Page 4, delete lines 13 to 15

Page 4, line 16, delete "5" and insert "4"

Page 4, line 18, after "*vehicle*" insert "*as provided*"

Page 4, line 19, delete "*or an*" and insert a period

Page 4, delete line 20

Page 4, line 23, delete everything after "*with*" and insert "*any presence of alcohol*"

Page 4, line 24, delete "*than 0.00*"

Page 4, line 25, before the period, insert "*from issuance of an out-of-service order*"

Page 5, line 24, delete "*an*" and insert "*the presence of any*"

Page 5, line 25, delete "*concentration of more than 0.00*"

Page 5, line 31, after the comma, insert "*that Minnesota law requires the person*" and delete "*if the person has an*" and insert "*the presence of alcohol*"

Page 5, line 32, delete the new language

Page 6, line 1, after the second comma, insert "*that*"

Page 6, line 10, after "*greater*" insert a comma

Page 6, line 11, delete "*and the*" and insert "*that if the test*" and delete "*an*" and insert "*the presence of any*" and delete "*concentration*"

Page 6, line 12, delete everything before the comma

Page 6, line 14, delete "*, or*" and insert "*from issuance of an out-of-service order, and*"

Page 7, line 25, after "*year*" insert "*under section 28*"

Page 8, line 8, delete "*an*" and insert "*any presence of*" and delete "*concentration of*"

Page 8, line 9, delete "*more than 0.00*"

Page 8, line 23, delete the comma

Page 9, line 24, before the period, insert "*, unless the person is entitled to review under section 29*"

Page 9, line 35, after "*revocation*" insert "*or disqualification*"

Page 10, line 9, before the period, insert "*, unless the person is entitled to review under section 29*"

Page 11, line 20, delete "*an*" and insert "*any presence of*"

Page 11, line 21, delete "*concentration of more than 0.00*"

Page 13, line 3, delete everything after "*is*" and insert "*a bus*"

Page 13, line 4, delete "*the driver*"

Page 13, delete line 25 and insert "*bus,*"

Page 13, line 26, delete "*driver,*"

Page 13, line 33, after the first comma, insert "for trips"

Page 14, line 6, after "by" insert "a" and strike "firefighters" and insert "firefighter"

Page 14, line 7, delete everything after "operator" and insert "employed by a fire department who drives the rear portion of a"

Page 14, line 9, after "equipment" insert "as"

Page 15, line 33, after "issued" insert "by another state"

Page 15, line 35, delete everything after the second comma and insert "for"

Page 17, line 33, delete "and" and insert "or"

Page 18, line 3, delete "the" and insert "a"

Page 18, line 4, before the period, insert "under section 28"

Pages 21 and 22, delete section 28 and insert:

"Sec. 28. [171.165] [COMMERCIAL DRIVER'S LICENSE, DISQUALIFICATION.]

Subdivision 1. [FIRST VIOLATION.] Subject to section 29, the commissioner shall disqualify a person from operating commercial motor vehicles for one year upon receiving a record of the first conviction of the person for a violation of any of the following in the commission of which a commercial motor vehicle was used:

(1) section 169.121 or section 4;

(2) section 169.09, subdivision 1 or 2;

(3) a felony, other than a felony described in subdivision 3, clause (3);
or

(4) an offense committed in another state that would be grounds for disqualification if committed in Minnesota.

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.] Subject to section 29, the commissioner shall disqualify a person from operating commercial motor vehicles for:

(1) not less than three years, for a conviction or revocation set forth in subdivision 1 or 2 committed during the transportation of hazardous materials;

(2) not less than ten years, if the person is convicted a second or subsequent time of an offense set forth in subdivision 1 or if the person's license is revoked more than once under section 169.123 or a statute or ordinance in conformity with it, or any combination of them; or

(3) life, if the person is convicted under chapter 152 of a felony involving the manufacture, sale, or distribution of a controlled substance, or involving the possession of a controlled substance with intent to manufacture,

sell, or distribute it, and the person is found to have used a commercial motor vehicle in the commission of the felony.

Subd. 4. [SERIOUS TRAFFIC VIOLATIONS.] On receiving a record of conviction and subject to section 29, 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. The violations must involve separate incidents and must have been committed in a commercial motor vehicle within a three-year period. For purposes of this subdivision, a serious traffic offense includes the following:

(1) operating the commercial vehicle at a 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; and

(4) a violation of a moving traffic statute of Minnesota or any state, or an ordinance in conformity with a Minnesota statute, that arose in connection with a fatal accident.

Subd. 5. [RULES.] The commissioner shall adopt rules to administer this section. The rules must include procedures for issuing class C licenses to persons who have been disqualified from operating commercial motor vehicles but whose drivers' licenses have not otherwise been revoked, suspended, canceled, or denied.

Subd. 6. [EXEMPTIONS.] A disqualification shall not be imposed under this section on a recreational equipment operator, farmer, or firefighter operating a commercial motor vehicle within the scope of section 171.02, subdivision 2, paragraph (a).

Subd. 7. [SCOPE.] This section applies to offenses committed, and revocations imposed for incidents occurring, on or after January 1, 1990.

Sec. 29. [171.166] [REVIEW OF DISQUALIFICATION.]

Subdivision 1. [REVIEW OF CONVICTIONS.] The commissioner shall review court records of convictions subject to section 28, other than a violation of section 169.121, section 4, or section 169.123, subdivision 3, if the commissioner has reasonable cause to believe the information is pertinent to the disqualification of an individual.

Subd. 2. [NOTIFICATION TO THE SUBJECT OF A COMMERCIAL DRIVER'S LICENSE.] The commissioner shall notify the applicant or license holder and the individual who is the subject of a review, in writing, of the results of the review. The commissioner shall notify the individual reviewed if the information contained in the review could cause license disqualification.

Subd. 3. [RECONSIDERATION OF LICENSE DISQUALIFICATION.] (a) Within 30 days after receiving notice of possible disqualification under subdivision 2, the individual who is the subject of the review may request reconsideration of the notice of possible disqualification. The individual must submit the request for reconsideration to the commissioner in writing. The individual must present information to show that the information the commissioner relied upon is incorrect or not applicable for disqualification of the individual being reviewed.

(b) The commissioner may set aside the disqualification if the commissioner finds that the information the commissioner relied upon is incorrect or not applicable for disqualification of the individual being reviewed.

(c) The commissioner shall respond in writing to all reconsideration requests within 15 working days after receiving the request for reconsideration. If the disqualification is set aside, the commissioner shall notify the applicant or license holder in writing of the decision. The commissioner's decision to grant or deny a reconsideration of disqualification under this subdivision, or to set aside or uphold the results of the review, is the final administrative agency action.

Subd. 4. [CONTESTED CASE.] If a disqualification is not set aside, a person may request a contested case hearing under chapter 14."

Page 24, delete section 30

Page 25, line 11, delete "and kept by"

Page 25, line 12, after "disqualification" insert a comma

Page 25, line 19, delete "appropriate"

Page 32, line 6, delete "his" and insert "the"

Page 32, line 32, after "States" insert a comma

Page 33, line 11, delete the comma

Page 34, delete section 42 and insert:

"Sec. 42. [TRANSITION; TEMPORARY LICENSES.]

The commissioner of public safety shall issue a temporary driver's license, of the class currently held by the driver, to a driver who possesses a good driving record as determined by the commissioner but fails to pass the commercial driver license written examination before the expiration date of that driver's license. The temporary license is valid until the driver passes the commercial driver license written examination or March 31, 1992, whichever is earlier."

Page 34, line 36, delete "or" and insert ", and"

Page 35, line 1, after "on" insert a comma

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 13, after "subdivisions" insert "1,"

Page 1, line 19, delete "171.19;"

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. 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.

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 3.97, subdivision 11, is amended to read:

Subd. 11. “Audit” as used in this subdivision means a financial audit, a program evaluation, or an investigation. Data relating to an audit are not public or with respect to data on individuals are confidential until the final report of the audit has been published or the audit is no longer being actively pursued. Data that support the conclusions of the report and that the legislative auditor reasonably believes will result in litigation are not public and with respect to data on individuals are confidential until the litigation has been completed or is no longer being actively pursued. Data on individuals that could reasonably be used to determine the identity of an individual supplying data for an audit are private if the data supplied by the individual were needed for an audit and the individual would not have provided the data to the legislative auditor without an assurance that the individual’s identity would remain private, *or the legislative auditor reasonably believes that the subject would not have provided the data.* The definitions of terms provided in section 13.02 apply for purposes of this subdivision.

Sec. 2. Minnesota Statutes 1988, section 13.02, subdivision 9, is amended to read:

Subd. 9. [NONPUBLIC DATA.] “Nonpublic data” means data not on individuals ~~which~~ *that* is made by statute or federal law applicable to the data: (a) not *accessible to the public*; and (b) accessible to the subject, if any, of the data.

Sec. 3. Minnesota Statutes 1988, section 13.10, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this chapter:

(a) “Confidential data on decedents” means data which, prior to the death of the data subject, were classified by statute, federal law, or temporary classification as confidential data.

(b) “Private data on decedents” means data which, prior to the death of the data subject, were classified by statute, federal law, or temporary classification as private data.

(c) “Representative of the decedent” means the personal representative of the estate of the decedent during the period of administration, or if no personal representative has been appointed or after discharge, the surviving spouse, any child of the decedent, or, if there is no surviving spouse or children, ~~any other of the decedent’s living next of kin within one degree of consanguinity as determined in the order of priority established by the rules of civil law~~ *the parents of the decedent.*

Sec. 4. Minnesota Statutes 1988, section 13.32, subdivision 3, is amended to read:

Subd. 3. [PRIVATE DATA; WHEN DISCLOSURE IS PERMITTED.] Except as provided in subdivision 5, educational data is private data on individuals and shall not be disclosed except as follows:

(a) Pursuant to section 13.05;

(b) Pursuant to a valid court order;

(c) Pursuant to a statute specifically authorizing access to the private data;

(d) To disclose information in health and safety emergencies pursuant to the provisions of United States Code, title 20, section 1232g(b)(1)(I) and Code of Federal Regulations, title 45 34, section 99.36 which are in effect on July 1, ~~1979~~ 1989;

(e) Pursuant to the provisions of United States Code, title 20, sections 1232g(b)(1), (b)(4)(A), (b)(4)(B), (b)(1)(B), (b)(3) and Code of Federal Regulations, title 45 34, sections 99.31, 99.32, 99.33, 99.34 and 99.35 which are in effect on July 1, ~~1979~~ 1989; or

(f) To appropriate health authorities to the extent necessary to administer immunization programs and for bona fide epidemiologic investigations which the commissioner of health determines are necessary to prevent disease or disability to individuals in the public educational agency or institution in which the investigation is being conducted.

Sec. 5. Minnesota Statutes 1988, section 13.32, subdivision 5, is amended to read:

Subd. 5. [DIRECTORY INFORMATION.] Information designated as directory information pursuant to the provisions of United States Code, title 20, section 1232g and ~~regulations adopted pursuant thereto~~ Code of Federal Regulations, title 34, section 99.37 which are in effect on July 1, ~~1979~~ 1989, is public data on individuals.

Sec. 6. Minnesota Statutes 1988, section 13.46, subdivision 8, is amended to read:

Subd. 8. [ACCESS FOR AUDITING.] To the extent required by state or federal law, representatives of federal, state, or local agencies shall have access to data maintained by public or private community mental health centers, mental health divisions of counties, and other providers under contract to deliver mental health services which is necessary to achieve the purpose of auditing. Public or private community mental health centers, mental health divisions of counties, and other providers under contract to deliver mental health services shall not permit this data to identify any particular patient or client by name or contain any other unique personal identifier, *except data provided to the legislative auditor. Solely for the purposes of conducting an audit, the legislative auditor shall be given access to all data, records, and files classified as not public. The legislative auditor shall maintain all data collected under this subdivision in accordance with section 13.03, subdivision 4.*

Sec. 7. [13.552] [HUMAN RIGHTS DATA.]

Data maintained by the human rights department of a political subdivision, including human rights investigative data and data contained in closed or open case files, are classified the same as and administered in accordance with chapter 363.

Sec. 8. Minnesota Statutes 1988, section 13.64, is amended to read:

13.64 [DEPARTMENT OF ADMINISTRATION DATA.]

Notes and preliminary drafts of reports created, collected, or maintained by the management analysis division, department of administration, and prepared during *management studies, audits, reviews, consultations, or investigations of state departments and agencies* are classified as confidential or protected nonpublic data until the final report has been published or preparation of the report is no longer being actively pursued. Data that support the conclusions of the report and that the commissioner of administration reasonably believes will result in litigation are confidential or protected nonpublic until the litigation has been completed or until the litigation is no longer being actively pursued. Data on individuals that could reasonably be used to determine the identity of an individual supplying data for a report are private if (a) the data supplied by the individual were needed for ~~an audit a report~~ and (b) the data would not have been provided to the management analysis division without an assurance to the individual that the individual's identity would remain private.

Sec. 9. [13.671] [IRON RANGE RESOURCES AND REHABILITATION BOARD DATA.]

Subdivision 1. [NONPUBLIC DATA.] The following data that are submitted to the commissioner of the iron range resources and rehabilitation board by businesses that are requesting financial assistance are classified as nonpublic data until submission of any data to the board: the identity of the business and financial information about the business including, but not limited to, credit reports, financial statements, net worth calculations, business plans, income and expense projections, customer lists, and feasibility studies not paid for in whole or in part by state or federal funds.

Subd. 2. [PUBLIC DATA.] All data submitted to the commissioner become public data upon submission of the request for financial assistance to the iron range resources and rehabilitation board.

Sec. 10. Minnesota Statutes 1988, section 13.76, subdivision 1, is amended to read:

Subdivision 1. [DEVELOPMENT LOAN DATA.] All financial information on individuals and business entities including, but not limited to, credit reports, financial statements, and net worth calculations, that are contained in ~~applications~~ an application received by the department of trade and economic development in its administration of the certified state development loan program are classified as private data with regard to data on individuals, and as nonpublic data with regard to data not on individuals until the application is approved.

Sec. 11. [13.793] [INTERNAL AUDITING DATA.]

Subdivision 1. [CONFIDENTIAL DATA OR PROTECTED NON-PUBLIC DATA.] Data, notes, and preliminary drafts of reports created, collected, and maintained by the internal audit offices of state agencies or persons performing audits for state agencies and relating to an audit or investigation, until the final report has been published or the audit or investigation is no longer actively being pursued, are classified as confidential data on individuals or protected nonpublic data.

Subd. 2. [PRIVATE DATA ON INDIVIDUALS.] Data on an individual supplying information for an audit or investigation, that could reasonably

be used to determine the individual's identity, are private data on individuals if the information supplied was needed for an audit or investigation and would not have been provided to the internal audit office or person performing audits without an assurance to the individual that the individual's identity would remain private.

Sec. 12. Minnesota Statutes 1988, section 13.82, subdivision 8, is amended to read:

Subd. 8. [PUBLIC BENEFIT DATA.] Any law enforcement agency may make any data classified as confidential or *protected nonpublic* pursuant to subdivision 5 accessible to any person, agency or the public if the agency determines that the access will aid the law enforcement process, promote public safety or dispel widespread rumor or unrest.

Sec. 13. Minnesota Statutes 1988, section 13.82, subdivision 10, is amended to read:

Subd. 10. [PROTECTION OF IDENTITIES.] A law enforcement agency may withhold public access to data on individuals to protect the identity of individuals in the following circumstances:

(a) When access to the data would reveal the identity of an undercover law enforcement officer;

(b) When access to the data would reveal the identity of a victim of criminal sexual conduct or ~~intrafamilial sexual abuse~~ or of a violation of section 617.246, subdivision 2;

(c) When access to the data would reveal the identity of a paid or unpaid informant being used by the agency if the agency reasonably determines that revealing the identity of the informant would threaten the personal safety of the informant; or

(d) When access to the data would reveal the identity of a victim of or witness to a crime if the victim or witness specifically requests not to be identified publicly, and the agency reasonably determines that revealing the identity of the victim or witness would threaten the personal safety or property of the individual.

Sec. 14. Minnesota Statutes 1988, section 245.94, subdivision 1, is amended to read:

Subdivision 1. [POWERS.] (a) The ombudsman may prescribe the methods by which complaints to the office are to be made, reviewed, and acted upon. The ombudsman may not levy a complaint fee.

(b) The ombudsman may mediate or advocate on behalf of a client.

(c) The ombudsman may investigate the quality of services provided to clients and determine the extent to which quality assurance mechanisms within state and county government work to promote the health, safety, and welfare of clients, other than clients in acute care facilities who are receiving services not paid for by public funds.

(d) At the request of a client, or upon receiving a complaint or other information affording reasonable grounds to believe that the rights of a client who is not capable of requesting assistance have been adversely affected, the ombudsman may gather information about and analyze, on behalf of the client, the actions of an agency, facility, or program.

(e) The ombudsman may examine, on behalf of a client, records of an

agency, facility, or program if the records relate to a matter that is within the scope of the ombudsman's authority. If the records are private and the client is capable of providing consent, the ombudsman shall first obtain the client's consent. The ombudsman is not required to obtain consent for access to private data on clients with mental retardation or a related condition.

(f) The ombudsman may, at reasonable times in the course of conducting a review, enter and view premises within the control of an agency, facility, or program.

(g) The ombudsman may attend department of human services review board and special review board proceedings; proceedings regarding the transfer of patients or residents, as defined in section 246.50, subdivisions 4 and 4a, between institutions operated by the department of human services; and, subject to the consent of the affected client, other proceedings affecting the rights of clients. The ombudsman is not required to obtain consent to attend meetings or proceedings and have access to private data on clients with mental retardation or a related condition.

(h) The ombudsman shall have access to data of agencies, facilities, or programs classified as private or confidential as defined in section 13.02, subdivisions 3 and 12 and 13, regarding services provided to clients with mental retardation or a related condition.

(i) To avoid duplication and preserve evidence, the ombudsman shall inform relevant licensing or regulatory officials before undertaking a review of an action of the facility or program.

(j) Sections 245.91 to 245.97 are in addition to other provisions of law under which any other remedy or right is provided.

Sec. 15. Minnesota Statutes 1988, section 260.161, subdivision 3, is amended to read:

Subd. 3. (a) Peace officers' records of children shall be kept separate from records of persons 18 years of age or older and shall not be open to public inspection or their contents disclosed to the public except (1) by order of the juvenile court, or (2) as required by section 126.036, or (3) as authorized under ~~chapter 13~~ section 13.82, subdivision 2; except that traffic investigation reports may be open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. No photographs of a child taken into custody may be taken without the consent of the juvenile court unless the child is alleged to have violated section 169.121 or 169.129. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing a criminal investigation.

Sec. 16. [HOSPITAL STUDY DATA.]

The following data contained in a report prepared for Meeker county, entitled "Final Report: Philanthropic Planning Study for a Capital Development/Foundation Enclosure Program," are classified as confidential data or nonpublic data as defined in Minnesota Statutes, chapter 13: data that identify staff of the county hospital or individuals who made comments on the staff during the preparation of the report and data that describe the hospital's fundraising plans and strategies.

Sec. 17. [REPEALER.]

Minnesota Statutes 1988, section 340A.503, subdivision 7, is repealed.

Sec. 18. [EFFECTIVE DATE.]

Section 6 is effective the day following final enactment."

Delete the title and insert:

"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; clarifying what data on juveniles may be made available to the public; amending Minnesota Statutes 1988, sections 3.97, subdivision 11; 13.02, subdivision 9; 13.10, subdivision 1; 13.32, subdivisions 3 and 5; 13.46, subdivision 8; 13.64; 13.76, subdivision 1; 13.82, subdivisions 8 and 10; 245.94, subdivision 1; and 260.161, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1988, section 340A.503, subdivision 7."

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

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.

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 persons applying to the board for initial licenses 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~~ *must* 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~~ *must* be determined by the board of teaching under the rules it ~~promulgates~~ *adopts*. Licenses under the jurisdiction of the board of teaching ~~shall~~ *must* be issued through the licensing section of the department of education. Licenses under the jurisdiction of the state board of education ~~shall~~ *must* 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~~ *must* bear the date of issue. Licenses ~~shall~~ *must* expire and be renewed in accordance with the respective rules ~~promulgated~~ *adopted* by the board of teaching or the state board of education. ~~Renewal~~ Requirements for the renewal of a license ~~shall~~ *must* 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~~ *must* 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~~ must 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~~ must 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~~ must be paid to the executive secretary of the board of teaching. The processing fee for the licenses of supervisory ~~and support~~ personnel ~~shall~~ must 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~~ are nonrefundable for applicants not qualifying for a license; ~~provided~~. However, ~~that~~ a fee ~~shall~~ must 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~~ *The board of teaching ~~consisting~~ consists of 15 11 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 may be reappointed for more than one additional term.*

Sec. 9. Minnesota Statutes 1988, section 125.183, subdivision 3, is amended to read:

Subd. 3. [MEMBERSHIP] 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, must be selected on the basis of professional experience and knowledge of teacher education, accreditation, and licensure.* The board ~~shall~~ must be composed of ~~one teacher whose responsibilities are~~

those either of a librarian, psychologist, remedial reading teacher, speech therapist, or vocational teacher, three elementary school classroom teachers, three secondary:

- (1) six classroom teachers;
- (2) one higher education representative, from a higher education who must be a faculty member preparing teachers;
- (3) one school administrator; and ~~six~~
- (4) three members of the public, two of whom shall must 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."

Delete the title and insert:

"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; placing certain limitations on teaching licenses; amending Minnesota Statutes 1988, sections 125.03, subdivisions 1, 4, and 5; 125.05, subdivisions 1, 2, and by adding a subdivision; 125.08; and 125.183, subdivisions 1 and 3."

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. 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.

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 541.07, is amended to read:

541.07 [TWO OR THREE YEAR LIMITATIONS.]

Except where the uniform commercial code or this section otherwise prescribes, the following actions shall be commenced within two years:

- (1) For libel, slander, assault, battery, false imprisonment, or other tort,

resulting in personal injury, and all actions against physicians, surgeons, dentists, other health care professionals as defined in section 145.61, and veterinarians as defined in chapter 156, hospitals, sanitariums, for malpractice, error, mistake or failure to cure, whether based on contract or tort; provided a counterclaim may be pleaded as a defense to any action for services brought by a physician, surgeon, dentist or other health care professional or veterinarian, hospital or sanitarium, after the limitations herein described notwithstanding it is barred by the provisions of this chapter, if it was the property of the party pleading it at the time it became barred and was not barred at the time the claim sued on originated, but no judgment thereof except for costs can be rendered in favor of the party so pleading it;

(2) Upon a statute for a penalty or forfeiture, *except as provided in section 2*;

(3) For damages caused by a dam, other than a dam used for commercial purposes; but as against one holding under the preemption or homestead laws, the limitations shall not begin to run until a patent has been issued for the land so damaged;

(4) Against a master for breach of an indenture of apprenticeship; the limitation runs from the expiration of the term of service;

(5) For the recovery of wages or overtime or damages, fees or penalties accruing under any federal or state law respecting the payment of wages or overtime or damages, fees or penalties except, that if the employer fails to submit payroll records by a specified date upon request of the department of labor and industry or if the nonpayment is willful and not the result of mistake or inadvertence, the limitation is three years. (The term "wages" means all remuneration for services or employment, including commissions and bonuses and the cash value of all remuneration in any medium other than cash, where the relationship of master and servant exists and the term "damages," means single, double, or treble damages, accorded by any statutory cause of action whatsoever and whether or not the relationship of master and servant exists);

(6) For damages caused by the establishment of a street or highway grade or a change in the originally established grade;

(7) For sales or use taxes imposed by the laws of any other state;

(8) Against the person who applies the pesticide for injury or damage to property resulting from the application, but not the manufacture or sale, of a pesticide.

Sec. 2. [541.073] [CIVIL REMEDY IN RACKETEERING CASES.]

A civil proceeding under section 13 shall be commenced within five years.

Sec. 3. [609.496] [CONCEALING CRIMINAL PROCEEDS.]

Subdivision 1. [CRIME.] A person is guilty of a felony and may be sentenced under subdivision 2 if the person:

(1) conducts a transaction involving a monetary instrument or instruments with a value exceeding \$5,000; and

(2) knows or has reason to know that the monetary instrument or instruments represent the proceeds of, or are derived from the proceeds of, the

commission of a felony under this chapter or chapter 152 or an offense in another jurisdiction that would be a felony under this chapter or chapter 152 if committed in Minnesota.

Subd. 2. [PENALTY.] A person convicted under subdivision 1 may be sentenced to imprisonment for not more than ten years, or to payment of a fine of not more than \$100,000, or both.

Subd. 3. [MONETARY INSTRUMENT.] For purposes of this section, "monetary instrument" means United States currency and coin; the currency and coin of a foreign country; a bank check, cashier's check, traveler's check, money order, stock, investment security, or negotiable instrument in bearer form or otherwise in the form by which title to the instrument passes upon delivery; gold, silver, or platinum bullion or coins; and diamonds, emeralds, rubies, or sapphires.

Subd. 4. [PAYMENT OF REASONABLE ATTORNEY FEES.] Subdivision 1 does not preclude the payment or receipt of reasonable attorney fees.

Sec. 4. [609.497] [ENGAGING IN A BUSINESS OF CONCEALING CRIMINAL PROCEEDS.]

Subdivision 1. [CRIME.] A person is guilty of a felony and may be sentenced under subdivision 2 if the person knowingly initiates, organizes, plans, finances, directs, manages, supervises, or otherwise engages in a business that has as a primary or secondary purpose concealing money or property that was gained as a direct result of the commission of a felony under this chapter or chapter 152.

Subd. 2. [PENALTY.] A person convicted under subdivision 1 may be sentenced to imprisonment for not more than 20 years, or to payment of a fine of not more than \$1,000,000, or both.

Sec. 5. [609.902] [DEFINITIONS.]

Subdivision 1. [DEFINITIONS.] As used in sections 5 to 14, the following terms have the meanings given them.

Subd. 2. [CRIMINAL PROCEEDING.] "Criminal proceeding" means a criminal proceeding begun under section 6.

Subd. 3. [ENTERPRISE.] "Enterprise" means a sole proprietorship, partnership, corporation, trust, or other legal entity, or a union, governmental entity, association, or group of persons, associated in fact although not a legal entity, and includes illicit as well as legitimate enterprises.

Subd. 4. [CRIMINAL ACT.] "Criminal act" means conduct constituting, or a conspiracy or attempt to commit, a felony violation of chapter 152, or a felony violation of section 297D.09; 299F.79; 299F.80; 299F.811; 299F.815; 299F.82; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222; 609.223; 609.2231; 609.228; 609.235; 609.245; 609.25; 609.27; 609.322; 609.323; 609.342; 609.343; 609.344; 609.345; 609.42; 609.48; 609.485; 609.495; sections 3 and 4; 609.498; 609.52, subdivision 3, clause (3)(b), or clause (4)(e); 609.53; 609.561; 609.562; 609.67; 609.687; 609.713; 609.86; 624.713; or 624.74.

Subd. 5. [PARTICIPATION IN A PATTERN OF CRIMINAL ACTIVITY.] A person "participates in a pattern of criminal activity" when the person is a principal with respect to conduct constituting at least three of the criminal acts included in the pattern and:

- (1) two of the acts are felonies other than conspiracy; and
- (2) two of the acts occurred within five years of the commencement of the criminal proceeding.

Subd. 6. [PATTERN OF CRIMINAL ACTIVITY.] "*Pattern of criminal activity*" means conduct constituting three or more criminal acts that:

(1) were committed within ten years of the commencement of the criminal proceeding;

(2) are neither isolated incidents, nor so closely related and connected in point of time or circumstance of commission as to constitute a single criminal offense; and

(3) were either: (i) related to one another through a common scheme or plan or a shared criminal purpose or (ii) committed, solicited, requested, importuned, or intentionally aided by persons acting with the mental culpability required for the commission of the criminal acts and associated with or in an enterprise involved in those activities.

Subd. 7. [PERSONAL PROPERTY.] "*Personal property*" includes personal property, an interest in personal property, or a right, including a bank account, debt, corporate stock, patent, or copyright. Personal property and a beneficial interest in personal property are deemed to be located where the trustee is, the personal property is, or the instrument evidencing the right is.

Subd. 8. [PRINCIPAL.] "*Principal*" means a person who personally engages in conduct constituting a violation or who is criminally liable under section 609.05 for the conduct of another constituting a violation.

Subd. 9. [PROSECUTING AUTHORITY.] "*Prosecuting authority*" means the office of a county attorney or office of the attorney general.

Subd. 10. [REAL PROPERTY.] "*Real property*" means any real property or an interest in real property, including a lease of, or mortgage on, real property. A beneficial interest in real property is deemed to be located where the real property is located.

Sec. 6. [609.903] [RACKETEERING.]

Subdivision 1. [CRIME.] A person is guilty of racketeering if the person:

(1) is employed by or associated with an enterprise and intentionally conducts or participates in the affairs of the enterprise by participating in a pattern of criminal activity;

(2) acquires or maintains an interest in or control of an enterprise, or an interest in real property, by participating in a pattern of criminal activity; or

(3) participates in a pattern of criminal activity and knowingly invests any proceeds derived from that conduct, or any proceeds derived from the investment or use of those proceeds, in an enterprise or in real property.

Subd. 2. [PERMITTED ACTIVITIES.] For purposes of this section, it is not unlawful to:

(1) purchase securities on the open market with intent to make an investment, and without the intent of controlling or participating in the control of the issuer, or of assisting another to do so, if the securities of the issuer held by the purchaser, the members of the purchaser's immediate family,

and the purchaser's accomplices in a pattern of criminal activity do not amount in the aggregate to five percent of the outstanding securities of any one class and do not confer, either in the law or in fact, the power to elect one or more directors of the issuer;

(2) make a deposit in an account maintained in a savings and loan association, or a deposit in any other financial institution, that creates an ownership interest in that association or institution; or

(3) purchase nonvoting shares in a limited partnership, with intent to make an investment, and without the intent of controlling or participating in the control of the partnership.

Sec. 7. [609.904] [CRIMINAL PENALTIES.]

Subdivision 1. [PENALTY.] A person convicted of violating section 6 may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$1,000,000, or both.

Subd. 2. [FINE.] In lieu of the fine authorized by subdivision 1, a person convicted of violating section 6, who received economic gain from the act or caused economic loss or personal injury during the act, may be sentenced to pay a fine calculated under this subdivision. The maximum fine is three times the gross value gained or three times the gross loss caused, whichever is greater, plus court costs and the costs of investigation and prosecution reasonably incurred, less the value of any property forfeited under section 8. The district court shall hold a hearing to determine the amount of the fine authorized by this subdivision. In imposing a fine, the court shall consider the seriousness of the conduct, whether the amount of the fine is disproportionate to the conduct in which the person engaged, its impact on victims and any legitimate enterprise involved in that conduct, as well as the economic circumstances of the convicted person, including the effect of the imposition of the fine on the person's immediate family. For purposes of this subdivision, loss does not include pain and suffering.

Subd. 3. [INJUNCTIVE RELIEF.] After the entry of a judgment that includes a fine or an order of criminal forfeiture under section 8, the district court may enter a restraining order or injunction, require the execution of a satisfactory performance bond, or take other action, including the appointment of a receiver, that the court deems proper to protect the interests of the prosecuting authority in collecting the money or forfeiture or an innocent party.

Subd. 4. [DISPOSITION OF FINE PROCEEDS.] The court shall apply fines collected under this section to the costs and expenses of investigation and prosecution, including costs of resources and personnel incurred in investigation and prosecution and the balance, if any, as provided under section 574.34.

Subd. 5. [RESTITUTION.] In a settlement discussion or before the imposition of a sentence under this section, the prosecuting authority shall vigorously advocate full and complete restitution to an aggrieved person. Before the acceptance of a plea or after a verdict but before the imposition of a sentence under this section, the district court must ensure that full and complete restitution has been duly effected or that a satisfactory explanation of why it is impractical has been made to the court.

Sec. 8. [609.905] [CRIMINAL FORFEITURE.]

Subdivision 1. [FORFEITURE.] When a person is convicted of violating

section 6, the court may order the person to forfeit to the prosecuting authority any real or personal property subject to forfeiture under this section. Property subject to forfeiture is real and personal property that was used in the course of, intended for use in the course of, derived from, or realized through conduct in violation of section 6. A court may not order the forfeiture of property that has been used to pay reasonable attorney fees in connection with a criminal proceeding under section 6. The term includes property constituting an interest in or means of control or influence over the enterprise involved in the violation of section 6 and any property constituting proceeds derived from the violation of section 6, including:

(1) a position, office, appointment, tenure, commission, or employment contract that was acquired or maintained in violation of section 6 or through which the person conducted or participated in the conduct of the affairs of an enterprise in violation of section 6 or that afforded the person a source of influence or control over the affairs of an enterprise that the person exercised in violation of section 6;

(2) any compensation, right, or benefit derived from a position, office, appointment, tenure, commission, or employment contract described in this section that accrued to the person during the period of conduct in violation of section 6;

(3) any interest in, security of, claim against, or property or contractual right affording the person a source of influence or control over the affairs of an enterprise that the person exercised in violation of section 6; and

(4) any amount payable or paid under any contract for goods or services that was awarded or performed in violation of section 6.

Subd. 2. [OTHER PROPERTY OF DEFENDANT.] The district court may order criminal forfeiture of any other property of the defendant up to the value of the property that is unreachable if any property subject to criminal forfeiture under subdivision 1:

(1) cannot be located;

(2) has been sold to a bona fide purchaser for value;

(3) has been placed beyond the jurisdiction of the court;

(4) has been substantially diminished in value by the conduct of the defendant;

(5) has been commingled with other property that cannot be divided without difficulty or undue injury to innocent persons; or

(6) is otherwise unreachable without undue injury to an innocent person.

Sec. 9. [609.907] [PRESERVATION OF PROPERTY SUBJECT TO FORFEITURE.]

Subdivision 1. [TEMPORARY RESTRAINING ORDER.] (a) When an indictment or complaint is filed under section 6, the district court may take any of the following actions if the prosecuting authority shows by a preponderance of the evidence that the action is necessary to preserve the reachability of property subject to criminal forfeiture:

(1) enter a restraining order or injunction;

(2) require the execution of a satisfactory performance bond; or

(3) take any other reasonable action, including the appointment of a receiver.

(b) Before granting the remedies provided by this subdivision, the court shall hold a hearing, after notice to all affected persons, giving them a reasonable opportunity to respond. At the hearing, the rules of evidence do not apply.

Subd. 2. [PREINDICTMENT ORDER.] (a) If no indictment or complaint has been filed, the district court may take actions provided in subdivision 1 if the prosecuting authority makes the showing required by subdivision 1 and also shows that:

(1) there is probable cause to believe that the property with respect to which the order is sought would, in the event of a conviction, be subject to criminal forfeiture under section 8; and

(2) the requested order would not result in substantial and irreparable harm or injury to the party against whom the order is to be entered, or to other affected persons, that outweighs the need to preserve the reachability of the property.

(b) An order entered under this subdivision is effective for a maximum of 90 days unless:

(1) extended by the district court for good cause; or

(2) terminated by the filing of an indictment or complaint alleging that the property is subject to forfeiture.

Subd. 3. [RESTRAINING ORDER WITHOUT NOTICE.] (a) On application by the prosecuting authority, the district court may grant, without notice to any party, a temporary restraining order to preserve the reachability of property subject to criminal forfeiture under section 8 if:

(1) an indictment or complaint alleging that property is subject to criminal forfeiture has been filed or the district court determines that there is probable cause to believe that property with respect to which the order is sought would, in the event of a conviction, be subject to criminal forfeiture under section 8;

(2) the property is in the possession or control of the party against whom the order is to be entered; and

(3) the district court makes a specific finding in writing that the property can be concealed, disposed of, or placed beyond the jurisdiction of the court before any party may be heard in opposition.

(b) A temporary restraining order granted without notice to any party under this subdivision expires within the time fixed by the court, not to exceed five days. The court may extend the order for good cause shown, or if the party against whom it is entered consents to an extension. After a temporary restraining order is granted under this subdivision, a hearing concerning the entry of an order under this section shall be held at the earliest practicable time and before the temporary order expires.

Sec. 10. [609.908] [DISPOSITION OF FORFEITURE PROCEEDS.]

Subdivision 1. [DISPOSITION ALTERNATIVES.] After making due provisions for the rights of innocent persons, the prosecuting authority shall, as soon as feasible, dispose of all property ordered forfeited under section 8 by:

- (1) *public sale;*
- (2) *transfer to a state governmental agency for official use;*
- (3) *sale or transfer to an innocent person; or*
- (4) *destruction, if the property is not needed for evidence in a pending criminal or civil proceeding.*

Subd. 2. [NO REVERSION TO DEFENDANT.] An interest in personal or real property not exercisable by or transferable for value by the prosecuting authority expires and does not revert to the defendant. Forfeited property may not be purchased by the defendant, relative of the defendant, or any person acting in concert with the defendant or on the defendant's behalf.

Subd. 3. [SALE PROCEEDS.] The proceeds of a sale or other disposition of forfeited property under this section whether by final judgment, settlement, or otherwise, must be applied as follows:

- (1) *to the fees and costs of the forfeiture and sale including expenses of seizure, maintenance, and custody of the property pending its disposition, advertising, and court costs;*
- (2) *to all costs and expenses of investigation and prosecution including costs of resources and personnel incurred in investigation and prosecution; and*
- (3) *the balance to the appropriate agencies under section 609.5315, subdivision 5.*

Sec. 11. [609.909] [ADDITIONAL RELIEF AVAILABLE.]

With respect to property ordered forfeited, fine imposed, or civil penalty imposed in a criminal proceeding under section 6 or civil proceeding under section 13, the district court may, on petition of the prosecuting authority or any other person within 60 days of a final order:

- (1) *authorize the compromise of claims;*
- (2) *award compensation to persons providing information that results in a forfeiture under section 8;*
- (3) *grant petitions for mitigation or remission of forfeiture or fines;*
- (4) *restore forfeited property or imposed fines to victims of a violation of section 6; and*
- (5) *take any other action to protect the rights of innocent persons that is in the interest of justice and is consistent with the purposes of sections 5 to 14.*

Sec. 12. [609.910] [RELATION TO OTHER SANCTIONS.]

Subdivision 1. [REMEDY NOT EXCLUSIVE.] Except as provided in this section, a criminal penalty, forfeiture, or fine imposed under section 6, 7, 8, or 13 does not preclude the application of any other criminal penalty or civil remedy for the separate criminal acts. A prosecuting authority may not file a civil action under section 13 if any prosecuting authority has filed a previous criminal proceeding under section 6 against the same person based on the same criminal conduct and the charges were dismissed or the person acquitted.

Subd. 2. [RESTITUTION.] A restitution payment to a victim under section 7 does not limit the liability for damages in a civil action or proceeding for an amount greater than the restitution payment.

Sec. 13. [609.911] [CIVIL REMEDIES.]

Subdivision 1. [RELIEF AVAILABLE.] The prosecuting authority may institute civil proceedings in district court against a person seeking relief from conduct constituting a violation of section 6 or to prevent or restrain future violations. If the prosecuting authority proves the alleged violation by a preponderance of the evidence, and the court has made due provision for the rights of innocent persons, the court may:

(1) order a defendant to divest an interest in an enterprise or in real property;

(2) impose reasonable restrictions on the future activities or investments of a defendant, including prohibiting a defendant from engaging in the same type of endeavor as the enterprise in which the defendant was engaged in violation of section 6;

(3) order the dissolution or reorganization of an enterprise;

(4) order the suspension or revocation of a license, permit, or prior approval granted to an enterprise by a state agency; or

(5) order the surrender of the charter of a corporation organized under Minnesota law, dissolution of an enterprise, or the revocation of a certificate authorizing a foreign corporation to conduct business in Minnesota, if the court finds that:

(i) the board of directors or a managerial agent acting on behalf of the corporation, in conducting the affairs of the corporation, authorized or engaged in conduct prohibited by section 6; and

(ii) the public interest in preventing future criminal conduct requires the action.

Subd. 2. [INJUNCTIVE RELIEF] In a proceeding under this section, the court may grant injunctive relief.

Subd. 3. [CIVIL PENALTY.] The prosecuting authority may institute proceedings against an enterprise or an individual to recover a civil penalty. The penalty may be imposed in the discretion of the district court for conduct constituting a violation of section 6. The civil penalty may not exceed \$1,000,000 less a fine imposed under section 6. Penalties collected under this section must be applied to the costs and expenses of investigation and prosecution, including costs of resources and personnel incurred in investigation and prosecution, and the balance, if any, to the state general fund.

Subd. 4. [ATTORNEY FEES.] If the district court issues an injunction, or grants other relief under this section, or the prosecuting authority otherwise substantially prevails, the prosecuting authority shall also recover reasonable attorney fees in the trial and appellate courts and costs of investigation and litigation reasonably incurred.

Subd. 5. [PERSONAL JURISDICTION.] Personal service of process in a proceeding under this section may be made on any person outside of Minnesota if the person was a principal in any conduct constituting a violation of section 6 in this state. The person is deemed to have submitted

to the jurisdiction of the courts of this state for the purposes of this section.

Sec. 14. [609.912] [NOTICE TO OTHER PROSECUTING AUTHORITIES.]

When a county attorney begins an investigation involving sections 5 to 13, the county attorney shall notify the attorney general. When the attorney general begins an investigation involving sections 5 to 13, the attorney general shall notify the county attorney of each county in which a substantial part of the investigation is likely to be conducted.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective August 1, 1989, and apply to crimes committed on or after that date."

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

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.

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

Page 1, line 17, after "commodities" insert "are"

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. 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.

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

Page 45, delete line 35

Page 46, delete lines 25 to 27

Pages 75 to 78, delete section 33

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, lines 29 and 30, delete "290.92, subdivision 23;"

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. 1408 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.
1408	1202				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1408 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1408 and

insert the language after the enacting clause of S.F. No. 1202, the third engrossment; further, delete the title of H.F. No. 1408 and insert the title of S.F. No. 1202, the third engrossment.

And when so amended H.F. No. 1408 will be identical to S.F. No. 1202, and further recommends that H.F. No. 1408 be given its second reading and substituted for S.F. No. 1202, 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. 1422, 1266, 257, 446, 124 and 974 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 412, 862, 1197 and 1408 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Beckman moved that his name be stricken as a co-author to S.F. No. 1002. The motion prevailed.

Ms. Berglin moved that S.F. No. 1453, No. 163 on General Orders, be stricken and re-referred to the Committee on Health and Human Services. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Frederickson, D.J. introduced—

S.F. No. 1613: A bill for an act relating to education; providing guaranteed general educational revenue; amending Minnesota Statutes 1988, section 124A.22, subdivision 1.

Referred to the Committee on Education.

Ms. Reichgott introduced—

S.F. No. 1614: A bill for an act relating to education; authorizing health and wellness education program planning; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 227 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

April 18, 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. 227, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 227 be further amended as follows:

Page 1, line 14, after "with" insert "generally"

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

Senate Conferees: (Signed) Gregory L. Dahl, Allan H. Spear, Fritz Knaak

House Conferees: (Signed) Joe Quinn, Phil Carruthers, Terry Dempsey

Mr. Dahl moved that the foregoing recommendations and Conference Committee Report on S.F. No. 227 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. 227 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 48 and nays 8, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Johnson, D.E.	Merriam	Pogemiller
Beckman	Decker	Knaak	Moe, R.D.	Purfeerst
Benson	DeCramer	Knutson	Morse	Ramstad
Berg	Diessner	Laidig	Novak	Reichgott
Berglin	Frank	Lantry	Olson	Renneke
Bernhagen	Frederick	Larson	Pariseau	Spear
Brandl	Frederickson, D.J.	Luther	Pehler	Storm
Brataas	Frederickson, D.R.	Marty	Peterson, D.C.	Taylor
Cohen	Freeman	McGowan	Peterson, R.W.	
Dahl	Gustafson	Mehrkens	Piper	

Those who voted in the negative were:

Bertram	Kroening	Schmitz	Vickerman	Waldorf
Chmielewski	Metzen	Stumpf		

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Frank moved that S.F. No. 89, No. 72 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. 206: Messrs. Belanger, Waldorf and Kroening.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mrs. McQuaid was excused from the Session of today at 4:30 p.m. Mr. Pogemiller was excused from the Session of today from 1:30 to 1:40 p.m. Mr. Gustafson was excused from the Session of today from 1:30 to 1:45 p.m. Mr. McGowan was excused from the Session of today from 2:00 to 2:15 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:30 p.m., Tuesday, May 2, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-THIRD DAY

St. Paul, Minnesota, Tuesday, May 2, 1989

The Senate met at 12:30 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Benson 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. Edmund Goldbach.

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

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	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	

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.

May 1, 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. 69, 264, 936 and 1241.

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. 1488, 435, 618, 628, 1106, 134, 1082 and 787.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 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. 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.

Senate File No. 321 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1989

Mr. Moe, R.D. moved that S.F. No. 321 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. 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.

Senate File No. 331 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1989

Mr. Moe, R.D. moved that S.F. No. 331 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. 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.

Senate File No. 388 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1989

Mr. Moe, R.D. moved that S.F. No. 388 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. 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.

Senate File No. 493 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1989

Mr. Moe, R.D. moved that S.F. No. 493 be laid on the table. 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. 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.

There has been appointed as such committee on the part of the House: Rodosovich, Pappas and Blatz.

Senate File No. 206 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1989

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 162, 1560, 1589, 30, 1207, 1423, 1425, 1121, 1221, 1432, 13, 186, 1387, 260 and 1697.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 1, 1989

FIRST READING OF HOUSE BILLS

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

H.F. No. 162: 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 Rules and Administration for comparison with S.F. No. 94, now on General Orders.

H.F. No. 1560: A bill for an act relating to natural resources; authorizing the Elephant Creek impoundment in St. Louis county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1289, now on General Orders.

H.F. No. 1589: 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; providing for combined hearings on improvements and assessments; amending Minnesota Statutes 1988, section 430.07, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1494, now on General Orders.

H.F. No. 30: A bill for an act relating to employment; requiring breaks during the work day; proposing coding for new law in Minnesota Statutes, chapter 177.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 109, now on General Orders.

H.F. No. 1207: 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 Rules and Administration for comparison with S.F. No. 1195, now on General Orders.

H.F. No. 1423: 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 public benefits 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; requiring a facility fee payment to enrolled hospitals for certain emergency room or clinic visits; amending Minnesota Statutes 1988, section 80D.04, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 144; and 256B.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1196, now on the Calendar.

H.F. No. 1425: 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; authorizing the attorney general and county attorneys to issue administrative subpoenas; creating crimes that prohibit warning subjects of investigations, electronic surveillance, or search warrants; imposing penalties; amending Minnesota Statutes 1988, sections 626A.02, subdivision 3; 626A.04; 626A.06, subdivisions 1 and 4a; 626A.11, subdivisions 1 and 2; 626A.12, subdivision 1; 626A.17; 626A.35; 626A.36; 626A.37; 626A.38, subdivision 1; 626A.39, by adding a subdivision; and 626A.40; Laws 1988, chapter 577, section 63; proposing coding for new law in Minnesota Statutes, chapters 8, 388, 609, and 626A; repealing Minnesota Statutes 1988, sections 626A.12, subdivision 1a; 626A.22; 626A.23; 626A.24; and 626A.38, subdivision 5; Laws 1988, chapter 577, section 62.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1237, now on General Orders.

H.F. No. 1121: A bill for an act relating to animals; regulating using animals for certain purposes; providing a penalty; amending Minnesota Statutes 1988, section 343.33.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1037, now on General Orders.

H.F. No. 1221: 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 Rules and Administration for comparison with S.F. No. 1075, now on General Orders.

H.F. No. 1432: A bill for an act relating to transportation; requiring nonrailroad lessors to comply with certain procedures before sale of property interests; amending Minnesota Statutes 1988, sections 222.631, by adding a subdivision; 222.632; and 222.633.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1303, now on General Orders.

H.F. No. 13: A bill for an act relating to courts; raising the jurisdictional limit on claims heard in conciliation court; permitting bail in civil contempt cases to be used to satisfy the judgment; requiring a report; amending Minnesota Statutes 1988, sections 487.30, subdivisions 1 and 5; 488A.12, subdivision 3; 488A.14, subdivision 6; 488A.16, subdivision 8; 488A.29,

subdivision 3; 488A.31, subdivision 6; and 488A.33, subdivision 7.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 830, now on General Orders.

H.F. No. 186: 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; 326.3384, subdivision 1; and 364.09.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 55, now on General Orders.

H.F. No. 1387: A bill for an act relating to education; prohibiting certain punishment in schools; proposing coding for new law in Minnesota Statutes, chapter 127.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 796, now on General Orders.

H.F. No. 260: 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; regulating use of omitted information; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 312, now on General Orders.

H.F. No. 1697: 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; providing a mechanic's lien for those who tow a vehicle at the direction of a law enforcement officer; amending Minnesota Statutes 1988, section 514.18, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1248, 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. 368. The motion prevailed.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

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.

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

Delete everything after the enacting clause and insert:

"ARTICLE I

STATE ELECTIONS AND ETHICS PROVISIONS

Section 1. Minnesota Statutes 1988, section 10A.01, subdivision 10c, is amended to read:

Subd. 10c. "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, by a political committee, political fund, or principal campaign committee for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question.

Noncampaign disbursement includes:

- (a) Payment for accounting and legal services;
- (b) Return of a contribution to the source;
- (c) Repayment of a loan made to the political committee, political fund, or principal campaign committee by that committee or fund;
- (d) Return of money from the state elections campaign fund;
- (e) Payment for food and beverages consumed at a fundraising of expenses relating to an event which is held for the purpose of fundraising;
- (f) Services for a constituent by a member of the legislature or a constitutional officer in the executive branch, performed from the beginning of the term of office to 60 days after adjournment sine die of the legislature in the election year for the office held; and

(g) A donation in kind given to the political committee, political fund, or principal campaign committee for purposes listed in clauses (e) and (f). The board shall determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision.

Sec. 2. Minnesota Statutes 1988, section 10A.04, subdivision 2, is amended to read:

Subd. 2. Each report shall cover the time from the last day of the period covered by the last report to 15 days prior to the current filing date. The reports shall be filed with the board by the following dates:

- (a) January 15;
- (b) April 15; and
- (c) July 15; and
- ~~(d) October 15.~~

Sec. 3. 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.

Sec. 4. Minnesota Statutes 1988, section 10A.18, is amended to read:
10A.18 [BILLS WHEN RENDERED AND PAID.]

Every person who has a bill, charge, or claim against any political committee or political fund for any expenditure shall render, *to the extent practicable*, in writing to the treasurer of the committee or fund the bill, charge, or claim within 60 days after the material or service is provided. ~~Failure to so present the bill, charge or claim is a misdemeanor.~~

Sec. 5. Minnesota Statutes 1988, section 10A.19, is amended by adding a subdivision to read:

Subd. 3. [JOINT COMMITTEE.] When a candidate for governor and a candidate for lieutenant governor combine their principal campaign committees, the treasurer of the combined committee shall register the committee as provided under section 10A.14.

Sec. 6. Minnesota Statutes 1988, section 10A.19, is amended by adding a subdivision to read:

Subd. 4. [LIEUTENANT GOVERNOR.] A candidate for lieutenant governor named in a joint committee established under section 5 shall establish a separate principal campaign committee after the candidate accepts more than \$100 from any source other than self for the purpose of seeking endorsement for the next following election for the office sought or held. Within ten days after the candidate for lieutenant governor establishes a separate principal campaign committee under this subdivision, the treasurer of the joint committee shall amend the committee registration to disclose that the committee is the principal campaign committee of the candidate for governor.

Sec. 7. Minnesota Statutes 1988, section 10A.20, subdivision 5, is amended to read:

Subd. 5. In any statewide election any contribution or contributions from any one source totaling \$2,000 or more, or in any legislative election totaling more than \$400, received between the last day covered in the last report prior to an election and the election shall be reported to the board in one of the following ways:

- (1) in person within 48 hours after its receipt;*
- (2) by telegram or mailgram within 48 hours after its receipt; or*
- (3) by certified mail sent within 48 hours after its receipt.*

These contributions must also be reported in the next required report.

The 48-hour notice requirement does not apply with respect to primary elections where the statewide or legislative candidate is unopposed in that primary.

Sec. 8. Minnesota Statutes 1988, section 10A.22, subdivision 7, is amended to read:

Subd. 7. The treasurer of a political committee or political fund shall not accept a contribution of more than \$100 from a ~~political committee or political fund~~ an association not registered in this state unless the contribution is accompanied by a written statement which meets the disclosure and reporting period requirements imposed by section 10A.20. This statement shall be certified as true and correct by an officer of the contributing

~~political committee or political fund~~ *association*. The political committee or political fund which accepts the contribution shall include a copy of the statement with the report which discloses the contribution to the board. The provisions of this subdivision shall not apply when a national political party transfers money to its affiliate in this state.

Sec. 9. Minnesota Statutes 1988, section 10A.22, is amended by adding a subdivision to read:

Subd. 8. [CONDITIONS.] Notwithstanding subdivision 7, the unregistered association may provide the statement to no more than three political committees or political funds in any calendar year and each statement must cover at least the 30 days immediately preceding and including the date on which the contribution was made. Any individual or association violating the provisions of this subdivision may be subject to a civil penalty of up to \$1,000. An individual who knowingly violates this subdivision is guilty of a misdemeanor.

Sec. 10. Minnesota Statutes 1988, section 10A.24, is amended to read:

10A.24 [DISSOLUTION OR TERMINATION.]

Subdivision 1. [TERMINATION REPORT.] No political committee or political fund shall dissolve until it has settled all of its debts and disposed of all its assets in excess of \$100 and filed a termination report. The termination report may be made at any time and shall include all information required in periodic reports.

Subd. 2. [TERMINATION AFTER SIX YEARS.] Notwithstanding subdivision 1, after mailing notice to any remaining creditors by certified mail, a political committee or political fund that has debts which were incurred more than six years previously, has disposed of all its assets, and has met the requirements of section 10A.20, subdivision 7, may file a termination report.

Sec. 11. Minnesota Statutes 1988, section 10A.241, is amended to read:

10A.241 [TRANSFER OF FUNDS AND DEBTS.]

Notwithstanding any provisions of this chapter to the contrary except as provided in this section, a candidate may terminate the candidate's principal campaign committee for ~~one~~ a state office by transferring ~~any all funds~~ and debts of that committee to the candidate's principal campaign committee for another state office, a local office, or a congressional office, provided that any outstanding unpaid bills or loans from the committee being terminated are assumed and continuously reported by the committee to which the transfer is being made until paid or forgiven. A loan that is forgiven is covered by section 10A.20 and, for purposes of section 10A.32, is a contribution to the principal campaign committee from which the debt was transferred under this section.

Sec. 12. Minnesota Statutes 1988, section 10A.25, subdivision 2, is amended to read:

Subd. 2. In a year in which an election is held for an office sought by a candidate, no expenditures shall be made by the principal campaign committee of that candidate, nor any approved expenditures made on behalf of that candidate which expenditures and approved expenditures result in an aggregate amount in excess of the following:

- (a) For governor and lieutenant governor, running together, ~~\$600,000~~

\$1,418,213;

(b) For attorney general, ~~\$100,000~~ \$236,369;

(c) For secretary of state, state treasurer, and state auditor, separately, ~~\$50,000~~ \$118,185;

(d) For state senator, ~~\$15,000~~ \$35,456;

(e) For state representative, ~~\$7,500~~ \$18,597.

Sec. 13. Minnesota Statutes 1988, section 10A.25, subdivision 3, is amended to read:

Subd. 3. Notwithstanding subdivision 2, clause (a), a candidate for endorsement for the office of lieutenant governor at the convention of a political party may make expenditures and approved expenditures of ~~\$30,000~~ ~~or~~ five percent of the amount in subdivision 2, clause (a), ~~whichever is greater~~ *as adjusted by section 10A.255*, to seek endorsement. This amount shall be in addition to the amount which may be expended pursuant to subdivision 2, clause (a).

Sec. 14. Minnesota Statutes 1988, section 10A.25, subdivision 5, is amended to read:

Subd. 5. Notwithstanding the limits imposed by subdivision 2, the winning candidate in a contested race in a primary who receives less than twice as many votes as any one of the candidate's opponents in that primary may make aggregate expenditures and approved expenditures equal to 120 percent of the applicable amount as set forth in subdivision 2, *as adjusted by section 10A.255*.

Sec. 15. Minnesota Statutes 1988, section 10A.27, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivisions 2 and 6, no candidate shall permit the candidate's principal campaign committee to accept contributions from any individual, political committee, or political fund in excess of the following:

(a) To candidates for governor and lieutenant governor running together, \$60,000 in an election year for the office sought and \$12,000 in other years;

(b) To a candidate for attorney general, \$10,000 in an election year for the office sought and \$2,000 in other years;

(c) To a candidate for the office of secretary of state, state treasurer or state auditor, \$5,000 in an election year for the office sought and \$1,000 in other years;

(d) To a candidate for state senator, \$1,500 in an election year for the office sought and ~~\$300~~ \$400 in other years; and

(e) To a candidate for state representative, \$750 in an election year for the office sought and ~~\$150~~ \$200 in the other year.

Sec. 16. Minnesota Statutes 1988, section 10A.275, is amended to read:
10A.275 [MULTICANDIDATE POLITICAL PARTY EXPENDITURES.]

Subdivision 1. [EXCEPTIONS.] Notwithstanding any other provisions of this chapter, the following expenditures by a state political party ~~or~~; a substate unit of a state political party ~~as described in section 10A.27,~~

~~subdivision 4;~~ or two or more substate units of a state political party acting together, with at least one substate unit being either: the state party organization or the party organization within congressional districts, counties, or legislative districts, shall not be considered contributions to or expenditures on behalf of any candidate for the purposes of section 10A.25 or 10A.27, and shall not be allocated to any candidates pursuant to section 10A.22, subdivision 5:

(a) expenditures on behalf of candidates of that party generally without referring to any of them specifically in any advertisement published, posted or broadcast;

(b) expenditures for the preparation, display, mailing or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;

(c) expenditures for any telephone conversation including the names of three or more individuals whose names are to appear on the ballot; or

(d) expenditures for any political party fundraising effort on behalf of three or more candidates; or

(e) expenditures for party committee staff member services that benefit three or more candidates. This paragraph applies only to staff members paid from the political committee of a state political party as defined in section 10A.27, subdivision 4.

Subd. 2. [SUBSTATE UNIT OF STATE POLITICAL PARTY.] For purposes of this section, "substate unit of a state political party" means the party organization within each house of the legislature; the state party organization; or the party organization within congressional districts, counties, legislative districts, municipalities, or precincts.

Sec. 17. Minnesota Statutes 1988, section 10A.31, subdivision 5, is amended to read:

Subd. 5. In each calendar year the money in the general account ~~shall~~ must be allocated to candidates as follows:

- (1) 21 percent for the offices of governor and lieutenant governor together;
- (2) 3.6 percent for the office of attorney general;
- (3) 1.8 percent each for the offices of secretary of state, state auditor, and state treasurer;
- (4) In each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator and 46-2/3 percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative.

In each calendar year the money in each party account ~~shall~~ must be allocated as follows:

- (1) 14 percent for the offices of governor and lieutenant governor together;
- (2) 2.4 percent for the office of attorney general;
- (3) 1.2 percent each for the offices of secretary of state, state auditor, and state treasurer;

(4) In each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator and 46-2/3 percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative;

(6) ten percent for the state committee of a political party; money allocated to each state committee under this clause must be deposited in a separate account and must be spent for legitimate political party operations, including voter education; the sample ballot; operations of precinct caucuses, county unit conventions, and state conventions; and the maintenance and programming of computers used to provide lists of voters, party workers, party officers, patterns of voting, and other data for use in political party activities; money allocated to a state committee under this clause must be paid to the committee as it is received in the account, on a monthly or other basis agreed to between the committee and the board.

To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candidates within legislative districts, money from the party accounts for legislative candidates shall be distributed as follows:

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive money from the candidate's party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula;

For each county within the candidate's district the candidate's share of the dollars allocated in that county to the candidate's party account and set aside for that office shall be:

(a) The sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(b) The sum of the votes cast in that county in the last general election for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(c) The amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election,

amounts in the party's account shall be allocated based on (a) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (b) the number of the people voting in that county in the last general election, multiplied by (c) the amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

In a year in which the first election after a legislative reapportionment is held, "the candidate's district" means the newly drawn district, and voting data from the last general election will be applied to the area encompassing the newly drawn district notwithstanding that the area was in a different district in the last general election.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party shall be the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (a) and (b). The average vote shall be added to the sums in clauses (a) and (b) before the calculation is made for all districts in the county.

Money from a party account not distributed to candidates for state senator and representative in any election year shall be returned to the general fund of the state. Money from a party account not distributed to candidates for other offices in an election year shall be returned to the party account for reallocation to candidates as provided in clauses (1) to (6) in the following year. Money from the general account refused by any candidate ~~shall be distributed to all other qualifying candidates in proportion to their shares as provided in this subdivision~~ must be transferred to the special election account established in section 18.

Sec. 18. Minnesota Statutes 1988, section 10A.31, is amended by adding a subdivision to read:

Subd. 12. [SPECIAL ELECTION ACCOUNT.] The special election account is established as a separate account in the state election campaign fund. Money from the special election account must be distributed to each eligible candidate for a legislative office in a special election in an amount equal to the amount available to a candidate for the same office in the same district at the last general election. If there is insufficient money in the account to make the payments required under this subdivision, the entire amount of money available must be apportioned equally to all eligible legislative candidates. For purposes of this subdivision, "eligible candidate" means a candidate who meets the eligibility requirements for receiving money from the state election campaign fund as provided under section 10A.32. Money from the special election account must be distributed in the same manner as provided for general account money to legislative candidates in a general election.

Sec. 19. Minnesota Statutes 1988, section 10A.32, subdivision 3, is amended to read:

Subd. 3. As a condition of receiving any money from the state elections campaign fund, a candidate shall agree by stating in writing to the board that (a) the candidate's expenditures and approved expenditures shall not exceed the expenditure limits as set forth in section 10A.25 and that (b) except for an amount equal to 25 percent of the expenditure limits set forth

in section 10A.25, but not exceeding \$15,000, the candidate shall not accept contributions or allow approved expenditures to be made on the candidate's behalf for the period beginning with January 1 of the election year or with the registration of the candidate's principal campaign committee, whichever occurs later, and ending December 31 of the election year, which aggregate contributions and approved expenditures exceed the difference between the amount which may legally be expended by or for the candidate, and the amount which the candidate receives from the state elections campaign fund. The agreement, insofar as it relates to the expenditure limits set forth in section 10A.25, remains effective until the dissolution of the principal campaign committee of the candidate or the opening of filings for the next succeeding election to the office held or sought at the time of agreement, whichever occurs first. Money in the account of the principal campaign committee of a candidate on January 1 of the election year for the office held or sought shall be considered contributions accepted by that candidate in that year for the purposes of this subdivision. That amount of all contributions accepted by a candidate in an election year which equals the amount of noncampaign disbursements and contributions and expenditures to promote or defeat a ballot question which are made by that candidate in that year shall not count toward the aggregate contributions and approved expenditure limit imposed by this subdivision. Except for an amount equal to 25 percent of the expenditure limits set forth in section 10A.25, but not exceeding \$15,000, any amount by which the aggregate contributions and approved expenditures agreed to under clause (b) exceed the difference shall be returned to the state treasurer in the manner provided in subdivision 2. In no case shall the amount returned exceed the amount received from the state elections campaign fund.

The candidate may submit the signed agreement to the filing officer on the day of filing the affidavit of candidacy or petition to appear on the ballot, or to the board no later than September 1.

The board prior to the first day of filing for office shall forward forms for the agreement to all filing officers. The filing officer shall without delay forward signed agreements to the board. An agreement may not be rescinded after September 1.

Before the first day of filing for office, the board shall also forward a copy of section 10A.25, subdivision 3, to all filing officers. Before September 1, the filing officer shall provide a copy of section 10A.25, subdivision 3, to each candidate who files an affidavit of candidacy or whose name is to appear on the ballot by petition.

For the purposes of this subdivision only, the total amount to be distributed to each candidate is calculated to be the candidate's share of the total estimated funds in the candidate's party account as provided in subdivision 3a, plus the total amount estimated as provided in subdivision 3a to be in the general account of the state elections campaign fund and set aside for that office divided by the number of candidates whose names are to appear on the general election ballot for that office. If for any reason the amount actually received by the candidate is greater than the candidate's share of the estimate, and the contributions thereby exceed the difference, the agreement shall not be considered violated.

A candidate whose campaign spending is unlimited under conditions imposed by section 10A.25, subdivision 10, and who certifies that the candidate made campaign expenditures equal to the full amount of the

public financing received is not required to return any portion of the money received from the state elections campaign fund under the aggregate contribution limit provisions of this subdivision.

Sec. 20. Minnesota Statutes 1988, section 10A.33, is amended to read:

10A.33 [APPLICATION.]

Except as otherwise provided in section 10A.31, subdivision 5, and section 18, the provisions of sections 10A.30 to 10A.32 shall apply only in general elections and primaries preceding general elections and shall do not apply to special elections or special primaries.

Sec. 21. Minnesota Statutes 1988, section 211A.07, is amended to read:

211A.07 [BILLS WHEN RENDERED AND PAID.]

A person who has a bill, charge, or claim against a candidate's committee shall, to the extent practicable, render it in writing to the committee within 60 days after the material or service is provided. A bill, charge, or claim that is not presented within 60 days after the material or service is provided must not be paid.

Sec. 22. Minnesota Statutes 1988, section 211B.15, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED CONTRIBUTIONS.] *A corporation may not make a contribution or offer or agree to make a contribution, directly or indirectly, of any money, property, free service of its officers or employees, or thing of monetary value to a major political party, organization, committee, or individual to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office. For the purpose of this subdivision, "contribution" includes an expenditure to promote or defeat the election or nomination of a candidate to a political office that is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of, a candidate or committee established to support or oppose a candidate. For the purpose of this subdivision, "contribution" also includes the posting of campaign signs on commercial property free of charge or for a nominal fee.*

Sec. 23. Minnesota Statutes 1988, section 383B.055, subdivision 1, is amended to read:

Subdivision 1. The state ethical practices board shall:

(a) ~~Develop forms for all statements and reports required to be filed under sections 383B.041 to 383B.054 and furnish the forms to the county filing officer in Hennepin county;~~

(b) ~~(1) issue and publish advisory opinions concerning the requirements of sections 383B.041 to 383B.057 upon application in writing by the county filing officer of Hennepin county or any individual or association who wishes to use the opinion to guide the applicant's own conduct; and~~

(c) ~~(2) exempt any individual or association required to disclose information under sections 383B.046 to 383B.05 from any requirement of those sections in the same manner as it exempts any individual or association from disclosure requirements under chapter 10A. An individual or association exempted from the disclosure provisions of chapter 10A, shall also be exempt from the disclosure provisions of sections 383B.046 to 383B.05.~~

Sec. 24. Minnesota Statutes 1988, section 383B.055, subdivision 2, is

amended to read:

Subd. 2. *The county filing officer of Hennepin county shall develop forms for all statements and reports required to be filed under sections 383B.041 to 383B.054. The filing officer shall furnish sufficient copies of the forms provided by the ethical practices board to all officers with whom candidates file affidavits or applications of candidacy and nominating petitions.*

Sec. 25. [APPROPRIATION; SPECIAL ELECTIONS ACCOUNT.]

§ is transferred from the general account of the state election campaign fund to the special election account established in section 18 for special legislative elections held before the 1990 general election. Up to \$ from the general account that is refused by any candidate in the 1990 election year must be distributed to all other qualifying candidates in proportion to their share as provided in Minnesota Statutes, section 10A.31, subdivision 5. The balance of the refused money must be transferred to the special election account.

Sec. 26. [EFFECTIVE DATE.]

Sections 17 and 18 are effective the day following final enactment.

ARTICLE 2

CONGRESSIONAL CAMPAIGN FINANCING

Section 1. Minnesota Statutes 1988, section 10A.01, is amended by adding a subdivision to read:

Subd. 5a. [CONGRESSIONAL CANDIDATE.] "Congressional candidate" means an individual who seeks nomination or election to the United States senate or house of representatives and who is a "candidate" as that term is defined under United States Code, title 2, section 431, paragraph (2), as amended through December 31, 1988.

Sec. 2. Minnesota Statutes 1988, section 10A.01, subdivision 7, is amended to read:

Subd. 7. [CONTRIBUTION.] "Contribution" means:

(1) with respect to a candidate, a transfer of funds or a donation in kind-

~~Contribution~~ *and includes any loan or advance of credit to a political committee, political fund, or principal campaign committee, which loan or advance of credit is ~~(a)~~ (i) forgiven, or ~~(b)~~ (ii) paid by an ~~entity~~ individual or an association other than the political committee, political fund, or principal campaign committee to which the loan or advance of credit is made. If an advance of credit or a loan is forgiven or paid as provided in this ~~subdivision~~ paragraph, it is a contribution in the year in which the loan or advance of credit is made.*

A contribution made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.

A contribution does not include services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee or political fund, or the publishing or broadcasting of news items or editorial comments by the news media; and

(2) with respect to a congressional candidate, a "contribution" as that term is defined under United States Code, title 2, section 431, paragraph

(8), as amended through December 31, 1988.

Sec. 3. Minnesota Statutes 1988, section 10A.01, subdivision 10, is amended to read:

Subd. 10. [CAMPAIGN EXPENDITURE; EXPENDITURE.] "Campaign expenditure" or "expenditure" means:

(1) with respect to a candidate, a purchase or payment of money or anything of value, or an advance of credit, made or incurred for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question.

An expenditure is considered to be made in the year in which the goods or services for which it was made are used or consumed.

An expenditure made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.

Except as provided in ~~clause (a)~~, item (i), an expenditure includes the dollar value of a donation in kind.

An expenditure does not include:

~~(a)~~ (i) Noncampaign disbursements as defined in subdivision 10c;

~~(b)~~ (ii) Transfers as defined in subdivision 7a;

~~(c)~~ (iii) Services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee, or political fund; or

~~(d)~~ (iv) The publishing or broadcasting of news items or editorial comments by the news media; and

(2) with respect to a congressional candidate, an "expenditure" as that term is defined under United States Code, title 2, section 431, paragraph (9), as amended through December 31, 1988.

Sec. 4. Minnesota Statutes 1988, section 10A.01, subdivision 10b, is amended to read:

Subd. 10b. [INDEPENDENT EXPENDITURE.] "Independent expenditure" means:

(1) with respect to a candidate, an expenditure expressly advocating the election or defeat of a clearly identified candidate, which expenditure is made without the express or implied consent, authorization, or cooperation of, and not in concert with or at the request or suggestion of, any candidate or any candidate's principal campaign committee or agent. An independent expenditure is not a contribution to that candidate; and

(2) with respect to a congressional candidate, an "independent expenditure" as that term is defined under United States Code, title 2, section 431, paragraph (17), as amended through December 31, 1988.

Sec. 5. Minnesota Statutes 1988, section 10A.01, subdivision 15, is amended to read:

Subd. 15. [POLITICAL COMMITTEE.] "Political committee" means:

(1) with respect to a candidate, any association as defined in subdivision 3 whose major purpose is to influence the nomination or election of a

candidate or to promote or defeat a ballot question; and

(2) with respect to a congressional candidate, a "political committee" as that term is defined under United States Code, title 2, section 431, paragraph (4), as amended through December 31, 1988.

"Political committee" includes a major political party as defined in subdivision 12, a minor political party as defined in subdivision 13, and any a principal campaign committee formed pursuant to section 10A.19 of a candidate or congressional candidate, and an authorized committee of a congressional candidate.

Sec. 6. Minnesota Statutes 1988, section 10A.01, is amended by adding a subdivision to read:

Subd. 15a. [PRINCIPAL CAMPAIGN COMMITTEE.] "Principal campaign committee" means:

(1) with respect to a candidate, a political committee designated and caused to be formed by that candidate under section 10A.19; and

(2) with respect to a congressional candidate, a political committee designated and authorized by that congressional candidate under United States Code, title 2, section 432, subsection (e)(1), as amended through December 31, 1988.

Sec. 7. Minnesota Statutes 1988, section 10A.01, is amended by adding a subdivision to read:

Subd. 15b. [AUTHORIZED COMMITTEE.] "Authorized committee" means the principal campaign committee or another political committee designated and authorized by a congressional candidate under United States Code, title 2, section 432, subsection (e)(1), as amended through December 31, 1988, to receive contributions or make expenditures on behalf of that congressional candidate.

Sec. 8. [10A.105] [LIMITATION ON APPLICABILITY.]

The provisions of sections 10A.11 to 10A.24 relating to the organization, registration, and administration of and reporting and disclosure by political committees, including principal campaign committees, and political funds are not applicable to congressional candidates and authorized committees of congressional candidates. The organization, registration, and administration of and reporting and disclosure by authorized committees of congressional candidates is governed by the relevant provisions of United States Code, title 2, chapter 14, as amended through December 31, 1988.

Sec. 9. [10A.245] [CAMPAIGN REPORTS; CONGRESSIONAL CANDIDATES.]

A congressional candidate who agrees to be bound by the expenditure limits in section 10A.25, as adjusted by section 10A.255, as a condition of receiving a public subsidy for the candidate's campaign shall file with the board copies of all reports that the candidate or the candidate's principal campaign committee treasurer acting for the candidate is required to file under United States Code, title 2, chapter 14, as amended through December 31, 1988. The reports must be filed with the board at the times required under United States Code, title 2, section 434, as amended through December 31, 1988.

Sec. 10. Minnesota Statutes 1988, section 10A.01, is amended by adding

a subdivision to read:

Subd. 2a. [CONGRESSIONAL CANDIDATES.] In a year in which an election is held for an office sought by a congressional candidate, no expenditures may be made by the authorized committees of that congressional candidate that result in an aggregate amount in excess of the following:

(1) for United States senator, \$3,000,000; and

(2) for representative in Congress, \$300,000.

Sec. 11. Minnesota Statutes 1988, section 10A.25, is amended by adding a subdivision to read:

Subd. 5a. [CONGRESSIONAL CANDIDATES IN CONTESTED PRIMARY RACES.] Notwithstanding the limits imposed by section 10, the winning congressional candidate in a contested race in a primary who receives less than twice as many votes as any one of the candidate's opponents in that primary may make aggregate expenditures equal to 120 percent of the applicable amount in section 10, as adjusted by section 10A.255.

Sec. 12. Minnesota Statutes 1988, section 10A.25, is amended by adding a subdivision to read:

Subd. 6a. [POST-ELECTION YEAR EXPENDITURES BY CONGRESSIONAL CANDIDATES.] In a year following an election year for the office held or sought, the aggregate amount of expenditures on behalf of a congressional candidate for or holder of that office must not exceed 20 percent of the expenditure limit in section 10, as adjusted by section 10A.255.

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.

Sec. 14. Minnesota Statutes 1988, section 10A.255, is amended to read:

10A.255 [ADJUSTMENT BY CONSUMER PRICE INDEX.]

Subdivision 1. [METHOD OF CALCULATION.] The dollar amounts provided in section 10A.25, subdivision 2, and section 10, must be adjusted for general election years as provided in this section. By June 1 of the general election year, the executive director of the board shall determine the percentage increase in the consumer price index from December of the year preceding the last general election year to December of the year preceding the year in which the determination is made. The dollar amounts used for the preceding last general election year must be multiplied by that percentage. The product of the calculation must be added to each dollar

amount to produce the dollar limitations to be in effect for the next general election. The product must be rounded up to the next highest whole dollar. The index used must be the revised consumer price index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor with 1982 as a base year.

Subd. 2. [TRANSITIONAL PERIOD.] (a) The dollar amounts provided in section 10A.25, subdivision 2, must be adjusted for 1988 in the manner provided in subdivision 1, except that the percentage increase in the consumer price index must be determined from April of 1986 to December of 1987 and the adjustment must be calculated by the executive director by June 1, 1988.

(b) Except for the office of state representative in the legislature, the dollar amounts provided in section 10A.25, subdivision 2, must be adjusted for 1990 in the manner provided in subdivision 1, except that the percentage increase in the consumer price index must be determined from April of 1986 to December of 1989 and the adjustment must be calculated by the executive director by June 1, 1990.

(c) *The dollar amounts in section 10 must be adjusted for the 1992 races for representative in Congress and the 1992 race for United States senate, and subsequent general elections for those offices in the manner provided in subdivision 1, except that the last general election year must be considered to be 1986 and the dollar amounts used for the last general election year for the offices of United States senator and representative in Congress must be \$3,000,000 and \$300,000 respectively.*

Subd. 3. [PUBLICATION OF EXPENDITURE LIMIT.] *On or before June 15 of each year, the board shall publish in the State Register the expenditure limit for each office for that calendar year under section 10A.25 as adjusted by this section.*

Sec. 15. Minnesota Statutes 1988, section 10A.27, is amended by adding a subdivision to read:

Subd. 9. [CONTRIBUTION AND LOAN LIMITATIONS APPLICABLE TO A CONGRESSIONAL CANDIDATE.] *Contributions by or to a congressional candidate and loans to a congressional candidate are governed by the relevant provisions of United States Code, title 2, chapter 14, as amended through December 31, 1988.*

Sec. 16. Minnesota Statutes 1988, section 10A.275, is amended to read:

10A.275 [MULTICANDIDATE POLITICAL PARTY EXPENDITURES.]

Subdivision 1. [APPLICABILITY TO CANDIDATES.] Notwithstanding any other provisions of this chapter, the following expenditures by a state political party or a substate unit of a state political party as described in section 10A.27, subdivision 4, shall not be considered contributions to or expenditures on behalf of any candidate for the purposes of section 10A.25 or 10A.27, and shall not be allocated to any candidates pursuant to section 10A.22, subdivision 5:

(a) expenditures on behalf of candidates of that party generally without referring to any of them specifically in any advertisement published, posted or broadcast;

(b) expenditures for the preparation, display, mailing or other distribution

of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot:

(c) expenditures for any telephone conversation including the names of three or more individuals whose names are to appear on the ballot; or

(d) expenditures for any political party fundraising effort on behalf of three or more candidates.

Subd. 2. [APPLICABILITY TO CONGRESSIONAL CANDIDATES.] Expenditures of the type listed in subdivision 1, clauses (a) to (d), are governed by the relevant provisions of United States Code, title 2, section 431, paragraph (9), as amended through December 31, 1988.

Sec. 17. Minnesota Statutes 1988, section 10A.28, is amended to read:

10A.28 [PENALTY FOR EXCEEDING EXPENDITURE AND CONTRIBUTION LIMITS.]

Subdivision 1. [CANDIDATE EXCEEDING EXPENDITURE LIMITS.] A candidate subject to the expenditure limits of in section 10A.25 who permits the candidate's principal campaign committee to make expenditures or permits approved expenditures to be made on the candidate's behalf in excess of the limits imposed by section 10A.25 ~~shall be~~, *as adjusted by section 10A.255*, is subject to a civil fine up to four times the amount which the expenditures exceeded the limit.

Subd. 1a. [CONGRESSIONAL CANDIDATES EXCEEDING EXPENDITURE LIMITS.] A congressional candidate subject to the expenditure limits in section 10A.25 who permits the candidate's authorized committees to make aggregate expenditures on the candidate's behalf in excess of the limits imposed by section 10A.25, as adjusted by section 10A.255, is subject to a civil fine up to four times the amount the expenditures exceed the limit.

Subd. 2. [CONTRIBUTION LIMITS EXCEEDED WITH RESPECT TO CANDIDATES.] A candidate who permits the candidate's principal campaign committee to accept contributions in excess of the limits imposed by section 10A.27 ~~shall be~~ *is* subject to a civil fine of up to four times the amount by which the contribution exceeded the limits.

Subd. 2a. [CONTRIBUTION LIMITS EXCEEDED WITH RESPECT TO CONGRESSIONAL CANDIDATES.] A congressional candidate who permits the candidate's authorized committees to accept contributions in excess of the limits imposed under United States Code, title 2, chapter 14, as amended through December 31, 1988, is subject to the penalties imposed by United States Code, title 2, section 437g, as amended through December 31, 1988.

Subd. 3. [CONCILIATION AGREEMENTS.] If the board finds that there is reason to believe that excess expenditures have been made or excess contributions accepted contrary to the provisions of subdivision 1, *1a*, or 2, the board shall make every effort for a period of not less than 14 days after its finding to correct the matter by informal methods of conference and conciliation and to enter a conciliation agreement with the person involved. A conciliation agreement made pursuant to this subdivision shall be a matter of public record. Unless violated, a conciliation agreement shall be a bar to any civil proceeding under subdivision 4.

Subd. 4. [CIVIL ACTION.] If the board is unable after a reasonable time

to correct by informal methods any matter which constitutes probable cause to believe that excess expenditures have been made or excess contributions accepted contrary to subdivision 1, 1a, or 2, the board shall make a public finding of probable cause in the matter. After making a public finding, the board shall bring an action, or transmit the finding to a county attorney who shall bring an action, ~~in the district court of Ramsey county or, in the case of a legislative candidate, the district court of a county within the legislative district,~~ to impose a civil fine as prescribed by the board pursuant to subdivision 1, 1a, or 2. *An action filed against a congressional candidate for United States senator or against a candidate for state constitutional office must be brought in the district court of Ramsey county. An action filed against a candidate for state legislative office must be brought in the district court of a county within the candidate's legislative district. An action filed against a congressional candidate for representative in Congress must be brought in the district court of a county within the congressional candidate's congressional district.* All money recovered pursuant to this section shall be deposited in the general fund of the state.

Sec. 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 *state political party* account for the candidates of each political party ~~and~~, (2) a *state general account*, (3) a *separate political party account for the congressional candidates of each political party*, and (4) a *congressional general account*. *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 ~~\$5 \$10~~ shall be paid from the general fund of the state into the state elections campaign fund. If a husband and wife file a joint return, each spouse may designate that ~~\$5 \$10~~ shall be paid. No individual shall be allowed to designate ~~\$5 \$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.

Sec. 22. Minnesota Statutes 1988, section 10A.31, subdivision 5, is amended to read:

Subd. 5. [ALLOCATION OF ACCOUNTS.] (a) *Candidates.* In each calendar year the money in the *state* general account shall ~~shall~~ *must* be allocated to candidates as follows:

- (1) 21 percent for the offices of governor and lieutenant governor together;
- (2) 3.6 percent for the office of attorney general;
- (3) 1.8 percent each for the offices of secretary of state, state auditor, and state treasurer;
- (4) In each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator and 46-2/3 percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative.

In each calendar year the money in each party account shall ~~shall~~ *for candidates must* be allocated as follows:

- (1) 14 percent for the offices of governor and lieutenant governor together;
- (2) 2.4 percent for the office of attorney general;
- (3) 1.2 percent each for the offices of secretary of state, state auditor, and state treasurer;
- (4) In each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator and 46-2/3 percent for the office of state representative;
- (5) In each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative;

(6) ten percent for the state committee of a political party; money allocated to each state committee under this clause must be deposited in a separate account and must be spent for legitimate political party operations, including voter education; the sample ballot; operations of precinct caucuses, county unit conventions, and state conventions; and the maintenance and programming of computers used to provide lists of voters, party workers, party officers, patterns of voting, and other data for use in political party activities; money allocated to a state committee under this clause must be paid to the committee as it is received in the account, on a monthly or other basis agreed to between the committee and the board.

~~To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candidates within legislative districts, money from the party accounts for legislative candidates shall be distributed as follows:~~

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive money from the candidate's party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula:

For each county within the candidate's district the candidate's share of the dollars allocated in that county to the candidate's party account and set aside for that office shall be:

(a) The sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(b) The sum of the votes cast in that county in the last general election for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(c) The amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, amounts in the party's account shall be allocated based on (a) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (b) the number of the people voting in that county in the last general election, multiplied by (c) the amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

In a year in which the first election after a legislative reapportionment is held, "the candidate's district" means the newly drawn district, and voting data from the last general election will be applied to the area encompassing the newly drawn district notwithstanding that the area was in a different district in the last general election.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party shall be the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (a) and (b). The average vote shall be added to the sums in clauses (a) and (b) before the calculation is made for all districts in the county.

Money from a party account not distributed to candidates for state senator and representative in any election year shall be returned to the general fund of the state. Money from a party account not distributed to candidates for

other offices in an election year shall be returned to the party account for reallocation to candidates as provided in clauses (1) to (6) in the following year. Money from the general account refused by any candidate shall be distributed to all other qualifying candidates in proportion to their shares as provided in this subdivision.

(b) *Congressional candidates.* In each calendar year the money in each party account for congressional candidates and the congressional general account must be allocated as follows:

(1) 16-1/3 percent for the office of United States senator for which an election will be held in 1990 and every six years afterward;

(2) 16-1/3 percent for the office of United States senator for which an election will be held in 1994 and every six years afterward; and

(3) 67-1/3 percent for the offices of representative in Congress.

Sec. 23. Minnesota Statutes 1988, section 10A.31, is amended by adding a subdivision to read:

Subd. 5a. [FORMULA FOR DISTRIBUTION TO LEGISLATIVE CANDIDATES.] (a) *To ensure that money will be returned to the counties from which it was collected, and to ensure that the distribution of money rationally relates to the support for particular parties or for particular candidates within legislative districts, money from the party accounts for legislative candidates must be distributed as provided under this subdivision.*

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election must receive money from the candidate's party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula.

For each county within the candidate's district the candidate's share of the dollars allocated in that county to the candidate's party account and set aside for that office must be:

(1) *the sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of the candidate's party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by*

(2) *the sum of the votes cast in that county in the last general election for all candidates of the candidate's party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by*

(3) *the amount in the candidate's party account allocated in that county and set aside for the candidates for the office the candidate is seeking.*

The sum of all the county shares calculated in the formula in this paragraph is the candidate's share of the candidate's party account.

(b) *With respect to the formula in paragraph (a), the terms "last general election" and "candidate's district" have the following meanings:*

(1) *In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.*

(2) For a party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, "last general election" means the last general election in which the name of a candidate of that party appeared on the ballot in each voting precinct in the state.

(3) In a year in which the first election after a legislative reapportionment is held, "the candidate's district" means the newly drawn district, and voting data from the last general election must be applied to the area encompassing the newly drawn district even though the area was in a different district in the last general election.

(c) If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party must be the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in paragraph (a), clauses (1) and (2). The average vote must be added to the sums in paragraph (a), clauses (1) and (2), before the calculation is made for all districts in the county.

Sec. 24. Minnesota Statutes 1988, section 10A.31, is amended by adding a subdivision to read:

Subd. 5b. [FORMULA FOR DISTRIBUTION TO CONGRESSIONAL CANDIDATES FOR REPRESENTATIVE IN CONGRESS.] The commissioner of revenue shall develop a formula for distribution of money from the state elections campaign fund to congressional candidates for the office of representative in Congress to ensure that money will be returned to the counties from which it was collected, and to ensure that the distribution of the money rationally relates to the support for particular parties or for particular congressional candidates within congressional districts. Money from the party accounts distributed to congressional candidates from the state elections campaign fund must be distributed according to the formula developed.

Sec. 25. Minnesota Statutes 1988, section 10A.31, is amended by adding a subdivision to read:

Subd. 5c. [UNDISTRIBUTED MONEY.] Money in a party account not distributed in an election year to candidates for state senator and representative and congressional candidates must be returned to the general fund of the state. Money in a party account not distributed in an election year to candidates for other office must be kept in the party account but must be reallocated in the following year to all of the candidate offices under subdivision 5. Money in the general account refused in an election year by a candidate or congressional candidate must be distributed in that year to all other qualifying candidates and congressional candidates under subdivision 7.

Sec. 26. Minnesota Statutes 1988, section 10A.31, subdivision 6, is amended to read:

Subd. 6. [DISTRIBUTION OF FUNDS AFTER PRIMARY ELECTION.] Within two weeks after certification by the state canvassing board of the results of the primary, the state treasurer shall distribute the available funds in each party account, as certified by the commissioner of revenue on September 15, to the candidates and congressional candidates of that party

who have signed ~~the an~~ agreement, as provided in section ~~10A.32, sub-
division 3~~ 33, and whose names are to appear on the ballot in the general election, according to the allocations *and formulas set forth* in subdivision 5 and sections 23 and 24.

Sec. 27. Minnesota Statutes 1988, section 10A.31, subdivision 7, is amended to read:

Subd. 7. [DISTRIBUTION OF FUNDS AFTER GENERAL ELECTION.] Within two weeks after certification by the state canvassing board of the results of the general election, the state treasurer shall distribute the available funds in the *state general account and the congressional general account*, as certified by the commissioner of revenue on November 15 and according to allocations set forth in subdivision 5, in equal amounts to all candidates for each ~~statewide~~ *state constitutional office and to all congressional candidates for the office of the United States senator who have signed agreements under section 33* and received at least five percent of the votes cast in the general election for that office, and to all candidates for *state legislative office and for the office of representative in Congress who have signed agreements under section 33* and received at least ten percent of the votes cast in the general election for the specific office for which they were candidates *or congressional candidates*. The board shall not use the information contained in the report of the principal campaign committee of any candidate due ten days before the general election for the purpose of reducing the amount due that candidate from the general account.

Sec. 28. Minnesota Statutes 1988, section 10A.31, subdivision 8, is amended to read:

Subd. 8. [CERTIFICATION OF AMOUNTS AFTER PRIMARY.] Within one week after certification by the state canvassing board of the results of the primary, the board shall certify to the state treasurer the name of each candidate *and congressional candidate* who has signed ~~the an~~ agreement, as provided in section ~~10A.32, subdivision 3~~ 33, and the amount the candidate is to receive from the available funds in the candidate's party account. general election for the purpose of reducing the amount due that candidate from the general account.

Sec. 29. Minnesota Statutes 1988, section 10A.31, subdivision 9, is amended to read:

Subd. 9. [CERTIFICATION OF AMOUNTS AFTER GENERAL ELECTION.] Within one week after certification by the state canvassing board of the results of the general election, the board shall certify to the state treasurer the name of each candidate *and congressional candidate* who is qualified to receive funds from the *state general account and the congressional general account*, together with the amount the candidate is to receive from the available funds in the ~~general account~~ *accounts*.

Sec. 30. Minnesota Statutes 1988, section 10A.31, subdivision 10, is amended to read:

Subd. 10. [CERTIFICATION OF AMOUNTS ACCUMULATED SINCE PREVIOUS CERTIFICATION.] In the event that on the date of either certification by the commissioner of revenue as provided in subdivisions 6 and 7, less than 98 percent of the tax returns have been processed, the commissioner of revenue shall certify to the board on December 7 the amount accumulated in each account since the previous certification. Within

one week thereafter, the board shall certify to the state treasurer the amount to be distributed to each candidate *and congressional candidate* according to the allocations ~~as provided~~ *and formulas* in subdivision 5 *and sections 23 and 24*. As soon as practicable thereafter, the state treasurer shall distribute the amounts to the candidates *and congressional candidates*. Any money accumulated after the final certification shall be maintained in the respective accounts for distribution in the next general election year.

Sec. 31. Minnesota Statutes 1988, section 10A.31, subdivision 11, is amended to read:

Subd. 11. [WRITE-IN CANDIDATES.] For the purposes of this section, a write-in candidate *or congressional candidate* is a candidate *or congressional candidate* only upon complying with the provisions of section ~~10A.32, subdivision 3~~ 33.

Sec. 32. [10A.321] [ESTIMATES OF MINIMUM AMOUNTS TO BE RECEIVED.]

Subdivision 1. [CALCULATION AND CERTIFICATION OF ESTIMATES.] The commissioner of revenue shall calculate and certify to the board before the first day of July in an election year an estimate of (1) the total amount in the state general account of the state elections campaign fund, (2) the total amount in the congressional general account of the state elections campaign fund, and (3) the amount of money each candidate and congressional candidate who qualifies, as provided in section 10A.31, subdivisions 6 and 7, may receive from the candidate's party account in the state elections campaign fund. This estimate must be based upon the allocations and formulas in section 10A.31, subdivision 5, and sections 23 and 24, any necessary vote totals provided by the secretary of state to apply the formulas in section 10A.31, subdivision 5, and section 24, and the amount of money expected to be available after 100 percent of the tax returns have been processed.

Subd. 2. [PUBLICATION, CERTIFICATION, AND NOTIFICATION PROCEDURES.] Before the first day of filing for office, the board shall publish and forward to all filing officers the estimates calculated and certified under subdivision 1. Within seven days after the last day for filing for office, the secretary of state shall certify to the board the name, address, office sought, and party affiliation of each candidate and congressional candidate who has filed with that office an affidavit of candidacy or petition to appear on the ballot. The auditor of each county shall certify to the board the same information for each candidate and congressional candidate who has filed with that county an affidavit of candidacy or petition to appear on the ballot. Within seven days afterward, the board shall estimate the minimum amount to be received by each candidate and congressional candidate who qualifies, as provided in section 10A.31, subdivisions 6 and 7, and notify on or before August 15 all candidates and congressional candidates of the applicable amount. The board shall include with the notice a form for the agreement provided in section 33.

Sec. 33. [10A.322] [SIGNED AGREEMENT AS CONDITION OF RECEIVING PUBLIC SUBSIDY; PRIVATE CONTRIBUTION MATCHING REQUIREMENT.]

Subdivision 1. [SIGNED AGREEMENT BY CANDIDATE.] As a condition of receiving money from the state elections campaign fund, a candidate shall sign a written agreement with the board in which the candidate

agrees that the aggregate of (i) expenditures made by the principal campaign committee of the candidate and (ii) approved expenditures made on behalf of the candidate will not exceed the expenditure limits in section 10A.25, as adjusted by section 10A.255.

Subd. 2. [SIGNED AGREEMENT BY CONGRESSIONAL CANDIDATES.] As a condition of receiving money from the state elections campaign fund, a congressional candidate shall sign a written agreement with the board in which the candidate agrees that the aggregate of expenditures made by the authorized committees of the congressional candidate may not exceed the expenditure limits in section 10A.25, as adjusted by section 10A.255.

Subd. 3. [SUBMISSION OF AGREEMENT.] Before the first day of filing for office, the board shall forward agreement forms to all filing officers. The candidate or congressional candidate may sign an agreement and submit it to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in which case the filing officer shall without delay forward signed agreements to the board. Alternatively, the candidate or congressional candidate may submit the agreement directly to the board no later than September 1. An agreement may not be rescinded after September 1.

Subd. 4. [HOW LONG AGREEMENT IS EFFECTIVE.] (a) Candidates. The agreement, insofar as it relates to the expenditure limits in section 10A.25, as adjusted by section 10A.255, remains effective until the dissolution of the principal campaign committee of the candidate or the opening of filing for the next succeeding election to the office held or sought at the time of agreement, whichever occurs first.

(b) Congressional candidates. The agreement, insofar as it relates to the expenditure limits in section 10A.25, as adjusted by section 10A.255, remains effective until the termination of the authorized committees of the congressional candidate, as provided under United States Code, title 2, section 433(d), as amended through December 31, 1988, or the opening of filing for the next succeeding election to the office held or sought at the time of agreement, whichever occurs first.

Subd. 5. [MATCHING REQUIREMENT.] In order to be eligible to receive the public subsidy, the congressional candidate must provide evidence to the board of nonpublic contributions in an amount equal to the amount of the public subsidy.

Sec. 34. [10A.323] [RETURN OF PUBLIC SUBSIDY.]

Subdivision 1. [WHEN RETURN REQUIRED; CANDIDATES.] A candidate shall return all or a portion of the public subsidy received from the state elections campaign fund under the following circumstances:

(1) to the extent that the amount of public subsidy received by the candidate exceeds the expenditure limits for the office held or sought, as provided in section 10A.25 and as adjusted by section 10A.255, the treasurer of the candidate's principal campaign committee shall return the excess to the board; and

(2) to the extent that the amount of public subsidy received exceeds the aggregate of (i) actual expenditures made by the principal campaign committee of the candidate and (ii) approved expenditures made on behalf of

the candidate, the treasurer of the candidate's principal campaign committee shall return an amount equal to the difference to the board.

Subd. 2. [WHEN RETURN REQUIRED; CONGRESSIONAL CANDIDATES.] A congressional candidate shall return all or a portion of the public subsidy received from the state elections campaign fund under the following circumstances:

(1) to the extent that the amount of public subsidy received by the congressional candidate exceeds the expenditure limits for the office held or sought, as provided in section 10A.25 and as adjusted by section 10A.255, the treasurer of the congressional candidate's principal campaign committee shall return the excess to the board; and

(2) to the extent that the amount of public subsidy received exceeds the aggregate of actual expenditures made by the authorized committees of the congressional candidate, the treasurer of the congressional candidate's principal campaign committee shall return an amount equal to the difference to the board.

Subd. 3. [HOW RETURN DETERMINED.] Whether or not a candidate or congressional candidate is required under subdivisions 1 and 2 to return all or a portion of the public subsidy received from the state elections campaign fund must be determined from the report required to be filed with the board by that candidate or congressional candidate on or before January 31 of the year following an election. Any amount required to be returned must be submitted in the form of a check or money order and must accompany the report filed with the board. The board shall forward the check or money order to the state treasurer for deposit into the general fund. In no case may the amount returned exceed the amount of public subsidy received by the candidate or congressional candidate from the state elections campaign fund.

Sec. 35. [10A.324] [POLITICAL PARTY NOT HAVING CERTAIN CANDIDATES OR CONGRESSIONAL CANDIDATES.]

If a political party for whose candidates or congressional candidates funds have been accumulated in the state elections campaign fund does not have a candidate at a general election for the office of state senator or state representative or a congressional candidate for the office of representative in Congress, the party account money allocated for that office must be returned to the general fund of the state. If that party does not have a candidate at a general election for any state constitutional office or a congressional candidate for the office of United States senator, the party account money allocated for that office must be transferred to either the state general account in the case of a state constitutional office, or the congressional general account in the case of a congressional office, of the state elections campaign fund for reallocation to all of the candidate offices and congressional candidate offices as provided in section 10A.31, subdivision 5, and for distribution in that election year to candidates and congressional candidates as provided under section 10A.31, subdivision 7.

Sec. 36. Minnesota Statutes 1988, section 10A.33, is amended to read:

10A.33 [APPLICATION.]

The provisions of sections 10A.30 to 10A.32 shall and sections 31 to 34 apply only in general elections and primaries preceding general elections

and shall not apply to special elections or special primaries.

Sec. 37. Minnesota Statutes 1988, section 10A.335, is amended to read:

10A.335 [LEGISLATIVE MONITORING OF TAX CHECKOFF]

For the purpose of determining whether the distribution ~~formula~~ *formulas* provided in ~~section 10A.31, subdivision 5~~ *sections 23 and 24*, (a) ~~assures~~ *ensure* that money will be returned to the counties from which they were collected, and (b) ~~continues~~ *continue* to have a rational relation to the support for particular parties or particular candidates within legislative districts *or congressional candidates within congressional districts*, it is the intention of this section that future legislatures monitor, using statistical data provided by the department of revenue, income tax returns and renter and homeowner property tax refund returns on which \$2 \$10, or in the case of a joint return, \$4 \$20, is designated for a political party.

Sec. 38. [REPEALER.]

Minnesota Statutes 1988, sections 10A.27, subdivision 5; and 10A.32, are repealed.

Sec. 39. [EFFECTIVE DATE.]

Sections 1 to 38 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to elections; changing provisions relating to candidate reporting requirements and disbursements; modifying lobbyist reporting requirements; 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 and modifying certain exceptions to multicandidate political party expenditure limits; providing a public subsidy for legislative candidates in special elections; clarifying when public money must be returned; making technical corrections to chapter 10A; discontinuing the state ethical practices board responsibility for developing and furnishing certain forms; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; making related changes in the ethics in government act; imposing penalties; amending Minnesota Statutes 1988, sections 10A.01, subdivisions 7, 10, 10b, 10c, 15, and by adding subdivisions; 10A.04, subdivisions 2 and 4a; 10A.18; 10A.19, by adding subdivisions; 10A.20, subdivision 5; 10A.22, subdivision 7, and by adding a subdivision; 10A.24; 10A.241; 10A.25, subdivisions 2, 3, 5, 10, and by adding subdivisions; 10A.255; 10A.27, subdivision 1, and by adding a subdivision; 10A.275; 10A.28; 10A.30, subdivision 2; 10A.31, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 10A.32, subdivision 3; 10A.33; 10A.335; 211A.07; 211B.15, subdivision 2; 383B.055, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1988, sections 10A.27, subdivision 5; and 10A.32."

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. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-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; 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 7, line 27, delete the second "1992" and insert "1994"

Page 19, delete lines 11 and 12

Page 21, line 19, after "that" insert "(a)"

Page 21, line 23, after "10A.255" insert "*and that (b) except for an amount equal to 25 percent of the expenditure limits set forth in section 10A.25, but not exceeding \$15,000, the candidate shall not accept contributions or allow approved expenditures to be made on the candidate's behalf for the period beginning with January 1 of the election year or with the registration of the candidate's principal campaign committee, whichever occurs later, and ending December 31 of the election year, which aggregate contributions and approved expenditures exceed the difference between the amount which may legally be expended by or for the candidate, and the amount which the candidate receives from the state elections campaign fund. Money in the account of the principal campaign committee of a candidate on January 1 of the election year for the office held or sought shall be considered contributions accepted by that candidate in that year for the purposes of this subdivision. That amount of all contributions accepted by a candidate in an election year which equals the amount of noncampaign disbursements and contributions and expenditures to promote or defeat a ballot question which are made by that candidate in that year shall not count toward the aggregate contributions and approved expenditure limit imposed by this subdivision. Except for an amount equal to 25 percent of the expenditure limits set forth in section 10A.25, but not exceeding \$15,000, any amount by which the aggregate contributions and approved expenditures agreed to exceed the difference shall be returned to the state treasurer. In no case shall the amount returned exceed the amount received from the state elections campaign fund*"

Page 25, line 11, after "to" insert "18 and 22 to"

Page 25, line 12, after the period, insert "*Sections 19 to 21 are effective for taxable years beginning after December 31, 1988.*"

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 S.F. No. 4.

There were yeas 13 and nays 7, as follows:

Those who voted in the affirmative were:

Mr. Johnson, D.J.; Ms. Berglin, Messrs. Bertram, Brandl, Cohen, Diessner, Novak, Pehler, Ms. Peterson, D.C.; Mr. Pogemiller, Ms. Reichgott, Messrs. Schmitz and Stumpf.

Those who voted in the negative were:

Messrs. Belanger, Benson, Bernhagen, Gustafson, Knaak, Laidig and Larson.

The bill was recommended to pass.

MOTIONS AND RESOLUTIONS

Mr. Frederick introduced—

Senate Resolution No. 115: A Senate resolution congratulating the Owatonna High School French Team on their championship trophies earned at the statewide oral French competition.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 116: A Senate resolution congratulating the Pierz Lions Club, Pierz, Minnesota, on its 25th Anniversary.

Referred to the Committee on Rules and Administration.

Messrs. Bertram and Langseth introduced—

Senate Resolution No. 117: A Senate resolution commending Frances Rickers, of Moorhead, Minnesota, for her commitment and service to the Ladies Auxiliary to the Veterans of Foreign Wars.

Referred to the Committee on Rules and Administration.

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

H.F. No. 949: A bill for an act relating to traffic safety; increasing penalties for persons convicted of DWI after a previous conviction for criminal vehicular operation or for another impaired driving crime; amending Minnesota Statutes 1988, section 169.121, subdivision 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrrens	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Knaak	Metzen	Reichgott
Belanger	DeCramer	Knutson	Moe, R.D.	Renneke
Benson	Dicklich	Kroening	Morse	Samuelson
Berg	Diessner	Langseth	Novak	Schmitz
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	McGowan	Piper	Waldorf
Cohen	Hughes	McQuaid	Pogemiller	

So the bill passed and its title was agreed to.

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.

Was read the third time 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.	Merriam	Purfeerst
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	Langseth	Novak	Schmitz
Berglin	Frank	Lantry	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	Gustafson	McQuaid	Piper	Waldorf
Cohen	Hughes	Mehrrens	Pogemiller	

So the bill passed and its title was agreed to.

H.F. No. 472: A bill for an act relating to transportation; motor carriers; increasing maximum length of certain semitrailers; defining mobile cranes and providing for their maximum length; requiring a highway cost allocation study; amending Minnesota Statutes 1988, sections 169.01, by adding a subdivision; 169.81, subdivision 2; and 169.86, subdivision 5.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin	Knaak	Merriam	Peterson, D.C.	Spear
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So the bill passed and its title was agreed to.

H.F. No. 1440: 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.

Was read the third time 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	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.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1498: A bill for an act relating to local government; planning and zoning; permitting interim use permits; making explicit the scope of certain statutes; amending Minnesota Statutes 1988, section 462.358, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapter 462.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Pogemiller
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.	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	Storm
Brataas	Freeman	Marty	Peterson, D.C.	Stumpf
Chmielewski	Gustafson	McGowan	Peterson, R.W.	Taylor
Cohen	Hughes	McQuaid	Piper	Vickerman

Messrs. Kroening and Waldorf voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

H.F. No. 832: A bill for an act relating to Ramsey county; authorizing the use of certain property for public purposes.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

Was read the third time 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	Purfeerst
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	Langseth	Olson	Spear
Bernhagen	Frederick	Lantry	Pariseau	Storm
Bertram	Frederickson, D.J.	Larson	Pehler	Stumpf
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Brataas	Freeman	Marty	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	McGowan	Piper	Waldorf
Cohen	Hughes	McQuaid	Pogemiller	

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Mehrkens	Ramstad
Beckman	Decker	Knaak	Moe, D.M.	Reichgott
Belanger	DeCramer	Knutson	Moe, R. D.	Renneke
Benson	Dicklich	Kroening	Morse	Samuelson
Berg	Diessner	Laidig	Novak	Schmitz
Berglin	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

Messrs. Merriam and Metzen voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 11, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin	DeCramer	Frederick	Knaak	Mehrkens
Brataas	Dicklich	Johnson, D.J.	McQuaid	Ramstad
Davis				

So the bill passed and its title was agreed to.

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, sections 151.19, subdivision 3; and 156.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 156.

Was read the third time 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	Metzen	Reichgott
Anderson	Decker	Knutson	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
Berglin	Frederick	Larson	Pariseau	Stumpf
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Taylor
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Vickerman
Brandl	Freeman	Marty	Peterson, R.W.	Waldorf
Brataas	Gustafson	McGowan	Piper	
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

H.F. No. 1107: 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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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	Freeman	McGowan	Piper	Waldorf
Brataas	Gustafson	McQuaid	Pogemiller	
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	
Cohen	Johnson, D.J.	Merriam	Ramstad	
Dahl	Knaak	Metzen	Reichgott	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 1418, 1271, 808, 997, 1332, 698, 661, 933, 253, 1174, 339, 1020, 1074, 1417, H.F. Nos. 1048, 169, 1459, 1416, 765, 1357, 243, 1498, 1069, 770, 655, 1389, 1339, 719, 1506, 1131, 101, 930, 1405 and 1352, which the committee recommends to pass.

H.F. No. 831, which the committee recommends to pass with the following amendment offered by Mr. Berg:

Amend H.F. No. 831, the unofficial engrossment, as follows:

Page 1, delete section 1

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 242, which the committee recommends to pass with the following amendment offered by Mr. Frank:

Page 1, lines 13 and 14, delete "*or reconstructed*"

The motion prevailed. So the amendment was adopted.

S.F. No. 680, which the committee reports progress, after the following motion:

Mr. Gustafson moved to amend S.F. No. 680 as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1988, section 183.42, is amended to read:

183.42 [INSPECTION EACH YEAR.]

Every owner, lessee, or other person having charge of boilers, pressure vessels, or any boat subject to inspection under this chapter shall cause ~~the same~~ *them* to be inspected by the division of boiler inspection. Boilers and boats subject to inspection under this chapter ~~shall~~ *must* be inspected at least annually and pressure vessels inspected at least every two years *except as provided under section 183.45*. A person who fails to have the inspection required by this section shall pay to the commissioner a penalty in the amount of the cost of inspection up to a maximum of \$1,000.

Sec. 2. Minnesota Statutes 1988, section 183.45, is amended to read:

183.45 [INSPECTION.]

Subdivision 1. [WHEN REQUIRED.] All boilers and steam generators ~~shall~~ *must* be inspected by the division of boiler inspection before ~~same~~ *they* are used and all boilers ~~shall~~ *must* be inspected at least once each year thereafter *except as provided under subdivision 2*. Inspectors may subject all boilers to hydrostatic pressure or hammer test, and shall ascertain by a thorough internal and external examination that they are well made and of good and suitable material; that the openings for the passage of water and steam, respectively, and all pipes and tubes exposed to heat, are of proper dimensions and free from obstructions; that the flues are circular in form; that the arrangements for delivering the feed water are such that the boilers cannot be injured thereby; and that such boilers and their connections may be safely used without danger to life or property. Inspectors shall ascertain that the safety valves are of suitable dimensions, sufficient in number, and properly arranged, and that the safety valves are so adjusted as to allow no greater pressure in the boilers than the amount prescribed by the inspector's certificate; that there is a sufficient number of gauge cocks, properly inserted, to indicate the amount of water, and suitable gauges that will correctly record the pressure; and that the fusible metals

are properly inserted where required so as to fuse by the heat of the furnace whenever the water in the boiler falls below its prescribed limit; and that provisions are made for an ample supply of water to feed the boilers at all times; and that means for blowing out are provided, so as to thoroughly remove the mud and sediment from all parts when under pressure.

Subd. 2. [QUALIFYING BOILER.] (a) "Qualifying boiler" means a boiler of 200,000 pounds per hour or more capacity which has an internal continuous water treatment program approved by the department and which the chief boiler inspector has determined to be in compliance with paragraph (c).

(b) A qualifying boiler must be inspected at least once every 24 months internally and externally while not under pressure, and at least once every 18 months externally while under pressure. If the inspector considers it necessary to conduct a hydrostatic test to determine the safety of a boiler, the test must be conducted by the owner or user of the equipment under the supervision of an inspector.

(c) The owner of a qualifying boiler must keep accurate records showing the date and actual time the boiler is out of service, the reason or reasons therefor, and the chemical physical laboratory analysis of samples of the boiler water taken at regular intervals of not more than 48 hours of operation which adequately show the condition of the water, and any elements or characteristics thereof, capable of producing corrosion or other deterioration of the boiler or its parts.

(d) If an inspector determines there are substantial deficiencies in equipment or in operating procedures, inspections of a qualifying boiler may be required once every 12 months until such time as the chief boiler inspector finds that the substantial deficiencies have been corrected.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 2

Section 1. 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.

ARTICLE 3

WORKERS' COMPENSATION SYSTEM CHANGES

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 18, is amended to read:

Subd. 18. [WEEKLY WAGE.] "Weekly wage" is arrived at by multiplying the daily wage by the number of days and fractional days normally worked in the business of the employer for the employment involved. If the employee normally works less than five days per week or works an irregular number of days per week, the number of days normally worked shall be computed

by dividing the total number of days in which the employee actually performed any of the duties of employment in the last 26 weeks by the number of weeks in which the employee actually performed such duties, provided that the weekly wage for part time employment during a period of seasonal or temporary layoff shall be computed on the number of days and fractional days normally worked in the business of the employer for the employment involved. If, at the time of the injury, the employee was regularly employed by two or more employers, the employee's days of work for all such employments shall be included in the computation of weekly wage. Occasional overtime is not to be considered in computing the weekly wage, but if overtime is regular or frequent throughout the year it shall be taken into consideration. The maximum weekly compensation payable to an employee, or to the employee's dependents in the event of death, shall not exceed ~~66~~ ^{2/3} 80 percent of the ~~product of the daily wage times the number of days normally worked~~ *employee's after-tax weekly wage*, provided that the compensation payable for permanent partial disability under section 176.101, subdivision 3, and for permanent total disability under section 176.101, subdivision 4, or death under section 176.111, shall not be computed on less than the number of hours normally worked in the employment or industry in which the injury was sustained, subject also to such maximums as are specifically otherwise provided.

Sec. 3. Minnesota Statutes 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.

Sec. 4. 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~~ 13. If doubt exists as to the eventual permanent partial disability, payment ~~for the economic recovery compensation or impairment compensation, which ever is due, pursuant to section 176.101,~~ shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability. Prior to or at the time of commencement of the payment of ~~economic recovery compensation or lump sum or periodic payment of impairment compensation~~ *permanent partial disability compensation*, the employee and employer shall be furnished with a copy of the medical report upon which the payment is based and all other medical reports which the insurer has that indicate a permanent partial disability rating, together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. After receipt of all reports available to the insurer that indicate a permanent*

partial disability rating, the employee shall make available or permit the insurer to obtain any medical report that the employee has or has knowledge of that contains a permanent partial disability rating which the insurer does not already have. ~~Economic recovery compensation or impairment compensation pursuant to section 176.101 is payable in addition to but not concurrently with compensation for temporary total disability but is payable pursuant to section 176.101. Impairment compensation is payable concurrently and in addition to compensation for permanent total disability pursuant to section 176.101. Economic recovery compensation or impairment compensation pursuant to section 176.101 shall be withheld pending completion of payment for temporary total disability, and no credit shall be taken for payment of economic recovery compensation or impairment compensation against liability for temporary total or future permanent total disability. Liability on the part of an employer or the insurer for disability of a temporary total, temporary partial, and permanent total nature shall be considered as a continuing product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and compensation is payable accordingly, subject to section 176.101. Economic recovery compensation or impairment compensation is payable for functional loss of use or impairment of function, permanent in nature, and payment therefore shall be separate, distinct, and in addition to payment for any other compensation, subject to section 176.101. The right to receive temporary total, temporary partial, or permanent total disability payments vests in the injured employee or the employee's dependents under this chapter or, if none, in the employee's legal heirs at the time the disability can be ascertained and the right is not abrogated by the employee's death prior to the making of the payment.~~

~~The right to receive economic recovery compensation or impairment permanent partial compensation vests in an injured employee 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. The right is not abrogated by the employee's death prior to the making of the payment.~~

~~Disability ratings for permanent partial disability shall be based on objective medical evidence.~~

Sec. 5. 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. 6. 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. 7. 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 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) An attorney representing employers or insurers shall file a statement of attorney fees or wages with the commissioner, compensation judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. The statement of attorney fees or wages must contain the following information: the average hourly wage or the value of hours worked on that case if the attorney is an employee of the employer or insurer, the number of hours worked on that case, and the average hourly rate or amount charged an employer or insurer for that case if the attorney is not an employee of the employer or insurer.

(d) 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. 8. 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. 9. 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 application shall state the basis for the need of review and whether or not a hearing is requested. A copy of such application shall be served upon the party's attorney for the employee by the court administrator and if a hearing is requested by either party, the matter shall be set for hearing. The notice of hearing shall be served upon known interested parties. The attorney for the employee shall be served with a notice of the hearing.* The workers' compensation court of appeals shall have the authority to raise the question of the issue of the attorney fees at any time upon

its own motion and shall have continuing jurisdiction over attorney fees.

Sec. 10. Minnesota Statutes 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 105 percent of the statewide average weekly wage for the period ending December 31, of the preceding year.

~~(2) (c) The minimum weekly compensation benefits for temporary total disability shall be not less than 50 20 percent of the statewide average weekly wage or the injured employee's actual after-tax weekly wage, whichever is less. In no case shall a weekly benefit be less than 20 percent of the statewide average weekly wage.~~

~~Subject to subdivisions 3a to 3c~~ (d) This compensation shall be paid during the period of disability, payment to be made at the intervals when the wage was payable, as nearly as may be-, and shall cease whenever any one of the following occurs:

(1) the disability ends;

(2) the employee returns to work;

(3) the employee retires by withdrawing from the labor market;

(4) the employee refuses an offer of work that 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 recommenced under this paragraph is subject to cessation under paragraph (d). Recommenced compensation may not be paid beyond 90 days after the employee reaches maximum medical improvement, except as provided under section 176.102, subdivision 11, paragraph (b).

(g) Once compensation has ceased under paragraph (d), clauses (4) and (5), it may not be recommenced at a later date except as provided under section 176.102, subdivision 11, paragraph (b).

Sec. 11. 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 shall be 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 that 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 shall 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 so long as the employee meets the qualifications of this section and has not been paid the maximum number of weeks under paragraph (b) for that injury; provided that, extended compensation may not be paid beyond 350 weeks after the date of injury.

Sec. 12. 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 earning 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 earning 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 earning 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 105 percent of the statewide average weekly wage.

(c) Temporary partial compensation may be paid only while the employee is working and earning less than the employee's weekly wage at the time of the injury. Except as provided in section 176.102, subdivision 11, paragraph (b), temporary partial compensation may not be paid after the employee has returned to work for 78 weeks or after 350 weeks after the date of injury, whichever occurs first.

Sec. 13. 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. For permanent partial disability up to the percent of the whole body shown in the following schedule, the amount of compensation is equal to the proportion that the loss of function of the disabled part bears to the whole body multiplied by the amount aligned with that percent in the following schedule:

<i>Percent of Disability</i>	<i>Amount</i>
0-25	\$ 75,000
26-30	80,000
31-35	85,000
36-40	90,000
41-45	95,000
46-50	100,000
51-55	120,000
56-60	140,000
61-65	160,000
66-70	180,000
71-75	200,000
76-80	240,000
81-85	280,000
86-90	320,000
91-95	360,000
96-100	400,000

An employee may not receive compensation for more than a 100 percent disability of the whole body, even if the employee sustains disability to two or more body parts.

(b) Permanent partial disability is payable upon cessation of temporary total disability under subdivision 1. If the employee is not working, the compensation is payable in installments at the same intervals and in the same amount as the initial temporary total disability rate. If the employee returns to work, the remaining compensation is payable in a lump sum 30 days after the employee returned to work provided the employment has not been substantially interrupted by the injury for any part of the 30 days and the employee is still employed at the job at the end of the period.

Sec. 14. 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 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. 15. 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. 16. Minnesota Statutes 1988, section 176.102, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] *(a) This section only applies to vocational rehabilitation of injured employees and their spouses as provided under subdivision 1a. Physical rehabilitation of injured employees is considered treatment subject to section 176.135.*

(b) Rehabilitation is intended to restore the injured employee; ~~through physical and vocational rehabilitation;~~ so the employee may return to a job

related to the employee's former employment or to a job in another work area which produces an economic status as close as possible to that the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is permitted if it can be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.

Sec. 17. 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. 18. 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 members~~ *one member each from representing employers, insurers, rehabilitation, and medicine, one member representing chiropractors, and four* ~~two members each representing labor and rehabilitation vendors, and six members who are qualified rehabilitation consultants.~~ The members shall be appointed by the commissioner and shall serve four-year terms which may be renewed. Compensation for members shall be governed by section 15.0575. The panel shall select a chair. The panel shall review and make a determination with respect to appeals from orders of the commissioner regarding certification approval of qualified rehabilitation consultants and vendors. The hearings are de novo and initiated by the panel under the contested case procedures of chapter 14, and are appealable to the workers' compensation court of appeals in the manner provided by section 176.421.

Sec. 19. 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 vendors, and one member representing qualified rehabilitation consultants.

Sec. 20. 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 must 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 the case, ~~including or to~~ any attorneys, doctors, or chiropractors.

~~If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection. The notification shall include the name, address, and telephone number of the qualified rehabilitation consultant chosen by the employee to provide rehabilitation consultation.~~

~~(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.~~

~~(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.~~

~~(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.~~

~~(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. 21. 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 \$3,000 must be specifically approved by the commissioner. This approval may not be waived by the parties.*

Sec. 22. 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. 23. Minnesota Statutes 1988, section 176.102, subdivision 11, is amended to read:

Subd. 11. [RETRAINING.] (a) Retraining is limited to 156 weeks. An employee who has been approved for retraining may petition the commissioner for additional compensation not to exceed 25 percent of the compensation otherwise payable. If the commissioner or compensation judge determines that this additional compensation is warranted due to unusual or unique circumstances of the employee's retraining plan, the commissioner or compensation judge may award additional compensation in an amount the commissioner determines is appropriate, not to exceed the employee's request. This additional compensation shall cease at any time the commissioner or compensation judge determines the special circumstances are no longer present.

(b) Pursuant to section 176.101, subdivisions 1 and 2, temporary total disability or temporary partial disability shall be paid during a retraining plan that has been specifically approved under this section and for up to 90 days after the end of the plan; except that, payment during the 90-day period is subject to cessation in accordance with section 176.101, subdivision 1, paragraph (d), clauses (1) to (4). Compensation paid under this paragraph must cease if the employee terminates participation in the approved retraining plan without good cause.

Sec. 24. 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. *The commissioner, in consultation with the medical services review board, shall annually review these rules to determine whether any injuries omitted from the schedule should be compensable and, if so, amend*

the rules accordingly.

(b) Disability ratings for permanent partial disability must be based on objective medical evidence.

Sec. 25. 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. 26. 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 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. 27. 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 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. 28. 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. 29. Minnesota Statutes 1988, section 176.111, subdivision 14, is amended to read:

Subd. 14. [PARENTS.] If the deceased employee leave no surviving spouse or child entitled to any payment under this chapter, but leaves both parents wholly dependent on deceased, there shall be paid to such parents jointly ~~45~~ 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased. In case of the death of either of the wholly dependent parents the survivor shall receive ~~35~~ 80 percent of the *after-tax* weekly

wage thereafter. If the deceased employee leave one parent wholly dependent on the deceased, there shall be paid to such parent ~~35~~ 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased employee. The compensation payments under this section shall not exceed the actual contributions made by the deceased employee to the support of the employee's parents for a reasonable time immediately prior to the injury which caused the death of the deceased employee.

Sec. 30. 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. 31. 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. 32. 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. 33. 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 paid shall be at the rate of 75 percent.*

Sec. 34. 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 paid shall be at the rate of 75 percent.* The employer, at the time of the personal injury for which the employee has been approved for on-the-job training, is liable for the portion of the disability that is attributable to that injury.

Sec. 35. 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 paid shall be at the rate of 75 percent.*

Sec. 36. 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. 37. 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. 38. 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 August 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.

(b) An employee who has suffered personal injury after August 1, 1989, that caused a permanent total disability, as defined in section 176.101, subdivision 5, is eligible to receive supplementary benefits after four years have elapsed since the first date of the total disability, provided that the employee continues to have a permanent total disability.

Sec. 39. Minnesota Statutes 1988, section 176.132, subdivision 2, is amended to read:

Subd. 2. [AMOUNT.] (a) ~~The supplementary benefit payable under this section shall be the difference between the amount the employee receives on or after January 1, 1976, under section 176.101, subdivision 1 or 4, and 65 percent of the statewide average weekly wage as computed annually. The supplementary benefit payable under this section is:~~

(1) the sum of the amount the employee receives under section 176.101, subdivision 4, plus the amount of any disability benefits being paid by any government disability benefit program if those benefits are occasioned by the same injury or injuries giving rise to payments under section 176.101, subdivision 4, plus any old age and survivors insurance benefits, subtracted from

(2) 50 percent of the statewide average weekly wage, as computed annually.

(b) In the event an eligible recipient is currently receiving no compensation or is receiving a reduced level of compensation because of a credit being applied as the result of a third party liability or damages, the employer or insurer shall compute the offset credit as if the individual were entitled to the actual benefit or 65 50 percent of the statewide average weekly wage as computed annually, whichever is greater. If this results in the use of a higher credit than otherwise would have been applied and the employer or

insurer becomes liable for compensation benefits which would otherwise not have been paid, the additional benefits resulting shall be handled according to this section.

(c) In the event an eligible recipient is receiving no compensation or is receiving a reduced level of compensation because of a valid agreement in settlement of a claim, no supplementary benefit shall be payable under this section. Attorney's fees shall be allowed in settlements of claims for supplementary benefits in accordance with this chapter.

~~(d) In the event an eligible recipient is receiving no compensation or is receiving a reduced level of compensation because of prior limitations in the maximum amount payable for permanent total disability or because of reductions resulting from the simultaneous receipt of old age or disability benefits, the supplementary benefit shall be payable for the difference between the actual amount of compensation currently being paid and 65 percent of the statewide average weekly wage as computed annually.~~

~~(e)~~ (d) In the event that an eligible recipient is receiving simultaneous benefits from any government disability program, the amount of supplementary benefits payable under this section shall be reduced by five percent. If the individual does not receive the maximum benefits for which the individual is eligible under other governmental disability programs due to the provisions of United States Code, title 42, section 424a(d), this reduction shall not apply.

Sec. 40. Minnesota Statutes 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, or any other payer of such benefits. When the eligible individual is not currently receiving benefits because the total paid has reached the maximum prescribed by law the employer and insurer shall, nevertheless, pay the supplementary benefits that are prescribed by law.~~ The employer or insurer paying the supplementary benefit shall have the right of full reimbursement from the special compensation fund for the amount of such benefits paid.

Sec. 41. Minnesota Statutes 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. 42. Minnesota Statutes 1988, section 176.136, is amended by adding a subdivision to read:

Subd. 1a. [CHARGES FOR INDEPENDENT MEDICAL EXAMINATIONS.] The commissioner shall adopt rules that reasonably limit amounts which may be charged for, or in connection with, independent or adverse medical examinations requested by any party, including the amount that may be charged for depositions, witness fees, or other expenses. The scheduled amount for the examination itself may not exceed the scheduled amount for complex consultations by treating physicians, although additional reasonable charges may be permitted to reflect additional duties or activities. An insurer or employer may not pay fees above the amount in the schedule.

Sec. 43. Minnesota Statutes 1988, section 176.221, subdivision 1, is amended to read:

Subdivision 1. [COMMENCEMENT OF PAYMENT.] Within 14 days of notice to or knowledge by the employer of an injury compensable under this chapter the payment of temporary total compensation shall commence. Within 14 days of notice to or knowledge by an employer of a new period of temporary total disability which is caused by an old injury compensable under this chapter, the payment of temporary total compensation shall commence; provided that the employer or insurer may file for an extension with the commissioner within this 14-day period, in which case the compensation need not commence within the 14-day period but shall commence no later than 30 days from the date of the notice to or knowledge by the employer of the new period of disability. Commencement of payment by an employer or insurer does not waive any rights to any defense the employer has on any claim or incident either with respect to the compensability of the claim under this chapter or the amount of the compensation due. Where there are multiple employers, the first employer shall pay, unless it is shown that the injury has arisen out of employment with the second or subsequent employer. Liability for compensation under this chapter may be denied by the employer or insurer by giving the employee written notice of the denial of liability. If liability is denied for an injury which is required to be reported to the commissioner under section 176.231, subdivision 1, the denial of liability must be filed with the commissioner within 14 days after notice to or knowledge by the employer of an injury which is alleged to be compensable under this chapter. If the employer or insurer has commenced payment of compensation under this subdivision but determines within ~~30~~ 60 days of notice to or knowledge by the employer of the injury that the disability is not a result of a personal injury, payment of compensation may be terminated upon the filing of a notice of denial of liability within ~~30~~ 60 days of notice or knowledge. After the ~~30-day~~ 60-day period, payment

may be terminated only by the filing of a notice as provided under section 176.239. Upon the termination, payments made may be recovered by the employer if the commissioner or compensation judge finds that the employee's claim of work related disability was not made in good faith. A notice of denial of liability must state in detail specific reasons explaining why the claimed injury or occupational disease was determined not to be within the scope and course of employment and shall include the name and telephone number of the person making this determination.

Sec. 44. 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. 45. 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 August 1, 1989, the initial adjustment under subdivision 1 is deferred until the third anniversary of the date of injury.*

Sec. 46. Minnesota Statutes 1988, section 176.66, subdivision 11, is amended to read:

Subd. 11. [AMOUNT OF COMPENSATION.] The compensation for an occupational disease is ~~66-2/3~~ 80 percent of the employee's *after-tax* weekly wage on the date of injury subject to a maximum compensation equal to the maximum compensation in effect on the date of last exposure. The employee shall be eligible for supplementary benefits notwithstanding the provisions of section 176.132, after four years have elapsed since the date of last significant exposure to the hazard of the occupational disease if that employee's weekly compensation rate is less than the current supplementary benefit rate.

Sec. 47. [176.90] [AFTER-TAX CALCULATION.]

For purposes of sections 176.011, subdivision 18; 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 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. 48. [176.95] [ADMINISTRATIVE COSTS.]

The annual cost to the commissioner of labor and industry of administering the workers' compensation system under this chapter must be charged to the state general fund. Administrative costs include the cost of administering the workers' compensation division of the department of labor and industry and the workers' compensation division of the office of administrative hearings.

Sec. 49. [ADMINISTRATIVE COSTS CHANGE-OVER.]

For the biennium beginning July 1, 1991, 50 percent of the costs of administering the workers' compensation system must be charged to the state general fund and 50 percent to the special compensation fund.

Sec. 50. [EXISTING DISABILITY RATINGS.]

Existing disability ratings adopted under Minnesota Statutes, section 176.105, subdivision 1, may not be changed before June 30, 1992.

Sec. 51. [AFTER-TAX CALCULATION.]

Notwithstanding section 47, the commissioner of labor and industry shall publish by July 15, 1989, a table or formula for determining the after-tax weekly wage effective August 1, 1989, until October 1, 1989, as otherwise required under that section.

Sec. 52. [APPROPRIATION.]

\$124,800 is appropriated from the workers' compensation special compensation fund to the commissioner of labor and industry to administer the workers' compensation system in accordance with this article and is available until June 30, 1989. The approved complement of the department of labor and industry is increased by ten positions.

Sec. 53. [REPEALER.]

Minnesota Statutes 1988, sections 176.011, subdivision 26; and 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, 3u, and 6, are repealed.

Sec. 54. [EFFECTIVE DATE.]

Sections 5, 17, 18, 19, 24, 43, 47, 50, and 51 are effective the day following final enactment. Section 48 is effective July 1, 1993. Notwithstanding Minnesota Statutes, section 176.1321, sections 1 to 4, 6 to 16, 20 to 23, 25 to 41, 44 to 46, 49, and 53 are effective August 1, 1989. Section 42 is effective January 1, 1990.

ARTICLE 4

WORKER'S COMPENSATION INSURANCE

Section 1. Minnesota Statutes 1988, section 79.095, is amended to read:
79.095 [APPOINTMENT OF ACTUARY.]

The commissioner ~~shall~~ *may* employ the services of a casualty ~~actuary~~ *actuaries* experienced in ~~worker's~~ *workers'* compensation whose duties shall include but not be limited to investigation of complaints by insured parties relative to rates, rate classifications, or discriminatory practices of an insurer. The salary of ~~the~~ *an* actuary employed pursuant to this section is not subject to the provisions of section 43A.17, subdivision 1.

Sec. 2. Minnesota Statutes 1988, section 79.55, subdivision 2, is amended to read:

Subd. 2. [EXCESSIVENESS.] ~~No premium is excessive in a competitive market. In the absence of a competitive market,~~ Premiums are excessive if the expected underwriting profit, together with expected income from invested reserves for the market in question, that would accrue to an insurer would be unreasonably high in relation to the risk undertaken by the insurer in transacting the business.

Sec. 3. Minnesota Statutes 1988, section 79.56, is amended by adding a subdivision to read:

Subd. 5. [RATE REGULATION.] *(a) Whenever an insurer files a change in its existing rate level or rating plan, the commissioner may hold a hearing to determine if the rate level or rating plan is excessive, inadequate, or unfairly discriminatory. The hearing must be conducted pursuant to chapter 14. The commissioner shall give notice of intent to hold a hearing within 90 days of the filing of the change. It is the responsibility of the insurer to show that the rate level or rating plan is not excessive, inadequate, or unfairly discriminatory. The rate level or rating plan is effective unless it is determined as a result of the hearing that the rate level or rating plan is excessive, inadequate, or unfairly discriminatory. Upon such a finding, the rate level or rating plan is retroactively rescinded and any premiums collected thereunder must be refunded. This subdivision does not apply to any changes resulting from assessments for the assigned risk plan, reinsurance association, guarantee fund, special compensation fund, or statutory benefit level changes to sections 176.101, subdivisions 1, 2, and 4; 176.111; 176.132; and 176.645 as a result of annual adjustments in the statewide average weekly wage. The disapproval of a rate level or rating plan under this subdivision must be done in the same manner as under section 70A.11, except that the standards of section 79.55 apply.*

(b) Notwithstanding paragraph (a), if the commissioner of labor and industry petitions the commissioner for a hearing pursuant to this subdivision, the commissioner must hold a hearing if the commissioner of labor and industry certifies that the hearing is necessary because a decision of the supreme court or enactment of a statute has effected a substantial change in the basis upon which the existing rate levels or rating plan was filed. The commissioner of labor and industry must make a prima facie showing that law change has effected a substantial change in the basis upon which the existing rate levels or rating plan was filed.

(c) Notwithstanding paragraph (a), the commissioner may hold a hearing if the commissioner determines that the hearing is necessary because of

circumstances which result in a substantial change in the basis upon which the existing rate levels or rating plan was filed. The commissioner must make a prima facie showing that the circumstances resulted in a substantial change in the basis upon which the existing rate levels or rating plan was filed.

Sec. 4. [79.561] [PARTICIPATION.]

An employer, or person representing a group of employers, which will be directly affected by a change in an insurer's existing rate level or rating plan filed under section 3, and the commissioner of labor and industry, must be allowed to participate in any hearing under that subdivision challenging the change in rate level or rating plan as being excessive, inadequate, or unfairly discriminatory.

Sec. 5. Minnesota Statutes 1988, section 79.58, subdivision 2, is amended to read:

Subd. 2. [RATING PLANS.] The commissioner may disapprove a rating plan of a data service organization if, after a hearing conducted pursuant to chapter 14, the commissioner finds that it is *excessive, inadequate, or unfairly discriminatory. The rating plan is effective until disapproved. It is the responsibility of the data service organization to show that the rating plan is not excessive, inadequate, or unfairly discriminatory.* Any order of disapproval shall require the data service organization to use an alternative rating plan until approval of a rating plan by the commissioner. The commissioner shall not approve any rating plan based upon any data other than Minnesota data, except that other data may be utilized as a supplement to Minnesota data when the commissioner determines that an exceptional case requires such data to establish the statistical credibility of an occupational classification.

Sec. 6. 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;

(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-;

(i) Separate the incurred but not reported losses of its members;

(j) Separate paid and outstanding losses of its members;

(k) Provide information indicating cases in which its members have established a reserve in excess of \$50,000;

(l) Provide information on the income on invested reserves of its members;

(m) Provide information as to policies written at other than the filed rates;

(n) File information based solely on Minnesota premium income of its members concerning investment income, legal expenses, subrogation recoveries, administrative expenses, and commission expenses;

(o) File information based solely on Minnesota data concerning its members' reserving practices, premium income, indemnity, and medical benefits paid; and

(p) Provide any records of the data service organizations that are requested by the commissioner or otherwise required by statute.

Sec. 7. [79.65] [CHAPTER APPLICABILITY TO DATA SERVICE ORGANIZATIONS.]

Subdivision 1. [EXAMINATION BY COMMISSIONER.] Data service organizations are subject to all the provisions of this chapter. The commissioner or an authorized representative of the commissioner may visit the rating association at any reasonable time and examine, audit, or evaluate the rating association's operations, records, and practices. For purposes of this section, "authorized representative of the commissioner" includes employees of the department of commerce or labor and industry or other parties retained by the commissioner. Examination under this section may be done of any member of data service organizations for purposes of workers' compensation insurance regulation.

Subd. 2. [COSTS AND EXPENSES.] The commissioner may order and the data service organization shall pay the costs and expenses of any examination, audit, or evaluation conducted pursuant to subdivision 1. A sum sufficient to pay these costs and expenses is appropriated from the special compensation fund to the commissioner of commerce.

Sec. 8. [79.651] [INVESTIGATIONS AND SUBPOENAS.]

Subdivision 1. [GENERAL POWERS.] In connection with the administration of chapter 79, the commissioner of commerce may:

(1) make public or private investigations within or without this state as the commissioner considers necessary to determine whether any person has violated or is about to violate chapter 79 or any rule or order under chapter 79, or to aid in the enforcement of chapter 79, or in the prescribing of rules or forms under chapter 79;

(2) require or permit any person to file a statement in writing, under oath or otherwise as the commissioner determines, as to all the facts and circumstances concerning the matter being investigated;

(3) hold hearings, upon reasonable notice, in respect to any matter arising out of the administration of chapter 79;

(4) conduct investigations and hold hearings for the purpose of compiling information with a view to recommending changes in chapter 79 to the legislature;

(5) examine the books, accounts, records, and files of every licensee under chapter 79 and of every person who is engaged in any activity regulated under chapter 79; the commissioner or a designated representative shall have free access during normal business hours to the offices and places of business of the person, and to all books, accounts, papers, records, files, safes, and vaults maintained in the place of business;

(6) publish information which is contained in any order issued by the commissioner; and

(7) require any person subject to chapter 79 to report all sales or transactions that are regulated under chapter 79. The reports must be made within ten days after the commissioner has ordered the report. The report is accessible only to the respondent and other governmental agencies unless otherwise ordered by a court of competent jurisdiction.

Subd. 2. [POWER TO COMPEL PRODUCTION OF EVIDENCE.] For the purpose of any investigation, hearing, or proceeding under chapter 79, the commissioner or a designated representative may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of books, papers, correspondence, memoranda, agreements, or other documents or records that the commissioner considers relevant or material to the inquiry.

Subd. 3. [COURT ORDERS.] In case of a refusal to appear or a refusal to obey a subpoena issued to any person, the district court, upon application by the commissioner, may issue to any person an order directing that person to appear before the commissioner, or the officer designated by the commissioner, there to produce documentary evidence if so ordered or to give evidence relating to the matter under investigation or in question. Failure to obey the order of the court may be punished by the court as a contempt of court.

Subd. 4. [SCOPE OF PRIVILEGE.] No person is excused from attending and testifying or from producing any document or record before the commissioner, or from obedience to the subpoena of the commissioner or any officer designated by the commissioner or in a proceeding instituted by the commissioner, on the ground that the testimony or evidence required may tend to incriminate that person or subject that person to a penalty of forfeiture. No person may be prosecuted or subjected to a penalty or forfeiture for or on account of a transaction, matter, or thing concerning which the person is compelled, after claiming the privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that the individual is not exempt from prosecution and punishment for perjury or contempt committed in testifying.

Subd. 5. [LEGAL ACTIONS; INJUNCTIONS; CEASE AND DESIST ORDERS.] Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of chapter 79, or any rule or order adopted under chapter 79, the commissioner has the following powers: (1) the commissioner may bring an action in the name of the state in the district court of the appropriate county to enjoin the acts or practices and to enforce compliance with chapter 79, or any rule or order adopted or issued under chapter 79, or the commissioner may refer the matter to the attorney general or the county attorney of the appropriate county. Upon a proper showing, a permanent or temporary injunction, restraining order, or other appropriate relief must be granted; (2) the commissioner may issue and cause to be served upon the person an order requiring the person to cease and desist from violations of chapter 79, or any rule or order adopted or issued under chapter 79. The order must be calculated to give reasonable notice of the rights of the person to request a hearing and must state the reasons for the entry of the order. A hearing must be held not later than seven days after the request for the hearing is received by the commissioner, after which and within 20 days after receiving the administrative law judge's report, the commissioner shall issue a further order vacating the cease and desist order or making it permanent as the facts require. If no hearing is requested within 30 days of service of the order, the order will become final and will remain in effect until it is modified or vacated by the commissioner. Unless otherwise provided, all hearings must be conducted in accordance with 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 is in default, and the proceeding may be determined against that person upon consideration of the cease and desist order, the allegations of which may be considered to be true. The commissioner may adopt rules of procedure concerning all proceedings conducted under this subdivision.

Subd. 6. [VIOLATIONS AND PENALTIES.] The commissioner may impose a civil penalty not to exceed \$2,000 per violation upon a person who violates chapter 79, unless a different penalty is specified.

Subd. 7. [ACTIONS AGAINST LICENSEES.] In addition to any other actions authorized by this section, the commissioner may, by order, deny, suspend, or revoke the authority or license of a person subject to chapter 79, or censure that person if the commissioner finds that:

- (1) the order is in the public interest; or*
- (2) the person has violated chapter 79.*

Subd. 8. [STOP ORDER.] In addition to any other actions authorized

by this section, the commissioner may issue a stop order denying effectiveness to or suspending or revoking any registration subject to chapter 79.

Subd. 9. [POWERS ADDITIONAL.] The powers contained in subdivisions 1 to 8 are in addition to all other powers of the commissioner.

Sec. 9. [79.652] [ACCESS TO INSURER.]

The commissioner, or the designated person, shall have free access during normal business hours to all books, records, securities, documents, and any or all papers relating to the property, assets, business, and affairs of any company, applicant, association, or person which may be examined pursuant to this act for the purpose of ascertaining, appraising, and evaluating the assets, conditions, affairs, operations, ability to fulfill obligations, and compliance with all the provisions of law of the company or person insofar as any of the above pertain to the business of insurance of a person, organization, or corporation transacting, having transacted, or being organized to transact business in this state. Every company or person being examined, its officers, directors, and agents, shall provide to the commissioner or the designated person convenient and free access at all reasonable hours at its office to all its books, records, securities, documents, any or all papers relating to the property, assets, business, and affairs of the company or person. The officers, directors, and agents of the company or person shall facilitate the examination and aid in the examination so far as it is in their power to do so.

Sec. 10. 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. 11. [MANDATED REDUCTIONS.]

(a) As a result of the workers' compensation law changes in article 3 and the resulting savings to the costs of Minnesota's workers' compensation system, an insurer's approved schedule of rates in effect on August 1, 1989, must be reduced by 16 percent and applied by the insurer to all policies issued, renewed, or outstanding on or after that date. An insurer may not adjust its filed rating plan to recoup the 16 percent mandated rate reduction under this section. The reduction must be computed on the basis of a 16 percent premium reduction prorated to the expiration of that policy. An insurer shall provide written notice by September 1, 1989, to all employers having an outstanding policy with the insurer as of August 1, 1989, to read as follows: "As a result of the changes in the workers' compensation insurance system enacted by the 1989 legislature, you are entitled to a credit or refund to your current premium in an amount of \$ which reflects a 16 percent mandated premium reduction prorated to the expiration of your policy."

(b) No rate increases may be filed between April 10, 1989, and January 1, 1990.

Sec. 12. [NOTICE OF INTENT TO CHALLENGE RATE LEVEL

CHANGE.]

Notwithstanding section 3, the commissioner shall have an additional 90 days to give notice of intent to hold a hearing pursuant to that section. This section applies only to challenges to an insurer's change in existing rate levels or rating plan filed between the date the 1990 rate-making report is approved by the commissioner of commerce and six months thereafter.

Sec. 13. [RECORDS DEPOSITED WITH THE COMMISSIONER.]

All records of data services organizations authorized by Minnesota Statutes, section 79.61, or its predecessors, pertaining to proceedings before the department of commerce or its predecessors regarding rates or classifications must be deposited with the commissioner no later than August 1, 1989.

Sec. 14. [CONTINGENT APPROPRIATION.]

(a) \$250,000 is appropriated from the special compensation fund to a workers' compensation contingent account for the purposes of this article. The appropriation in this section may only be spent with the approval of the governor after consultation with the legislative advisory commission under Minnesota Statutes, section 3.30.

(b) \$100,000 from the general contingent account for workers' compensation appropriated under Laws 1987, chapter 404, section 44, is available for the purposes of article 3.

Sec. 15. [REPEALER.]

Minnesota Statutes 1988, sections 79.54, 79.57, and 79.58, subdivision 1, are repealed.

Sec. 16. [EFFECTIVE DATE.]

Section 11, paragraph (b), is effective the day following final enactment.

ARTICLE 5

WORKERS' COMPENSATION COURT OF APPEALS ABOLISHED.

Section 1. Minnesota Statutes 1988, section 176.421, subdivision 1, is amended to read:

Subdivision 1. [TIME FOR TAKING; GROUNDS.] When a petition has been heard before a compensation judge, within 30 days after a party in interest has been served with notice of an award or disallowance of compensation, or other order affecting the merits of the case, the party may appeal to the workers' compensation court of appeals on any of the following grounds:

- (1) the order does not conform with this chapter; or
- (2) the compensation judge committed an error of law; or
- (3) the findings of fact and order were *clearly erroneous and* unsupported by substantial evidence in view of the entire record as submitted; or
- (4) the findings of fact and order were procured by fraud, or coercion, or other improper conduct of a party in interest.

Sec. 2. Minnesota Statutes 1988, section 176.421, subdivision 6, is amended to read:

Subd. 6. [POWERS OF WORKERS' COMPENSATION COURT OF

APPEALS ON APPEAL.] On an appeal taken under this section, the workers' compensation court of appeals' review is limited to the issues raised by the parties in the notice of appeal or by a cross-appeal. *On review, the court may not substitute its judgment for that of the compensation judge as to the weight or credibility of the evidence on any finding of fact.* In these cases, on those issues raised by the appeal, the workers' compensation court of appeals may:

(1) grant an oral argument based on the record before the compensation judge;

(2) examine the record;

(3) ~~substitute for the findings of fact made by the compensation judge findings based on the total evidence;~~

(4) sustain, reverse, make, or modify an award or disallowance of compensation or other order based on the facts, findings, and law; and,

(5) (4) remand or make other appropriate order.

Sec. 3. Minnesota Statutes 1988, section 480A.06, subdivision 3, is amended to read:

Subd. 3. [CERTIORARI REVIEW.] The court of appeals shall have jurisdiction to issue writs of certiorari to all agencies, public corporations and public officials, except the tax court ~~and the workers' compensation court of appeals.~~ The court of appeals shall have jurisdiction to review decisions of the commissioner of jobs and training, pursuant to section 268.10.

Sec. 4. Minnesota Statutes 1988, section 480A.06, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE REVIEW.] The court of appeals shall have jurisdiction to review on the record: the validity of administrative rules, as provided in ~~sections section 14.44 and 14.45;~~ and: the decisions of administrative agencies in contested cases, as provided in sections 14.63 to 14.69; ~~and workers' compensation cases and peace officer death benefits cases, as provided under chapters 176 and 176A.~~

Sec. 5. [TRANSFER OF JURISDICTION AND PERSONNEL.]

The jurisdiction of the workers' compensation court of appeals, as provided under Minnesota Statutes, section 175A.01, subdivision 2, is transferred to the court of appeals. All contracts, books, plans, papers, records, and property of every description of the workers' compensation court of appeals relating to its transferred responsibilities and within its jurisdiction or control are transferred to the court of appeals; except that, all case files are transferred to the clerk of the appellate courts. All classified employees and staff attorneys of the workers' compensation court of appeals must be given preference in the employment of personnel required to staff the increased caseload of the court of appeals as a result of transfer of jurisdiction under this section.

Sec. 6. [INCREASED JUDGES.]

The number of judges on the court of appeals as of April 1, 1990, shall be increased by three. The three additional judges are subject to senate confirmation.

Sec. 7. [INSTRUCTION TO REVISOR.]

In every instance in Minnesota Statutes in which the term "workers' compensation court of appeals" appears, the revisor of statutes shall change that reference to the "court of appeals."

Sec. 8. [REAPPROPRIATION.]

\$190,000 is reappropriated from the special compensation fund, as a result of the savings to that fund in fiscal year 1990 due to the abolishment of the workers' compensation court of appeals, to the court of appeals for the purposes of this article.

Sec. 9. [REPEALER.]

Minnesota Statutes 1988, sections 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07; 175A.08; 175A.09; and 175A.10, are repealed.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. Sections 3 to 9 are effective April 1, 1990.

ARTICLE 6

REPORTS TO THE LEGISLATURE

Section 1. [REPORT TO THE LEGISLATURE ON MEDICAL ISSUES.]

The commissioner of labor and industry shall present a report to the legislature concerning medical issues in the workers' compensation system. Specifically, the report must include findings and recommendations designed to contain or reduce the cost of workers' compensation related medical services, including methods of controlling the cost of ongoing therapy treatments. The report must be presented by January 1, 1991.

The state fund mutual insurance company shall be consulted, as part of the medical services study, in order to assist the department in developing a proposal to collect and analyze all medical bills. The ultimate goal of this consultation will be the development of a flagging and monitoring system to identify cases which significantly deviate from normal utilization patterns, costs, and outcomes. The department shall make a preliminary report on the progress of the proposal to the legislature on January 1, 1990. The department shall make a final recommendation on implementation of the proposal at the time it makes its report to the legislature concerning medical issues in the workers' compensation system on January 1, 1991.

Sec. 2. [REPORT TO THE LEGISLATURE ON USE OF NEUTRAL PHYSICIANS.]

The commissioner of labor and industry shall present a report to the legislature concerning workers' compensation before January 1, 1990, which develops and evaluates a detailed proposal for establishing a system of neutral doctors for use in such areas as determining maximum medical improvement and rating permanent partial disabilities. The report must contain a bill proposal to implement the commissioner's recommendations.

Sec. 3. [REPORT TO THE LEGISLATURE ON USE OF NEUTRAL QUALIFIED REHABILITATION CONSULTANTS.]

To reduce cost and contention in the rehabilitation system, the commissioner of labor and industry shall develop and evaluate a detailed proposal to establish a system to ensure that qualified rehabilitation consultants

will not be aligned with either insurers or claimants. The commissioner shall consider alternative methods of selection and payment to ensure neutrality. The commissioner shall present a report and proposal to the legislature by January 1, 1990.

Sec. 4. [REPORT TO THE LEGISLATURE ON IMPLEMENTATION OF MANDATED RATE REDUCTIONS.]

The commissioner of labor and industry shall survey Minnesota employers to determine if the mandated workers' compensation insurance rate reductions required under article 4, section 11, have been implemented by insurers, both as to amount and in a manner that is uniform and non-discriminatory between employers having similar risks with respect to a particular occupational classification. The commissioner must present a report detailing findings and conclusions to the legislature by February 1, 1990.

Sec. 5. [REPORT TO THE LEGISLATURE ON RECODIFICATION OF WORKERS' COMPENSATION LAW.]

The revisor of statutes shall recodify the workers' compensation law, including Minnesota Statutes, chapter 176.

The recodification must not make any substantive changes but shall provide a comprehensive, accurate, and complete restatement.

Each state department agency and legislative staff, including senate counsel and house of representatives research, shall provide assistance in the recodification as requested by the revisor of statutes.

The revisor shall report to the legislature by January 1, 1990, on the progress of the recodification. The revisor shall prepare a bill to implement its recommendations for recodification by January 1, 1991.

Sec. 6. [HEARINGS AT THE OFFICE OF ADMINISTRATIVE HEARINGS; REPORT OF THE CHIEF ADMINISTRATIVE LAW JUDGE.]

The chief administrative law judge shall consider methods to reduce the formality and length of hearings in workers' compensation cases at the office of administrative hearings, with a goal of completing 50 percent of the hearings in less than two hours, 75 percent in less than four hours, and nearly all of the cases in less than one day. Before January 1, 1990, the chief judge shall report to the legislature on the efforts to meet these goals, including any recommendations for legislation needed to achieve these goals.

Sec. 7. [REPORT TO THE LEGISLATURE ON STATE REGULATION OF WORKERS' COMPENSATION INSURANCE.]

Legislative staff shall prepare and present a report to the legislature surveying the different processes for regulation of workers' compensation insurance rating plans under other states' workers' compensation insurance laws. The report must be presented to the legislature by January 1, 1990.

Sec. 8. [APPROPRIATION.]

\$100,000 is appropriated from the special compensation fund to the commissioner of labor and industry for the purposes of sections 2, 3, and 4.

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 labor and industry; regulating boiler operation and inspections; regulating workers' compensation benefits and administration; regulating workers' compensation insurance; providing for the appointment of actuaries; abolishing the workers' compensation court of appeals and transferring its jurisdiction to the court of appeals; requiring certain reports relating to workers' compensation; appropriating money; amending Minnesota Statutes 1988, sections 79.095; 79.55, subdivision 2; 79.56, by adding a subdivision; 79.58, subdivision 2; 79.61, subdivision 1; 176.011, subdivisions 11a, 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; 176.136, subdivision 1, and by adding a subdivision; 176.155, subdivision 1; 176.221, subdivision 1; 176.421, subdivisions 1 and 6; 176.645, subdivisions 1 and 2; 176.66, subdivision 11; 176A.03, by adding a subdivision; 183.42; 183.45; and 480A.06, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1988, sections 79.54; 79.57; 79.58, subdivision 1; 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07; 175A.08; 175A.09; 175A.10; 176.011, subdivision 26; and 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, 3u, and 6."

Mr. Merriam questioned whether the amendment was germane.

The Chair ruled that the amendment was not germane.

Mr. Knaak appealed the decision of the Chair.

The question was taken on "Shall the decision of the Chair be the judgment of the Senate?"

The roll was called, and there were yeas 40 and nays 24, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kroening	Moe, R.D.	Purfeerst
Beckman	Dicklich	Langseth	Morse	Reichgott
Berglin	Diessner	Lantry	Novak	Samuelson
Bertram	Frank	Luther	Pehler	Schmitz
Brandl	Frederickson, D.J.	Marty	Peterson, D.C.	Solon
Chmielewski	Freeman	Merriam	Peterson, R.W.	Spear
Dahl	Hughes	Metzen	Piper	Stumpf
Davis	Johnson, D.J.	Moe, D.M.	Pogemiller	Waldorf

Those who voted in the negative were:

Anderson	Decker	Knaak	McQuaid	Renneke
Belanger	Frederick	Knutson	Mehrkens	Storm
Benson	Frederickson, D.R.	Laidig	Olson	Taylor
Bernhagen	Gustafson	Larson	Pariseau	Vickerman
Brataas	Johnson, D.E.	McGowan	Ramstad	

The decision of the Chair was sustained.

S.F. No. 680 was then progressed.

S.F. No. 468, which the committee recommends to pass with the following

amendment offered by Mr. Chmielewski:

Pages 3 and 4, delete section 5 and insert:

“Sec. 5. Minnesota Statutes 1988, section 246.51, is amended by adding a subdivision to read:

Subd. 3. [APPLICABILITY.] The commissioner may recover, under sections 246.50 to 246.55, the cost of any care provided in a state facility, including care provided prior to the effective date of this section regardless of the terminology used to designate the status or condition of the person receiving the care or the terminology used to identify the facility. For purposes of recovering the cost of care provided prior to the effective date of this section, the term “state facility” as used in sections 246.50 to 246.55 includes “state hospital,” “regional treatment center,” or “regional center”; and the term “client” includes, but is not limited to, persons designated as “mentally deficient,” “inebriate,” “chemically dependent,” or “intoxicated.””

Amend the title as follows:

Page 1, line 9, delete everything after the semicolon

Page 1, delete lines 10 and 11

Page 1, line 12, delete “dependency at state facilities;”

Page 1, line 14, after the first semicolon, insert “246.51, by adding a subdivision;”

The motion prevailed. So the amendment was adopted.

H.F. No. 1267, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Page 2, line 4, delete “1986” and insert “1990”

Page 2, delete lines 25 to 28 and insert:

“This act takes effect January 1, 1991, if the Anoka county board has complied with Minnesota Statutes, section 645.021, subdivision 3.”

The motion prevailed. So the amendment was adopted.

H.F. No. 647, which the committee recommends to pass with the following amendment offered by Mr. Dahl:

Amend H.F. No. 647, as amended pursuant to Rule 49, adopted by the Senate May 1, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 155.)

Page 2, delete lines 10 and 11 and insert:

“(c) Distributes a destructive computer program, without authorization and with intent to damage or destroy any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6.”

The motion prevailed. So the amendment was adopted.

H.F. No. 1027, which the committee recommends to pass with the following amendment offered by Mr. Dicklich:

Page 1, line 18, after “amount” insert “, less deductions for applicable taxes and retirement contributions,”

Page 2, lines 4 and 18, delete "5" and insert "4"

Page 2, delete lines 14 to 17

The motion prevailed. So the amendment was adopted.

H.F. No. 1151, which the committee recommends to pass with the following amendment offered by Mr. Laidig:

Amend H.F. No. 1151, as amended pursuant to Rule 49, adopted by the Senate April 20, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1034.)

Page 4, line 29, strike "or"

Page 4, line 33, strike the period and insert a semicolon

Page 4, line 34, before "the" insert "*the presentment and payment at any time within one year after the decedent's death of any claim arising before the death of the decedent that is referred to in section 524.3-715, clause (18), although the same may be otherwise barred under this section; or*

(4)"

Page 5, line 5, after "claim" insert "*, including claims subject to clause (3),*"

Page 5, line 6, after "hereunder" insert a comma

The motion prevailed. So the amendment was adopted.

H.F. No. 1282, which the committee recommends to pass with the following amendment offered by Mr. Davis:

Page 2, line 30, before "Every" insert "(a)"

Page 3, line 20, before "We" insert "*To the best of our knowledge.*"

Page 3, after line 36, insert:

"(b) A person entitled to a lien does not lose the right to the lien for failure to strictly comply with this subdivision if a good faith effort is made to comply, unless the owner or another lien claimant proves damage as a direct result of the failure to comply."

Page 4, after line 7, insert:

"Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 3 are effective August 1, 1989, and apply to notices given on or after that date."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing that failure to strictly comply with subcontractor notice requirements does not result in loss of lien under certain circumstances;"

The motion prevailed. So the amendment was adopted.

H.F. No. 1540, which the committee recommends to pass with the following amendment offered by Mr. Ramstad:

Page 2, line 11, strike "A tax"

Page 2, strike lines 12 to 14

Page 2, line 15, strike the period

The motion prevailed. So the amendment was adopted.

H.F. No. 1323, which the committee recommends to pass with the following amendments offered by Messrs. Solon and Belanger:

Mr. Solon moved to amend H.F. No. 1323, as amended pursuant to Rule 49, adopted by the Senate April 28, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1133.)

Page 12, line 29, delete "*individual*" and insert "*undivided*"

The motion prevailed. So the amendment was adopted.

Mr. Belanger moved to amend H.F. No. 1323, as amended pursuant to Rule 49, adopted by the Senate April 28, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1133.)

Page 24, after line 28, insert:

"Sec. 28. Minnesota Statutes 1988, section 118.01, subdivision 1, is amended to read:

Subdivision 1. Any bank, trust company or thrift institution authorized to do business in this state may, in lieu of the corporate or personal surety bond required to be furnished to secure deposited funds, deposit with the custodian of the funds as collateral security: (1) *certificates of deposit that are fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation*; (2) notes secured by first mortgages of future maturity, upon which interest is not past due, on improved real estate free from delinquent taxes, within the county wherein the depository is located, or within counties immediately adjoining the county in the state of Minnesota; ~~the~~; (3) obligations which are legally authorized investments for debt service funds under section 475.66, subdivision 3; and (4) qualified state or local government obligations acceptable to the treasurer or chief financial officer. Qualified obligations must be general obligations rated "A" or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation."

Amend the title as follows:

Page 1, line 16, delete "and" and after "2" insert "; and 118.01, subdivision 1"

The motion prevailed. So the amendment was adopted.

S.F. No. 929, which the committee recommends to pass with the following amendment offered by Mr. Dahl:

Page 1, line 13, delete "(a)"

Page 2, delete lines 30 and 31

The motion prevailed. So the amendment was adopted.

H.F. No. 1104, which the committee recommends to pass with the following amendment offered by Mr. Marty:

Amend H.F. No. 1104, as amended pursuant to Rule 49, adopted by the Senate April 20, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1079.)

Page 2, delete lines 2 to 4 and insert:

“Subd. 6. [PRODUCTION OF DOCUMENTS.] The personnel director may make a written request to an employee to produce relevant documents or to a person to appear for the purpose of giving relevant oral statements or testimony relating to a disciplinary action of an employee. An employee who is the subject of a disciplinary action may make a written request to the personnel director for the production of relevant documents or for the appearance of a person to give relevant oral statements or testimony relating to the disciplinary action. The request for the appearance of a person may be to appear and testify at a hearing of the personnel review board or to appear at a specified place to give an oral statement prior to a hearing of the personnel review board. The personnel director, or the employee upon receipt of a request for production of relevant documents, shall furnish the requesting party the documents within ten days of receipt of the written request. A person to whom a request for an appearance has been made shall appear at the time and place designated in the request. If a party to whom a request for relevant documents has been made fails to furnish the documents to the requesting party within ten days of receipt of the request, the requesting party may make an application to the district court for a determination that the refusal to produce the documents was unreasonable. If a person to whom a request for appearance has been made fails to appear at the time and place designated in the request, the party making the request for appearance may make an application to the district court for a determination that the failure to appear was unreasonable. If the district court determines that a failure to produce requested documents or to appear was unreasonable, it may assess costs not exceeding \$100 to the requesting party against the refusing party or person.”

The motion prevailed. So the amendment was adopted.

S.F. No. 956, which the committee recommends to pass, after the following motion:

Mr. Knaak moved to amend S.F. No. 956 as follows:

Page 2, after line 12, insert:

“Sec. 2. [115A.73] [BINDING REFERENDUM.]

(a) A county or solid waste management district shall submit to a vote of the eligible voters of the county or solid waste management district the question of whether to proceed before:

(1) designating a resource recovery facility (under sections 115A.80 to 115A.893 that will include a waste incinerator;

(2) entering into a contract for facilities and services from a solid waste disposal facility; or

(3) entering into a contract to construct a solid waste disposal facility.

(b) The election shall be held in the manner provided for a state general election under Minnesota election law as far as practicable. The question on the ballot shall be substantially in the following form: “Shall the county (or solid waste management district) proceed with the designation of a resource recovery facility (or with the contract for a solid waste disposal facility)?” The question is approved if a majority of those voting on the question vote “Yes.” The result of the election shall be certified to the county board of commissioners or the solid waste management district and

is binding upon the county and solid waste management district."

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "requiring a county or waste management district to hold a binding referendum before contracting for or with a solid waste disposal facility or designating a resource recovery facility;"

Page 1, line 8, after "subdivision" insert "; proposing coding for new law in Minnesota Statutes, chapter 115A"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Frederickson, D.R.	Knutson	Olson
Belanger	Bertram	Gustafson	Larson	Pariseau
Benson	Frederick	Johnson, D.E.	McGowan	Renneke
Berglin	Frederickson, D.J.	Knaak	McQuaid	

Those who voted in the negative were:

Adkins	Davis	Langseth	Metzen	Samuelson
Beckman	Decker	Lantry	Moe, R.D.	Schmitz
Berg	DeCramer	Lessard	Pehler	Solon
Brandl	Diessner	Luther	Peterson, D.C.	Spear
Brataas	Frank	Marty	Peterson, R.W.	Stumpf
Chmielewski	Hughes	Mehrkens	Piper	Vickerman
Cohen	Kroening	Merriam	Reichgott	Waldorf

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

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Messages From the House, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 227, and repassed said bill in accordance with the report of the Committee, so adopted.

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 May 2, 1989

REPORTS OF COMMITTEES

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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; 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; amending Minnesota Statutes 1988, sections 171.02, subdivision 3; 171.06, subdivision 2; 171.07, subdivision 1; 171.171; 171.22; 171.27; 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.

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

Page 6, line 7, delete "\$5" and insert "\$7.50"

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. 736: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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

Page 1, after line 15, insert:

"Subd. 3. Jay Dorman, Minnesota correctional facility - Stillwater, Box 55, Stillwater, Minnesota 55082, for loss of the tip of his left index finger, a disability of 2-1/2 percent of his whole body, while performing assigned duties at the Minnesota correctional facility - Stillwater \$1,875.00."

Renumber the subdivisions in sequence

Page 5, after line 1, insert:

"Sec. 3. [DEPARTMENT OF TRANSPORTATION.]

Subdivision 1. The sum set forth in this section is appropriated from the trunk highway fund to the commissioner of transportation for payment to the person named in full and final payment of a claim against the state. The appropriation is available until June 30, 1990.

Subd. 2. Slayton Township, c/o Gail Johanson, Clerk, Rural Route 1, Slayton, Minnesota 56172, for gravel and grading of township roads that were used as an alternative to a state-established detour route

\$2,491.60.”

Page 5, line 2, delete “3” and insert “4”

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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, line 20, delete “[5.18]”

Page 6, line 7, before the second period, insert “, and is repealed July 1, 1991”

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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:

Pages 6 to 10, delete sections 6 to 10 and insert:

“Sec. 6. [APPROPRIATIONS.]

Subdivision 1. [HIGHWAY DEVELOPMENT.] \$52,300,000 is appropriated from the funds indicated to the commissioner of transportation for highway development, to be available for the fiscal year ending June 30 in the years indicated, as follows:

	1990	1991
(a) Trunk highways	\$6,400,000	\$18,000,000

This appropriation is from the trunk highway fund.

(b) County state aids	8,900,000	14,300,000
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This appropriation is from the county state-aid highway fund and is available until spent.

(c) Municipal state aids	1,500,000	3,200,000
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This appropriation is from the municipal state-aid street fund and is available until spent.

Subd. 2. [KEY BRIDGES.]

\$16,000,000 is appropriated from the general fund to the commissioner of transportation to make grants for construction and reconstruction of key bridges on highways, streets, and roads within the jurisdiction of the following political subdivisions, to be available until spent. \$8,000,000 is for fiscal year 1990 and \$8,000,000 is for fiscal year 1991, to be allocated as follows:

	1990	1991
(a) Counties	\$4,720,000	\$4,720,000
(b) Home rule charter and statutory cities	1,120,000	1,120,000
(c) Towns	2,160,000	2,160,000

These appropriations may also be used for the following purposes:

(1) the costs of abandoning an existing bridge that is deficient and is in need of replacement, but where no replacement will be made;

(2) the costs of constructing a road or street that would facilitate the abandonment of an existing bridge determined to be deficient; the construction of the road or street must be judged to be more economical than the reconstruction or replacement of the existing bridge.

The distributions under Minnesota Statutes, section 297B.09, subdivision 1, to the highway user tax distribution fund must be reduced by the amount necessary to fund the appropriations in this section."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete from "providing" through page 1, line 11, to the first semicolon

Page 1, line 14, after the first semicolon, insert "and" and delete "; 296.02," and insert a period

Page 1, delete lines 15 to 17

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. 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.

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

Delete everything after the enacting clause and insert:

“ARTICLE 1

INDIVIDUAL INCOME TAX

Section 1. Minnesota Statutes 1988, section 10A.31, subdivision 5, is amended to read:

Subd. 5. In each calendar year the money in the general account shall be allocated to candidates as follows:

- (1) 21 percent for the offices of governor and lieutenant governor together;
- (2) 3.6 percent for the office of attorney general;
- (3) 1.8 percent each for the offices of secretary of state, state auditor, and state treasurer;
- (4) In each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator and 46-2/3 percent for the office of state representative;
- (5) In each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative.

In each calendar year the money in each party account shall be allocated as follows:

- (1) 14 percent for the offices of governor and lieutenant governor together;
- (2) 2.4 percent for the office of attorney general;
- (3) 1.2 percent each for the offices of secretary of state, state auditor, and state treasurer;
- (4) In each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator and 46-2/3 percent for the office of state representative;
- (5) In each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative;

(6) ten percent for the state committee of a political party; money allocated to each state committee under this clause must be deposited in a separate account and must be spent for legitimate political party operations, including voter education; the sample ballot; operations of precinct caucuses, county unit conventions, and state conventions; and the maintenance and programming of computers used to provide lists of voters, party workers, party officers, patterns of voting, and other data for use in political party activities; money allocated to a state committee under this clause must be paid to the committee *by the state treasurer as notified by the state ethical practices board* as it is received in the account; on a monthly

~~or other basis agreed to between the committee and the board.~~, with payment on the 15th day of the calendar month following the month in which the tax returns were received, provided that these distributions would be equal to the amount of money indicated in the department of revenue's weekly unedited reports of income tax returns for that month, subject to final annual adjustment and settlement as indicated according to the certification by the commissioner of revenue under subdivision 6. 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.

To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candidates within legislative districts, money from the party accounts for legislative candidates shall be distributed as follows:

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive money from the candidate's party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula:

For each county within the candidate's district the candidate's share of the dollars allocated in that county to the candidate's party account and set aside for that office shall be:

(a) The sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(b) The sum of the votes cast in that county in the last general election for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(c) The amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, amounts in the party's account shall be allocated based on (a) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (b) the number of the people voting in that county in the last general election, multiplied by (c) the amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

In a year in which the first election after a legislative reapportionment is held, "the candidate's district" means the newly drawn district, and voting data from the last general election will be applied to the area encompassing the newly drawn district notwithstanding that the area was in a different district in the last general election.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party shall be the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (a) and (b). The average vote shall be added to the sums in clauses (a) and (b) before the calculation is made for all districts in the county.

Money from a party account not distributed to candidates for state senator and representative in any election year shall be returned to the general fund of the state. Money from a party account not distributed to candidates for other offices in an election year shall be returned to the party account for reallocation to candidates as provided in clauses (1) to (6) in the following year. Money from the general account refused by any candidate shall be distributed to all other qualifying candidates in proportion to their shares as provided in this subdivision.

Sec. 2. Minnesota Statutes 1988, section 290.067, subdivision 2, is amended to read:

Subd. 2. [LIMITATIONS.] The credit for expenses incurred for the care of each dependent shall not exceed \$720 in any taxable year, and the total credit for all dependents of a claimant shall not exceed \$1,440 in a taxable year. The maximum total credit shall be reduced according to the amount of the income of the claimant and a spouse, if any, as follows:

income up to ~~\$12,200~~ \$13,350, \$720 maximum for one dependent, \$1,440 for all dependents;

income over ~~\$12,200~~ \$13,350, the maximum credit for one dependent shall be reduced by ~~\$12~~ \$18 for every ~~\$200~~ \$350 of additional income, ~~\$24~~ \$36 for all dependents;

~~for income of \$24,001 and over, no credit shall be received.~~

The commissioner shall construct and make available to taxpayers tables showing the amount of the credit at various levels of income and expenses. The tables shall follow the schedule contained in this subdivision, except that the commissioner may graduate the transitions between expenses and income brackets.

Sec. 3. Minnesota Statutes 1988, section 290.067, is amended by adding a subdivision to read:

Subd. 2b. [INFLATION ADJUSTMENT.] The dollar amount of the income threshold at which the maximum credit begins to be reduced under subdivision 2 must be adjusted for inflation. The commissioner shall adjust the threshold amount by the percentage determined under section 290.06, subdivision 2d, for the taxable year.

Sec. 4. Minnesota Statutes 1988, section 290.091, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of the tax imposed by this

section, the following terms have the meanings given:

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding the portion of the charitable contribution deduction that constitutes an item of tax preference under section 57(a)(6) of the Internal Revenue Code;

(3) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.01, subdivision 19a, clause (1); less the sum of

(i) interest income as defined in section 290.01, subdivision 19b, clause (1);

(ii) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2); and

(iii) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income.

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

(b) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1987.

(c) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(d) "*Tentative minimum tax*" equals six percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

(e) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(f) "*Tentative add-on minimum tax*" means the taxpayer's tentative minimum tax, less the taxpayer's regular tax.

Sec. 5. Minnesota Statutes 1988, section 290.091, is amended by adding a subdivision to read:

Subd. 6. [CREDIT FOR PRIOR YEARS' LIABILITY.] (a) A credit is allowed against the tax imposed by this chapter on individuals, trusts, and estates equal to the minimum tax credit for the taxable year. The minimum tax credit equals the adjusted net minimum tax for taxable years beginning after December 31, 1988, reduced by the minimum tax credits allowed in a prior taxable year. The credit may not exceed the excess, if any, for the taxable year of

(1) the regular tax, over

(2) the greater of (i) the tentative alternative minimum tax, or (ii) zero.

(b) The adjusted net minimum tax for a taxable year equals the lesser of (1) the tentative add-on minimum tax or (2) the excess, if any, of

(i) the tentative minimum tax, over

(ii) six percent of the sum of (A) adjusted gross income as defined in section 62 of the Internal Revenue Code, (B) interest income as defined in section 290.01, subdivision 19a, clause (1), (C) interest on specified private activity bonds, as defined in section 57(a)(5) of the Internal Revenue Code, to the extent not included under clause (B), (D) depletion as defined in section 57(a)(1) of the Internal Revenue Code, less (E) the deductions provided in clauses (3)(i), (3)(ii), and (3)(iii) of subdivision 2, paragraph (a), and (F) the exemption amount determined under subdivision 3.

In the case of an individual who is not a Minnesota resident for the entire year, adjusted minimum tax must be multiplied by the fraction defined in section 290.06, subdivision 2c, paragraph (e). In the case of a trust or estate, adjusted minimum tax must be multiplied by the fraction defined under subdivision 4, paragraph (b).

Sec. 6. Minnesota Statutes 1988, section 290.38, is amended to read:

290.38 [RETURNS OF MARRIED PERSONS.]

A husband and wife must file a joint Minnesota income tax return if they filed a joint federal income tax return. If a joint return is made the tax shall be computed on the aggregate income and the liability with respect to the tax shall be joint and several; provided that a spouse who is relieved of a liability attributable to a substantial underpayment under section 6013(e) of the Internal Revenue Code of 1986, as amended through December 31, 1987, shall also be relieved of the state tax liability on the substantial underpayment. *In the case of a husband or wife, or individuals who were a husband and wife prior to the dissolution of their marriage, for tax liabilities reported on a joint return, the liability of the husband or wife will be limited to the tax due on his or her income including 50 percent of the joint income. This provision is effective only when the commissioner receives written notice of the marriage dissolution from the husband or wife.* If the husband and wife have elected to file separate federal income tax returns they must file separate Minnesota income tax returns. This election to file a joint or separate returns must be changed if they change their election for federal purposes. In the event taxpayers desire to change their election, such change shall be done in the manner and on such form as the commissioner shall prescribe by rule.

The determination of whether an individual is married shall be made under provisions of section 7703 of the Internal Revenue Code of 1986, as amended through December 31, 1987.

Sec. 7. Minnesota Statutes 1988, section 290.92, subdivision 21, is amended to read:

Subd. 21. [EXTENSION OF WITHHOLDING TO UNEMPLOYMENT COMPENSATION BENEFITS.] (a) At the time an individual makes a claim for unemployment compensation benefits, the commissioner of jobs and training must notify the individual that the individual's unemployment compensation may be subject to state income taxes depending on the individual's other income and that the individual may elect to have the payments subject

to withholding under this section. If the individual ~~so requests~~ *does not notify the commissioner of jobs and training that the individual elects to have the payments not be subject to withholding within five working days of receipt of the notice from the commissioner, unemployment compensation benefits paid to the individual shall be treated as if it were a payment of wages by an employer to an employee for a payroll period.*

(b) For purposes of this section, any supplemental unemployment compensation benefit paid to an individual to the extent includable in such individual's Minnesota gross income, shall be treated as if it were a payment of wages by an employer to an employee for a payroll period.

Sec. 8. Laws 1988, chapter 719, article 1, section 22, is amended to read:

Sec. 22. [EFFECTIVE DATES.]

Except as otherwise provided, sections 1 to 3 and 16 are effective for taxable years beginning after December 31, 1986. Sections 5, 7 to 12, 14, 15, 17, and 21 are effective for taxable years beginning after December 31, 1987. The deduction allowed under section 4, clause (4) and the ability of surviving spouses to use the married filing joint rates in section 7 are effective for taxable years beginning after December 31, 1986. The rest of sections 4 and 7 are effective for taxable years beginning after December 31, 1987. Section 13 is effective for taxable years beginning after December 31, ~~1984~~ 1973. Section 18 is effective the day following final enactment.

Sec. 9. [PENSION EXCLUSION; FEDERAL LAW ENFORCEMENT AND CORRECTIONS EMPLOYEES.]

Notwithstanding Minnesota Statutes 1986, section 290.08, subdivision 26, paragraph (a), clause (4), for purposes of the pension income exclusion contained in Minnesota Statutes 1986, section 290.08, subdivision 26, for taxable years beginning after December 31, 1984, and before January 1, 1987, an individual who received pension income for service as a law enforcement or corrections officer employed by the federal government is a qualified recipient without regard to age.

Sec. 10. [AMENDING RETURNS.]

Individuals qualifying for the pension exclusion under section 1 for taxable years beginning after December 31, 1984, and before January 1, 1987, may file amended returns under Minnesota Statutes, section 290.391.

The amended returns must be filed by October 15, 1990.

Sec. 11. [EFFECTIVE DATE.]

Section 2 is effective for taxable years beginning after December 31, 1988. Section 3 is effective for taxable years beginning after December 31, 1990. Sections 4 and 5 are effective for taxable years beginning after December 31, 1989, relating to minimum tax liabilities incurred in taxable years beginning after December 31, 1988.

Sections 6 and 8 are effective the day after final enactment. Section 7 is effective for notices sent by the commissioner of jobs and training after July 31, 1989.

ARTICLE 2
BUSINESS TAXES

Section 1. Minnesota Statutes 1988, section 60A.15, subdivision 1, is amended to read:

Subdivision 1. [DOMESTIC AND FOREIGN COMPANIES.] (a) On or before April 15, June 15, and December 15 of each year, every domestic and foreign company, including town and farmers' mutual insurance companies and domestic mutual insurance companies, shall pay to the commissioner of revenue installments equal to one-third of the insurer's total estimated tax for the current year. ~~For insurers other than town and farmers' mutual insurance companies and mutual property and casualty insurance companies other than those (i) principally writing workers' compensation insurance, (ii) writing life insurance, or (iii) whose total assets at the end of the preceding calendar year exceed \$1,600,000,000 Except as provided in paragraph (b),~~ installments must be based on a sum equal to two percent of the premiums described in paragraph ~~(b)~~ (c).

(b) For town and farmers' mutual insurance companies and mutual property and casualty insurance companies other than those (i) ~~principally writing workers' compensation insurance,~~ (ii) writing life insurance, or ~~(iii)~~ (ii) whose total assets at the end of the preceding calendar year exceed \$1,600,000,000, the installments must be based on an amount equal to the following percentages of the premiums described in paragraph ~~(b)~~ (c):

(1) ~~for premiums paid after December 31, 1987, and before January 1, 1989, 1.5 percent;~~

(2) for premiums paid after December 31, 1988, and before January 1, 1992, one percent; and

~~(3)~~ (2) for premiums paid after December 31, 1991, one-half of one percent.

~~(b)~~ (c) Installments under paragraph (a) or (b) are percentages of gross premiums less return premiums on all direct business received by the insurer in this state, or by its agents for it, in cash or otherwise, during such year, excepting premiums written for marine insurance as specified in subdivision 6.

~~(e)~~ (d) Failure of a company to make payments of at least one-third of either (1) the total tax paid during the previous calendar year or (2) 80 percent of the actual tax for the current calendar year shall subject the company to the penalty and interest provided in this section.

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, 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;~~

~~(4) (4) an interest acquired from a person 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 subject to the provisions of paragraph (c), clause (2)(A);~~

~~(5) (5) an interest acquired from a person 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 subject to the provisions of paragraph (c), clause (2)(A);~~

~~(6) (6) an interest acquired from a person in a funded or unfunded agreement to extend or guarantee credit whether conditional, mandatory, temporary, standby, secured, or otherwise, subject to the provisions of paragraph (c), clause (2)(A);~~

(7) 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

~~(8) (8) amounts held in escrow or trust accounts, pursuant to and in accordance with the terms of property described in this subdivision.~~

~~If the person is a member of the unitary group, paragraph (b) does not apply to an interest acquired from another member of the unitary group.~~

(c)(1) For purposes of paragraph (b), clauses (4) to (6), an interest in the type of assets or credit agreements described is deemed to exist at the time the owner becomes legally obligated, conditionally or unconditionally, to fund, acquire, renew, extend, amend, or otherwise enter into the credit arrangement.

(2)(A) An owner has acquired an interest from a person in paragraph (b), clauses (4) to (6), assets if:

(i) the owner at the time of the acquisition of the asset does not own, directly or indirectly, 15 percent or more of the outstanding stock or in the case of a partnership 15 percent or more of the capital or profit interests of the person from whom it acquired the asset;

(ii) the person from whom the owner acquired the asset regularly sells, assigns, or transfers interests in paragraph (b), clauses (4) to (6), assets during the 12 calendar months immediately preceding the month of acquisition to three or more persons; and

(iii) the person from whom the owner acquired the asset does not sell, assign, or transfer 75 percent or more of its paragraph (b), clauses (4) to (6), assets during the 12 calendar months immediately preceding the month of acquisition to the owner.

For purposes of determining indirect ownership under item (i), the owner is deemed to own all stock, capital, or profit interests owned by another person if the owner directly owns 15 percent or more of the stock, capital, or profit interests in the other person. The owner is also deemed to own through any intermediary parties all stock, capital, and profit interests directly owned by a person to the extent there exists a 15 percent or more chain of ownership of stock, capital, or profit interests between the owner, intermediary parties and the person.

(B) If the owner of the asset is a member of the unitary group, paragraph (b), clauses (4) to (8), do not apply to an interest acquired from another member of the unitary group. If the interest in the asset was originally acquired from a nonunitary member and at that time qualified as a section 290.015, subdivision 3, paragraph (b), asset, the foregoing limitation does not apply.

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, referred to as (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) to (6).*

(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 290.02, is amended to read:

290.02 [FRANCHISE TAX ON CORPORATIONS MEASURED BY NET INCOME.]

An annual franchise tax on the exercise of the corporate franchise to engage in contacts with this state that produce gross income attributable to sources within this state is imposed upon every corporation that so exercises its franchise during the taxable year.

Contacts within this state do not include transportation in interstate or foreign commerce, or both, by means of ships navigating within or through waters that are made international for navigation purposes by any treaty or agreement to which the United States is a party.

The tax so imposed ~~shall be~~ is measured by ~~such~~ the corporations' taxable income ~~and, Minnesota alternative minimum tax base, and Minnesota alternative minimum taxable income~~ for the taxable year for which the tax is imposed, and computed in the manner and at the rates provided in this chapter.

Sec. 5. Minnesota Statutes 1988, section 290.05, subdivision 3, is amended to read:

Subd. 3. (a) An organization exempt from taxation under subdivision 2 shall, nevertheless, be subject to tax under this chapter to the extent provided in the following provisions of the Internal Revenue Code:

(i) section 527 (dealing with political organizations) ~~and~~;

(ii) section 528 (dealing with certain homeowners associations); *and*

(iii) *sections 511 to 515 (dealing with unrelated business income; but*

notwithstanding this subdivision, shall be considered an organization exempt from income tax for the purposes of any law which refers to organizations exempt from income taxes.

(b) The tax shall be imposed on the taxable income of political organizations or homeowner associations *or the unrelated business taxable income, as defined in section 512 of the Internal Revenue Code, of organizations defined in section 511 of the Internal Revenue Code.* The tax shall be at the corporate rates. The tax shall only be imposed on income and deductions assignable to this state under sections 290.17 to 290.20. To the extent deducted in computing federal taxable income, the deductions contained in ~~sections 290.09 and section 290.21~~ shall not be allowed in computing Minnesota taxable net income.

Sec. 6. Minnesota Statutes 1988, section 290.06, subdivision 1, is amended to read:

Subdivision 1. [COMPUTATION, CORPORATIONS.] (a) The franchise

tax imposed by this chapter upon corporations shall be computed by applying to their taxable income the rate of 9.5 percent adjusted as provided in paragraph (b).

(b) For taxable years beginning after December 31, 1989, the commissioner of revenue must adjust the rate provided in paragraph (a) as provided in this paragraph. By December 15, 1989, the commissioner shall prepare a forecast of revenues predicted to be raised for taxable years beginning in 1990 by the franchise tax on corporations under this chapter for taxable years beginning in 1990, including the tax under section 290.092, computed as if the tax were imposed under section 290.092, subdivisions 1 to 4, and the rate in effect in this subdivision were 9.5 percent. The commissioner shall adjust the rate provided in paragraph (a) so that the amount forecast to be raised by the franchise tax on corporations under this chapter, including the tax under section 290.092, subdivision 5, is equal to the amount of the forecast computed as if the tax under section 290.092, subdivisions 1 to 4, were in effect. The adjustment of the tax rate by the commissioner under this subdivision shall not be considered a "rule" and shall not be subject to the administrative procedure act contained in chapter 14.

Sec. 7. Minnesota Statutes 1988, section 290.06, subdivision 21, is amended to read:

Subd. 21. [ALTERNATIVE MINIMUM TAX; FACTORS TAX.] (a) A corporation is allowed a credit for alternative minimum tax previously paid for any taxable year in which the corporation has no tax liability under section 290.092, subdivision 1, and has an alternative minimum tax credit carryover from a previous year. The credit allowable in any taxable year shall be equal to equals the lesser of (1) the excess of the tax under this section for the taxable year over the amount computed under section 290.092, subdivision 1, clause (1), for the taxable year, or (2) the alternative minimum tax credit carryover to the taxable year.

(b) The tax imposed under section 290.092, subdivision 1, for any the taxable year is an alternative minimum tax credit carryover to each of the five taxable years succeeding the taxable year. The entire amount of the alternative minimum tax credit must be carried to the earliest taxable year to which such the amount may be carried. Any The unused portion of the credit must be carried to the following taxable year. No credit may be carried to a taxable year more than five years after the taxable year in which the alternative minimum tax under section 290.092, subdivision 1, was paid.

Sec. 8. Minnesota Statutes 1988, section 290.092, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION OF TAX.] For taxable years beginning after December 31, 1986, and before January 1, 1990 1989, in addition to the taxes computed under this chapter without regard to this section, the franchise tax imposed on corporations includes a tax equal to the excess, if any, of:

(1) ~~.001~~ .0005 multiplied by the alternative minimum tax base, over

(2) the amount of tax computed under this chapter without regard to this section.

A tax is payable under this section only if the tax computed under this section, if any, exceeds the tax computed under section 290.0921.

Sec. 9. [290.0921] [CORPORATE ALTERNATIVE MINIMUM TAX AFTER 1989.]

Subdivision 1. [TAX IMPOSED.] In addition to the taxes computed under this chapter without regard to this section, the franchise tax imposed on corporations includes a tax equal to the excess, if any, for the taxable year of:

- (a) 8.4 percent of Minnesota alternative minimum taxable income; over*
- (b) the tax imposed under section 290.06, subdivision 1, without regard to this section.*

A tax is payable under this section only if the tax computed under this section, if any, exceeds the tax computed under section 290.092.

Subd. 2. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given them.

(b) "Alternative minimum taxable net income" is alternative minimum taxable income,

- (1) less the exemption amount, and*
- (2) apportioned or allocated to Minnesota under section 290.17, 290.191, or 290.20.*

(c) The "exemption amount" is \$40,000, reduced, but not below zero, by 25 percent of the excess of alternative minimum taxable income over \$150,000.

(d) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1988.

(d) "Minnesota alternative minimum taxable income" is alternative minimum taxable net income, less the deductions for alternative tax net operating loss under subdivision 4; charitable contributions under subdivision 5; and dividends received under subdivision 6. The sum of the deductions under this paragraph may not exceed 90 percent of alternative minimum taxable net income.

Subd. 3. [ALTERNATIVE MINIMUM TAXABLE INCOME.] "Alternative minimum taxable income" is Minnesota net income as defined in section 290.01, subdivision 19, and includes the adjustments and tax preference items in sections 56, 57, and 58 of the Internal Revenue Code. The following adjustments must be made.

(1) For purposes of the depreciation adjustments under section 56(a)(1) and 56(g)(4)(A) of the Internal Revenue Code, the basis for depreciable property placed in service in a taxable year beginning before January 1, 1990, is the adjusted basis for federal income tax purposes, including any modification made in a taxable year under section 290.01, subdivision 19e, or Minnesota Statutes 1986, section 290.09, subdivision 7, paragraph (c).

(2) The alternative tax net operating loss deduction under sections 56(a)(4) and 56(d) of the Internal Revenue Code does not apply.

(3) The special rule for 100 percent dividends under section 56(g)(4)(C)(ii)

of the Internal Revenue Code does not apply.

(4) The special rule for dividends from section 936 companies under section 56(g)(4)(C)(iii) does not apply.

(5) The tax preference for depletion under section 57(a)(1) of the Internal Revenue Code does not apply.

(6) The tax preference for intangible drilling costs under section 57(a)(2) of the Internal Revenue Code must be calculated without regard to the subtraction under section 290.01, subdivision 19d, clause (4).

(7) The tax preference for tax exempt interest under section 57(a)(5) of the Internal Revenue Code does not apply.

(8) The tax preference for charitable contributions of appreciated property under section 57(a)(6) of the Internal Revenue Code does not apply.

(9) For purposes of calculating the tax preference for accelerated depreciation or amortization on certain property placed in service before January 1, 1987, under section 57(a)(7) of the Internal Revenue Code, the deduction allowable for the taxable year is the deduction allowed under section 290.01, subdivision 19e.

Items of tax preference must not be reduced below zero as a result of the modifications in this subdivision.

Subd. 4. [ALTERNATIVE TAX NET OPERATING LOSS.] (a) An alternative tax net operating loss deduction is allowed from alternative minimum taxable net income equal to the net operating loss deduction allowable for the taxable year under section 290.095 with the following modifications:

(1) The amount of the net operating loss deduction must not exceed 90 percent of alternative minimum taxable net income.

(2) In determining the amount of the net operating loss deduction (i) the net operating loss under section 290.095 must be adjusted as provided in paragraph (b), and (ii) for taxable years beginning after December 31, 1989, section 290.09, subdivision 3, must be applied by substituting "90 percent of alternative minimum taxable net income" for "taxable income" each place it appears.

(b) The following adjustments must be made to the alternative tax net operating loss deduction under paragraph (a):

(1) For a loss year beginning after December 31, 1989, the net operating loss for each year under section 290.095 must be (i) determined with the adjustments provided in sections 56 and 58 of the Internal Revenue Code, as modified by subdivision 3 and (ii) reduced by the items of tax preference for the year determined under section 57 of the Internal Revenue Code, as modified by subdivision 3.

(2) For a loss year beginning before January 1, 1990, the amount of the net operating loss that may be carried over to taxable years beginning after December 31, 1989, equals the amount which may be carried from the loss year to the first taxable year of the taxpayer beginning after December 31, 1989.

Subd. 5. [CHARITABLE CONTRIBUTIONS.] (a) A deduction from alternative minimum taxable net income is allowed equal to the deduction for charitable contributions under section 290.21, subdivision 3. The deduction allowable for capital gain property is limited to the adjusted

basis of the property as defined in section 290.01, subdivision 19f. The term capital gain property has the meaning given by section 170(b)(1)(C)(iv) of the Internal Revenue Code, but does not include property to which an election under section 170(b)(1)(C)(iii) of the Internal Revenue Code applies.

(b) The amount of the deduction may not exceed 15 percent of alternative minimum taxable net income less the deduction allowed under subdivision 6.

Subd. 6. [DIVIDENDS RECEIVED.] A deduction is allowed from alternative minimum taxable net income equal to the deduction for dividends received under section 290.21, subdivision 4, for purposes of calculating taxable income under section 290.01, subdivision 29.

(b) The amount of the deduction must not exceed 90 percent of alternative minimum taxable net income.

Subd. 7. [FOREIGN OPERATING COMPANIES.] The income and deductions related to foreign operating companies, as defined in section 290.01, subdivision 6b, that are used to calculate Minnesota alternative minimum taxable income, are limited to the amounts included for purposes of calculating taxable income under section 290.01, subdivision 29.

Sec. 10. Minnesota Statutes 1988, section 290.17, is amended by adding a subdivision to read:

Subd. 7. [ALLOCATION AND APPORTIONMENT OF CERTAIN FARM INCOME BY C CORPORATIONS.] Notwithstanding any other subdivision, income to a taxpayer from the operation of a farm by a C corporation is assigned to this state and other states and countries under subdivision 3, the unitary business principle in subdivision 4, and the allocation provisions of sections 290.191 and 290.20, if:

(1) the farm operation provides material value added to an agricultural product by processing, packaging, grading, promotion, or distribution;

(2) the farm operation is classified by the United States Department of Commerce Standard Industrial Classification as industrial, manufacturing, or distribution;

(3) a material part of the income is attributable directly or indirectly to testing, research, genetic, or biological selection, genetic engineering, or creation or licensing of patents, copyrights, trademarks, or other intellectual property; or

(4) a material part of the income is derived from an activity that would not in itself be income from farming if performed by another person not otherwise engaged in farming.

Sec. 11. 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 by real or tangible personal property must be attributed to this state if the proceeds of the loan are to be applied in this state. If it cannot be determined where the funds are to be applied, the income and receipts are attributed to the state in which the 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 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~~ *an arrangement in which a lender makes a loan to a borrower and then sells, assigns, or otherwise transfers all or a part of the loan to a purchasing financial institution. A syndication loan is a multibank loan transaction 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. 12. Minnesota Statutes 1988, section 290.21, subdivision 4, is amended to read:

Subd. 4. (a) Eighty percent of dividends received by a corporation during the taxable year from another corporation, in which the recipient owns 20 percent or more of the stock, by vote and value, not including stock described in section 1504(a)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1987, when the corporate stock with respect to which dividends are paid does not constitute the stock in trade of the taxpayer or would not be included in the inventory of the taxpayer, or does not constitute property held by the taxpayer primarily for sale to customers in the ordinary course of the taxpayer's trade or business, or when the trade or business of the taxpayer does not consist principally of the holding of the stocks and the collection of the income and gains therefrom.

The remaining 20 percent of dividends if the dividends received are the stock in an affiliated company transferred in an overall plan of reorganization and the dividend is eliminated in consolidation under Treasury Department Regulation 1.1502-14(a), as amended through December 31,

1988.

(b) Seventy percent of dividends received by a corporation during the taxable year from another corporation in which the recipient owns less than 20 percent of the stock, by vote or value, not including stock described in section 1504(a)(4) of the Internal Revenue Code of 1986 as amended through December 31, 1987, when the corporate stock with respect to which dividends are paid does not constitute the stock in trade of the taxpayer, or does not constitute property held by the taxpayer primarily for sale to customers in the ordinary course of the taxpayer's trade or business, or when the trade or business of the taxpayer does not consist principally of the holding of the stocks and the collection of income and gain therefrom.

(c) The dividend deduction provided in this subdivision shall be allowed only with respect to dividends that are included in a corporation's Minnesota taxable net income for the taxable year.

The dividend deduction provided in this subdivision does not apply to a dividend from a corporation which, for the taxable year of the corporation in which the distribution is made or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 of the Internal Revenue Code of 1986, as amended through December 31, 1987.

The dividend deduction provided in this subdivision applies to the amount of regulated investment company dividends only to the extent determined under section 854(b) of the Internal Revenue Code of 1986, as amended through December 31, 1987.

The dividend deduction provided in this subdivision shall not be allowed with respect to any dividend for which a deduction is not allowed under the provisions of section 246(c) of the Internal Revenue Code of 1986, as amended through December 31, 1987.

(d) If dividends received by a corporation that does not have nexus with Minnesota under the provisions of Public Law Number 86-272 are included as income on the return of an affiliated corporation permitted or required to file a combined report under section 290.34, subdivision 2, then for purposes of this subdivision the determination as to whether the trade or business of the corporation consists principally of the holding of stocks and the collection of income and gains therefrom shall be made with reference to the trade or business of the affiliated corporation having a nexus with Minnesota.

(e) The deduction provided by this subdivision does not apply if the dividends are paid by a FSC as defined in section 922 of the Internal Revenue Code of 1986, as amended through December 31, 1987.

(f) If one or more of the members of the unitary group whose income is included on the combined report received a dividend, the deduction under this subdivision for each member of the unitary business required to file a return under this chapter is the product of: (1) 100 percent of the dividends received by members of the group; (2) ~~80 percent or 70 percent, the percentage allowed pursuant to paragraph (a) or (b);~~ and (3) the percentage of the taxpayer's business income apportionable to this state for the taxable year under section 290.191 or 290.20.

Sec. 13. Minnesota Statutes 1988, section 290.35, subdivision 1, is amended to read:

Subdivision 1. [COMPUTATION OF TAXABLE NET INCOME.] The

taxable net income of insurance companies taxable under this chapter shall be computed as follows:

Each such company shall report to the commissioner the net income returned by it for the taxable year to the United States under the provisions of the act of congress, known as the revenue act of 1936, or that it would be required to return as net income thereunder if it were in effect. *In determining net income, the amount allowed as a deduction for interest credited to policy reserves shall not exceed the larger of the amount allowed by law or the amount the insurance company has actually credited.* Notwithstanding the provisions of the Revenue Act of 1936, whether or not an insurance company is exempt from taxation must be determined under section 290.05.

Sec. 14. Minnesota Statutes 1988, section 290.37, subdivision 1, is amended to read:

Subdivision 1. [PERSONS MAKING RETURNS.] (a) A taxpayer shall file a return for each taxable year the taxpayer is required to file a return under section 6012 of the Internal Revenue Code of 1986, as amended through December 31, 1987, except that an individual who is not a Minnesota resident for any part of the year is not required to file a Minnesota income tax return if the individual's gross income derived from Minnesota sources under sections 290.081, paragraph (a), and 290.17, is less than the filing requirements for a single individual who is a full year resident of Minnesota.

The decedent's final income tax return, and all other income tax returns for prior years where the decedent had gross income in excess of the minimum amount at which an individual is required to file and did not file, shall be filed by the decedent's personal representative, if any. If there is no personal representative, the return or returns shall be filed by the transferees as defined in section 290.29, subdivision 3, who receive any property of the decedent.

The trustee or other fiduciary of property held in trust shall file a return with respect to the taxable net income of such trust if that exceeds an amount determined by the commissioner if such trust belongs to the class of taxable persons.

Every corporation shall file a return, if the corporation is subject to the state's jurisdiction to tax under section 290.014, subdivision 5, except that a foreign operating corporation as defined in section 290.01, subdivision 6b, is not required to file a return. The return in the case of a corporation must be signed by a person designated by the corporation. The commissioner ~~may~~ shall adopt rules for the filing of one return on behalf of the members of an affiliated group of corporations that are required to file a combined report ~~if the affiliated group includes a bank subject to tax under this chapter.~~ Members of an affiliated group that elect to file one return on behalf of the members of the group under rules adopted by the commissioner may modify or rescind the election by filing the form required by the commissioner.

The receivers, trustees in bankruptcy, or assignees operating the business or property of a taxpayer shall file a return with respect to the taxable net income of such taxpayer if a return is required.

(b) Such return shall (1) contain a written declaration that it is correct

and complete, and (2) shall contain language prescribed by the commissioner providing a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

(c) An exempt organization that is subject to tax on unrelated business income under section 290.05, subdivision 3, must file a return for each taxable year in which the organization is required to file a return under section 6012 of the Internal Revenue Code of 1986, as amended through December 31, 1988, because of the receipt of unrelated business income. If an organization is required to file a return under federal law but has no federal tax liability for the taxable year, the commissioner may provide that the filing requirement under this paragraph is satisfied by filing a copy of the taxpayer's federal return.

Sec. 15. Minnesota Statutes 1988, section 290.92, subdivision 4b, as added by Laws 1989, chapter 28, section 19, is amended to read:

Subd. 4b. [WITHHOLDING BY PARTNERSHIPS.] (a) A partnership shall deduct and withhold a tax as provided in paragraph (b) when the partnership pays or credits amounts to any of its nonresident individual partners on account of their distributive shares of partnership income for a taxable year of the partnership.

(b) The amount of tax withheld is determined by multiplying the partner's distributive share allocable to Minnesota under section 290.17, paid or credited during the taxable year by the highest rate used to determine the income tax liability for an individual under section 290.06, subdivision 2c, except that the amount of tax withheld may be determined based on tables provided by the commissioner if the partner submits a withholding exemption certificate under subdivision 5.

(c) A partnership required to deduct and withhold tax under this subdivision shall file a return with the commissioner. The tax required to be deducted and withheld during that year must be paid with the return. The return and payment is due on or before the due date specified for filing the partnership return under section 290.42.

(d) A partnership required to withhold and remit tax under this subdivision is liable for payment of the tax to the commissioner, and a person having control of or responsibility for the withholding of the tax or the filing of returns due under this subdivision is personally liable for the tax due. The commissioner may reduce or abate the tax withheld under this subdivision if the partnership had reasonable cause to believe that no tax was due under this section.

(e) Notwithstanding paragraph (a), a partnership is not required to deduct and withhold tax for a nonresident partner if:

(1) the partner elects to have the tax due paid as part of the partnership's composite return under section 290.39, subdivision 5;

(2) the partner has Minnesota assignable federal adjusted gross income from the partnership of less than \$1,000; ~~or~~

(3) the partnership is liquidated or terminated, the income was generated by a transaction related to the termination or liquidation, and no cash or other property was distributed in the current or prior taxable year; *or*

(4) *the distributive shares of partnership income are attributable to:*

(i) *income required to be recognized because of discharge of indebtedness;*

(ii) *income recognized because of a sale, exchange, or other disposition of real estate, depreciable property, or property described in section 179 of the Internal Revenue Code of 1986, as amended through December 31, 1988; or*

(iii) *income recognized on the sale, exchange, or other disposition of any property that has been the subject of a basis reduction pursuant to sections 108, 734, 743, 754, or 1017 of the Internal Revenue Code of 1986, as amended through December 31, 1988,*

to the extent that the income does not include cash received or receivable or, if there is cash received or receivable, to the extent that the cash is required to be used to pay indebtedness by the partnership or a secured debt on partnership property.

(f) For purposes of subdivisions 6, paragraph (1)(c), 6a, 7, 11, and 15, a partnership is considered an employer.

(g) *To the extent that income is exempt from withholding under paragraph (e), clause (4), the commissioner has a lien in an amount up to the amount that would be required to be withheld with respect to the income of the partner attributable to the partnership interest, but for the application of paragraph (e), clause (4). The lien arises under section 270.69 from the date of assessment of the tax against the partner, and attaches to that partner's share of the profits and any other money due or to become due to that partner in respect of the partnership. Notice of the lien may be sent by mail to the partnership, without the necessity for recording the lien. The notice has the force and effect of a levy under section 270.70, and is enforceable against the partnership in the manner provided by that section. Upon payment in full of the liability subsequent to the notice of lien, the partnership must be notified that the lien has been satisfied.*

Sec. 16. Minnesota Statutes 1988, section 290.934, subdivision 3a, is amended to read:

Subd. 3a. [REQUIRED INSTALLMENTS.] (1) Except as otherwise provided in this subdivision, the amount of a required installment is 25 percent of the required annual payment.

(2) Except as otherwise provided in this subdivision, the term "required annual payment" means the lesser of:

(a) 90 percent of the tax shown on the return for the taxable year, or if no return is filed 90 percent of the tax for such year; or

(b) 100 percent of the tax shown on the return of the corporation for the preceding taxable year providing such return was for a full 12-month period, did show a liability, and was filed by the corporation.

(3) Except for determining the first required installment for any taxable year, paragraph (2), clause (b), does not apply in the case of a large corporation. The term "large corporation" means a corporation or any predecessor corporation that had taxable net income of \$1,000,000 or more for any taxable year during the testing period. The term "testing period" means the three taxable years immediately preceding the taxable year involved. A reduction allowed to a large corporation for the first installment that is allowed by applying paragraph (2), clause (b), must be recaptured by increasing the next required installment by the amount of the reduction.

(4) In the case of a required installment, if the corporation establishes that the annualized income installment is less than the amount determined in paragraph (1), the amount of the required installment is the annualized income installment and the recapture of previous quarters' reductions allowed by this paragraph must be recovered by increasing subsequent required installments to the extent the reductions have not previously been recovered. ~~A reduction shall be treated as recaptured for purposes of this paragraph if 90 percent of the reduction is recaptured.~~

(5) The "annualized income installment" is the excess, if any, of:

(a) an amount equal to the applicable percentage of the tax for the taxable year computed by placing on an annualized basis the taxable income:

(i) for the first two months of the taxable year, in the case of the first required installment;

(ii) for the first two months or for the first five months of the taxable year, in the case of the second required installment;

(iii) for the first six months or for the first eight months of the taxable year, in the case of the third required installment; and

(iv) for the first nine months or for the first 11 months of the taxable year, in the case of the fourth required installment, over;

(b) the aggregate amount of any prior required installments for the taxable year.

(c) For the purpose of this paragraph, the annualized income shall be computed by placing on an annualized basis the taxable income for the year up to the end of the month preceding the due date for the quarterly payment multiplied by 12 and dividing the resulting amount by the number of months in the taxable year (2, 5, 6, 8, 9, or 11 as the case may be) referred to in clause (a).

(d) The "applicable percentage" used in clause (a) is:

In the case of the following required installments:	The applicable percentage is:
1st	22.5
2nd	45
3rd	67.5
4th	90

(6)(a) If this paragraph applies, the amount determined for any installment must be determined in the following manner:

(i) take the taxable income for all months during the taxable year preceding the filing month;

(ii) divide that amount by the base period percentage for all months during the taxable year preceding the filing month;

(iii) determine the tax on the amount determined under item (ii); and

(iv) multiply the tax computed under item (iii) by the base period percentage for the filing month and all months during the taxable year preceding the filing month.

(b) For purposes of this paragraph:

(i) the "base period percentage" for any period of months is the average

percent which the taxable income for the corresponding months in each of the three preceding taxable years bears to the taxable income for the three preceding taxable years;

(ii) the term "filing month" means the month in which the installment is required to be paid;

(iii) this paragraph shall only apply if the base period percentage for any six consecutive months of the taxable year equals or exceeds 70 percent; and

(iv) the commissioner may provide by rule for the determination of the base period percentage in the case of reorganizations, new corporations, and other similar circumstances.

(c) In the case of a required installment, determined under this paragraph, if the corporation determines that the installment is less than the amount determined in paragraph (1), the amount of the required installment is the amount determined under this paragraph and the recapture of previous quarters' reductions allowed by this paragraph must be recovered by increasing subsequent required installments to the extent the reductions have not previously been recovered. ~~A reduction shall be treated as recaptured for purposes of this paragraph if 90 percent of the reduction is recaptured.~~

Sec. 17. Minnesota Statutes 1988, section 295.34, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 2, every telephone company shall file a return with the commissioner of revenue on or before April 15 of each year, and submit payment therewith, of the following percentages of its gross earnings, including long distance access charges, of the preceding calendar year derived from business within this state:

(a) for gross earnings from service to rural subscribers and from exchange business of all cities of the fourth class and statutory cities having a population of 10,000 or less

for calendar years beginning before December 31, 1988, four percent,

for calendar year 1989, three percent, provided that the estimated tax payments made on March 15 and June 15, 1989, pursuant to section 295.365, must be made as if the tax were imposed at a rate of four percent,

for calendar year 1990, 1.5 percent,

for calendar year 1991, one percent, and

for calendar years beginning after December 31, 1991, exempt; and

(b) for gross earnings derived from all other business

for calendar years beginning before December 31, 1988, seven percent,

for calendar year 1989, 5.5 percent, provided that the estimated tax payments made on March 15 and June 15, 1989, pursuant to section 295.365, must be made as if the tax were imposed at a rate of seven percent,

for calendar year 1990, three percent,

for calendar year 1991, 2.5 percent, and

for calendar years beginning after December 31, 1991, exempt.

A tax shall not be imposed on the gross earnings of a telephone company

from business originating or terminating outside of Minnesota, except that the gross earnings tax is imposed on all long distance access charges allocated to interstate service received in payment from a telephone company before December 31, 1989.

The tax imposed is in lieu of all other taxes, except the taxes imposed by chapter 290, property taxes assessed beginning in 1989, payable in 1990, and sales and use taxes imposed as a result of chapter 297A. All money paid by a company for connecting fees and switching charges to any other company shall be reported as earnings by the company to which they are paid. For the purposes of this section, the population of any statutory city shall be considered as that stated in the latest federal census.

(c) For the period January 1, 1984 through December 31, 1986, all money paid by a company for connecting fees and switching charges, including carriers access charges except that portion paid for directory assistance and billing and collection services, to any other company must be reported as earnings by the company to which they are paid, but are not deemed to be earnings of the collecting and paying company.

(d) Gross earnings include customer access charges. Customer access charges are not gross earnings from business originating or terminating outside of Minnesota for purposes of the gross earnings tax. Customer access charges include the flat rate monthly charges received by a telephone company from its customers, that are authorized by the Federal Communications Commission and that compensate a telephone company for the cost of a local telephone plant to the extent attributable to interstate service.

Sec. 18. Minnesota Statutes 1988, section 298.01, is amended by adding a subdivision to read:

Subd. 3c. [ALTERNATIVE MINIMUM TAX.] For purposes of calculating the alternative minimum tax under section 290.0921, Minnesota alternative minimum taxable income must be computed under the provisions of subdivisions 3, 3a, and 3b, and the provisions of section 290.0921, except that:

(1) the adjustment for adjusted current earnings under section 56(g) of the Internal Revenue Code of 1986, as amended through December 31, 1988, must be determined using gross income as defined in subdivision 3a; and

(2) the tax preference for depletion under section 57(a)(1) of the Internal Revenue Code of 1986, as amended through December 31, 1988, must be included in alternative minimum taxable income.

Sec. 19. Minnesota Statutes 1988, section 298.01, is amended by adding a subdivision to read:

Subd. 4d. [ALTERNATIVE MINIMUM TAX.] For purposes of calculating the alternative minimum tax under section 290.0921, Minnesota alternative minimum taxable income must be computed under the provisions of subdivisions 4, 4a, 4b and 4c, and the provisions of section 290.0921, except that:

(1) for purposes of the depreciation adjustments provided by section 56(a)(1) of the Internal Revenue Code of 1986, as amended through December 31, 1988, the basis for depreciable property placed in service is the remaining depreciable basis as defined in subdivision 4c;

(2) the adjustment for adjusted current earnings under section 56(g) of the Internal Revenue Code of 1986, as amended through December 31, 1988, must be determined using gross income as defined in subdivision 4a;

(3) the tax preference for depletion under section 57(a)(1) of the Internal Revenue Code of 1986, as amended through December 31, 1988, must be included in alternative minimum taxable income; and

(4) for purposes of calculating the tax preference for accelerated depreciation or amortization of certain property placed in service before January 1, 1987, under section 57(a)(7) of the Internal Revenue Code of 1986, as amended through December 31, 1988, the deduction allowable for the taxable year shall mean the deduction allowable under subdivision 4c, provided that this modification must not reduce the amount of tax preference to less than zero.

Sec. 20. [STATEMENT OF PURPOSE.]

The purpose of section 17 is to confirm and clarify the original intent of the legislature in enacting the exemption for gross earnings from business originating or terminating outside of Minnesota in Minnesota Statutes, section 295.34. Section 17 does not create a new category of earnings subject to the gross earnings tax. It ratifies existing state interpretation of the telephone gross earnings tax and Minnesota Statutes, section 295.34.

Sec. 21. [REFUND ON ACCESS CHARGES.]

All persons who purchased telecommunications services from a long distance carrier and who on January 1, 1988, utilized customer provided access for such long distance telecommunication services but who were directly or indirectly billed by the long distance carrier a surcharge, reflecting the tax on long distance access charges, are entitled to a refund of all such amounts. The refund claim shall be filed at the end of each calendar year with the commissioner of revenue and shall set forth the basis for the refund and the amount to be refunded. The money necessary to pay the refunds is hereby appropriated to the commissioner out of the general fund. This section is effective for all amounts paid in calendar year 1989.

Sec. 22. [REPEALER.]

Minnesota Statutes 1988, section 290.092, subdivision 5, is repealed.

Sec. 23. [EFFECTIVE DATE.]

Section 1 is effective for premiums paid after December 31, 1988. Sections 2, 3, 5, 11, 12, and 14, paragraph (c), are effective for taxable years beginning after December 31, 1988. Sections 4, 6 to 9, and 14, paragraph (a), are effective for taxable years beginning after December 31, 1989. Section 10 is effective for taxable years beginning after December 31, 1990. Section 15 is effective after December 31, 1989. Section 16 is effective for payments due after May 31, 1989. Section 17 is effective retroactive to January 1, 1986. Sections 18 and 19 are effective for ores mined after December 31, 1989. Section 22 is effective the day following final enactment. Section 13 is effective for taxable years beginning after December 31, 1988.

ARTICLE 3
PROPERTY TAX REFUND

Section 1. Minnesota Statutes 1988, section 290A.03, subdivision 11, is amended to read:

Subd. 11. [RENT CONSTITUTING PROPERTY TAXES.] "Rent constituting property taxes" means ~~the amount 21 percent of the gross rent actually paid in cash, or its equivalent, or that portion of gross rent which is attributable (a) to the property tax paid on the unit or (b) to the amount paid in lieu of property taxes, in any calendar year by a claimant solely for the right of occupancy of the claimant's Minnesota homestead in the calendar year, and which rent constitutes the basis, in the succeeding calendar year of a claim for relief under this chapter by the claimant. The amount of rent attributable to property taxes paid or payments in lieu made on the unit shall be determined by multiplying the net tax on the property where the unit is located by a fraction, the numerator of which is the gross rent paid by the claimant for the calendar year for the unit and the denominator of which is the gross rent paid for the calendar year for the property in which the unit is located. In no case may the rent constituting property taxes exceed 50 percent of the gross rent paid by the claimant during that calendar year. In the case of a claimant who resides in a unit for which (1) a rent subsidy is paid to, or for, the claimant based on the income of the claimant or the claimant's family, or (2) a subsidy is paid to a public housing authority that owns or operates the claimant's rental unit, pursuant to United States Code, title 42, section 1437c, 20 percent of gross rent actually paid in cash or its equivalent shall be the claimant's "rent constituting property taxes paid."~~ For purposes of this subdivision, "rent subsidy" ~~does not include any housing assistance received under aid to families with dependent children, general assistance, Minnesota supplemental assistance, supplemental security income, or similar income maintenance programs.~~

Sec. 2. Minnesota Statutes 1988, section 290A.04, subdivision 1, is amended to read:

Subdivision 1. A refund shall be allowed each claimant in the amount that property taxes payable or rent constituting property taxes exceed the percentage of the household income of the claimant specified in subdivision 2 or 2a in the year for which the taxes were levied or in the year in which the rent was paid as specified in subdivision 2 or 2a. If the amount of property taxes payable or rent constituting property taxes is equal to or less than the percentage of the household income of the claimant specified in subdivision 2 or 2a in the year for which the taxes were levied or in the year in which the rent was paid, the claimant shall not be eligible for a state refund pursuant to this section. For purposes of claiming this refund, a claimant who owns a homestead part of the year and rents part of the year may add the rent constituting property taxes to the qualifying tax on the homestead.

Sec. 3. Minnesota Statutes 1988, section 290A.04, subdivision 2, is amended to read:

Subd. 2. A claimant *who, on the federal tax return filed for the prior year, claimed a personal exemption for a dependent pursuant to section 151 of the Internal Revenue Code, and whose property taxes payable or rent constituting property taxes are in excess of the percentage of the*

household income stated below shall pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of property taxes payable or rent constituting property taxes. The state refund will be equal to the amount of property taxes payable or rent constituting property taxes that remain, up to the state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
\$0 to 999	1.0 percent	10 percent	\$1,100
1,000 to 1,999	1.1 percent	11 percent	\$1,100
2,000 to 2,999	1.2 percent	12 percent	\$1,100
3,000 to 3,499	1.3 percent	13 percent	\$1,100
3,500 to 3,999	1.3 percent	13 percent	\$1,100
4,000 to 4,499	1.4 percent	14 percent	\$1,100
4,500 to 4,999	1.4 percent	14 percent	\$1,100
5,000 to 5,999	1.5 percent	15 percent	\$1,100
6,000 to 6,999	1.5 percent	16 percent	\$1,100
7,000 to 7,999	1.6 percent	17 percent	\$1,100
8,000 to 8,999	1.6 percent	18 percent	\$1,100
9,000 to 9,999	1.7 percent	19 percent	\$1,100
10,000 to 10,999	1.7 percent	20 percent	\$1,075
11,000 to 11,999	1.8 percent	22 percent	\$1,075
12,000 to 12,999	1.8 percent	24 percent	\$1,075
13,000 to 13,999	1.9 percent	26 percent	\$1,075
14,000 to 14,999	2.0 percent	28 percent	\$1,075
15,000 to 15,999	2.1 percent	30 percent	\$1,075
16,000 to 16,999	2.2 percent	32 percent	\$1,075
17,000 to 17,999	2.3 percent	34 percent	\$1,050
18,000 to 18,999	2.4 percent	36 percent	\$1,050
19,000 to 19,999	2.6 percent	38 percent	\$1,050
20,000 to 20,999	2.8 percent	40 percent	\$1,050
21,000 to 21,999	3.0 percent	42 percent	\$1,050
22,000 to 22,999	3.2 percent	44 percent	\$1,050
23,000 to 23,999	3.3 percent	46 percent	\$1,025
24,000 to 24,999	3.4 percent	48 percent	\$1,025
25,000 to 25,999	3.5 percent	50 percent	\$1,025
26,000 to 26,999	3.6 percent	52 percent	\$1,025
27,000 to 27,999	3.7 percent	54 percent	\$1,000
28,000 to 28,999	3.8 percent	56 percent	\$ 900
29,000 to 29,999	3.9 percent	58 percent	\$ 800
30,000 to 30,999	4.0 percent	60 percent	\$ 700
31,000 to 31,999	4.0 percent	60 percent	\$ 600
32,000 to 32,999	4.0 percent	60 percent	\$ 500
33,000 to 33,999	4.0 percent	60 percent	\$ 300
34,000 to 34,999	4.0 percent	60 percent	\$ 100

The payment made to a claimant shall be the amount of the state refund calculated pursuant to this subdivision. For taxes payable in 1989, the amount of the refund must be reduced by the homestead credit. No payment is allowed if the claimant's household income is \$35,000 or more.

Sec. 4. Minnesota Statutes 1988, section 290A.04, is amended by adding a subdivision to read:

Subd. 2a. A claimant who is ineligible for a refund under subdivision 2 and whose property taxes payable or rent constituting property taxes are in excess of the percentage of the household income stated below shall pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of property taxes payable or rent constituting property taxes. The state refund will be equal to the amount of property taxes payable or rent constituting property taxes that remain, up to the state refund amount shown below.

<i>Household Income</i>	<i>Percent of Income</i>	<i>Percent Paid by Claimant</i>	<i>Maximum State Refund</i>
\$0 to 999	.9 percent	7 percent	\$1,100
1,000 to 1,999	1.0 percent	8 percent	\$1,100
2,000 to 2,999	1.1 percent	9 percent	\$1,100
3,000 to 3,999	1.2 percent	10 percent	\$1,100
4,000 to 4,999	1.3 percent	11 percent	\$1,100
5,000 to 5,999	1.4 percent	12 percent	\$1,100
6,000 to 6,999	1.4 percent	13 percent	\$1,100
7,000 to 7,999	1.5 percent	14 percent	\$1,100
8,000 to 8,999	1.5 percent	15 percent	\$1,100
9,000 to 9,999	1.6 percent	16 percent	\$1,100
10,000 to 10,999	1.6 percent	17 percent	\$1,075
11,000 to 11,999	1.7 percent	18 percent	\$1,075
12,000 to 12,999	1.7 percent	19 percent	\$1,075
13,000 to 13,999	1.8 percent	19 percent	\$1,075
14,000 to 14,999	1.9 percent	20 percent	\$1,075
15,000 to 15,999	2.0 percent	21 percent	\$1,075
16,000 to 16,999	2.1 percent	21 percent	\$1,075
17,000 to 17,999	2.2 percent	22 percent	\$1,050
18,000 to 18,999	2.3 percent	22 percent	\$1,050
19,000 to 19,999	2.4 percent	23 percent	\$1,050
20,000 to 20,999	2.5 percent	25 percent	\$1,050
21,000 to 21,999	2.6 percent	26 percent	\$1,050
22,000 to 22,999	2.7 percent	28 percent	\$1,050
23,000 to 23,999	2.8 percent	29 percent	\$1,025
24,000 to 24,999	2.9 percent	30 percent	\$1,025
25,000 to 25,999	3.0 percent	32 percent	\$1,025
26,000 to 26,999	3.1 percent	33 percent	\$1,025
27,000 to 27,999	3.3 percent	35 percent	\$1,000
28,000 to 28,999	3.4 percent	37 percent	\$ 900
29,000 to 29,999	3.5 percent	40 percent	\$ 800
30,000 to 30,999	3.6 percent	44 percent	\$ 700
31,000 to 31,999	3.7 percent	48 percent	\$ 600
32,000 to 32,999	3.8 percent	52 percent	\$ 500
33,000 to 33,999	3.9 percent	56 percent	\$ 300
34,000 to 34,999	4.0 percent	60 percent	\$ 100

The payment made to a claimant shall be the amount of the state refund calculated pursuant to this subdivision. For taxes payable in 1989, the amount of the refund must be reduced by the homestead credit. No payment is allowed if the claimant's household income is \$35,000 or more.

Sec. 5. Minnesota Statutes 1988, section 290A.04, subdivision 2b, is amended to read:

Subd. 2b. The commissioner may reconstruct the tables in subdivision 2 or 2a for homeowners to reflect the elimination of the homestead credit beginning for claims based on taxes payable in 1990.

Sec. 6. Minnesota Statutes 1988, section 290A.04, subdivision 2h, is amended to read:

Subd. 2h. If the net property taxes payable in 1989 on a homestead increase more than ten percent over the net property taxes payable in 1988 on the same property, and the amount of that increase is \$40 or more, a claimant who is a homeowner shall be allowed an additional refund equal to 75 percent of the amount by which the increase exceeds ten percent. This subdivision shall not apply to any increase in the net property taxes payable attributable to improvements made to the homestead.

~~A refund under this subdivision shall not exceed \$250.~~

For purposes of this subdivision, "net property taxes payable" means property taxes payable after reductions made pursuant to sections 273.13, subdivisions 22 and 23; 273.132; 273.135; 273.1391; and 273.42, subdivision 2, and any other state paid property tax credits and after the deduction of tax refund amounts for which the claimant qualifies pursuant to subdivision 2.

In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

Sec. 7. Minnesota Statutes 1988, section 290A.04, is amended by adding a subdivision to read:

Subd. 2i. If the net property taxes payable in 1990 on a homestead increase more than ten percent over the net property taxes payable in 1989 on the same property, and the amount of that increase is \$40 or more, a claimant who is a homeowner shall be allowed an additional refund equal to the amount by which the increase exceeds ten percent. This subdivision shall not apply to any increase in the net property taxes payable attributable to improvements made to the homestead.

For purposes of this subdivision, "net property taxes payable" means property taxes payable after reductions made pursuant to sections 273.135; 273.1391; and 273.42, subdivision 2, and any other state paid property tax credits and after the deduction of tax refund amounts for which the claimant qualifies pursuant to subdivision 2 or 2a.

In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

Sec. 8. Minnesota Statutes 1988, section 290A.04, subdivision 3, is amended to read:

Subd. 3. The commissioner of revenue shall construct and make available to taxpayers a comprehensive table showing the property taxes to be paid and refund allowed at various levels of income and assessment. The table shall follow the schedule of income percentages, maximums and other provisions specified in subdivision 2 or 2a, except that the commissioner may graduate the transition between income brackets. All refunds shall be

computed in accordance with tables prepared and issued by the commissioner of revenue.

Sec. 9. [EFFECTIVE DATE.]

Sections 1, 2, 3, 4, 5, and 8 are effective for claims based on property taxes payable in 1990, rent constituting property taxes paid in 1989, and thereafter. Section 6 is effective the day following final enactment.

ARTICLE 4

PROPERTY TAX AIDS AND LEVIES

Section 1. Minnesota Statutes 1988, section 270.12, is amended by adding a subdivision to read:

Subd. 4. For purposes of equalization, state-assessed public utility property shall be considered as a separate class of property notwithstanding the fact that its tax capacity rate may be assigned pursuant to another class of property.

Sec. 2. Minnesota Statutes 1988, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) all public burying grounds;
- (2) all public schoolhouses;
- (3) all public hospitals;
- (4) all academies, colleges, and universities, and all seminaries of learning;
- (5) all churches, church property, and houses of worship;
- (6) institutions of purely public charity except parcels of property containing structures and the structures described in section 273.13, subdivision 25, paragraph (c), clause (1) or (2), or paragraph (d), clause (2);
- (7) all public property exclusively used for any public purpose;
- (8) except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d), shall be exempt.

The following personal property shall be taxable:

(a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;

(b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;

(c) personal property defined in section 272.03, subdivision 2, clause (3);

(d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;

- (e) manufactured homes and sectional structures; and
- (f) flight property as defined in section 270.071.

(9) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, rules, or criteria prescribed by the Minnesota pollution control agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota pollution control agency shall upon request of the commissioner furnish information or advice to the commissioner. On determining that property qualifies for exemption, the commissioner shall issue an order exempting the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota pollution control agency remains in effect.

(10) Wetlands. For purposes of this subdivision, "wetlands" means (1) land described in section 105.37, subdivision 15, or (2) land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. "Wetlands" shall not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause and section 273.116. Upon receipt of an application for the exemption and credit provided in this clause and section 273.116 for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of the decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility, or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydro-mechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 105.482, subdivisions 1, 8, and 9.

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band; and

(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band.

An exemption provided by paragraph (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(16) Real and personal property owned and operated by a private, non-profit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures.

(17) Notwithstanding section 273.19, state lands that are leased from the department of natural resources under section 92.46.

(18) Electric power distribution lines and their attachments and appurtenances, that are used primarily for supplying electricity to farmers at retail.

(19) Transitional housing facilities. "Transitional housing facility" means a facility that meets the following requirements. (i) It provides temporary

housing to parents and children who are receiving AFDC or parents of children who are temporarily in foster care. (ii) It has the purpose of reuniting families and enabling parents to *obtain self-sufficiency*, advance their education, get job training, or become employed in jobs that provide a living wage. (iii) It provides support services such as child care, work readiness training, and career development counseling; and a self-sufficiency program with periodic monitoring of each resident's progress in completing the program's goals. (iv) It provides services to a resident of the facility for at least six months but no longer than ~~one year~~ *three years*, except residents enrolled in an educational or vocational institution or job training program. These residents may receive services during the time they are enrolled but in no event longer than four years. (v) It is sponsored by an organization that has received a grant under *either* section 256.7365 for the biennium ending June 30, 1989, *or* section 462A.07, subdivision 15, for the biennium ending June 30, 1991, for the purposes of providing the services in items (i) to (iv). (vi) It is sponsored by an organization that is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1987. This exemption applies notwithstanding the fact that the sponsoring organization receives financing by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency under the provisions of either Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant to it, and notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

Sec. 3. Minnesota Statutes 1988, section 272.02, is amended by adding a subdivision to read:

Subd. 6. [PROPERTY LEASED TO SCHOOL DISTRICTS.] Property that is leased or rented to a school district is exempt from taxation if it meets the following requirements:

- (1) the lease must be for a period of at least 12 consecutive months;*
- (2) the terms of the lease must require the school district to pay a nominal consideration for use of the building;*
- (3) the school district must use the property to provide direct instruction in any grade from kindergarten through twelfth grade or special education for handicapped children or adult basic and continuing education as described in section 124.26, including provision of administrative services directly related to the educational program at that site; and*
- (4) the lease must provide that the school district has the exclusive use of the property during the lease period.*

If the property that is leased to the school district is less than a complete parcel for assessment purposes, the value of that portion of the parcel that is leased is exempt under this subdivision.

Sec. 4. Minnesota Statutes 1988, section 273.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivisions 6, 8, ~~and~~ 9, ~~and~~ 11, or section 273.17, subdivision 1, all property shall be valued at its market value. The market value as determined pursuant to this section shall be stated such that any amount under \$100 is rounded up

to \$100 and any amount exceeding \$100 shall be rounded to the nearest \$100. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall the assessor adopt as a criterion of value the price for which such property would sell at a forced sale, or in the aggregate with all the property in the town or district; but the assessor shall value each article or description of property by itself, and at such sum or price as the assessor believes the same to be fairly worth in money. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the assessment of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, the gross tax capacity of that lot or any single contiguous lot fronting on the same street shall be eligible for reassessment. All property, or the use thereof, which is taxable under section 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 5. Minnesota Statutes 1988, section 273.11, is amended by adding a subdivision to read:

Subd. 11. [HOMESTEADS; LIMITATION IN MARKET VALUE INCREASES.] (a) After determining the market value of property classified class 1 or 2a, the assessor shall compare the market value with the market value determined in the preceding assessment. Notwithstanding any law to the contrary, the percentage increase in value entered in the current assessment over the previous year's assessment must not exceed the greater of \$10,000 or ten percent.

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

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

(d) The limitation contained in this subdivision also applies to the local boards of review under section 274.01, the county boards of equalization under section 274.13, and the state board of equalization and the commissioner of revenue under sections 270.11, 270.12, and 270.16. Except for property subject to the provisions of paragraph (c), the cumulative increases made by the assessor, the boards, and the commissioner may not exceed the maximum increase allowed under paragraph (a). Excess increases must be entered in subsequent years under paragraph (b).

Sec. 6. Minnesota Statutes 1988, section 273.111, subdivision 3, is

amended to read:

Subd. 3. (a) Real estate consisting of ten acres or more *or a nursery or greenhouse qualifying for classification as class 1b, 2a, or 2b under section 273.13, subdivision 23, paragraph (d)*, shall be entitled to valuation and tax deferment under this section only if it is actively and exclusively devoted to agricultural use as defined in subdivision 6 and either: (1) is the homestead of the owner, or of a surviving spouse, child, or sibling of the owner or is real estate which is farmed with the real estate which contains the homestead property; or

(2) has been in possession of the applicant, the applicant's spouse, parent, or sibling, or any combination thereof, for a period of at least seven years prior to application for benefits under the provisions of ~~Laws 1969, chapter 4039~~, *this section or is real estate which is farmed with the real estate which qualifies under this clause*; or

(3) is the homestead of a shareholder in a family farm corporation as defined in section 500.24, notwithstanding the fact that legal title to the real estate may be held in the name of the family farm corporation; or

(4) *is in the possession of a nursery or greenhouse or an entity owned by a proprietor, partnership, or corporation which also owns the nursery or greenhouse operations on the parcel or parcels.*

(b) Valuation of real estate under this section is limited to parcels the ownership of which is in noncorporate entities except for:

(1) family farm corporations organized pursuant to section 500.24; and

(2) *corporations that derive 80 percent or more of their gross receipts from the wholesale or retail sale of horticultural or nursery stock.*

Corporate entities who previously qualified for tax deferment pursuant to this section and who continue to otherwise qualify under subdivisions 3 and 6 for a period of at least three years following the effective date of this section will not be required to make payment of the previously deferred taxes, notwithstanding the provisions of subdivision 9. Sale of the land prior to the expiration of the three-year period shall result in payment of deferred taxes as follows: sale within the first year requires payment of payable 1980, 1981, and 1982 deferred taxes; sale during the second year requires payment of payable 1981 and 1982 taxes deferred; and sale at any time during the third year will require payment of payable 1983 taxes deferred. Deferred taxes shall be paid even if the land qualifies pursuant to subdivision 11a. Special assessments are payable at the end of the three-year period or at time of sale, whichever comes first.

Sec. 7. Minnesota Statutes 1988, section 273.124, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] Residential real estate that is occupied and used for the purposes of a homestead by its owner, who must be a Minnesota resident, is a *residential* homestead.

Agricultural land, as defined in section 273.13, subdivision 23, that is occupied and used as a homestead by its owner, who must be a Minnesota resident, is an agricultural homestead.

Dates for establishment of a homestead and homestead treatment provided to particular types of property are as provided in this section.

The assessor shall require proof, by affidavit or otherwise, of the facts upon which classification as a homestead may be determined.

For purposes of this section, homestead property shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property. The term "used for purposes of the homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for future development. In order to receive homestead treatment for the noncontiguous property, the owner shall apply for it to the assessor by July 1 of the year when the treatment is initially sought. After initial qualification for the homestead treatment, additional applications for subsequent years are not required.

In the case of property owned by a married couple in joint tenancy or tenancy in common, the assessor must not deny homestead treatment in whole or in part if only one of the spouses is occupying the property and the other spouse is absent due to divorce or separation, or is a resident of a nursing home or a boarding care facility.

If an individual is purchasing property with the intent of claiming it as a homestead, and is required by the terms of the financing agreement to have one or both parents shown on the deed as coowners, the assessor shall allow a full homestead classification and extend full homestead credit. This provision only applies to first time purchasers, whether married or single, or to a person who had previously been married and is purchasing as a single individual for the first time. The application for homestead benefits must be on a form prescribed by the commissioner and must contain the data necessary for the assessor to determine if full homestead benefits are warranted.

Sec. 8. Minnesota Statutes 1988, section 273.124, subdivision 9, is amended to read:

Subd. 9. [HOMESTEAD ESTABLISHED AFTER ASSESSMENT DATE.] Any property that was not used for the purpose of a homestead on the assessment date, but which was used for the purpose of a homestead ~~on~~ by June 1 of a year, constitutes class 1 or class 2a ~~to the extent of one-half of the valuation that would have been includable in class 1 or class 2a.~~

Any taxpayer meeting the requirements of this subdivision must notify the county assessor, or the assessor who has the powers of the county assessor pursuant to section 273.063, in writing, prior to June 15 of the year of occupancy in order to qualify under this subdivision.

The county assessor and the county auditor may make the necessary changes on their assessment and tax records to provide for proper homestead classification as provided in this subdivision.

The owner of any property qualifying under this subdivision, which has not been accorded the benefits of this subdivision, regardless of whether or not the notification has been timely filed, may be entitled to receive homestead classification by proper application as provided in section 270.07 or 375.192.

The county assessor shall publish in a newspaper of general circulation within the county no later than June 1 of each year a notice informing the public of the requirement to file an application for homestead prior to June

15.

Sec. 9. Minnesota Statutes 1988, section 273.124, is amended by adding a subdivision to read:

Subd. 14. [AGRICULTURAL HOMESTEADS; SPECIAL PROVISIONS.] (a) Real estate of less than ten acres that is the homestead of its owner must be classified as class 2a under section 273.13, subdivision 23, paragraph (a), if:

(1) the parcel on which the house is located is contiguous to agricultural land on at least two sides;

(2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20 acres;

(3) the noncontiguous land is located not farther than two townships or cities, or a combination of townships or cities from the homestead; and

(4) the agricultural use value of the noncontiguous land and farm buildings is equal to at least 50 percent of the market value of the house, garage and one acre of land.

Homesteads initially classified as class 2a under the provisions of this subdivision shall remain classified as class 2a, irrespective of subsequent changes in the use of adjoining properties, so long as the homestead remains under the same ownership and the owner owns a noncontiguous parcel of agricultural land that is at least 20 acres.

(b) Noncontiguous land shall be included as part of a homestead under section 273.13, subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached land is located in the same township or city, or not farther than two townships or cities or combination thereof from the homestead.

(c) Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified as a homestead under section 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a.

Sec. 10. Minnesota Statutes 1988, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first \$68,000 of market value of class 1a property has a net tax capacity of ~~one~~ .95 percent of its market value and a gross tax capacity of 2.17 percent of its market value. The market value of class 1a property that exceeds \$68,000 but does not exceed \$100,000 has a tax capacity of ~~2.5~~ 1.9 percent of its market value. The market value of class 1a property that exceeds \$100,000 has a tax capacity of ~~3.3~~ three percent of its market value.

(b) Class 1b property includes real estate or manufactured homes used

for the purposes of a homestead by

(1) any blind person, if the blind person is the owner thereof or if the blind person and the blind person's spouse are the sole owners thereof; or

(2) any person, hereinafter referred to as "veteran," who:

(i) served in the active military or naval service of the United States; and

(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and

(iii) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as a homestead; or

(3) any person who:

(i) is permanently and totally disabled and

(ii) receives 90 percent or more of total income from

(A) aid from any state as a result of that disability; or

(B) supplemental security income for the disabled; or

(C) workers' compensation based on a finding of total and permanent disability; or

(D) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or

(E) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(F) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability; or

(iii) whose household income as defined in section 290A.03, subdivision 5, is 150 percent or less of the federal poverty level.

Property is classified and assessed pursuant to clause (1) only if the commissioner of jobs and training certifies to the assessor that the owner of the property satisfies the requirements of this subdivision. The commissioner of jobs and training shall provide a copy of the certification to the commissioner of revenue.

Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings the person an income. The first \$32,000 market value of class 1b property has a net tax capacity of .4 percent of its market value and a gross tax capacity of .87 percent of its market value. The remaining market value of class 1b property has a gross or net tax capacity using the rates for class 1 or class 2a property, whichever is appropriate, of similar market value.

(c) Class 1c property is commercial use real property that abuts a lakeshore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 200 250 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner, *which includes a dwelling occupied as a homestead by a shareholder of a corporation that owns the resort or a partner in a partnership that owns the resort, even if the title to the homestead is held by the corporation or partnership.* Class 1c property has a tax capacity of ~~.9~~ .75 percent of market value with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore.

~~(d) For taxes levied in 1988, payable in 1989 only, the tax to be paid on class 1a or class 1b property shall be reduced by 54 percent of the tax imposed on the first \$68,000 of market value. The amount of the reduction shall not exceed \$725.~~

Sec. 11. Minnesota Statutes 1988, section 273.13, subdivision 23, is amended to read:

Subd. 23. [CLASS 2.] (a) Class 2a property is agricultural land including any improvements that is homesteaded. The market value of the house and garage and immediately surrounding one acre of land that does not exceed ~~\$65,000~~ \$68,000 has a net tax capacity of ~~.805~~ .925 percent of market value for taxes levied in 1989 and .95 percent for taxes levied in 1990 and thereafter and a gross tax capacity of 1.75 percent of market value~~., the excess market value over \$65,000~~ \$68,000 but not exceeding \$100,000 has a tax capacity of ~~2.2~~ 1.9 percent and the market value exceeding \$100,000 has a tax capacity of three percent. If the market value of the house, garage, and surrounding one acre of land is less than ~~\$65,000~~ \$100,000, the value of the remaining land including improvements equal to the difference between ~~\$65,000~~ \$100,000 and the market value of the house, garage, and surrounding one acre of land has a net tax capacity of ~~1.12~~ .37 percent of market value and a gross tax capacity of 1.75 percent of market value for the first 320 acres of land and the remaining value over 320 acres has a net tax capacity of ~~1.295~~ .37 percent of market value and a gross tax capacity of 1.75 percent of market value. The remaining value of class 2a property over ~~the \$65,000~~ \$100,000 of market value that does not exceed 320 acres has a net tax capacity of ~~1.44~~ 1.3 percent of market value and a gross tax capacity of 2.25 percent of market value. The remaining property over ~~the \$65,000~~ \$100,000 of market value in excess of 320 acres has a net tax capacity of ~~1.665~~ 1.55 percent of market value and a gross tax capacity of 2.25 percent of market value.

Noncontiguous land shall constitute class 2a only if the homestead is classified as class 2a and the detached land is located in the same township or city or not farther than two townships or cities or combination thereof from the homestead.

Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified class 2a. If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably

necessary for the use of the dwelling as a home, must also be assessed class 2a and is entitled to the homestead credit.

For taxes levied in 1988, payable in 1989 only, the tax to be paid on class 2a property and class 1b property under section 273.13, subdivision 22, paragraph (b), used for agricultural purposes shall be reduced by 54 percent of the tax. The amount of the reduction shall not exceed \$725.

(b) Class 2b property is (1) real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products; and (2) real estate that is nonhomestead agricultural land. Class 2b property has a net tax capacity of 1.55 percent of market value and a gross tax capacity of 2.25 percent of market value.

(c) Agricultural land as used in this section means contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land, and land included in federal farm programs.

(d) Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, including the breeding of fish for sale and consumption provided that it is located if the fish breeding occurs on land zoned for agricultural use, shall be considered as agricultural land, if it is not used primarily for residential purposes. The term "agricultural products" as used in the preceding sentence means any of the products identified in section 273.111, subdivision 6, clause (2). "Agricultural purposes" as used in this section means the raising or cultivation of agricultural products.

(e) If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:

- (1) wholesale and retail sales;
- (2) processing of raw agricultural products or other goods;
- (3) warehousing or storage of processed goods; and
- (4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3),

the assessor shall classify the part of the parcel used for agricultural purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown horticultural or nursery products does not qualify as an agricultural purpose.

The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 12. Minnesota Statutes 1988, section 273.13, subdivision 24, is

amended to read:

Subd. 24. [CLASS 3.] (a) Commercial, *and industrial, property and utility real and personal property, except class 5a property as identified in subdivision 31*, is class 3a. It has a tax capacity of ~~3.3~~ 3.15 percent of the first \$100,000 of market value and ~~5.25~~ 5.1 percent of the market value over \$100,000. ~~For taxes payable in 1991, the 5.25 percent rate shall be 5.2 percent and for taxes payable in 1992 and subsequent years the rate shall be 5.15 percent.~~ In the case of state-assessed commercial, industrial, and utility property owned by one person or entity, only one parcel has a tax capacity ~~3.3~~ of 3.15 percent. In the case of other commercial, industrial, and utility property owned by one person or entity, only one parcel in each county has a tax capacity of ~~3.3~~ 3.15 percent.

(b) Employment property defined in section 469.166, during the period provided in section 469.170, shall constitute class 3b and has a tax capacity of 2.5 percent of the first \$50,000 of market value and ~~3.5~~ 3.15 percent of the remainder, except that for employment property located in a border city enterprise zone designated pursuant to section 469.168, subdivision 4, paragraph (c), the tax capacity of the first \$100,000 of market value is ~~3.3~~ 3.15 percent and the tax capacity of the remainder is 4.8 percent, unless the governing body of the city designated as an enterprise zone determines that a specific parcel shall be assessed pursuant to the first clause of this sentence. The governing body may provide for assessment under the first clause of the preceding sentence only for property which is located in an area which has been designated by the governing body for the receipt of tax reductions authorized by section 469.171, subdivision 1.

Sec. 13. 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 ~~4.4~~ 3.2 percent of market value.

(b) Class 4b includes:

(1) residential real estate containing less than four units, other than seasonal residential, recreational, ~~and which has a tax capacity of 2.75 percent of market value;~~

(2) 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 3.2 percent of market value;*

~~(2)~~ (3) 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, *which has a tax capacity of 2.75 percent of market value;*

~~(3)~~ (4) manufactured homes not classified under any other provision, which has a tax capacity of 2.75 percent of market value;

(4) (5) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b), which has a tax capacity of ~~2.7~~ 2.75 percent of market value.

Class 4b property has a tax capacity of 3.5 percent of market value, except as provided in clause (4).

(c) Class 4c property includes:

(1) a structure that is situated on real property that is used for housing for the elderly or for low and moderate income families as defined by Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant thereto and financed by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency pursuant to the provisions of either of those acts and acts amendatory thereof. This clause applies only to property of a nonprofit or limited dividend entity. Property is classified as class 4c under this clause for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan;

(2) a structure that is:

(i) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and

(ii) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel. Property is classified as class 4c under this clause for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter; and

(3) a qualified low-income building that (i) receives a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, ~~1987~~ 1988; or (ii) meets the requirements of that section. Classification pursuant to this clause is limited to ~~buildings the construction or rehabilitation of which began after May 1, 1988, and to~~ a term of 15 years.

For all properties described in clauses (1), (2), and (3) and in paragraph (d), the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents. The land on which these structures are situated has a tax capacity of ~~3.5~~ 2.75 percent of market value if the structure contains fewer than four units, and ~~4.1~~ 3.2 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~~ 250 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~~ 250 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property classified in clauses (5) and (6) also includes the remainder of class 1c resorts and has a tax capacity of ~~2-6~~ 2.4 percent of market value, except that noncommercial seasonal recreational property has a tax capacity of ~~2-3~~ 2.14 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~~ 1988. For purposes of this clause, "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or nonintoxicating malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises. Any portion of the property which is used for revenue-producing activities for more than six days in the calendar year preceding the year of assessment shall be assessed as class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity; and

Class 4c property classified under clauses (1), (2), (3), ~~and~~ (4), and (6) 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.

Residential rental property that would otherwise be assessed as class 4 property under paragraph (a); paragraph (b), clauses (1) and (2); paragraph (c), clauses (1), (2), (3), or (4); or paragraph (d), is assessed as class 5 property under subdivision 31, paragraph (d), if it is found to be a substandard building under section 273.1316.

Sec. 14. [273.1316] [CLASSIFICATION OF SUBSTANDARD RESIDENTIAL RENTAL PROPERTY.]

Subdivision 1. [DENIAL OF RENTAL CLASSIFICATION.] No substandard building shall be classified as residential rental property under section 273.13, subdivision 25.

Subd. 2. [DEFINITION.] "Substandard building" means a building that:

(1) has been determined by a state, county, or city agency that is charged by the governing body of the appropriate political subdivision with the responsibility for enforcing health, housing, building, fire prevention, or housing maintenance codes:

(i) to materially endanger the health and safety of the occupants; or

(ii) if unoccupied, to be a hazardous building within the meaning of section 463.15, subdivision 3; or

(iii) to be substantially out of compliance with the housing and maintenance code of that county or city, to the extent that the reasonably anticipated cost of repairs necessary to achieve compliance would be at least \$1,000; and

(2) has not been repaired or brought to a condition of compliance within three months after the date of the violation notice to the owner as provided in subdivision 3 or within the time prescribed by the agency in the notice

in accordance with applicable state law or local ordinance, whichever period is shortest.

A building is not substandard under this subdivision if it was rendered substandard solely by reason of a tornado, flood, or other natural disaster.

Subd. 3. [VIOLATION NOTICE.] The initial notice of violation by the agency to the owner must be written and must contain:

- (1) the details of the violation;*
- (2) the date by which repairs must be completed or compliance with other requirements must be achieved;*
- (3) a general description of the tax consequences if the violations are not corrected; and*
- (4) information on where and how an appeal may be filed.*

The agency may, if authorized by law or ordinance, extend the compliance date prescribed in the violation notice, for good cause shown, or may determine that good faith efforts at compliance are sufficient to prevent designation as a substandard building.

Subd. 4. [NOTICE OF NONCOMPLIANCE.] When the period specified in subdivision 3 has expired without compliance, the agency shall mail to the owner a notice of noncompliance. The notice of noncompliance must be mailed by certified mail, return receipt requested, to the owner of the property at the owner's last known address. The notice must contain:

- (1) the details of the noncompliance;*
- (2) a statement that the local assessor has been notified of the noncompliance and that the property will be reclassified;*
- (3) a general description of the tax consequences resulting from the denial of a residential rental property tax classification; and*
- (4) information on where and how an appeal may be filed.*

Subd. 5. [APPEALS TO BOARD.] Appeals shall be made to the board created under this subdivision. Each county and city, prior to issuance of a violation notice under subdivision 3, must establish a board to hear appeals under this subdivision. The board shall have five members appointed by the governing body. A decision of the appeal board may be appealed to the district court of the county in which the building is located, concerning the violation and determination of material endangerment or hazard made under subdivision 2 and concerning a determination of noncompliance under subdivision 4. An appeal must be made no later than 30 days after receipt of the notice of the action or determination being appealed. If the board determines that the substandard building has been brought to a condition of compliance, the board shall require the agency to mail to the taxpayer a notice of compliance, which notice shall be in the form and include the information prescribed by the local assessor.

Subd. 6. [TIMING OF PROCESS.] If a notice of noncompliance is mailed before July 1 of any year, and the property owner has not successfully appealed the determination by October 15 of that year, the property will be disqualified from residential rental classification for taxes levied in that year and all subsequent years until the agency determines that the property is no longer a substandard building, or the property owner prevails on an appeal of the matter. If a notice of noncompliance is mailed after June 30

of any year, the disqualification would initially be effective for taxes levied in the following year.

Subd. 7. [REFUND UPON APPEAL.] If the property owner prevails on an appeal at any time after taxes have been paid based on assessment of the property as class 5 property, the agency shall notify the property owner concerning the procedures for the filing for a refund. The notice shall be in the form and include the information prescribed by the local tax assessor. The taxpayer may then file for a refund of the difference between the amount of the tax paid and the tax that would have been payable if the property had not been incorrectly assessed under this section, and each governmental subdivision that levied the tax on the property shall refund to the property owner its proportionate share of the refund.

Subd 8. [SPECIFICATION OF VIOLATIONS.] A notice of noncompliance shall not be mailed by the agency to the taxpayer until the state or the governing body of the appropriate political subdivision has prescribed by statute or ordinance the nature and types of violations of codes referred to in subdivision 2, that would constitute a nuisance or material endangerment to the health and safety of occupants of buildings, or that would constitute a hazardous building within the meaning of section 463.15, subdivision 3.

Sec. 15. Minnesota Statutes 1988, section 273.135, subdivision 2, is amended to read:

Subd. 2. For taxes payable in ~~1989 only~~ 1990 and subsequent years, the amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 66 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, provided that the reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to the product of 95 percent of the base year effective tax rate multiplied by the ratio of the current year's tax rate to the payable 1989 tax rate. In no case will the reduction resulting from this credit be less than \$10.

(b) In the case of property located within the boundaries of a school district which qualifies as a tax relief area but which is outside the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 57 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, provided that the reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to the product of 95 percent of the base year effective tax rate multiplied by the ratio of the current year's tax rate to the payable 1989 tax rate. In no case will the reduction resulting from this credit be less than \$10.

(c)(+) The maximum reduction of the net tax up to the taconite breakpoint is \$225.40 on property described in clause (a) and \$200.10 on property described in clause (b), for taxes payable in 1985. These maximum amounts shall increase by \$15 times the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent

years.

(2) ~~The total maximum reduction of the net tax on property described in clause (a) is \$490 for taxes payable in 1985. The total maximum reduction for the net tax on property described in clause (b) is \$435 for taxes payable in 1985. These maximum amounts shall increase by \$15 per year for taxes payable in 1986 and thereafter.~~

For the purposes of this subdivision, ~~"net tax" means the tax on the property after deduction of any credit under section 273.13, subdivision 22 or 23, "taconite breakpoint" means the lowest possible net tax for a homestead qualifying for the maximum reduction pursuant to section 273.13, subdivision 22, rounded to the nearest whole dollar, "homestead credit equivalency percentage" means a percentage equal to the percentage reduction authorized in section 273.13, subdivision 22 54 percent, "effective tax rate" means tax divided by the market value of the a property, and the "base year effective tax rate" means the tax on the a property with an identical market value to that of the property receiving the credit in the current year after the application of the credits payable under section 273.13, subdivisions 22 and 23, and this section for taxes payable in 1988, divided by the market value of the property. A new parcel of property or a parcel with a current year classification that is different from its base year classification has the same base year effective tax rate as an equivalent homesteaded parcel.~~

Sec. 16. Minnesota Statutes 1988, section 273.1391, subdivision 2, is amended to read:

Subd. 2. For taxes payable in 1989 only, the amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area, and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county, 57 percent of the ~~net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint~~ on qualified property located in the school district that does not meet the qualifications of section 273.134, provided that the amount of said reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to *the product of 95 percent of the base year effective tax rate multiplied by the ratio of the current year's tax rate to the payable 1989 tax rate*. In no case will the reduction resulting from this credit be less than \$10. The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein.

(b) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not in a school district containing a city of the first class or adjacent to a school district containing a city of the first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the ~~net tax up to the taconite breakpoint plus a~~

percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, but not to exceed the maximums specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to the product of 95 percent of the base year effective tax rate multiplied by the ratio of the current year's tax rate to the payable 1989 tax rate. In no case will the reduction resulting from this credit be less than \$10.

(c)(1) The maximum reduction of the net tax up to the taconite breakpoint is \$200.10 for taxes payable in 1985. This maximum amount shall increase by \$15 multiplied by the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent years.

(2) The total maximum reduction of the net tax is \$435 for taxes payable in 1985. This total maximum amount shall increase by \$15 per year for taxes payable in 1986 and thereafter.

For the purposes of this subdivision, "net tax" means the tax on the property after deduction of any credit under section 273.13, subdivision 22 or 23, "taconite breakpoint" means the lowest possible net tax for a homestead qualifying for the maximum reduction pursuant to section 273.13, subdivision 22, rounded to the nearest whole dollar, "homestead credit equivalency percentage" means a percentage equal to the percentage reduction authorized in section 273.13, subdivision 22 54 percent, and "effective tax rate" means tax divided by the market value of the a property, and the "base year effective tax rate" means the tax on the a property with an identical market value to that of the property receiving the credit in the current year after application of the credits payable under section 273.13, subdivisions 22 and 23, and this section for taxes payable in 1988, divided by the market value of the property. A new parcel with a current year classification that is different from its base year classification has the same base year effective tax rate as an equivalent homesteaded parcel.

Sec. 17. Minnesota Statutes 1988, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of tax capacity rates.

(c) "Gross tax capacity" means the product of the appropriate percentages of market value listed as gross tax capacities in section 273.13 and equalized estimated market values. "Total gross tax capacity" means the gross tax capacities for all property within the unique taxing jurisdiction. The total gross tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's gross tax capacity of commercial industrial property as defined in section 473F02, subdivision 3, multiplied by the ratio determined pursuant to section 473F08, subdivision 6, for the municipality, as defined in section 473F02, subdivision 8, in which the unique taxing jurisdiction is located and, (2) the gross tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the gross tax capacity of transmission lines deducted from a local government's total gross tax capacity under section 273.425. For purposes of determining the gross tax capacity of property referred to in clauses (1) and (2) for disparity reduction aid payable in 1989, the gross tax capacity before equalization shall equal the property's 1987 assessed

~~value multiplied by 12 percent.~~ Gross tax capacity cannot be less than zero.

(d) "Net tax capacity" means the product of the appropriate percentages of market value listed as net tax capacities in section 273.13 and ~~equalized estimated~~ market values. "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F02, subdivision 3, multiplied by the ratio determined pursuant to section 473F08, subdivision 6, for the municipality, as defined in section 473F02, subdivision 8, in which the unique taxing jurisdiction is located ~~and~~, (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, ~~and (3) the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425.~~ ~~For purposes of determining the net tax capacity of property referred to in clauses (1) and (2), the net tax capacity before equalization shall equal the property's 1987 assessed value multiplied by 12 percent.~~ Net tax capacity cannot be less than zero.

(e) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. For computation of aids payable in 1989 only, if the aggregate assessment sales ratio is less than or equal to 92 percent, the assessment sales ratios by class shall be adjusted proportionally so that the aggregate ratio of the unequalized market values to the equalized market values equals 92 percent; otherwise the equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(f) "~~Homestead effective Local tax rate~~" means ~~the product of (i) 46 percent; (ii) 2-17 percent; and (iii) the total tax capacity rate for taxes payable in 1989 within a unique taxing jurisdiction multiplied by the 1988 aggregate assessment sales ratio. A sales ratio of .92 is used if the actual sales ratio is less than .92 the quotient derived by dividing the sum of (1) gross taxes levied within a unique taxing jurisdiction plus (2) the disparity reduction aid actually used to reduce taxes levied within the unique taxing jurisdiction for taxes in 1989 by the gross tax capacity of the unique taxing jurisdiction.~~

(g) For purposes of calculating the transition aid authorized pursuant to subdivision 2, the "subtraction factor" is the product of (i) a unique taxing jurisdiction's ~~homestead effective~~ local tax rate; (ii) its net tax capacity; and (iii) ~~103 1.028146 plus the product of (i) a unique taxing jurisdiction's local tax rate; (ii) its distribution value pursuant to section 473F08, subdivision 2b, for taxes payable in 1989; and (iii) 1.028146.~~

(h) For purposes of calculating and allocating transition aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties" or "gross taxes" means the total gross taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F02,

subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction before reduction by any credits for taxes payable in the year prior to that in which the aids are payable. *For purposes of homestead and agricultural credit aid only, "gross taxes levied on all properties" include the payable 1989 apportioned fiscal disparities levies of the local government's exercising taxing authority within a unique taxing jurisdiction. A local government's fiscal disparity levy shall be apportioned among the unique taxing jurisdictions in which it exercises taxing authority in the ratio that each unique taxing jurisdiction's distribution value as determined pursuant to section 473F.08, subdivision 2b, bears to the total distribution value of the local government.* For purposes of disparity reduction aid only, total gross taxes shall be reduced by the taxes levied for any school district referendum levies authorized pursuant to section 124A.03, subdivision 2, and any school district debt levies authorized pursuant to section 475.61. Gross taxes levied cannot be less than zero.

(i) "Income maintenance aids" means:

(1) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(2) preadmission screening and alternative care grants under section 256B.091, subdivision 8;

(3) general assistance, and work readiness under section 256D.03, subdivision 2;

(4) general assistance medical care under section 256D.03, subdivision 6;

(5) aid to families with dependent children under section 256.82, subdivision 1, including emergency assistance under section 256.871, subdivision 6; and funeral expense payments under section 256.935, subdivision 1; and

(6) supplemental aid under section 256D.36, subdivision 1.

(j) "Adjustment factor" means the ratio of (1) the greater of (i) the estimated percentage increase in the estimated market value of the first \$68,000 of residential homesteads from the assessment two years prior to the year in which the aid is payable to the assessment one year prior to the year in which the aid is payable, or (ii) the estimated percentage increase in the estimated market value of farm homesteads from the assessment two years prior to the year in which the aid is payable to the assessment one year prior to the year in which the aid is payable to (2) the estimated percentage increase in the estimated market value of all taxable property within the unique taxing jurisdiction. The adjustment factor cannot be less than one. Estimates of market value for the assessment one year prior to the year in which the aid is paid will be made on the basis of the abstract submitted pursuant to section 270.11. Discrepancies between the estimate and actual market values will not result in increased or decreased aid in the year in which the estimates are used to compute aid, but the initial aid used to compute homestead and agricultural credit aid in the subsequent year will be adjusted to reflect actual market values.

Sec. 18. Minnesota Statutes 1988, section 273.1398, subdivision 2, is amended to read:

Subd. 2. [~~TRANSITION~~ **HOMESTEAD AND AGRICULTURAL CREDIT**

AID.] (a) ~~Transition~~ *Initial homestead and agricultural credit aid* for each unique taxing jurisdiction for taxes payable in 1990 equals the total gross taxes levied on all properties, minus the unique taxing jurisdiction's subtraction factor. ~~Transition~~ *The commissioner of revenue may, in computing the amount of the homestead and agricultural credit aid paid in 1990, adjust the gross tax capacity, net tax capacity, and gross taxes of a taxing jurisdiction for taxes payable in 1989 to reflect auditor's errors in taxes payable for 1989. Homestead and agricultural school credit aid cannot be less than zero. The transition aid so determined for school districts for purposes of general education and transportation levies shall be multiplied by the ratio of the adjusted gross tax capacity based upon the 1988 adjusted gross tax capacity to the estimated 1987 adjusted gross tax capacity based upon the 1987 adjusted assessed value. Each county assessor and the city assessors of Minneapolis, Duluth, and St. Cloud shall furnish the commissioner of revenue with the 1988 market values for taxes payable in 1989 for any new classes of property established in this article. The commissioner shall use those values, and estimate values where needed, in developing the 1988 tax capacity for each unique taxing jurisdiction under this section.*

In 1991 and subsequent years, the initial homestead and agricultural credit aid shall equal that calculated for taxes payable in the prior year.

(b) *The initial homestead and agricultural credit aid calculated in paragraph (a) shall be increased by the adjustment factor.*

~~(b)~~ (c)(1) *The transition homestead and agricultural credit aid is allocated to each local government levying taxes in the unique taxing jurisdiction in the proportion that the local government's payable 1989 gross taxes bears to the total payable 1989 gross taxes levied within the unique taxing jurisdiction.*

(2) *The 1990 homestead and agricultural credit aid so determined for school districts for purposes of general education and transportation levies shall be multiplied by the ratio of the adjusted gross tax capacity based upon the 1988 adjusted gross tax capacity to the estimated 1987 adjusted gross tax capacity based upon the 1987 adjusted assessed value.*

(3) *If a local government's total tax capacity rate for all funds for taxes payable in 1989 varies within the area in which it exercises taxing authority, the local government's allocated transition homestead and agricultural credit aid must be further allocated between the part of its levy in respect to which the tax capacity rate is constant throughout the area in which it exercises taxing authority and the part of its levy in respect to which the tax capacity rate varies throughout the area in which it exercises taxing authority.*

(e) *In 1991 and subsequent years, a local government shall receive transition aid equal to that it received in 1990 subject to the requirement of the last sentence of subdivision 6.*

(d) *The difference between (1) the income maintenance aids payable to a county and (2) the income maintenance aids that would be payable to the county pursuant to the rates in effect for calendar year 1989 shall be reduced by the sum of the amount of transition aid a county receives under this subdivision for all unique taxing jurisdictions located within its borders. The reduction must not reduce the difference to less than zero. The reduction shall be prorated among all payments of the increased income maintenance aids so that each payment is reduced by an equal percentage*

~~amount. The commissioner of revenue shall certify each county's transition aid to the commissioner of human services for purposes of this adjustment.~~

Sec. 19. Minnesota Statutes 1988, section 273.1398, subdivision 3, is amended to read:

Subd. 3. [DISPARITY REDUCTION AID.] (a) For taxes payable in 1989, a disparity reduction aid shall be calculated for each unique taxing jurisdiction. The aid is the greater of:

(1) the difference between (i) the total 1988 gross tax payable on all taxable property within the unique taxing jurisdiction, and (ii) the gross tax capacity of the unique taxing jurisdiction; or

(2) 20 percent of the difference between (i) the 1988 gross tax of the city or township, and (ii) 23 percent of the city's or township's gross tax capacity.

In no case can the aid be less than \$0.

(b) ~~The disparity reduction aid is allocated to each local government levying taxes in the unique taxing jurisdiction in the proportion that the local government's payable gross taxes bears to the total payable gross taxes levied within the unique taxing jurisdiction.~~

~~(e) In~~ For 1990 and subsequent years, a local government shall receive disparity reduction aid equal to that it received in 1989 disparity reduction aid shall equal the unique taxing jurisdiction's 1989 net tax capacity multiplied by the quotient of (1) a unique taxing jurisdiction's disparity reduction aid after any reductions pursuant to section 275.08, subdivision 1d, for taxes payable in 1989 divided by (2) the unique taxing jurisdiction's payable 1989 gross tax capacity.

(c) *The disparity reduction aid is allocated to each local government levying taxes in the unique taxing jurisdiction in the proportion that the local government's payable gross taxes bears to the total payable gross taxes levied within the unique taxing jurisdiction.*

Sec. 20. Minnesota Statutes 1988, section 298.28, subdivision 6, is amended to read:

Subd. 6. [PROPERTY TAX RELIEF] (a) ~~Twelve~~ Fifteen cents per taxable ton, less any amount required to be distributed under paragraphs (b) and (c), must be allocated to St. Louis county acting as the counties' fiscal agent, to be distributed as provided in sections 273.134 to 273.136.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, .1875 cent per taxable ton of the tax imposed and collected from such taxpayer shall be paid to the county.

(c) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a school district other than a school district in which the mining and concentrating processes are conducted, .5625 cent per taxable ton of the tax imposed and collected from the taxpayer shall be paid to the school district.

Sec. 21. Minnesota Statutes 1988, section 473F08, subdivision 3, is amended to read:

Subd. 3. On or before October 15 of 1976 and each subsequent year, the county auditor shall apportion the levy of each governmental unit in the auditor's county in the manner prescribed by this subdivision. The auditor shall:

(a) Determine the areawide portion of the levy for each governmental unit by multiplying the tax capacity rate of the governmental unit for the preceding levy year times the distribution value set forth in subdivision 2, clause (b), *provided that for taxes payable in 1990 only the tax capacity rate for the prior year shall be multiplied by 1.028146*; and

(b) Determine the local portion of the current year's levy by subtracting the resulting amount from clause (a) from the governmental unit's current year's levy.

Sec. 22. Minnesota Statutes 1988, section 477A.011, subdivision 1a, is amended to read:

Subd. 1a. [CITY.] City means a statutory or home rule charter city *and a township with a population of 5,000 or more for purposes of the aid payable under section 477A.013. City does not include a township for purposes of the aid payable under section 477A.0132.*

Sec. 23. Minnesota Statutes 1988, section 477A.011, is amended by adding a subdivision to read:

Subd. 1b. [TOWN.] "*Town*" means a township with a population of less than 5,000.

Sec. 24. Minnesota Statutes 1988, section 477A.011, subdivision 20, is amended to read:

Subd. 20. [CITY TAX CAPACITY.] "City tax capacity" means (1) 23 percent of the net tax capacity computed using *the net tax capacity rates listed in Minnesota Statutes 1988, section 273.13, for aids payable in 1990 and the net tax capacity rates listed in section 273.13 for aids payable in 1991 and subsequent years* for all taxable property within the city based on the assessment two years prior to that for which aids are being calculated, plus (2) a city's levy on the fiscal disparities distribution under section 473F08, subdivision 3, paragraph (a), for taxes payable in the year prior to that for which aids are being calculated. The market value utilized in computing net tax capacity shall be reduced by the sum of (1) a city's market value of commercial industrial property as defined in section 473F02, subdivision 3, multiplied by the ratio determined pursuant to section 473F08, subdivision 2, paragraph (a), ~~and~~ (2) the market value of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, *and (3) the market value of transmission lines deducted from a city's total net tax capacity under section 273.425.* The net tax capacity will be computed using equalized market values.

Sec. 25. Minnesota Statutes 1988, section 477A.011, is amended by adding a subdivision to read:

Subd. 25. [NET TAX CAPACITY.] "*Net tax capacity*" means for equalization aids payable in 1990 the net tax capacity of a city computed using the net tax capacity rates in Minnesota Statutes 1988, section 273.13, and based on 1988 estimated market values. All class 1a property will be deemed to have a net tax capacity of one percent of estimated market value. For equalization aids payable in 1991 and subsequent years, the net tax capacity of a city shall be computed using the net tax capacity rates in

section 273.13 and based on the estimated market values from the assessment two years prior to the year in which the aids are payable. All class 1a property will be deemed to have a net tax capacity of .95 percent of estimated market value. The market value utilized in computing net tax capacity shall be reduced by the sum of (1) a city's market value of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 2, paragraph (a), (2) the market value of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the market value of transmission lines deducted from a city's total net tax capacity under section 273.425. The net tax capacity will be computed using equalized market values.

Sec. 26. Minnesota Statutes 1988, section 477A.011, is amended by adding a subdivision to read:

Subd. 26. [HOMESTEAD BASE TAX CAPACITY PERCENTAGE.] "Homestead base tax capacity percentage" means the percent equivalent to a city's net tax capacity of the first \$68,000 of estimated market value of all nonagricultural homesteads divided by the city's net tax capacity. For aids payable in 1990, the net tax capacity of the first \$68,000 of a homestead's estimated market value shall be computed using a net tax capacity rate of one percent.

Sec. 27. Minnesota Statutes 1988, section 477A.011, is amended by adding a subdivision to read:

Subd. 27. [ADJUSTED NET TAX CAPACITY.] "Adjusted net tax capacity" means the per capita net tax capacity of a city multiplied by the ratio of (1) the average homestead base tax capacity percentage for all cities to (2) the city's homestead base tax capacity percentage.

Sec. 28. Minnesota Statutes 1988, section 477A.011, is amended by adding a subdivision to read:

Subd. 28. [EQUALIZATION AID RATIO.] "Equalization aid ratio" means one minus the ratio of (1) a city's adjusted net tax capacity to (2) \$900. The equalization aid ratio cannot be less than zero.

Sec. 29. Minnesota Statutes 1988, section 477A.013, subdivision 3, is amended to read:

Subd. 3. [CITY AID DISTRIBUTION.] In 1989, a city whose initial aid is greater than \$0 will receive the following aid increases in addition to an amount equal to the local government aid it received in 1988 under Minnesota Statutes 1987 Supplement, section 477A.013:

(1) for a city whose expenditure/unlimited aid ratio is at least 1.5, two percent of city revenue;

(2) for a city whose expenditure/unlimited aid ratio is at least 1.4 but less than 1.5, 2.5 percent of city revenue;

(3) for a city whose expenditure/unlimited aid ratio is at least 1.3 but less than 1.4, three percent of city revenue;

(4) for a city whose expenditure/unlimited aid ratio is at least 1.2 but less than 1.3, four percent of city revenue;

(5) for a city whose expenditure/unlimited aid ratio is at least 1.1 but less than 1.2, five percent of city revenue;

(6) for a city whose expenditure/unlimited aid ratio is at least 1.05 but less than 1.1, six percent of city revenue;

(7) for a city whose expenditure/unlimited aid ratio is at least 1.0 but less than 1.05, seven percent of city revenue;

(8) for a city whose expenditure/unlimited aid ratio is at least .95 but less than 1.0, 7.5 percent of city revenue;

(9) for a city whose expenditure/unlimited aid ratio is at least .75 but less than .95, 8.5 percent of city revenue; and

(10) for a city whose expenditure/unlimited aid ratio is less than .75, nine percent of city revenue.

In 1990 and subsequent years, a city whose initial aid is greater than \$0 will receive an amount equal to the aid it received under this subdivision and *Minnesota Statutes 1988, section 477A.013*, subdivision 4, in the year prior to that for which aids are being calculated plus an aid increase equal to 50 percent of the rates listed in clauses (1) to (10) multiplied by city revenue.

A city's aid increase under this subdivision is limited to the lesser of (1) 20 percent of its levy for taxes payable in the year prior to that for which aids are being calculated after the adjustments provided in section 273.1398, subdivision 2, or (2) its initial aid amount, provided that no city will receive an increase that is less than two percent of its ~~1988~~ 1989 local government aid for aids payable in ~~1989~~ 1990.

A city whose initial aid is \$0 will receive in ~~1989~~ 1990 an amount equal to 102 percent of the local government aid it received in ~~1988~~ 1989 under *Minnesota Statutes 1987 Supplement 1988, section 477A.013*. A city whose initial aid is \$0 will receive in ~~1990~~ 1991 and subsequent years an amount equal to the aid it received in the previous year under this subdivision and subdivision 4.

Sec. 30. [477A.0132] [EQUALIZATION AID.]

Equalization aid is equal to a city's equalization aid ratio multiplied by 3.25 percent of the total taxes levied within a city excluding school levies; taxes levied on the captured value of tax increment finance districts as defined in section 469.177, subdivision 2; taxes levied on the net tax capacity excluded in determining local tax rates pursuant to section 273.425, and taxes levied on the portion of commercial industrial properties' tax capacity as defined in section 473F.02, subdivision 3, subject to the area-wide tax provided in section 473F.08, subdivision 6. As used in this section, "total taxes levied" means the amount of taxes levied after any reduction due to disparity reduction aid.

Sec. 31. *Minnesota Statutes 1988, section 477A.014, subdivision 1, is amended to read:*

Subdivision 1. [CALCULATIONS AND PAYMENTS.] The commissioner of revenue shall make all necessary calculations and make payments pursuant to sections 477A.012, 477A.013, 477A.0132, and 477A.03 directly to the affected taxing authorities annually. In addition, the commissioner shall notify the authorities of their aid amounts, as well as the computational factors used in making the calculations for their authority, and those state-wide total figures that are pertinent, before August 15 of the year preceding the aid distribution year.

Sec. 32. Minnesota Statutes 1988, section 477A.014, subdivision 3, is amended to read:

Subd. 3. [AID AMOUNT CORRECTION.] If, due to an error in the factors used to calculate a taxing authority's aid pursuant to section 477A.012 or, 477A.013, or 477A.0132 the amount indicated in the certification of the commissioner to the taxing authority for a year is less than the amount to which it is entitled pursuant to this section, the commissioner of revenue shall additionally distribute the amount necessary to make the full correct distribution to the taxing authority. The additional distribution shall be paid from the general fund and shall not diminish the distributions made to other taxing authorities under this section.

Sec. 33. [FISCAL DISPARITIES ADJUSTMENT.]

For purposes of determining the areawide levy and local levies under section 473F08, subdivisions 3, 4, 5, and 6, for taxes payable in 1990, the initial computation shall be done based on chapter 473F. However, after the dollar amount of the areawide and local levies has been determined under section 473F08, subdivisions 3, 4, 5, and 6, the dollar amount of the levies shall be spread on the basis of this act. The dollar amount of the areawide tax shall be levied against the portion of commercial-industrial net tax capacity equal to the portion of commercial-industrial gross tax capacity that would have been subject to the areawide tax under Minnesota Statutes 1988. Prior to November 20, 1989, the county auditors with the assistance of the county assessors shall determine the net tax capacity of commercial-industrial property in each municipality as of the January 2, 1971, assessment. The net tax capacity shall be computed by multiplying the municipality's market value of commercial-industrial assessed value by class by the net tax capacity rates in section 273.13.

Sec. 34. [REPEALER.]

Minnesota Statutes 1988, sections 134.34, subdivision 6; 275.50, subdivision 3g; and 477A.013, subdivision 4, are repealed.

Sec. 35. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and is intended to confirm and clarify the taxation and equalization of state-assessed public utility property.

Section 5 is effective for assessments of market value in 1989 and thereafter. If an assessor has increased the market value for the 1989 assessment by an amount in excess of the amount allowed under section 5, the assessor shall reduce the market value to that allowed under section 5. If the assessor has mailed a notice of the increase in market value to the property owner, the assessor must mail a revised notice to the property owner. Notices must state that the increases in market value have been limited under this act.

Section 20 is effective for taconite produced in 1989, proceeds distributed in 1990, and thereafter.

Except where otherwise provided, the remainder of this article is effective for taxes levied in 1989, payable in 1990, and thereafter.

ARTICLE 5

PROPERTY TAX ADMINISTRATIVE AND TECHNICAL

Section 1. Minnesota Statutes 1988, section 124.155, subdivision 2, is amended to read:

Subd. 2. [ADJUSTMENT TO AIDS.] The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (a) general education aid authorized in section 124A.23;
- (b) secondary vocational aid authorized in section 124.573;
- (c) special education aid authorized in section 124.32;
- (d) secondary vocational aid for handicapped children authorized in section 124.574;
- (e) aid for pupils of limited English proficiency authorized in section 124.273;
- (f) transportation aid authorized in section 124.225;
- (g) community education programs aid authorized in section 124.271;
- (h) adult education aid authorized in section 124.26;
- (i) early childhood family education aid authorized in section 124.2711;
- (j) capital expenditure aid authorized in sections 124.244 and 124.245;
- (k) homestead credit under section 273.13 for taxes payable in 1989 and *additional homestead and agricultural credit guarantee* under section 273.1398, *subdivision 5*, for taxes payable in 1990 and thereafter;
- (l) agricultural credit under section 273.132 for taxes payable in 1989 and *additional homestead and agricultural credit guarantee* under section 273.1398, *subdivision 5*, for taxes payable in 1990 and thereafter; and
- (m) ~~transition~~ *homestead and agricultural credit aid and disparity reduction aid* authorized in section 273.1398, *subdivision 2*;
- (n) attached machinery aid authorized in section 273.138, subdivision 3.

The commissioner of education shall schedule the timing of the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible.

Sec. 2. Minnesota Statutes 1988, section 124.2139, is amended to read:
124.2139 [REDUCTION OF PAYMENTS TO SCHOOL DISTRICTS.]

The commissioner of revenue shall reduce the homestead credit payments under section 273.13 for fiscal year 1990, *and* the sum of the homestead credit *guarantee*, ~~and transition~~ *homestead and agricultural credit aid*, and disparity reduction aid payments under section 273.1398 for fiscal years 1991 and thereafter made to school districts by the product of:

- (1) the district's fiscal year 1984 payroll for coordinated plan members of the public employees retirement association, times
- (2) the difference between the employer contribution rate in effect prior to July 1, 1984, and the total employer contribution rate in effect after

June 30, 1984.

Sec. 3. Minnesota Statutes 1988, section 256.82, subdivision 1, is amended to read:

Subdivision 1. [MONTHLY PAYMENTS.] For the period from January 1 to June 30, based upon estimates submitted by the county agency to the state agency, which shall state the estimated required expenditures for the succeeding month, upon the direction of the state agency payment shall be made monthly in advance by the state to the counties of all federal funds available for that purpose for such succeeding month, together with an amount of state funds equal to 85 percent of the difference between the total estimated cost and the federal funds so available for payments made except as provided for in section 256.017. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month. Subsequent to July 1 of each year, the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period except as provided for in section 256.017. For the period from July 1 to December 31 based upon the estimates submitted by the county agency to the state agency, which shall state the estimated required expenditures for the succeeding month, upon the direction of the state agency, payment shall be made monthly in advance by the state to the counties of all state and federal funds available for that purpose for the succeeding month except as provided for in section 256.017. Payment shall be made on the basis of federal and state participation rates described in this subdivision. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month. Effective January 1, ~~1989~~ 1990, the state rate of participation shall be determined as a percentage that equals the difference between 100 percent and the percentage rate of federal financial participation.

Sec. 4. Minnesota Statutes 1988, section 256.871, subdivision 6, is amended to read:

Subd. 6. [ESTIMATED EXPENDITURES; PAYMENTS.] The county agency shall submit to the state agency an estimate of expenditures for each succeeding month in such form as required by the state agency. For the period from January 1 to June 30, payment shall be made monthly in advance by the state agency to the counties, of federal funds available for that purpose for each succeeding month, together with an amount of state funds equal to ten percent of the difference between the total estimated cost and the federal funds so available, except as provided for in section 256.017. Subsequent to July 1 of each year the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period, except as provided for in section 256.017. For the period from July 1 to December 31, payment shall be made monthly in advance by the state agency to the counties, of all state and federal funds available for that purpose for the succeeding month, except as provided for in section 256.017. Payment shall be made on the basis of federal and state participation rates described in this subdivision. Effective January 1, ~~1989~~ 1990, the state rate of participation shall be determined as a percentage that equals the difference between 100 percent and the percentage rate of federal financial participation. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month.

Sec. 5. Minnesota Statutes 1988, section 256B.041, subdivision 5, is amended to read:

Subd. 5. [PAYMENT BY COUNTY TO STATE TREASURER.] If required by federal law or rules promulgated thereunder, or by authorized rule of the state agency, each county shall pay to the state treasurer the portion of medical assistance paid by the state for which it is responsible. Effective January 1, ~~1989~~ 1990, the state rate of participation shall be determined as a percentage that equals the difference between 100 percent and the percentage rate of federal financial participation.

For the period from January 1 to June 30, the county shall advance ten percent of that portion of medical assistance costs not met by federal funds, based upon estimates submitted by the state agency to the county agency, stating the estimated expenditures for the succeeding month. Upon the direction of the county agency, payment shall be made monthly by the county to the state for the estimated expenditures for each month. Adjustment of any overestimate or underestimate based on actual expenditures shall be made by the state agency by adjusting the estimate for any succeeding month. Subsequent to July 1 of each year, the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period, except as provided for in section 256.017. For the period from July 1 to December 31, payments will be made by the state agency, except as provided for in section 256.017, and the county agency will be advised of the amounts paid monthly.

Sec. 6. Minnesota Statutes 1988, section 270.071, subdivision 6, is amended to read:

Subd. 6. (a) "Air commerce" means the transportation by aircraft of persons or property for hire in interstate, intrastate, or international transportation on regularly scheduled flights or on intermittent or irregularly timed flights by airline companies operating under authorization from the United States ~~Civil Aeronautics Board~~ *Department of Transportation*.

(b) "Air commerce" also includes but is not limited to an intermittent or irregularly timed flight, a flight arranged at the convenience of an airline and the person contracting for the transportation, or a charter flight. *It includes an airline company making three or more flights in or out of Minnesota during a calendar year.*

(c) "Air commerce" does not include casual transportation for hire by aircraft commonly owned and used for private airflight purposes if the person furnishing the transportation does not hold out to be engaged regularly in transportation for hire.

Sec. 7. Minnesota Statutes 1988, section 270.072, subdivision 2, is amended to read:

Subd. 2. [ASSESSMENT OF FLIGHT PROPERTY.] The flight property of all air carriers operating in Minnesota under a certificate of public convenience and necessity or under authorization from the United States ~~Civil Aeronautics Board~~ *Department of Transportation* shall be assessed annually by the commissioner in the manner prescribed by sections 270.071 to 270.079. Aircraft with a gross weight of less than 30,000 pounds and used on intermittent or irregularly timed flights shall be excluded from the provisions of sections 270.071 to 270.079.

Sec. 8. Minnesota Statutes 1988, section 270.072, subdivision 3, is

amended to read:

Subd. 3. [REPORT BY AIRLINE COMPANY.] Every airline company engaged in air commerce in this state shall file with the commissioner on or before the time fixed by the commissioner a report under oath setting forth specifically the information prescribed by the commissioner to enable the commissioner to make the assessment required in sections 270.071 to 270.079, unless the commissioner determines that the airline company or person should be excluded from filing because its activities do not constitute air commerce as defined herein. *A penalty of five percent of the tax being assessed is imposed on a late filing of the annual report. If the report is not filed within 30 days, an additional penalty of five percent of the assessed tax is imposed for each additional 30 days or fraction of 30 days until the return is filed. The penalty imposed under this section must not exceed 25 percent of the assessed tax.*

Sec. 9. Minnesota Statutes 1988, section 270.075, subdivision 2, is amended to read:

Subd. 2. As soon as practicable and not later than December 1 next following the levy of the tax, the commissioner shall give actual notice to the airline company of the gross tax capacity and of the tax. The taxes imposed under sections 270.071 to 270.079 shall become due and payable on January 1 following the levy thereof. If any tax is not paid on the due date or, if an appeal is made pursuant to section 270.076, within 60 days after notice of an increased tax, a late payment penalty of ~~ten~~ five percent of the unpaid tax shall be assessed. *If the tax remains unpaid for more than 30 days, an additional penalty of five percent of the unpaid tax is imposed for each additional 30 days or fraction of 30 days that the tax remains unpaid. The penalty imposed under this section must not exceed 25 percent of the unpaid tax.* The unpaid tax and penalty shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid until paid. All interest and penalties shall be added to the tax and collected as a part thereof.

Sec. 10. Minnesota Statutes 1988, section 270.12, subdivision 2, is amended to read:

Subd. 2. The board shall meet annually between July 15 and October 1 at the office of the commissioner of revenue and examine and compare the returns of the assessment of the property in the several counties, and equalize the same so that all the taxable property in the state shall be assessed at its market value, subject to the following rules:

(1) The board shall add to the aggregate valuation of the real property of every county, which the board believes to be valued below its market value in money, such percent as will bring the same to its market value in money;

(2) The board shall deduct from the aggregate valuation of the real property of every county, which the board believes to be valued above its market value in money, such percent as will reduce the same to its market value in money;

(3) If the board believes the valuation *for a class or classes* of the real property of any town or district in any county, or the valuation *for a class or classes* of the real property of any county not in towns or cities, should be raised or reduced, without raising or reducing the other real property of such county, or without raising or reducing it in the same ratio, the board

may add to, or take from, the valuation of *a class or classes* in any one or more of such towns or cities, or of the property not in towns or cities, such percent as the board believes will raise or reduce the same to its market value in money;

(4) The board shall add to the aggregate valuation of any class of personal property of any county, town, or city, which the board believes to be valued below the market value thereof, such percent as will raise the same to its market value in money;

(5) The board shall take from the aggregate valuation of any class of personal property in any county, town or city, which the board believes to be valued above the market value thereof, such percent as will reduce the same to its market value in money;

(6) The board shall not reduce the aggregate valuation of all the property of the state, as returned by the several county auditors, more than one percent on the whole valuation thereof;

(7) When it would be of assistance in equalizing values the board may require any county auditor to furnish statements showing assessments of real and personal property of any individuals, firms, or corporations within the county. The board shall consider and equalize such assessments and may increase the assessment of individuals, firms, or corporations above the amount returned by the county board of equalization when it shall appear to be undervalued, first giving notice to such persons of the intention of the board so to do, which notice shall fix a time and place of hearing. The board shall not decrease any such assessment below the valuation placed by the county board of equalization; and

(8) In equalizing values pursuant to this section, the board shall utilize a 12-month assessment/sales ratio study conducted by the department of revenue containing only sales that occurred between October 1 of the year immediately preceding the previous year to September 30 of the previous year. The sales prices used in the study must be discounted for terms of financing. The board shall use the median ratio as the statistical measure of the level of assessment for any particular category of property.

Sec. 11. 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 a concession in or relative to the use in whole or part of a public park, market, fairgrounds, port authority, economic development authority established under chapter 458C, municipal auditorium, airport owned by a city, town, county, or group thereof but not the airports owned or operated by the metropolitan airports commission or a city of over 50,000 population or an airport authority therein, municipal museum or municipal stadium or (2) property constituting or used as a public pedestrian ramp or concourse in connection with a public airport or (3) property constituting or used as a passenger check-in area or ticket sale counter,

boarding area, or luggage claim area in connection with a public airport but not the airports owned or operated by the metropolitan airports commission or cities of over 50,000 population or an airport authority therein. Real estate owned by a municipality in connection with the operation of a public airport and leased or used for agricultural purposes shall not be exempt.

(c) Taxes imposed by this subdivision shall be due and payable as in the case of personal property taxes and such taxes shall be assessed to such lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

(d) The tax on real property of the state or any of its political subdivisions that is leased by a private individual, association, or corporation and becomes taxable under this subdivision or other provision of law must be assessed and collected as a personal property assessment. The taxes do not become a lien against the real property.

Sec. 12. Minnesota Statutes 1988, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) all public burying grounds;
- (2) all public schoolhouses;
- (3) all public hospitals;
- (4) all academies, colleges, and universities, and all seminaries of learning;
- (5) all churches, church property, and houses of worship;
- (6) institutions of purely public charity except parcels of property containing structures and the structures described in section 273.13, subdivision 25, paragraph (c), ~~clause clauses~~ (1) ~~or~~, (2), and (3), or paragraph (d); ~~clause~~ (2);
- (7) all public property exclusively used for any public purpose;
- (8) except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d), shall be exempt.

The following personal property shall be taxable:

(a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;

(b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;

(c) personal property defined in section 272.03, subdivision 2, clause (3);

(d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;

(e) manufactured homes and sectional structures; and

(f) flight property as defined in section 270.071.

(9) ~~Real and~~ personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used; ~~other than real property used primarily as a solid waste disposal site, and real property which is used primarily for abatement and control of air, water, or land pollution as: (A) part of an agricultural operation; or (B) part of an electric generation system; or (C) that part of a post-consumer recycling operation that does not resell its products at retail to consumers; and is used primarily for the abatement and control of air, water, or land pollution. For purposes of this clause, personal property includes ponderous machinery and equipment used in a business or production activity that at common law would be considered real property. Real property used primarily as a solid waste disposal site is taxable.~~

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, rules, or criteria prescribed by the Minnesota pollution control agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota pollution control agency shall upon request of the commissioner furnish information or advice to the commissioner. On determining that property qualifies for exemption, the commissioner shall issue an order exempting the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota pollution control agency remains in effect.

(10) Wetlands. For purposes of this subdivision, "wetlands" means (1) land described in section 105.37, subdivision 15, or (2) land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. "Wetlands" shall not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause ~~and section 273.116~~. Upon receipt

of an application for the exemption and credit provided in this clause and section 273.116 for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of the decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders: provided the property is used primarily as a clubhouse, meeting facility, or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydro-mechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 105.482, subdivisions 1, 8, and 9.

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band; and

(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band.

An exemption provided by paragraph (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until

the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(16) Real and personal property owned and operated by a private, non-profit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures.

(17) Notwithstanding section 273.19, state lands that are leased from the department of natural resources under section 92.46.

(18) Electric power distribution lines and their attachments and appurtenances, that are used primarily for supplying electricity to farmers at retail.

(19) Transitional housing facilities. "Transitional housing facility" means a facility that meets the following requirements. (i) It provides temporary housing to parents and children who are receiving AFDC or parents of children who are temporarily in foster care. (ii) It has the purpose of reuniting families and enabling parents to advance their education, get job training, or become employed in jobs that provide a living wage. (iii) It provides support services such as child care, work readiness training, and career development counseling; and a self-sufficiency program with periodic monitoring of each resident's progress in completing the program's goals. (iv) It provides services to a resident of the facility for at least six months but no longer than one year, except residents enrolled in an educational or vocational institution or job training program. These residents may receive services during the time they are enrolled but in no event longer than four years. (v) It is sponsored by an organization that has received a grant under section 256.7365 for the biennium ending June 30, 1989, for the purposes of providing the services in items (i) to (iv). (vi) It is sponsored by an organization that is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1987. This exemption applies notwithstanding the fact that the sponsoring organization receives financing by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency under the provisions of either Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant to it, and notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

Sec. 13. Minnesota Statutes 1988, section 273.124, subdivision 6, is amended to read:

Subd. 6. [LEASEHOLD COOPERATIVES.] When one or more dwellings or one or more buildings which each contain several dwelling units is owned by a nonprofit corporation subject to the provisions of chapter 317 and qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1988, or a limited partnership which corporation or partnership operates the property in conjunction with a cooperative association, homestead treatment may be claimed by the cooperative association on behalf of the members of the cooperative for each dwelling unit occupied by a member of the cooperative. The cooperative association must provide the assessor with the social security numbers of those members. To qualify for the treatment provided by this subdivision, the following conditions must be met:

(a) the cooperative association must be organized under sections 308.05 to 308.18 and all voting members of the board of directors must be resident tenants of the cooperative and must be elected by the resident tenants of the cooperative;

(b) the cooperative association must have a lease for occupancy of the property for a term of at least 20 years, which permits the cooperative association, while not in default on the lease, to participate materially in the management of the property, including material participation in establishing budgets, setting rent levels, and hiring and supervising a management agent;

(c) to the extent permitted under state or federal law, the cooperative association must have a right under a written agreement with the owner to purchase the property if the owner proposes to sell it; if the cooperative association does not purchase the property when it is offered for sale, the owner may not subsequently sell the property to another purchaser at a price lower than the price at which it was offered for sale to the cooperative association unless the cooperative association approves the sale; and

(d) the cooperative must meet one of the following criteria with respect to the income of its members: (1) a minimum of 75 percent of members must have incomes at or less than 80 percent of area median income, (2) a minimum of 40 percent of members must have incomes at or less than 60 percent of area median income, or (3) a minimum of 20 percent of members must have incomes at or less than 50 percent of area median income. For purposes of this clause, "member income" means the income of a member when the member acquires cooperative membership, and "median income" means the Saint Paul-Minneapolis metropolitan area median income as determined by the United States Department of Housing and Urban Development;

(e) if a limited partnership owns the property, it must include as the managing general partner either the cooperative association or a nonprofit organization operating under the provisions of chapter 317 and qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1988, and the limited partnership agreement must provide that the managing general partner have sufficient powers so that it materially participates in the management and control of the limited partnership;

(f) prior to becoming a member of a leasehold cooperative described in this subdivision, a person must have received notice that (1) describes leasehold cooperative property in plain language, including but not limited to the effects of classification under this subdivision on rents, property taxes and tax credits or refunds, and operating expenses, and (2) states that copies of the articles of incorporation and bylaws of the cooperative association, the lease between the owner and the cooperative association, a sample sublease between the cooperative association and a tenant, and, if the owner is a partnership, a copy of the limited partnership agreement, can be obtained upon written request at no charge from the owner, and the owner must send or deliver the materials within seven days after receiving any request;

(g) if a dwelling unit of a building was occupied on the 60th day prior to the date on which the unit became leasehold cooperative property described in this subdivision, then (1) the notice described in paragraph (f) must have been sent by first class mail to the occupant of the unit at least 60

days prior to the date on which the unit became leasehold cooperative property, and (2) prior to the mailing of the notice, copies of the documents identified in the notice must have been filed with the secretary of state; and

(h) the county attorney of the county in which the property is located must certify to the assessor that the property meets the requirements of this subdivision. Homestead treatment must be afforded to units occupied by members of the cooperative association and the units must be assessed as provided in subdivision 3, provided that any unit not so occupied shall be classified and assessed pursuant to the appropriate class. No more than three acres of land may, for assessment purposes, be included with each dwelling unit that qualifies for homestead treatment under this subdivision.

Sec. 14. Minnesota Statutes 1988, section 273.124, subdivision 13, is amended to read:

Subd. 13. [SOCIAL SECURITY NUMBER REQUIRED FOR HOMESTEAD APPLICATION.] Every property owner applying for homestead classification must furnish to the county assessor that owner's social security ~~or taxpayer identification~~ number. If the social security ~~or taxpayer identification~~ number is not provided, the county assessor shall classify the property as nonhomestead. The social security numbers of the property owners are private data on individuals as defined by section 13.02, subdivision 12, but, notwithstanding that section, the private data may be disclosed to the commissioner of revenue.

At the request of the commissioner, each county must give the commissioner a list that includes the name and social security ~~or taxpayer identification~~ number of each property owner applying for homestead classification.

If, in comparing the lists supplied by the counties, the commissioner finds that a property owner is claiming more than one homestead, the commissioner shall notify the appropriate counties. Within 90 days of the notification, the county assessor shall investigate to determine if the homestead classification was properly claimed. If the property owner does not qualify, the county assessor shall notify the county auditor who will determine the amount of homestead benefits that had been improperly allowed. For the purpose of this section, "homestead benefits" means the tax reduction resulting from the classification as a homestead under section 273.13, the homestead credit under section 273.13 for taxes payable in 1989 and under section 273.1398 for taxes payable in 1990 and thereafter, the taconite homestead credit, and the supplemental homestead credit, and the tax reduction resulting from the agricultural credit under section 273.132 for taxes payable in 1989 and under section 273.1398 for taxes payable in 1990 and thereafter. The county auditor shall send a notice to the owners of the affected property, demanding reimbursement of the homestead benefits plus a penalty equal to 25 percent of the homestead benefits. The property owners may appeal the county's determination by filing a notice of appeal with the Minnesota tax court within 60 days of the date of the notice from the county.

If the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount to the succeeding year's tax list to be collected as part of the property taxes.

Any amount of homestead benefits recovered from the property owner must be transmitted to the commissioner by the end of each calendar quarter. Any amount recovered attributable to taconite homestead credit shall be transmitted to the St. Louis county auditor to be deposited in the taconite property tax relief account. The amount of penalty collected must be deposited in the county general fund.

The commissioner will provide suggested homestead applications to each county. If a property owner has applied for more than one homestead and the county assessors cannot determine which property should be classified as homestead, the county assessors will refer the information to the commissioner. The commissioner shall make the determination and notify the counties within 60 days.

In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners.

Sec. 15. Minnesota Statutes 1988, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first \$68,000 of market value of class 1a property has a net tax capacity of one percent of its market value and a gross tax capacity of 2.17 percent of its market value. The market value of class 1a property that exceeds \$68,000 but does not exceed \$100,000 has a tax capacity of 2.5 percent of its market value. The market value of class 1a property that exceeds \$100,000 has a tax capacity of 3.3 percent of its market value.

(b) Class 1b property includes real estate or manufactured homes used for the purposes of a homestead by

(1) any blind person, if the blind person is the owner thereof or if the blind person and the blind person's spouse are the sole owners thereof; or

(2) any person, hereinafter referred to as "veteran," who:

(i) served in the active military or naval service of the United States; and

(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and

(iii) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as a homestead; or

(3) any person who:

(i) is permanently and totally disabled and

(ii) receives 90 percent or more of total income from

- (A) aid from any state as a result of that disability; or
- (B) supplemental security income for the disabled; or
- (C) workers' compensation based on a finding of total and permanent disability; or
- (D) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or
- (E) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or
- (F) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability; or
- (iii) whose household income as defined in section 290A.03, subdivision 5, is 150 percent or less of the federal poverty level.

Property is classified and assessed pursuant to clause (1) only if the commissioner of jobs and training certifies to the assessor that the owner of the property satisfies the requirements of this subdivision. ~~The commissioner of jobs and training shall provide a copy of the certification to the commissioner of revenue.~~

Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings the person an income. The first \$32,000 market value of class 1b property has a net tax capacity of .4 percent of its market value and a gross tax capacity of .87 percent of its market value. The remaining market value of class 1b property has a gross or net tax capacity using the rates for class 1 or class 2a property, whichever is appropriate, of similar market value.

(c) Class 1c property is commercial use real property that abuts a lake-shore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner. Class 1c property has a tax capacity of .9 percent of market value with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore.

(d) For taxes levied in 1988, payable in 1989 only, the tax to be paid on class 1a or class 1b property shall be reduced by 54 percent of the tax imposed on the first \$68,000 of market value. The amount of the reduction shall not exceed \$725.

Sec. 16. Minnesota Statutes 1988, section 273.135, subdivision 2, is amended to read:

Subd. 2. For taxes payable in 1989 only, the amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 66 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the

taconite breakpoint, provided that the reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction *for each homestead* resulting from this credit be less than \$10.

(b) In the case of property located within the boundaries of a school district which qualifies as a tax relief area but which is outside the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 57 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, provided that the reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction *for each homestead* resulting from this credit be less than \$10.

(c)(1) The maximum reduction of the net tax up to the taconite breakpoint is \$225.40 on property described in clause (a) and \$200.10 on property described in clause (b), for taxes payable in 1985. These maximum amounts shall increase by \$15 times the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent years.

(2) The total maximum reduction of the net tax on property described in clause (a) is \$490 for taxes payable in 1985. The total maximum reduction for the net tax on property described in clause (b) is \$435 for taxes payable in 1985. These maximum amounts shall increase by \$15 per year for taxes payable in 1986 and thereafter.

For the purposes of this subdivision, "net tax" means the tax on the property after deduction of any credit under section 273.13, subdivision 22 or 23, "taconite breakpoint" means the lowest possible net tax for a homestead qualifying for the maximum reduction pursuant to section 273.13, subdivision 22, rounded to the nearest whole dollar, "homestead credit equivalency percentage" means a percentage equal to the percentage reduction authorized in section 273.13, subdivision 22, "effective tax rate" means tax divided by the market value of the property, and the "base year effective tax rate" means the tax on the property after the application of the credits payable under section 273.13, subdivisions 22 and 23, and this section for taxes payable in 1988, divided by the market value of the property. A new parcel of property or a parcel with a current year classification that is different from its base year classification has the same base year effective tax rate as an equivalent homesteaded parcel.

Sec. 17. Minnesota Statutes 1988, section 273.135, subdivision 2a, is amended to read:

Subd. 2a. For taxes payable in 1990 and thereafter, the amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 66 percent of the tax, provided that the reduction shall not exceed the maximum amounts specified in clause (c) and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction *for each*

homestead resulting from this credit be less than \$10.

(b) In the case of property located within the boundaries of a school district which qualifies as a tax relief area but which is outside the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 57 percent of the tax, provided that the reduction shall not exceed the maximum amounts specified in clause (c) and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction for *each homestead* resulting from this credit be less than \$10.

(c) The total maximum reduction of the net tax on property described in clause (a) is \$490 for taxes payable in 1985. The total maximum reduction for the net tax on property described in clause (b) is \$435 for taxes payable in 1985. These maximum amounts shall increase by \$15 per year for taxes payable in 1986 and thereafter.

For the purposes of this subdivision, "tax" means the tax on the property before application of the credit payable under this section and "effective tax rate" means tax divided by the market value of the property, and "base year effective tax rate" means the tax on the property after the application of the credits payable under section 273.13, subdivisions 22 and 23, and this section for taxes payable in 1988, divided by the market value of the property. A new parcel of property or a parcel with a current year classification that is different from its base year classification has the same base year effective tax rate as an equivalent homesteaded parcel.

Sec. 18. Minnesota Statutes 1988, section 273.1391, subdivision 2, is amended to read:

Subd. 2. For taxes payable in 1989 only, the amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area, and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county, 57 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint on qualified property located in the school district that does not meet the qualifications of section 273.134, provided that the amount of said reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction for *each homestead* resulting from this credit be less than \$10. The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein.

(b) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not in a school district containing a city of the first class or adjacent to a school district containing a city of the

first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, but not to exceed the maximums specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10.

(c)(1) The maximum reduction of the net tax up to the taconite breakpoint is \$200.10 for taxes payable in 1985. This maximum amount shall increase by \$15 multiplied by the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent years.

(2) The total maximum reduction of the net tax is \$435 for taxes payable in 1985. This total maximum amount shall increase by \$15 per year for taxes payable in 1986 and thereafter.

For the purposes of this subdivision, "net tax" means the tax on the property after deduction of any credit under section 273.13, subdivision 22 or 23, "taconite breakpoint" means the lowest possible net tax for a homestead qualifying for the maximum reduction pursuant to section 273.13, subdivision 22, rounded to the nearest whole dollar, "homestead credit equivalency percentage" means a percentage equal to the percentage reduction authorized in section 273.13, subdivision 22, and "effective tax rate" means tax divided by the market value of the property, and the "base year effective tax rate" means the tax on the property after application of the credits payable under section 273.13, subdivisions 22 and 23, and this section for taxes payable in 1988, divided by the market value of the property. A new parcel with a current year classification that is different from its base year classification has the same base year effective tax rate as an equivalent homesteaded parcel.

Sec. 19. Minnesota Statutes 1988, section 273.1391, subdivision 2a, is amended to read:

Subd. 2a. For taxes payable in 1990 and thereafter, the amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area, and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county, 57 percent of the tax, provided that the amount of the reduction for each homestead shall not exceed the maximum amounts specified in clause (c) and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction resulting from this credit be less than \$10. The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein.

(b) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not in a school district containing a city

of the first class or adjacent to a school district containing a city of the first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the tax, but not to exceed the maximums specified in clause (c) and not to exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction for *each homestead* resulting from this credit be less than \$10.

(c) The total maximum reduction of the tax is \$435 for taxes payable in 1985. This total maximum amount shall increase by \$15 per year for taxes payable in 1986 and thereafter.

For the purposes of this subdivision, "tax" means the tax on the property before application of the credit under this section. "effective tax rate" means tax divided by the market value of the property, and "base year effective tax rate" means the tax on the property after the application of the credits payable under section 273.13, subdivisions 22 and 23, and this section for taxes payable in 1988, divided by the market value of the property. A new parcel of property or a parcel with a current year classification that is different from its base year classification has the same base year effective tax rate as an equivalent homesteaded parcel.

Sec. 20. Minnesota Statutes 1988, section 273.1393, is amended to read:
273.1393 [COMPUTATION OF NET PROPERTY TAXES.]

Notwithstanding any other provisions to the contrary, "net" property taxes are determined by subtracting the credits in the order listed from the gross tax:

- (1) disaster credit as provided in section 273.123;
- (2) powerline credit as provided in section 273.42;
- (3) agricultural preserves credit as provided in section 473H.10;
- (4) enterprise zone credit as provided in section 469.171;
- (5) *disparity reduction credit*;
- (6) state agricultural credit as provided in section 273.132;
- ~~(6)~~ (7) *conservation tax credit as provided in section 273.119*;
- (8) state paid homestead credit as provided in section 273.13;
- ~~(7)~~ (9) taconite homestead credit as provided in section 273.135;
- ~~(8)~~ (10) supplemental homestead credit as provided in section 273.1391.

The combination of all property tax credits must not exceed the gross tax amount.

Sec. 21. Minnesota Statutes 1988, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of tax capacity rates.

(c) "Gross tax capacity" means the product of the appropriate percentages of market value listed as gross tax capacities in section 273.13 and equalized market values. "Total gross tax capacity" means the gross tax

capacities for all property within the unique taxing jurisdiction. The total gross tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's gross tax capacity of commercial industrial property as defined in section 473F02, subdivision 3, multiplied by the ratio determined pursuant to section 473F08, subdivision 6, for the municipality, as defined in section 473F02, subdivision 8, in which the unique taxing jurisdiction is located and (2) the gross tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2. For purposes of determining the gross tax capacity of property referred to in clauses (1) and (2) for disparity reduction aid payable in 1989, the gross tax capacity before equalization shall equal the property's 1987 assessed value multiplied by 12 percent. Gross tax capacity cannot be less than zero.

(d) "Net tax capacity" means the product of the appropriate percentages of market value listed as net tax capacities in section 273.13 and equalized market values. "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F02, subdivision 3, multiplied by the ratio determined pursuant to section 473F08, subdivision 6, for the municipality, as defined in section 473F02, subdivision 8, in which the unique taxing jurisdiction is located and (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2. For purposes of determining the net tax capacity of property referred to in clauses (1) and (2), the net tax capacity before equalization shall equal the property's 1987 assessed value multiplied by 12 percent. Net tax capacity cannot be less than zero.

(e) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. For computation of aids payable in 1989 only, if the aggregate assessment sales ratio is less than or equal to 92 percent, the assessment sales ratios by class shall be adjusted proportionally so that the aggregate ratio of the unequalized market values to the equalized market values equals 92 percent; otherwise the equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(f) "Homestead effective rate" means the product of (i) 46 percent; (ii) 2.17 percent; and (iii) the total tax capacity rate for taxes payable in 1989 within a unique taxing jurisdiction multiplied by the 1988 aggregate assessment sales ratio. A sales ratio of .92 is used if the actual sales ratio is less than .92.

(g) For purposes of calculating the ~~transition~~ *homestead and agricultural credit* aid authorized pursuant to subdivision 2, the "subtraction factor" is the product of (i) a unique taxing jurisdiction's homestead effective rate; (ii) its net tax capacity; and (iii) 103.

(h) For purposes of calculating and allocating ~~transition~~ *homestead and agricultural credit* aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties" or "gross taxes" means the total gross taxes levied on all properties except that levied on the captured value of tax increment districts as defined

in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction before reduction by any credits for taxes payable in the year prior to that in which the aids are payable. For purposes of disparity reduction aid only, total gross taxes shall be reduced by the taxes levied for any school district referendum levies authorized pursuant to section 124A.03, subdivision 2, and any school district debt levies authorized pursuant to section 475.61. Gross taxes levied cannot be less than zero.

(i) "Income maintenance aids" means:

(1) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(2) preadmission screening and alternative care grants under section 256B.091, subdivision 8;

(3) general assistance, and work readiness under section 256D.03, subdivision 2;

(4) general assistance medical care under section 256D.03, subdivision 6;

(5) aid to families with dependent children under section 256.82, subdivision 1, including emergency assistance under section 256.871, subdivision 6; and funeral expense payments under section 256.935, subdivision 1; and

(6) supplemental aid under section 256D.36, subdivision 1.

Sec. 22. Minnesota Statutes 1988, section 273.1398, subdivision 4, is amended to read:

Subd. 4. [DISPARITY REDUCTION CREDIT.] (a) Beginning with taxes payable in 1989, class 4a, class 3a, and class 3b property *qualifies for a disparity reduction credit if: (1) the property is located in a border city that has an enterprise zone designated pursuant to section 469.168, subdivision 4;* (2) *the property is located in cities a city with a population greater than 2,500 and less than 35,000 according to the 1980 decennial census which are;* (3) *the city is adjacent to cities a city in another state or immediately adjacent to a city adjacent to a city in another state qualify for disparity reduction credits, if;* and (4) the adjacent city in the other state has a population of greater than 5,000 and less than 75,000.

(b) The credit is an amount sufficient to reduce (i) the taxes levied on class 4a property to three percent of the property's market value and (ii) the tax on class 3a and class 3b property to 3.3 percent of market value.

~~(b)~~ (c) The county auditor shall annually certify the costs of the credits to the department of revenue. The department shall reimburse local governments for the property taxes foregone as the result of the credits in proportion to their total levies.

Sec. 23. Minnesota Statutes 1988, section 273.1398, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL HOMESTEAD AND AGRICULTURAL CREDIT GUARANTEE.] Beginning with taxes payable in 1990, each

unique taxing jurisdiction may receive additional homestead and agricultural credit *guarantee* payments.

(1) Each year, the commissioner shall certify to the county auditor the total education aids paid under chapters 124 and 124A, ~~transition homestead and agricultural credit~~ aid and disparity reduction aid paid under section 273.1398, local government aid to cities, counties, and towns paid under chapter 477A, and income maintenance aid paid to counties for each taxing jurisdiction. The county auditor shall apportion each local government's aids to the unique taxing jurisdiction based upon the proportion that the unique taxing jurisdiction's tax capacity bears to the total tax capacity of the local government.

(2) Each year, the county auditor will compute a gross tax capacity rate for each taxing jurisdiction equal to its total levy divided by its gross tax capacity. For each unique taxing jurisdiction, a total gross tax capacity rate will be determined. This total gross tax capacity rate will be applied against the gross tax capacity of each property that would have been eligible for the homestead credit or the agricultural credit for taxes payable in 1989. A credit amount will be determined for each parcel based upon the credit rate structure in effect for taxes payable in 1989. The resulting credit amounts will be summed for all parcels in the unique taxing jurisdiction.

If the amount determined in clause (2) is greater than the amount determined in clause (1), the difference will be additional homestead and agricultural credit *guarantee* payments for the unique taxing jurisdiction. The additional credit amount shall proportionately reduce the tax capacity rates of all local governments levying taxes within the unique taxing jurisdiction. The county auditor shall certify the amounts of ~~all~~ additional credits determined under this ~~section~~ *subdivision* in a form prescribed by the commissioner.

Sec. 24. Minnesota Statutes 1988, section 273.1398, subdivision 6, is amended to read:

Subd. 6. [PAYMENT.] The commissioner shall certify the aids provided in subdivisions 2 and 3 before September 30 of the year preceding the distribution year to the county auditor of the affected local government and pay them and the credit reimbursements to local governments other than school districts at the times provided in section 477A.015 for payment of local government aid to taxing jurisdictions. Aids and credit reimbursements to school districts must be certified to the commissioner of education and paid under section 273.1392. Payment shall not be made to any taxing jurisdiction that has ceased to levy a property tax nor shall ~~transition homestead and agricultural credit~~ aid be payable on the part of a levy to which ~~transition homestead and agricultural credit~~ aid was separately allocated under subdivision 2, paragraph (b), clause (2), which is no longer levied.

Sec. 25. Minnesota Statutes 1988, section 275.07, subdivision 3, is amended to read:

Subd. 3. The county auditor shall adjust each local government's levy certified under subdivision 1 by the amount of ~~transition homestead and agricultural credit~~ aid certified by section 273.1398, subdivision 2. If a local government's ~~transition homestead and agricultural credit~~ aid was further allocated between portions of its levy pursuant to section 273.1398, subdivision 2, paragraph (b)(2), the levy or fund to which the ~~transition homestead and agricultural credit~~ aid was allocated is the levy or fund

which must be adjusted.

Sec. 26. [276.131] [DISTRIBUTION OF PENALTIES, INTEREST, AND COSTS.]

The penalties, interest, and costs collected on special assessments and real and personal property taxes must be distributed as follows:

(1) all penalties and interest collected on special assessments against real or personal property must be distributed to the taxing jurisdiction that levied the assessment;

(2) 50 percent of all penalties and interest collected on real and personal property taxes must be distributed to the county in which the property is located, and the other 50 percent must be distributed to the school district in which the property is located. The distribution to the school district must be in accordance with the provisions of section 124.10; and

(3) all costs collected by the county on special assessments and on delinquent real and personal property taxes must be distributed to the county in which the property is located.

Sec. 27. Minnesota Statutes 1988, section 278.03, is amended to read:
278.03 [PAYMENT OF TAX.]

If the proceedings instituted by the filing of the petition have not been completed before the 16th day of May next following the filing, the petitioner shall pay to the county treasurer 50 percent of the tax levied for such year against the property involved, unless permission to continue prosecution of the petition without such payment is obtained as herein provided. If the proceedings instituted by the filing of the petition have not been completed by the next October 16, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2e 2b(2) agricultural nonhomestead property, November 16, the petitioner shall pay to the county treasurer 50 percent of the unpaid balance of the taxes levied for the year against the property involved if the unpaid balance is \$2,000 or less and 80 percent of the unpaid balance if the unpaid balance is over \$2,000, unless permission to continue prosecution of the petition without payment is obtained as herein provided. The petitioner, upon ten days notice to the county attorney and to the county auditor, given at least ten days prior to the 16th day of May or the 16th day of October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2e 2b(2) agricultural nonhomestead property, the 16th day of November, may apply to the court for permission to continue prosecution of the petition without payment; and, if it is made to appear

(1) That the proposed review is to be taken in good faith;

(2) That there is probable cause to believe that the property may be held exempt from the tax levied or that the tax may be determined to be less than 50 percent of the amount levied; and

(3) That it would work a hardship upon petitioner to pay the taxes due,

the court may permit the petitioner to continue prosecution of the petition without payment, or may fix a lesser amount to be paid as a condition of continuing the prosecution of the petition.

Failure to make payment of the amount required when due shall operate automatically to dismiss the petition and all proceedings thereunder unless

the payment is waived by an order of the court permitting the petitioner to continue prosecution of the petition without payment. The county treasurer shall, upon request of the petitioner, issue duplicate receipts for the tax payment, one of which shall be filed by the petitioner in the proceeding.

Sec. 28. Minnesota Statutes 1988, section 278.05, subdivision 4, is amended to read:

Subd. 4. [SALES RATIO STUDIES AS EVIDENCE.] The sales ratio studies published by the department of revenue, or any part of the studies, or any copy of the studies or records accumulated to prepare the studies which is prepared by the commissioner of revenue for use in determining ~~school~~ education aids shall be admissible in evidence as a public record without the laying of a foundation if the sales prices used in the study are adjusted for the terms of the sale to reflect market value and are adjusted to reflect the difference in the date of sale compared to the assessment date. *The department of revenue sales ratio study shall be prima facie evidence of the level of assessment.* Additional evidence relevant to the sales ratio study is also admissible. No sales ratio study received into evidence shall be conclusive or binding on the court and evidence of its reliability or unreliability may be introduced by any party including, but not limited to, evidence of inadequate adjustment of sale prices for terms of financing, inadequate adjustment of sales prices to reflect the difference in the date of sale compared to the assessment date, and inadequate sample size.

No reduction in value on the grounds of discrimination shall be granted on the basis of a sales ratio study published by the department of revenue unless

(a) the sales prices are adjusted for the terms of the sale to reflect market value,

(b) the sales prices are adjusted to reflect the difference in the date of sale compared to the assessment date, ~~and~~

(c) there is an adequate sample size, *and*

(d) the median ratio of the same classification of property in the same county, city, or town as the subject property is lower than 90 percent.

If a reduction in value on the grounds of discrimination is granted based on the above criteria, the reduction shall equal the difference between 90 percent and the court determined median ratio.

Sec. 29. Minnesota Statutes 1988, section 278.05, subdivision 5, is amended to read:

Subd. 5. Any time after the filing of the petition and before the trial of the issues raised thereby, when the defense or claim presented is that the property has been partially, unfairly, or unequally assessed, or that the parcel has been assessed at a valuation greater than its real or actual value, or that a parcel which is classified as homestead under the provisions of section 273.13, subdivision 22 or 23, has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in that portion of the county in which the parcel is located, for which the commissioner is able to establish and publish a sales ratio study, the attorney representing the state, county, city or town in the proceedings may serve on the petitioner, or the petitioner's attorney, and file

with the court administrator of the district court, an offer to reduce the valuation of any tract or tracts to a valuation set forth in the offer. If, within ten days thereafter, the petitioner, or the attorney, gives notice in writing to the county attorney, or the attorney for the city or town, that the offer is accepted, the official notified may file the offer with proof of notice, and the court administrator shall enter judgment accordingly. Otherwise, the offer shall be deemed withdrawn and evidence thereof shall not be given; and, unless a lower valuation than specified in the offer is found by the court, no costs or disbursements shall be allowed to the petitioner, but the costs and disbursements of the state, county, city or town, including interest at six percent on the tax based on the amount of the offer from and after the 16th day of October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2e 2b(2) agricultural nonhomestead property, the 16th day of November, of the year the taxes are payable, shall be taxed in its favor and included in the judgment and when collected shall be credited to the county revenue fund, unless the taxes were paid in full before the 16th day of October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2e 2b(2) agricultural nonhomestead property, the 16th day of November, of the year in which the taxes were payable, in which event interest shall not be taxable.

Sec. 30. Minnesota Statutes 1988, section 279.01, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3, on May 16, of each year, with respect to property actually occupied and used as a homestead by the owner of the property, a penalty of three percent shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer, and a penalty of seven percent on nonhomestead property, except that this penalty shall not accrue until June 1 of each year on commercial use real property used for seasonal residential recreational purposes and classified as class 4d 1c or 4c, and on other commercial use real property classified as class 3a, provided that over 60 percent of the gross income earned by the enterprise on the class 3a property is earned during the months of May, June, July, and August. Any property owner of such class 3a property who pays the first half of the tax due on the property after May 15 and before June 1 shall attach an affidavit to the payment attesting to compliance with the income provision of this subdivision. Thereafter, for both homestead and nonhomestead property, on the first day of each month, up to and including October 1 following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes. When the taxes against any tract or lot exceed \$50, one-half thereof may be paid prior to May 16; and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to October 16 following, without penalty; but, if not so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on nonhomestead property. Thereafter, for homestead property, on the first day of November and December following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for nonhomestead property, on the first day of November and December following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to May 16, the same may be paid at any time prior to October 16, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the

remaining one-half until October 16 following.

A county may provide by resolution that in the case of a property owner that has multiple tracts or parcels with aggregate taxes exceeding \$50, payments may be made in installments as provided in this subdivision.

The county treasurer may accept payments of more or less than the exact amount of a tax installment due. If the accepted payment is less than the amount due, payments must be applied first to the penalty accrued for the year the payment is made. Acceptance of partial payment of tax does not constitute a waiver of the minimum payment required as a condition for filing an appeal under section 278.03 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.

Sec. 31. Minnesota Statutes 1988, section 279.01, subdivision 3, is amended to read:

Subd. 3. In the case of class 1b agricultural homestead, class 2a agricultural homestead property, and class ~~2e~~ 2b(2) agricultural nonhomestead property, no penalties shall attach to the second one-half property tax payment as provided in this section if paid by November 15. Thereafter for class 1b agricultural homestead and class 2a homestead property, on November 16 following, a penalty of six percent shall accrue and be charged on all such unpaid taxes and on December 1 following, an additional two percent shall be charged on all such unpaid taxes. Thereafter for class ~~2e~~ 2b(2) agricultural nonhomestead property, on November 16 following, a penalty of eight percent shall accrue and be charged on all such unpaid taxes and on December 1 following, an additional four percent shall be charged on all such unpaid taxes.

If the owner of class 1b agricultural homestead, class 2a, or class ~~2e~~ 2b(2) agricultural property receives a consolidated property tax statement that shows only an aggregate of the taxes and special assessments due on that property and on other property not classified as class 1b agricultural homestead, class 2a, or class ~~2e~~ 2b(2) agricultural property, the aggregate tax and special assessments shown due on the property by the consolidated statement will be due on November 15 provided that at least 50 percent of the property's market value is classified class 1b agricultural, class 2a, or class ~~2e~~ 2b(2) agricultural.

Sec. 32. Minnesota Statutes 1988, section 279.37, subdivision 7, is amended to read:

Subd. 7. The county auditor's statement and county treasurer's receipt issued for payment of a deferred installment, as herein provided for, shall not read for any specific year's taxes, but shall read for partial or full release of judgment, as the case may be, and shall show the year that such judgment was entered. In distributing the taxes collected in this manner, the county auditor shall apply the same in the inverse order to that in which such taxes were levied. All penalties and interest collected under the provisions of this section shall be apportioned by the county auditor in accordance with ~~Minnesota Statutes 1941, sections 276.13 and 276.14~~ section 276.131. A duplicate treasurer's receipt for payment of a deferred installment, as hereinafter provided, shall be delivered to the court administrator of the district court, and the court administrator of the district court shall credit the amount so paid upon the judgment entered.

Sec. 33. Minnesota Statutes 1988, section 290A.03, subdivision 12, is amended to read:

Subd. 12. [GROSS RENT.] "Gross rent" means rental paid for the right of occupancy, at arms-length, of a homestead, exclusive of charges for any medical services furnished by the landlord as a part of the rental agreement, whether expressly set out in the rental agreement or not. If the landlord and tenant have not dealt with each other at arms-length and the commissioner determines that the gross rent charged was excessive, the commissioner may adjust the gross rent to a reasonable amount for purposes of this chapter.

Any amount paid by a claimant residing in property assessed pursuant to section ~~273.13~~ 273.124, subdivision 3, 4, 5, or 6 for occupancy in that property shall be excluded from gross rent for purposes of this chapter. However, property taxes imputed to the homestead of the claimant or the dwelling unit occupied by the claimant that qualifies for homestead treatment pursuant to section ~~273.13~~ 273.124, subdivision 3, 4, 5, or 6 shall be included within the term "property taxes payable" as defined in subdivision 13, notwithstanding the fact that ownership is not in the name of the claimant.

Sec. 34. Minnesota Statutes 1988, section 298.28, subdivision 3, is amended to read:

Subd. 3. [CITIES; TOWNS.] (a) 12.5 cents per taxable ton, less any amount distributed under subdivision 8, and paragraph (b), must be allocated to the taconite municipal aid account to be distributed as provided in section 298.282.

(b) An amount must be allocated to towns or cities that is annually certified by the county auditor of a county containing a taconite tax relief area within which there is (1) an organized township if, as of January 2, 1982, more than 75 percent of the assessed valuation of the township consists of iron ore or (2) a city if, as of January 2, 1980, more than 75 percent of the assessed valuation of the city consists of iron ore.

(c) The amount allocated under paragraph (b) will be the portion of a township's or city's certified levy equal to the proportion of (1) the difference between 50 percent of January 2, 1982, assessed value in the case of a township and 50 percent of the January 2, 1980, assessed value in the case of a city and its current assessed value to (2) the sum of its current assessed value plus the difference determined in (1), provided that the amount distributed shall not exceed \$55 per capita in the case of a township or \$75 per capita in the case of a city. For purposes of this limitation, population will be determined according to the 1980 decennial census conducted by the United States Bureau of the Census. ~~The county auditor shall extend the township's or city's levy against the sum of the township's or city's current assessed value plus the difference between 50 percent of its January 2, 1982, assessed value and its current assessed value in the case of a township and between 50 percent of its January 2, 1980, assessed value and its current assessed value in the case of a city.~~ If the current assessed value of the township exceeds 50 percent of the township's January 2, 1982, assessed value, or if the current assessed value of the city exceeds 50 percent of the city's January 2, 1980, assessed value, this paragraph shall not apply. *For purposes of this paragraph, "assessed value," when used in reference to years other than 1980 or 1982, means, for distributions for production year 1989, production taxes payable in 1990, the appropriate gross tax capacities multiplied by 8.2 and for distributions for production year 1990 and thereafter, production taxes payable in 1991 and*

thereafter, the appropriate net tax capacities multiplied by 10.2.

Sec. 35. Minnesota Statutes 1988, section 375.192, subdivision 2, is amended to read:

Subd. 2. Notwithstanding section 270.07, upon written application by the owner of the property, if the application seeks a reduction in estimated market value not in excess of ~~\$2,000~~ \$10,000, the county board may grant the reduction or abatement of estimated market valuation or taxes and of any costs, penalties or interest on them as the board deems just and equitable and order the refund in whole or part of any taxes, costs, penalties or interest which have been erroneously or unjustly paid. The application must be approved by the county assessor, or, if the property is located in a city of the first or second class having a city assessor, by the city assessor, and by the county auditor before consideration by the county board. The methods of obtaining a reduction or abatement of ad valorem values contained in subdivisions 1 and 2 are in addition to the method provided in section 270.07.

Sec. 36. Minnesota Statutes 1988, section 469.174, subdivision 8, is amended to read:

Subd. 8. [PROJECT.] "Project" means a project as described in section 469.142; an industrial development district as described in section 469.058, subdivision 1; an economic development district as described in section 469.101, subdivision 1; a project as defined in section 469.002, subdivision 12; a development district as defined in section 469.125, subdivision 8 9, or any special law; or a project as defined in section 469.153, subdivision 2, paragraph (a), (b), or (c).

Sec. 37. Minnesota Statutes 1988, section 469.175, subdivision 7, is amended to read:

Subd. 7. [CREATION OF HAZARDOUS SUBSTANCE SUBDISTRICT; RESPONSE ACTIONS.] (a) A municipality or authority which is creating or has created a tax increment financing district may establish within the district a hazardous substance subdistrict upon the notice and after the discussion, public hearing, and findings required for approval of the original plan. The geographic area of the subdistrict is made up of any parcels in the district designated for inclusion by the municipality or authority that are designated hazardous substance sites, and any additional parcels in the district designated for inclusion that are contiguous to the hazardous substances sites except for the interposition of a right-of-way. Before or at the time of approval of the tax increment financing plan, the municipality must make the findings under paragraphs (b) to (d), and set forth in writing the reasons and supporting facts for each.

(b) Development or redevelopment of the site, in the opinion of the municipality, would not reasonably be expected to occur solely through private investment and tax increment otherwise available, and therefore the hazardous substance district is deemed necessary.

(c) Other parcels that are not designated hazardous substance sites are expected to be developed together with a designated hazardous substance site.

(d) The subdistrict is not larger than, and the period of time during which increments are elected to be received is not longer than, that which is necessary in the opinion of the municipality to provide for the additional

costs due to the designated hazardous substance site.

(e) Upon request by a municipality or authority that has incurred expenses for removal or remedial actions to implement a development response action plan, the attorney general may:

(1) bring a civil action on behalf of the municipality or authority to recover the expenses, including administrative costs and litigation expenses, under section 115B.04 or other law; or

(2) assist the municipality or agency in bringing an action as described in clause (1), by providing legal and technical advice, intervening in the action, or other appropriate assistance.

The decision to participate in any action to recover expenses is at the discretion of the attorney general.

(f) If the attorney general brings an action as provided in paragraph (e), clause (1), the municipality or authority shall certify its reasonable and necessary expenses incurred to implement the development response action plan and shall cooperate with the attorney general as required to effectively pursue the action. The certification by the municipality or authority is prima facie evidence that the expenses are reasonable and necessary. The attorney general may deduct litigation expenses incurred by the attorney general from any amounts recovered in an action brought under paragraph (e), clause (1). The municipality or authority shall reimburse the attorney general for litigation expenses not recovered in an action under paragraph (e), clause (1), and for litigation expenses incurred to assist in bringing an action under paragraph (e), clause ~~(1)~~ (2). All money recovered or paid to the attorney general for litigation expenses under this paragraph shall be paid to the general fund of the state for deposit to the account of the attorney general. For the purposes of this section, "litigation expenses" means attorney fees and costs of discovery and other preparation for litigation.

(g) The municipality or authority shall reimburse the pollution control agency for its administrative expenses incurred to review and approve a development action response plan and associated activities, and for expenses incurred for any services rendered to the attorney general to support the attorney general in actions brought or assistance provided under paragraph (e). All money paid to the pollution control agency under this paragraph shall be deposited in the environmental response, compensation and compliance fund.

(h) Actions taken by a municipality or authority consistent with a development response action plan are deemed to be authorized response actions for the purpose of section 115B.17, subdivision 12. A municipality or agency that takes actions consistent with a development response action plan qualifies for the defenses available under sections 115B.04, subdivision 11, and 115B.05, subdivision 9.

(i) All money recovered by a municipality or authority in an action brought under paragraph (e) in excess of the amounts paid to the attorney general and the pollution control agency must be treated as excess increments and be distributed as provided in section 469.176, subdivision 2, clause (4), to the extent the removal and remedial actions were initially financed with increment revenues.

Sec. 38. Minnesota Statutes 1988, section 469.176, subdivision 4c, is

amended to read:

Subd. 4c. [ECONOMIC DEVELOPMENT DISTRICTS.] Revenue derived from tax increment from an economic development district may not be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if *at least* 25 percent of the buildings and facilities (determined on the basis of square footage) are used for the purposes listed in section 144(a)(8) of the Internal Revenue Code of 1986 (determined without regard to the 25 percent restriction in subparagraph (A)). The restrictions under this paragraph apply only to districts located in development regions, as defined in section 462.384, with populations in excess of 1,000,000. Population must be determined under the provisions of section 477A.011.

Sec. 39. Minnesota Statutes 1988, section 475.53, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] Except as otherwise provided by law, no school district shall be subject to a net debt in excess of ten percent of the actual market value of all taxable property situated within its corporate limits, as computed in accordance with this subdivision. The county auditor of each county containing taxable real or personal property situated within any school district shall certify to the district upon request the market value of all such property. ~~The commissioner of revenue shall certify to the district upon request the market value of railroad property within the district as most recently determined under section 270.87.~~ Whenever the commissioner of revenue, in accordance with section 124.2131, subdivision 1, has determined that the gross tax capacity of any district furnished by county auditors is not based upon the market value of taxable property in the district, the commissioner of revenue shall certify to the district upon request the ratio most recently ascertained to exist between such value and the actual market value of property within the district. The actual market value of property within a district, on which its debt limit under this subdivision is based, is (a) the value certified by the county auditors ~~and, where applicable, by the commissioner of revenue under section 270.87,~~ or (b) this value divided by the ratio certified by the commissioner of revenue, whichever results in a higher value.

Sec. 40. Minnesota Statutes 1988, section 477A.011, subdivision 15, is amended to read:

Subd. 15. [CITY REVENUE.] "City revenue" equals the sum of (i) the city's aid payable under section 477A.013, in the year prior to that for which aids are being calculated, and (ii) its levy for taxes payable in the year prior to that for which aids are being calculated; ~~and (iii) for aids payable in 1991 and subsequent years, the city's transition aid payable under section 273.1398, subdivision 2, in the year prior to that for which aids are being calculated.~~

Sec. 41. Minnesota Statutes 1988, section 477A.013, subdivision 1, is amended to read:

Subdivision 1. [TOWNS.] In calendar year 1988, each town which had levied for taxes payable in the previous year at least one mill on the dollar of the assessed value of the town shall receive a distribution equal to the greater of: (a) 60 percent of the amount received in 1983 pursuant to Minnesota Statutes 1982, sections 273.138, 273.139, and 477A.011 to

477A.03; or (b) the amount certified in 1987 pursuant to sections 477A.011 to 477A.03. In calendar year 1989, each town that had levied for taxes payable in 1988 at least one mill on the dollar of the assessed value of the town shall receive a distribution equal to 106 percent of the distribution received under Minnesota Statutes 1987 Supplement, section 477A.013, subdivision 1, in 1988. In calendar year 1990 and subsequent years, each town that had levied for taxes payable in the prior year a tax capacity rate of at least ~~0125~~ .008 shall receive a distribution equal to the amount received in 1989 under this subdivision.

Sec. 42. Laws 1988, chapter 719, article 8, section 37, is amended to read:

Sec. 37. [EFFECTIVE DATE.]

The part of section 31 that strikes a part of paragraph (c) is effective June 1, 1990. Section 32 is, and the part of section 36 that provides approval of 25 additional positions in the department of human services for food stamp quality control, are effective June 1, 1989. Except as provided in section 34, the rest of this article is effective January 1, 1990.

Sec. 43. Laws 1988, chapter 719, article 12, section 29, is amended to read:

Sec. 29. [TRANSITION RULES.]

(a) The provisions of sections 3, 6, 10, and ~~14 16~~ do not apply to proposed tax increment financing districts for which the authority called for a public hearing in a resolution dated March 23, 1987, and for which a public hearing was held on April 28, 1987. The provisions of Minnesota Statutes 1987 Supplement, sections 469.174, subdivision 10, and 469.176, subdivision 4, apply to such districts.

(b) The provisions of sections 3, 6, 10, and ~~14 16~~ do not apply to candidate sites in the old highway 8 corridor tax increment project area, identified in the old highway 8 corridor plan as approved by an authority on October 14, 1986, if the requests for certification of the districts are filed with the county before January 1, 1998. The provisions of Minnesota Statutes 1987 Supplement, sections 469.174, subdivision 10, and 469.176, subdivision 4, apply to such districts.

(c) The provisions of section ~~14 16~~, subdivision 4c, do not apply to an economic development district located in a development district approved on November 9, 1987, provided the request for certification of the tax increment district is submitted to the county by September 30, 1988.

Sec. 44. [REPEALER.]

(a) *Minnesota Statutes 1988, sections 276.13 and 276.14, are repealed.*

(b) *Laws 1988, chapter 719, article 8, section 35, is repealed.*

(c) *Minnesota Statutes 1988, sections 275.57 and 275.58, subdivision 4, are repealed.*

Sec. 45. [EFFECTIVE DATE.]

Sections 22, 27, 29 to 31, and 44, paragraph (c), are effective for taxes levied in 1988, payable in 1989, and thereafter except as provided in those sections. Sections 3 to 5 are effective January 1, 1989. Sections 6 to 9 are effective January 1, 1989, for property assessed in 1989, payable in 1990, and thereafter. Sections 10, 15, 20, 26, 32, 33, 36, 37, 39, 40, and

44, paragraph (a), are effective the day following final enactment. Section 44, paragraph (b), is effective for fiscal year 1989. Sections 1, 2, 11, 14, 17, 19, 21, and 23 to 25 are effective for taxes levied in 1989, payable in 1990, and thereafter. Section 13 is effective for taxes levied in 1989, payable in 1990, and thereafter, provided that cooperatives that qualified under Minnesota Statutes, section 273.124, subdivision 6, on January 1, 1989, shall meet the board membership requirements of paragraph (a) by September 1, 1989, and shall meet the requirements of 501(c)(3) or 501(c)(4) status under the Internal Revenue Code by January 1, 1990, and that the notice and filing requirements of paragraphs (f) and (g) shall apply only to leasehold cooperatives created later than 60 days after the date of enactment of this act. Sections 16 and 18 are effective for taxes payable in 1989 only. Section 30 is effective for appeals filed after the date of enactment. Section 34 is effective for distributions for production year 1989, production taxes payable in 1990, and thereafter. Section 35 is effective July 1, 1989. Section 12 is effective the day following final enactment except the pollution exemption modifications in clause (9) are effective for taxes levied in 1989, payable in 1990, and thereafter. Section 38 is effective as provided in Laws 1988, chapter 719, article 12, section 30, as amended in Laws 1989, chapter 1, section 11. Section 41 is effective for distributions in calendar year 1990 and thereafter. Section 42 is effective June 1, 1989. Section 43 is effective May 8, 1988.

ARTICLE 6

MILL RATE CONVERSIONS

Section 1. Minnesota Statutes 1988, section 3.983, subdivision 3, is amended to read:

Subd. 3. [MISCELLANEOUS EXCEPTIONS.] A fiscal note need not be prepared for the cost of a mandated action if the law containing the mandate:

- (a) (1) accommodates a specific local request;
- (b) (2) results in no new local government duties;
- (c) (3) leads to revenue losses from exemptions to taxes other than sales, use, or property taxes;
- (d) (4) provides only clarifying or conforming, nonsubstantive changes on local government;
- (e) (5) imposes additional net local costs which are minor (less than \$200 for any single local government if the mandate does not apply state-wide or less than ~~one-tenth of a mill~~ a gross tax capacity rate of .09 percent or a net tax capacity rate of .11 percent times the entire value of taxable property in the state if the mandate is statewide) and do not cause a financial burden on local government;
- (f) (6) is a legislative mandate or executive order enacted before July 1, 1985, or a rule initially implementing legislation enacted before July 1, 1985;
- (g) (7) implements something other than a state statute or executive order, such as a federal, court, or voter-approved mandate;
- (h) (8) appears in rules that are permissive or discretionary in nature;
- (i) (9) defines a new crime or redefines an existing crime or infraction;

⊕ (10) provides, or falls within the purview of existing, revenue sources or other financing mechanisms; or

⊕ (11) results in savings that equal or exceed costs.

Sec. 2. Minnesota Statutes 1988, section 18.022, subdivision 2, is amended to read:

Subd. 2. [COST.] (a) In order to defray the cost of such activities, the governing body of ~~any such~~ the political subdivision may levy a special tax which, except when levied by a county, ~~shall does~~ not exceed ~~two-thirds mill~~ a gross tax capacity rate of .55 percent or a net tax capacity rate of .68 percent in any year in excess of charter or statutory millage tax capacity rate limitations, but not ~~in any event~~ more than 50 cents per capita, ~~and any such~~. The political subdivision may make such a 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~~ the 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 ~~4-1/3 mills~~ a gross tax capacity rate of 1.10 percent or a net tax capacity rate of 1.36 percent, but not ~~in any event~~ more than one dollar per capita.

Sec. 3. Minnesota Statutes 1988, section 18.111, subdivision 1, is amended to read:

Subdivision 1. [LEVY LIMIT.] An annual levy ~~of~~ not to exceed ~~one-third mill on each dollar~~ of a gross tax capacity rate of .28 percent times the gross tax capacity or a net tax capacity rate of .34 percent times the net tax capacity may be levied for mosquito abatement purposes on all taxable property in any governmental unit undertaking mosquito abatement as provided in sections 18.041 to 18.161. ~~Such~~ The tax shall be certified, levied and collected in the same manner as other taxes ~~caused to be levied~~ by the governmental unit.

Sec. 4. Minnesota Statutes 1988, section 40A.15, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE RECIPIENTS.] All counties within the state, municipalities that prepare plans and official controls instead of a county, and districts are eligible for assistance under the program. Counties and districts may apply for assistance on behalf of other municipalities. In order to be eligible for financial assistance a county or municipality must agree to levy a tax at a gross tax capacity rate of at least ~~one-half mill on the dollar of gross tax capacity of property within its jurisdiction~~ .41 percent or at a net tax capacity rate of at least .51 percent for agricultural land preservation and conservation activities or otherwise spend the equivalent amount of local money on those activities, or spend \$15,000 of local money, whichever is less.

Sec. 5. Minnesota Statutes 1988, section 88.04, subdivision 3, is amended to read:

Subd. 3. All towns and cities ~~are hereby authorized and directed to shall~~ take necessary precautions to prevent the starting and spreading of forest or prairie fires and to extinguish ~~the same; and are hereby further authorized to them~~. They may levy a tax ~~of~~ at a gross tax capacity rate of not more than ~~3-1/3 mills~~ 2.74 percent or a net tax capacity rate of not more than

~~3.4 percent annually upon the taxable property of such municipalities, but in no municipality to. The tax in any municipality shall not exceed a total of \$3,000 in any one year, which. The tax when collected shall be known as the fire fund and kept separate and apart from all other funds and used only in paying to pay all necessary and incidental expenses incurred in enforcing the provisions of sections 88.03 to 88.21. Not Up to exceed \$500 shall be expended in any one year from any such fire fund for the support of any municipal fire department. No such municipality shall make any levy for its fire fund at any time when the same fund contains \$5,000 or more, consisting of including cash on hand or and uncollected taxes that are not delinquent or both.~~

Sec. 6. Minnesota Statutes 1988, section 110.71, subdivision 2, is amended to read:

Subd. 2. The governing body of any city or town may use any available funds and may levy a special tax of not to exceed ~~two thirds of one mill, nor the lesser of (1) a gross tax capacity rate of .55 percent or a net tax capacity rate of .68 percent, or (2) 50 cents per capita, in any year in addition to all other taxes authorized by law,~~ to carry out the provisions of subdivisions 1 to 4.

Sec. 7. Minnesota Statutes 1988, section 110B.20, is amended to read:

110B.20 [EXEMPTION FROM LEVY LIMIT.]

The governing body of any county, municipality, or township may levy a tax in an amount required to implement sections 110B.01 to 110B.30. ~~A levy to pay the cost of implementing sections 110B.01 to 110B.30 or to pay the cost of projects or programs identified in an adopted comprehensive water plan is in addition to other taxes authorized by law.~~ The amount of the levy up to ~~.75 mill times the adjusted gross tax capacity of the county, municipality, or town a gross tax capacity rate of .62 percent or a net tax capacity rate of .77 percent is exempt from any the per capita limitation on taxes imposed by chapter 275 section 275.11.~~

Sec. 8. Minnesota Statutes 1988, section 112.61, subdivision 2, is amended to read:

Subd. 2. [ORGANIZATIONAL EXPENSE FUND.] The organizational expense fund consists of an ad valorem tax levy, not to exceed ~~two thirds of one mill on each dollar of gross tax capacity of all taxable property within the district a gross tax capacity rate of .55 percent or a net tax capacity rate of .68 percent,~~ or \$60,000, whichever is less. The funds shall be used for organizational expenses and preparation of an overall plan for projects and improvements. The managers of the district may borrow from the affected counties up to 75 percent of the anticipated funds to be collected from the organizational expense fund levy and the counties affected may make the advancements. The advancement of anticipated funds shall be apportioned among affected counties in the same ratio as the gross tax capacity of the area of the counties within the district bears to the gross tax capacity of the entire district. If an established district is enlarged, an organizational expense fund may be levied against the area added to the district in the way provided in this subdivision. Unexpended funds collected for the organizational expense may be transferred to the administrative fund and used for the purposes authorized for it.

Sec. 9. Minnesota Statutes 1988, section 112.61, subdivision 3, is amended to read:

Subd. 3. [ADMINISTRATIVE FUND.] The administrative fund consists of an ad valorem tax levy not to exceed ~~one mill on each dollar of gross tax capacity of all taxable property within the district~~ a gross tax capacity rate of .82 percent or a net tax capacity rate of 1.02 percent, or \$125,000, whichever is less. The funds shall be used for general administrative expenses and to construct and maintain projects of common benefit to the district. The managers may make an annual levy for this fund as provided in section 112.611. In addition to the annual administrative levy, the managers may annually levy a tax ~~of not to exceed one-third of one mill~~ a gross tax capacity rate of .28 percent or a net tax capacity rate of .34 percent for a period of not to exceed 15 consecutive years to pay the cost attributable to the basic water management features of projects initiated by petition of a municipality of the district.

Sec. 10. Minnesota Statutes 1988, section 112.61, subdivision 8, is amended to read:

Subd. 8. [SURVEY AND DATA ACQUISITION FUND.] The survey and data acquisition fund is established or used only when no other funds are available to the district to pay to make necessary surveys and acquire data. The fund consists of ~~an ad valorem levy the proceeds of a property tax,~~ which can be levied not more than once every five years, not to exceed ~~one mill on each dollar of gross tax capacity of all taxable property within the district~~ a gross tax capacity rate of .82 percent or a net tax capacity rate of 1.02 percent. The balance of the survey and data acquisition fund must never exceed \$50,000. In a subsequent proceeding for a work where a survey has been made, the attributable cost of the survey as determined by the managers shall be included as a part of the cost of the work and repaid to the survey and data acquisition fund.

Sec. 11. Minnesota Statutes 1988, section 138.053, is amended to read:

138.053 [COUNTY HISTORICAL SOCIETY; TAX LEVY; CITIES OR TOWNS.]

The governing body of any home rule charter or statutory city or town excepting cities of the first class may appropriate annually an amount from its general fund of not to exceed ~~one mill of the gross tax capacity of the taxable property in the city or town~~ the amount raised by a levy of a gross tax capacity rate of .82 percent or a net tax capacity rate of 1.02 percent to be paid to the historical society of ~~their~~ its respective county to be used for the promotion of historical work and to aid in defraying the expenses of carrying on the historical work in ~~said~~ the county. No city or town may appropriate any funds for the benefit of any historical society unless ~~such~~ the society ~~shall be~~ is affiliated with and approved by the Minnesota historical society.

Sec. 12. Minnesota Statutes 1988, section 162.07, subdivision 3, is amended to read:

Subd. 3. [COMPUTATIONS FOR RURAL COUNTIES.] ~~A two-thirds of one mill levy~~ An amount equal to a levy of a gross tax capacity rate of .55 percent on each rural county's total gross tax capacity or a net tax capacity rate of .68 percent on each rural county's total ~~gross~~ net tax capacity for the last preceding calendar year shall be computed and shall be subtracted from ~~such~~ the county's total estimated construction costs. The result thereof shall be the money needs of ~~such~~ the county. For the purpose of this section, "rural counties" ~~shall be construed to mean~~ means

all counties having a population of less than 175,000.

Sec. 13. Minnesota Statutes 1988, section 162.07, subdivision 4, is amended to read:

Subd. 4. [COMPUTATION FOR URBAN COUNTIES.] ~~A four-tenths mill levy~~ *An amount equal to a levy of a gross tax capacity rate of .33 percent on each urban county's total gross tax capacity or a net tax capacity rate of .41 percent on each urban county's total gross net tax capacity for the last preceding calendar year shall be computed and shall be subtracted from such the county's total estimated construction costs. The result thereof shall be the money needs of the county. For the purpose of this section, "urban counties" shall be construed to mean means all counties having a population of 175,000 or more.*

Sec. 14. Minnesota Statutes 1988, section 162.081, subdivision 4, is amended to read:

Subd. 4. [PURPOSES.] Money apportioned to a county from the town road account must be distributed to the treasurer of each town within the county, according to a distribution formula adopted by the county board. The formula must take into account each town's levy for road and bridge purposes, its population and town road mileage, and other factors as the county board deems advisable in the interests of achieving equity among the towns. Distribution of town road funds to the treasurer of the towns must be made at the same time as the first payment is made for tax payments received by the county treasurer as provided in section 276.11. Distribution of funds to town treasurers in a county which has not adopted a distribution formula under this subdivision must be made according to a formula prescribed by the commissioner by rule. A formula adopted by a county board or by the commissioner must provide that a town, in order to be eligible for distribution of funds from the town road account in a calendar year, must have levied in the previous year for road and bridge purposes at least ~~two mills on the dollar of the gross tax capacity of the town a gross tax capacity rate of 1.64 percent or a net tax capacity rate of 2.04 percent.~~

Money distributed to a town under this subdivision may be expended by the town only for the construction, reconstruction, and gravel maintenance of town roads within the town.

Sec. 15. Minnesota Statutes 1988, section 164.04, subdivision 3, is amended to read:

Subd. 3. [EMERGENCIES.] In case of emergency after the town meeting, but not later than October 1 in the same year, the town board may levy a tax on the property in the town for road and bridge purposes, in addition to any tax voted at the annual town meeting for road and bridge purposes, in an amount not to exceed ~~1-6-2/3 mills on the dollar of the gross tax capacity of the property in the town a gross tax capacity rate of 1.37 percent or a net tax capacity rate of 1.7 percent.~~ Any tax so levied shall ~~forthwith~~ be certified to the county auditor for extension and collection. The town board may thereafter pledge the credit of the town by issuing town orders, not exceeding the amount of the additional tax so levied for road and bridge purposes, in payment for the emergency work done or material used on the roads within the town.

Sec. 16. Minnesota Statutes 1988, section 164.05, subdivision 1, is amended to read:

Subdivision 1. [POWERS.] In any town ~~wherein~~ *in which* the voters shall at the annual town meeting vote as hereinafter provided to authorize the town board so to do *so as provided in this section*, the town board may levy and assess on the real and personal property in the town, other than money and credits taxed under the provisions of chapter 285, a tax not to exceed in amount ~~3-1/3 mills on the dollar of the gross tax capacity of such property, which tax so levied~~ *a gross tax capacity rate of 2.74 percent or a net tax capacity rate of 3.4 percent. The tax shall be known as the town road drainage tax. Such tax shall be additional to all other taxes which the town is or may hereafter be authorized to levy, and* The amount of such ~~the tax so levied and collected~~ shall be deemed to have been levied and collected for road and bridge purposes within the meaning of any law limiting the amount of taxes which may be levied or voted at the annual town meeting; ~~provided, that except in towns having a gross tax capacity of not less than \$1,000,000 \$125,000, nor more than \$8,000,000 \$975,000, or a net tax capacity of not less than \$100,000 nor more than \$785,000, and which otherwise come under the provisions of sections 368.02 to 368.11 the amount of such tax so levied and collected shall not be deemed to have been levied and collected for road and bridge purposes within the meaning of any law limiting the amount of taxes which may be levied or voted at the annual town meeting.~~

Sec. 17. Minnesota Statutes 1988, section 174.27, is amended to read:

174.27 [PUBLIC EMPLOYER COMMUTER VAN PROGRAMS.]

Any statutory or home rule charter city, county, school district, independent board or agency may acquire or lease commuter vans, enter into contracts with another public or private employer to acquire or lease such vans, or purchase such a service for the use of its employees. The governing body of any such city, county, or school district may by resolution establish a commuter van revolving fund to be used to acquire or lease commuter vans for the use of its employees. Any payments out of the fund shall be repaid to the fund out of revenues derived from the use by the employees of the city, county, or school district, of the vans so purchased or leased. For the purpose of establishing the fund any city, county, or school district is authorized to make a one time levy not to exceed ~~one tenth of a mill~~ *a gross tax capacity rate of .09 percent or a net tax capacity rate of .11 percent* in excess of all taxing limitations ~~except the limitations imposed under sections 275.50 to 275.56, without affecting the amount or rate of taxes which may be levied by the city, county, or school district for other purposes or by any local governments in the area. Any city, county, or school district which establishes a commuter van acquisition program or contracts for this service is authorized to levy a tax not to exceed 4/100 mill~~ *a gross tax capacity rate of .01 percent or a net tax capacity rate of .02 percent* for the purpose of paying the administrative and promotional costs of the program which levy shall be in excess of all taxing limitations; ~~without affecting the amount or rate of taxes which may be levied by the city, county, or school district for other purposes or by a local government in the area except the limitations imposed under sections 275.50 to 275.56.~~ The governing body of any city, county, or school district may by resolution terminate the commuter van revolving fund and use the funds for other purposes authorized by law.

Sec. 18. Minnesota Statutes 1988, section 193.145, subdivision 2, is amended to read:

Subd. 2. [TAX LEVY, LIMITATION.] A county or municipality in which an armory has been constructed or is to be constructed hereunder may by resolution of its governing body irrevocably provide for levying and collecting annually for a specified period, not exceeding 40 years, a tax upon all taxable property therein of such amount as such governing body may determine, which, unless levied by a county, shall not exceed ~~one-third of one mill~~ a gross tax capacity rate of .28 percent or a net tax capacity rate of .34 percent.

The proceeds of ~~such the~~ levy as collected shall be paid to ~~such the~~ corporation for the purposes herein prescribed. ~~Such~~ The county or municipality shall have power to ~~may~~ make ~~such tax the~~ levies and payments and to bind itself thereto by ~~such~~ resolution of its governing body. The provisions of ~~such the~~ resolution may be made conditional upon the giving of an agreement by the adjutant general as authorized in subdivision 4. The obligations of ~~such the~~ county or municipality to levy, collect, and pay over ~~such the~~ taxes shall not be deemed or construed to constitute an indebtedness of ~~such the~~ county or municipality within the meaning of any provision of law or of its charter limiting its total or net indebtedness, and such taxes may be levied and collected without regard to any statutory or charter provision limiting the amount or rate of taxes which such county or municipality is otherwise authorized to levy.

Sec. 19. Minnesota Statutes 1988, section 237.35, is amended to read:
237.35 [TAX LEVY FOR CONSTRUCTION.]

When any town shall have ~~has~~ authorized the construction, acquiring, operation, or maintenance of a telephone system, as set forth in sections 237.33 and 237.34, and determined the amount of money to be raised for that purpose, the town board of supervisors may levy a tax for the amount of money to be raised therefor. The annual tax levy for ~~such that~~ purpose shall not exceed ~~3 1/3 mills upon the taxable property of such town~~ a gross tax capacity rate of 2.74 percent or a net tax capacity rate of 3.4 percent.

Sec. 20. Minnesota Statutes 1988, section 273.1102, subdivision 3, is amended to read:

Subd. 3. [1988 ADJUSTMENT.] ~~For~~ School ~~districts~~ *district* levy limitations or authorities expressed in terms of mills and adjusted assessed value, ~~their levy limitations in any special law that is not codified in Minnesota Statutes~~ shall be converted by the department of education to "equalized gross tax capacity rates" for taxes payable in 1989 and 1990 and to equalized net tax capacity rates for taxes payable in 1991 and thereafter. For purposes of this calculation, the 1987 adjusted assessed values of the district shall be converted to "adjusted gross tax capacities" by multiplying the equalized market values by class of property by the gross tax capacity rates provided in section 273.13. Each county assessor and the city assessors of Minneapolis, Duluth, and St. Cloud shall furnish the commissioner of revenue the 1987 market value for taxes payable in 1988 for any new classes of property established in this article. The commissioner shall use those values, and estimate values where needed, in developing the 1987 tax capacity for each school district under this section. The requirements of section 124.2131, subdivisions 1, paragraph (c), and 2 and 3, shall remain in effect.

Sec. 21. Minnesota Statutes 1988, section 275.011, subdivision 1, is amended to read:

Subdivision 1. The property tax levied for any purpose *under a special law that is not codified in Minnesota Statutes or a city charter provision and that is subject to a mill rate limitation imposed by statute or the special law or city charter provision*, excluding levies subject to mill rate limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, must not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of the applicable mill rate limitation imposed by ~~statute or~~ special law or city charter provision multiplied by the total assessed valuation of all taxable property subject to the tax as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, the product of (1) the property tax levy limitation for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property subject to the tax divided by the assessment year 1987 total market valuation of all taxable property subject to the tax; and

(c) for taxes payable in 1990 and subsequent years, the product of (1) the property tax levy limitation for the previous year determined pursuant to this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property subject to the tax for the current assessment year divided by the total market valuation of all taxable property subject to the tax for the previous assessment year.

For the purpose of determining the property tax levy limitation for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property subject to the tax without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

Sec. 22. Minnesota Statutes 1988, section 275.011, subdivision 2, is amended to read:

Subd. 2. A mill rate levy limitation imposed by ~~statute or~~ a special law or city charter provision that is presently in effect, excluding those mill rate levy limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, shall be construed to allow no more and no less property taxes than the amount determined under this section.

Sec. 23. Minnesota Statutes 1988, section 275.077, subdivision 2, is amended to read:

Subd. 2. The difference between the correct levy and the erroneous levy shall be added to the township levy for the subsequent levy year; provided that if the amount of the difference exceeds ~~five mills a gross tax capacity rate of 4.1 percent or a net tax capacity rate of 5.1 percent~~, the excess shall be added to the township levy for the second and later subsequent levy years, not to exceed an additional levy of ~~five mills a gross tax capacity rate of 4.1 percent or a net tax capacity rate of 5.1 percent~~ in any year, until the full amount of the difference has been levied. The funds collected from the corrected levies shall be used to reimburse the county for the payment required by subdivision 1.

Sec. 24. Minnesota Statutes 1988, section 275.28, subdivision 1, is amended to read:

Subdivision 1. [AUDITOR TO MAKE.] The county auditor shall make out the tax lists according to the prescribed form, and to correspond with the assessment districts. The rate percent necessary to raise the required amount of the various taxes shall be calculated on the gross tax capacity of property as determined by the state board of equalization, but, in calculating such rates, no rate shall be used resulting in a fraction other than a decimal fraction, or less than ~~one-tenth of a mill~~ *a gross tax capacity rate of .01 percent or a net tax capacity rate of .01 percent*; and, in extending any tax, whenever it amounts to the fractional part of a cent, it shall be made one cent. The tax lists shall also be made out to correspond with the assessment books in reference to ownership and description of property, with columns for the valuation and for the various items of tax included in the total amount of all taxes set down opposite each description; ~~and~~. Opposite each description which has been sold for taxes, and which is subject to redemption, but not redeemed, shall be placed the words "sold for taxes." The amount of all special taxes shall be entered in the proper columns, but the general taxes may be shown by entering the rate percent of each tax at the head of the proper columns, without extending the same, in which case a schedule of the rates percent of such taxes shall be made on the first page of each tax list. If the auditor ~~shall fail~~ *fails* to enter on any such list before its delivery to the treasurer any tax levied, ~~such the~~ tax may be subsequently entered. The tax lists shall be deemed completed, and all taxes extended thereon, as of October 16 annually.

Sec. 25. Minnesota Statutes 1988, section 275.56, is amended to read:
275.56 [EFFECT UPON OTHER LEVY LIMITS.]

All special and general laws and charter provisions establishing per capita, mill, *tax capacity rate*, or other general limitations on tax levies of governmental subdivisions are ~~hereby~~ superseded to the extent that they authorize property taxation in excess of the limitations established by sections 275.50 to 275.56, but otherwise such levy limitations and those established for special purposes are in no way affected by sections 275.50 to 275.56.

Sec. 26. Minnesota Statutes 1988, section 275.58, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding the provisions of sections 275.50 to 275.56, but subject to other law or charter provisions establishing per capita, mill, *tax capacity rate*, or other limitations on the amount of taxes that may be levied, the levy of a governmental subdivision, as defined by section 275.50, subdivision 1, may be increased above the limitation imposed by sections 275.50 to 275.56 in any per capita or dollar amount which is approved by the majority of voters of the governmental subdivision voting on the question at a general or special election. When the governing body of the governmental subdivision resolves to increase the levy of the governmental subdivision pursuant to this section, it shall provide for submission of the proposition of an increase in the levy limit base per capita or the proposition of an additional levy, as the case may be, at a general or special election. Notice of ~~such the~~ election shall be given in the manner required by law. If the proposition is for an adjustment to the governmental subdivision's levy limit base per capita, increasing the levy limit base per capita over the per capita amount established pursuant to section 275.51,

subdivision 3, ~~such the~~ notice shall state the purpose of ~~such the~~ per capita adjustment and the per capita amount of ~~such the~~ adjustment. If the proposition is for an additional levy, ~~such the~~ notice shall state the purpose and maximum yearly amount of ~~such the~~ additional levy.

Sec. 27. Minnesota Statutes 1988, section 298.28, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] (a) 27.5 cents per taxable ton plus the increase provided in paragraph (d) must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) and (c).

(b) 5.5 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(c)(i) 22 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts ~~wherein in which~~ the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 124.17 for the prior school year shall be multiplied by the ratio of the average adjusted gross tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapter 124A for the school year ending prior to distribution to the adjusted gross tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values that is less than the amount of its levy reduction under section 275.125, subdivision 9, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause (i).

(d) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by paragraph (c) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in paragraph (c) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988, the increase over the amount established for 1987 shall be determined as if there had been an increase in the tax rate under section 298.24, subdivision 1, paragraph (b), according to the increase in the implicit price deflator. On July 15, 1989, and subsequent years, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision

1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of ~~1-3/4 mills~~ *a gross tax capacity rate of 1.44 percent or a net tax capacity rate of 1.79 percent* times the district's taxable valuation in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 124A.03, subdivision 2, in the previous year, to the product of ~~1-3/4 mills~~ *a gross tax capacity rate of 1.44 percent or a net tax capacity rate of 1.79 percent* times the district's taxable valuation in the second previous year.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of \$150 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 124A.23 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of iron range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in subdivision 11.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

Sec. 28. Minnesota Statutes 1988, section 298.282, subdivision 2, is amended to read:

Subd. 2. (a) Each year following the final determination of the amount of taxes payable under section 298.24, the commissioner of revenue shall determine the amount in the taconite municipal aid account as of July 1 of ~~such~~ *that* year and the amount to be distributed to each qualifying municipality during ~~such~~ *the* year. The amount to be distributed to each qualifying municipality shall be determined by determining an index for each qualifying municipality by subtracting its local effort tax capacity rate, multiplied by its equalized gross tax capacity, from its fiscal need factor. For the purposes of this subdivision, the following terms have the meanings given them herein. A municipality's "local effort tax capacity rate" means its fiscal need factor per capita divided by ~~\$17~~ *\$21* per capita ~~per mill for each one percent of the gross tax capacity rate or \$17 per capita for each one percent of the net tax capacity rate~~ for the first \$350 of its fiscal need factor per capita; plus its fiscal need factor per capita divided by ~~\$15~~ *\$18* per capita ~~per mill for each one percent of the gross tax capacity rate or \$15 per capita for each one percent of the net tax capacity rate~~ on that part of its fiscal need factor per capita, if any, in excess of \$350. In no case shall a municipality's local effort tax capacity rate be less than ~~eight mills~~ *a gross tax capacity rate of 6.56 percent or a net tax capacity rate of 8.16 percent*. A municipality's "equalized captured gross tax capacity" means its previous year tax capacity, less the tax capacity in any tax increment district, divided by the municipality's aggregate sales ratio covering the period ending two years prior to the year of aid distribution. A municipality's "fiscal need factor" means the three-year average of the sum of its municipal levy, taconite aids received under section 298.28, subdivisions 2, 11, paragraph (b), and this section and its local

government aid distribution amount, for taxes payable and distribution amounts receivable in the three years immediately preceding the aid distribution year.

The ratio of the resulting index for each qualifying municipality to the sum of all qualifying municipalities' indexes shall be multiplied by the total amount in the taconite municipal aid account less the amount distributed pursuant to subdivision 5. ~~For the distribution made in 1987, one-third of the distribution shall be distributed pursuant to this subdivision and two-thirds pursuant to Minnesota Statutes 1984, section 298.282, subdivision 2. For the distribution made in 1988, two-thirds shall be distributed pursuant to this subdivision and one-third pursuant to Minnesota Statutes 1984, section 298.282, subdivision 2.~~

(b) If the distribution under this section, sections 273.138, 298.26 and 298.28, and chapter 477A, to any municipality would exceed that municipality's levy limit base for that year, computed pursuant to sections 275.50 to 275.58, the amount in excess of the levy limit base for that year shall reduce the amount distributed to the municipality under this section and this excess amount shall be distributed to the other qualifying municipalities in the same manner as the distribution made pursuant to subdivision 2, except that the qualifying municipality receiving an initial distribution when added to that received pursuant to sections 273.138, 298.26, 298.28, and chapter 477A in excess of the qualifying municipality's levy limit base, shall not receive a distribution nor shall its index be used in computing the distribution pursuant to this clause. The distributions to be received in the year in which the taxes are payable shall be compared to the levy limit base for that same year. Upon completion of ~~such~~ the determination, the commissioner of revenue shall certify to the chief clerical officer of each qualifying municipality the amount which will be distributed to ~~such~~ the municipality from the taconite municipal aid account that year.

Sec. 29. Minnesota Statutes 1988, section 366.27, is amended to read:
366.27 [FIREFIGHTERS' RELIEF; TAX LEVY.]

The town board of any town in this state having therein a platted portion on which ~~there reside~~ resides 1,200 or more people, and wherein a duly incorporated firefighters' relief association is located may each year ~~at the time the tax levies for the support of the town are made and in addition thereto~~ levy a tax not to exceed ~~one-third of one mill on all taxable property within the town~~ a gross tax capacity rate of .28 percent or a net tax capacity rate of .34 percent for the benefit of ~~such~~ the relief association.

Sec. 30. Minnesota Statutes 1988, section 373.40, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS ON AMOUNT.] A county, other than Hennepin or Ramsey, may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued pursuant to this section (including the bonds to be issued) will equal or exceed ~~one mill~~ a gross tax capacity rate of 1.82 percent multiplied by the taxable gross tax capacity of property in the county or a net tax capacity rate of 2.27 percent multiplied by the taxable net tax capacity of property in the county. Ramsey county may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued pursuant to ~~this~~ section (including the bonds to be issued) will equal or exceed ~~4-2~~

~~mills~~ a gross tax capacity rate of 2.19 percent multiplied by the taxable gross tax capacity of property in the county or a net tax capacity rate of 2.72 percent multiplied by the taxable net tax capacity of property in the county. Hennepin county may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued pursuant to this section together with the bonds proposed to be issued, will equal or exceed ~~one-half mill~~ a gross tax capacity rate of .91 percent multiplied by the taxable gross tax capacity of the property in the county or a net tax capacity rate of 1.13 percent multiplied by the taxable net tax capacity of the property in the county. Calculation of the limit must be made using the taxable gross tax capacity for the taxes payable year in which the obligations are issued and sold. This section does not limit the authority to issue bonds under any other special or general law.

Sec. 31. Minnesota Statutes 1988, section 373.40, subdivision 6, is amended to read:

Subd. 6. [BUILDING FUND LEVY.] (a) If a county other than Hennepin has an approved capital improvement plan, the county board may annually levy ~~an amount equal to one mill~~ a gross tax capacity rate of 1.82 percent or a net tax capacity rate of 2.27 percent, less the amount levied to pay principal and interest on bonds issued under this section. If the Hennepin county board has an approved capital improvement plan, the county board may annually levy ~~an amount equal to one-half mill~~ a gross tax capacity rate of .91 percent or a net tax capacity rate of 1.13 percent, less the amount levied to pay principal and interest on bonds issued under this section. The proceeds of this levy must be deposited in the county building fund under section 373.25 and may only be expended for capital improvements as provided in the approved capital improvement plan.

(b) The maximum amount of the levy, when added to the unexpended balance in the building fund, must not exceed the projected cost of the remaining improvements in the capital improvement plan. A levy made under this section is not subject to any other levy limitation, nor may the levy be included in the computation of any other levy limitation.

(c) This subdivision and the exercise of levy authority under it does not supersede or preempt the authority to levy under section 373.25 or any other law.

Sec. 32. Minnesota Statutes 1988, section 375.167, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATIONS.] Notwithstanding any contrary law, a county board may appropriate from the general revenue fund to any nonprofit corporation a sum not to exceed ~~one-fourth of a mill on the dollar of the taxable gross tax capacity of the county~~ an amount equal to a levy of a gross tax capacity rate of .21 percent or a net tax capacity rate of .26 percent to provide legal assistance to persons who are unable to afford private legal counsel. ~~This levy is subject to the levy limits established by sections 275.50 to 275.58.~~

Sec. 33. Minnesota Statutes 1988, section 375.18, subdivision 3, is amended to read:

Subd. 3. [COURTHOUSE.] Each county board may erect, furnish, and maintain a suitable courthouse. No indebtedness shall be created for a courthouse in excess of ~~1-2/3 mills on each dollar of gross tax capacity an~~

amount equal to a levy of a gross tax capacity rate of 1.37 percent or a net tax capacity rate of 1.7 percent without the approval of a majority of the voters of the county voting on the question of issuing the obligation at an election.

Sec. 34. Minnesota Statutes 1988, section 375.555, is amended to read:
375.555 [FUNDING.]

To implement the county emergency jobs program, the county board may expend an amount equal to what would be generated by a levy of ~~0.5 mills on all taxable property within the county~~ *a gross tax capacity rate of .41 percent or a net tax capacity rate of .51 percent.* The money to be expended may be from any available funds not otherwise earmarked.

Sec. 35. Minnesota Statutes 1988, section 383A.03, subdivision 4, is amended to read:

Subd. 4. [ICE ARENAS AND GALL'S GOLF COURSE.] Ramsey county may levy, annually, a tax not to exceed ~~one mill~~ *a gross tax capacity rate of .82 percent or a net tax capacity rate of 1.02 percent* for the acquisition and construction of nine artificial ice arenas and a golf course, to pay the interest on the bonds as it accrues and to pay the principal thereof in full at maturity, and not to exceed ~~one-half mill~~ *a gross tax capacity rate of .41 percent or a net tax capacity rate of .51 percent* to provide for the operation of these facilities. The board of county commissioners shall levy a tax for this purpose.

Sec. 36. Minnesota Statutes 1988, section 383A.411, subdivision 5, is amended to read:

Subd. 5. In substitution of, but not in addition to, powers granted to Ramsey county in subdivision 4, Ramsey county may levy and collect a tax, not to exceed the lesser of \$5,000,000 or ~~two mills, upon all taxable property in Ramsey county~~ *a gross tax capacity rate of 1.64 percent or a net tax capacity rate of 2.04 percent* to finance the construction, installation, modification, or improvement of heating, cooling, and domestic hot water systems serving buildings owned in whole or part, operated, or maintained by the county or Ramsey county medical center commission. ~~A levy made pursuant to this subdivision shall not be subject to any limitation provided by other law.~~

Sec. 37. Minnesota Statutes 1988, section 383A.49, subdivision 2, is amended to read:

Subd. 2. [EMERGENCY APPROPRIATIONS.] To meet a public emergency affecting life, health, property or the public peace, and to the extent that there are no available unappropriated revenues to meet the emergency, the board may, by unanimous vote, authorize the issuance of emergency notes. These notes may be renewed from time to time but the emergency notes and renewals in a fiscal year shall be paid not later than the last day of the fiscal year next succeeding that in which the emergency appropriation was made. The issuance and payment of these notes is subject to the ~~mill~~ limits on taxing power established by law for Ramsey county.

Sec. 38. Minnesota Statutes 1988, section 383B.152, is amended to read:
383B.152 [BUILDING AND MAINTENANCE FUND.]

The county board may by resolution levy a ~~direct general ad valorem tax upon all taxable property in the county~~ to provide money which shall

be kept in a fund known as the county reserve building and maintenance fund ~~and. Money in the fund shall be used solely for the construction, maintenance and equipping of such county buildings as are now or hereafter may be that are constructed or maintained by the board.~~ The levy shall not be subject to any limit fixed by any other law *except the limitations imposed in sections 275.50 to 275.56* or by any board of tax levy or other corresponding body, but shall not exceed a ~~sum equal to 11/12 mills times the gross tax capacity of all taxable property in the county in any year gross tax capacity rate of .76 percent or a net tax capacity rate of .94 percent,~~ less the amount required by chapter 475 to be levied in ~~such the year for the payment of the principal of and interest on all bonds issued pursuant to Extra Session Laws 1967, chapter 47, section 1.~~

Sec. 39. Minnesota Statutes 1988, section 383B.245, is amended to read:
383B.245 [~~MILL LEVY.~~]

The county board may also levy a tax of not more than ~~two-thirds mills~~ *a gross tax capacity rate of .55 percent or a net tax capacity rate of .68 percent* on taxable property within the county outside of any city in which is situated a free public library of the city to acquire, better and construct county library buildings and branches and to pay principal and interest on bonds issued for that purpose. The levy of the tax shall not cause the amount of other taxes levied or to be levied by the county, which are subject to any limitation, to be reduced in any amount ~~whatsoever.~~

The county board may by resolution adopted by a five-sevenths vote issue and sell general obligation bonds of the county in the manner provided in sections 475.60 to 475.73. The bonds shall not be subject to the limitations of sections 475.51 to 475.59, but the maturity years and amounts and interest rates of each series of bonds shall be fixed so that the maximum amount of principal and interest to become due in any year, on the bonds of that series and of all outstanding series issued by or for the purposes of libraries, shall not exceed an amount equal to ~~two-thirds mills~~ *a gross tax capacity rate of .55 percent times the gross tax capacity or a net tax capacity rate of .68 percent on the net tax capacity* of all taxable property in the county, which was not taxed in 1987 by any city for the support of any free public library, as last finally equalized before the issuance of the new series. When the tax levy authorized in this section is collected it shall be appropriated and credited to a debt service fund for the bonds in amounts required each year in lieu of a countywide tax levy for the debt service fund under section 475.61.

Sec. 40. Minnesota Statutes 1988, section 383B.73, subdivision 1, is amended to read:

Subdivision 1. [~~LEVY.~~] To provide funds for the purposes of the Hennepin county park reserve district as set forth in its annual budget, in lieu of the levies authorized by any other special law for such purposes, the board of park district commissioners may levy taxes on all the taxable property in the county and park district at a rate not exceeding ~~4.3 mills on the gross tax capacity thereof~~ *a gross tax capacity rate of 1.1 percent or a net tax capacity rate of 1.36 percent.* Notwithstanding section 398.16, on or before October 1 of each year, after public hearing, the board of park district commissioners shall adopt a budget for the ensuing year and shall determine the total amount necessary to be raised from ad valorem tax levies to meet its budget. The board of park district commissioners shall submit the budget to the county board. The county board may veto or modify an item contained

in the budget. If the county board determines to veto or to modify an item in the budget, it must, within 15 days after the budget was submitted by the district board, state in writing the specific reasons for its objection to the item vetoed or the reason for the modification. The park reserve district board, after consideration of the county board's objections and proposed modifications, may reapprove a vetoed item or the original version of an item with respect to which a modification has been proposed, by a two-thirds majority. If the district board does not reapprove a vetoed item, the item shall be deleted from the budget. If the district board does not reapprove the original version of a modified item, the item shall be included in the budget as modified by the county board. After adoption of the final budget and no later than October 1, the superintendent of the park district shall certify to the office of the Hennepin county director of tax and public records exercising the functions of the county auditor the total amount to be raised from ad valorem tax levies to meet its budget for the ensuing year. The director of tax and public records shall add the amount of any levy certified by the district to other tax levies on the property of the county within the district for collection by the director of tax and public records with other taxes. When collected, the director shall make settlement of such taxes with the district in the same manner as other taxes are distributed to the other political subdivisions in Hennepin county. ~~The levy authorized by this section shall be in addition to any other taxes authorized by law.~~

Sec. 41. Minnesota Statutes 1988, section 383B.73, subdivision 2, is amended to read:

Subd. 2. [BONDS.] To provide funds for the acquisition and betterment of park properties and facilities of the district in accordance with plans filed by it under section 398.19, upon request of the board of park district commissioners by a resolution or resolutions regularly adopted by a majority of all members thereof, the board of county commissioners of Hennepin county may, prior to August 1, 1985, in addition to bonds issued by the county for this purpose before January 1, 1973, by resolution issue and sell general obligation bonds of the county in the manner provided in sections 475.60 to 475.753, in an aggregate amount not exceeding \$2,500,000. Taxes for the payment of the principal of and interest on such bonds shall be assessed and extended upon all taxable property in the county. Such bonds shall not be subject to the limitations of sections 475.51 to 475.59, but the maturity years and amounts and interest rates of each series of bonds shall be fixed so that the maximum amount of principal and interest to become due in any year on the bonds authorized by this law and all bonds issued by the county for the purposes of the district before January 1, 1973, shall not exceed an amount equal to ~~three-tenths of one mill times the gross tax capacity of a levy at a gross tax capacity rate of .25 percent or at a net tax capacity rate of .31 percent~~ on all taxable property in the county as last finally equalized before the issuance of the new series. Taxes for the payment of principal and interest on bonds issued after August 1, 1985 shall be assessed and extended upon all taxable property in the park district.

Sec. 42. Minnesota Statutes 1988, section 383C.42, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] To provide necessary funds to construct and maintain county or regional juvenile detention and/or treatment centers and to provide matching funds for any federal, state or regional grant, the county boards of St. Louis, Carlton, Cook, Lake, Itasca, Koochiching and

Aitkin counties may levy annually upon all taxable property in their respective counties, ~~a special tax in excess of any tax capacity rate, per capita, or other statutory limitation, but such levy shall~~ *that does not exceed 1-1/2 mills a gross tax capacity rate of .41 percent or a net tax capacity rate of .51 percent.*

Sec. 43. Minnesota Statutes 1988, section 398A.04, subdivision 8, is amended to read:

Subd. 8. [TAXATION.] Before deciding to exercise the power to tax, the authority shall give six weeks published notice in all municipalities in the region. If a number of voters in the region equal to five percent of those who voted for candidates for governor at the last gubernatorial election present a petition within nine weeks of the first published notice to the secretary of state requesting that the matter be submitted to popular vote, it shall be submitted at the next general election. The question prepared shall be:

“Shall the regional rail authority have the power to impose a property tax?

Yes
No”

If a majority of those voting on the question approve or if no petition is presented within the prescribed time the authority may ~~thereafter~~ levy a tax at any annual rate not exceeding ~~two mills a gross tax capacity rate of 1.64 percent on the gross tax capacity or a net tax capacity rate of 2.04 percent on the net tax capacity, as applicable,~~ *of all taxable property situated within the municipality or municipalities named in its organization resolution. Its recording officer shall file in the office of the county auditor of each county in which territory under the jurisdiction of the authority is located a certified copy of the board of commissioners' resolution levying the tax, and each county auditor shall assess and extend upon the tax rolls of each municipality named in the organization resolution the portion of the tax that bears the same ratio to the whole amount that the gross tax capacity of taxable property in that municipality bears to the gross tax capacity of taxable property in all municipalities named in the organization resolution. Collections of the tax shall be remitted by each county treasurer to the treasurer of the authority.*

Sec. 44. Minnesota Statutes 1988, section 412.251, is amended to read:

412.251 [ANNUAL TAX LEVY.]

The council shall make its annual tax levy by resolution within the per capita limits established by statute. The amount of taxes levied for general city purposes shall not exceed ~~11-2/3 mills on each dollar of the gross tax capacity of the property taxable in the city a gross tax capacity rate of 9.57 percent and a net tax capacity rate of 11.9 percent~~ *in cities having a gross tax capacity of less than \$1,500,000 \$185,000 and a net tax capacity of less than \$150,000; and ten mills on each dollar a gross tax capacity rate of 8.2 percent and a net tax capacity rate of 10.2 percent in cities having a gross tax capacity of more than \$1,500,000 \$185,000 and a net tax capacity of more than \$150,000. In calculating such limit property used for homestead purposes shall be figured as provided in section 273.13, subdivision 7a.* The following taxes may be levied in addition to the levies above authorized:

- (1) a tax for the payment of principal and interest on outstanding obligations of the city as provided by sections 475.61, 475.73 and 475.74-;
- (2) a tax for the payment of judgments as authorized by section 465.14-;
- (4) (3) a maximum of ~~one third of one mill~~ a gross tax capacity rate of .28 percent or a net tax capacity rate of .34 percent but not to exceed \$500 to provide musical entertainment to the public in public buildings or on public grounds-;
- (5) (4) a tax for band purposes as authorized by section 449.09-;
- (6) (5) a tax for the support of a municipal forest, as authorized by section 459.06-;
- (7) (6) a tax for advertising purposes, as authorized by section 469.189-;
- (8) (7) a tax for forest fire protection in any city in a forest area, as authorized by section 88.04-;
- (9) (8) a maximum of ~~1-2/3 mills~~ a gross tax capacity rate of 1.37 percent and a net tax capacity rate of 1.7 percent for the utilities fund in any city whose utilities are under the jurisdiction of a public utilities commission. ~~Such~~ The tax shall be levied for the purpose of paying the cost of the utility service or other services supplied to the city-;
- (10) (9) a tax for the support of a public library, as authorized by section 134.07-;
- (11) (10) a tax for firefighters' relief association purposes as authorized by sections 69.772, subdivision 4, 69.773, subdivision 5, or other statutes-; and
- (12) ~~Such~~ (11) other special taxes as may be authorized by law.

Nothing in this section shall be construed to reduce levies of any municipality below the per capita levy spread in 1970.

Sec. 45. Minnesota Statutes 1988, section 412.531, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT, TRANSFER; TAX LEVIES.] For the purpose of carrying out the powers of the park board there shall be established in the city treasury a special fund to be called a park fund. The council may transfer to the park fund ~~such moneys as it shall consider the money it deems~~ necessary for park purposes. No later than September 1 of each year the park board shall present to the council in ~~such the detail as the council shall require~~ requires its estimate of the financial needs of the board for the ensuing fiscal year. In any county having a population of more than 200,000 the council of any city, whether having a park board or not, may annually ~~at the time of levying other taxes~~ levy a special tax ~~of not to exceed two-thirds of one mill a gross tax capacity rate of .55 percent or a net tax capacity rate of .69 percent~~ for park purposes. The proceeds of this tax shall be placed in the park fund.

Sec. 46. Minnesota Statutes 1988, section 414.035, is amended to read:

414.035 [DIFFERENTIAL TAXATION.]

Whenever a board order, under section 414.031, 414.0325, or 414.033, annexes part or all of a township to a municipality, the board may provide that the ~~mill levy tax rate~~ of the annexing municipality on the area annexed shall be increased in substantially equal proportions over not more than

six years to equality with the ~~mill levy tax rate~~ on the property already within the municipality. The appropriate period, if any, shall be based on the time reasonably required to effectively provide full municipal services to the annexed area.

Sec. 47. Minnesota Statutes 1988, section 414.041, subdivision 7, is amended to read:

Subd. 7. [DIFFERENTIAL TAXATION.] Where one municipality is receiving substantially fewer municipal services, the board may provide that the ~~mill levy tax rate of such a~~ the municipality shall be increased in substantially equal proportions over a period of not more than five years to equality with the ~~mill levy tax rate~~ in the remainder of the new municipality, ~~such~~. The period ~~to~~ shall be determined by the board on the basis of the period reasonably required ~~effectively~~ to provide substantially equal municipal services.

Sec. 48. Minnesota Statutes 1988, section 426.04, is amended to read:
426.04 [TAXES FOR GENERAL PURPOSES.]

The governing body of any home rule charter city of the third or fourth class in this state is ~~hereby authorized to~~ may levy taxes ~~annually against the taxable property in any such city~~ for all general fund purposes, not exceeding ~~13-1/3 mills on the dollar of the gross tax capacity of the city, computed as permitted under section 273-13, subdivision 7a. If a gross tax capacity rate of 10.94 percent or a net tax capacity rate of 13.6 percent unless the charter of such~~ the city authorizes it to levy taxes for general fund purposes in excess of ~~13-1/3 mills on the dollar, these provisions shall not limit any such city that amount.~~ This section does not apply to a third class city which is contiguous to a city of the first class located in a different county or to a fourth class city in a county containing a first class city.

Sec. 49. Minnesota Statutes 1988, section 447.10, is amended to read:

447.10 [TAX LEVY FOR OPERATING AND MAINTAINING HOSPITAL.]

The governing body of a city of the first class owning a hospital may annually levy a tax to operate and maintain the hospital. The tax must not exceed ~~one-third of one mill on each dollar of the city's taxable property a gross tax capacity rate of .28 percent or a net tax capacity rate of .34 percent.~~

Sec. 50. Minnesota Statutes 1988, section 449.06, is amended to read:

449.06 [ENTERTAINMENT TAX IN CITIES OF THE FOURTH CLASS.]

The governing body of any city of the fourth class in this state operating under a home rule charter of commission form of government, ~~is hereby authorized to annually~~ may levy a tax not exceeding ~~one-half of one mill on the dollar in excess of existing mill limitations but not in excess of any existing per capita limitations against taxable property in the city a gross tax capacity rate of .41 percent or a net tax capacity rate of .51 percent~~ for the purpose of providing musical entertainments to the public in public buildings or upon public grounds. The total sum that may be levied or expended in any year shall not exceed ~~the sum of \$3,500.~~

Sec. 51. Minnesota Statutes 1988, section 449.08, is amended to read:

449.08 [TAX LEVY FOR MUSICAL ENTERTAINMENTS IN CITIES

OF THE THIRD CLASS.]

The council of any city of the third class is hereby authorized and empowered to ~~may~~ levy a tax of not exceeding ~~one third of one mill on all the taxable property within the city~~ a gross tax capacity rate of .28 percent or a net tax capacity rate of .34 percent for the purpose of providing free musical entertainment for the general public. ~~This tax shall be levied by the council in the same manner and at the same times as taxes for other purposes are levied, and shall be collected in the same manner.~~ The proceeds of this tax shall be used only for the purpose of providing free musical entertainment for the public. The annual expenditure for this purpose is hereby limited to the sum of \$3,000.

Sec. 52. Minnesota Statutes 1988, section 449.09, is amended to read:
449.09 [BANDS, ORCHESTRAS OR CHORUSES, TAX LEVY.]

Cities of the second, third, or fourth class, statutory cities, or towns, however organized, may, when authorized as ~~hereinafter~~ provided in section 449.10, levy each year a tax not to exceed ~~one mill~~ a gross tax capacity rate of .82 percent or a net tax capacity rate of 1.02 percent for the purpose of providing a fund for the maintenance, transportation, or employment of a band, orchestra, or chorus for municipal purposes. No levy by any municipality shall exceed, in any one year, \$10,000 except in cities of the second class, situated in a county having over 45,000 and less than 49,000 inhabitants according to the 1950 federal census, ~~wherein such~~ in which the levy shall not exceed \$25,000 in any one year. No levy by any town shall exceed \$1,500. All sums shall be separately levied and when collected these sums shall be paid into a special fund and used for these purposes. When taxes are levied and collected for the maintenance or employment of a band, orchestra, or chorus for municipal purposes and the band, orchestra, or chorus is discontinued or the city or town by a vote of the people as now provided by law decide not to employ a band, orchestra, or chorus, the governing body may transfer the sums so levied and collected to the general fund. No levy shall be made ~~of for~~ any such fund when there is in the fund an unexpended balance equal to the maximum levy permitted by ~~law therefor~~ this section.

Sec. 53. Minnesota Statutes 1988, section 449.10, is amended to read:
449.10 [TAX LEVY ELECTION; PETITION.]

~~Such~~ The authority shall be initiated by a petition signed by ten percent of the legal voters of the city or town, as shown by the last regular municipal election. This petition shall be filed with the governing body of the city or town, and shall request that the following question be submitted to the voters: "Shall a tax of not exceeding mills percent of tax capacity be levied each year for the purpose of furnishing a band, orchestra, or chorus fund?"

Sec. 54. Minnesota Statutes 1988, section 450.19, is amended to read:
450.19 [TOURIST CAMPING GROUNDS.]

All cities and towns in the state are hereby authorized and empowered to A home rule charter or statutory city or town may establish and maintain public tourist camping grounds and. The council or other legislative or governing body thereof is hereby empowered to may acquire, by lease, purchase, or by gift, suitable lands located either within or without the corporate

limits for use as public tourist camping grounds and to provide for the equipment, operation, and maintenance of the same. The amount that may be expended for the maintenance, improvement, or operation of tourist camping grounds shall not exceed, in any one year, a sum equal to the amount ~~which may be raised by a one-third of one mill tax upon the taxable property of the municipality at a gross tax capacity rate of .28 percent or a net tax capacity rate of .34 percent.~~

Sec. 55. Minnesota Statutes 1988, section 450.25, is amended to read:

450.25 [MUSEUM, GALLERY, OR SCHOOL OF ARTS OR CRAFTS; TAX LEVY.]

After the ~~requirement~~ acquisition of any museum, gallery or school of arts or crafts, ~~there shall be annually levied and it shall be the duty of the board of park commissioners of the city in which it is located any museum, gallery, or school of arts or crafts to~~ shall cause to be included in the annual tax levy, upon all the taxable property of the county in which is located said ~~the~~ museum, gallery, or school of arts or crafts is located, a tax of ~~.35 mills upon each dollar of the gross tax capacity of property in the county in which is located said museum, gallery, or school of arts or crafts subject to taxation, and at a gross tax capacity rate of .29 percent or a net tax capacity rate of .36 percent.~~ The board shall certify the levy to the county auditor of the county in which the museum, gallery, or school of arts or crafts is situated, and the same ~~it~~ shall be added to, and collected with and as part of, the general, real, and personal property taxes, with like penalties and interest, in case of nonpayment and default, and all provisions of law in respect to the levy, collection, and enforcement of other taxes shall, so far as applicable, be followed in respect of these taxes. All of these taxes, penalties, and interest, when collected, shall be paid to the city treasurer of the city in which is located said ~~the~~ museum, gallery, or school of arts or crafts and shall be credited to a fund to be known and denominated as the park museum fund, and shall be used ~~only for the purposes specified in sections 450.23 to 450.25, and for no other purpose.~~ Any part of the proceeds of the levy not expended for the purposes specified in section 450.24 may be used for the erection of new buildings for the same purposes. ~~The tax capacity rate referred to herein shall be mills as determined after the adoption of section 273.1102.~~

Sec. 56. Minnesota Statutes 1988, section 458A.10, is amended to read:

458A.10 [PROPERTY TAX.]

The commission shall ~~subject to the further provisions hereof,~~ annually levy a ~~direct tax not to exceed five mills a gross tax capacity rate of 4.1 percent or a net tax capacity rate of 5.1 percent~~ on all the taxable property in the transit area at a rate sufficient to produce an amount necessary for the purposes of sections 458A.01 to 458A.15, other than the payment of principal and interest due on any revenue bonds issued pursuant to section 458A.05. Property taxes levied under this section shall be certified by the commission to the county auditors of the transit area, extended, assessed, and collected in ~~like the manner as provided by law for the regular~~ property taxes levied by the governing bodies of cities. The proceeds of the taxes levied under this section shall be remitted by the respective county treasurers to the treasurer of the commission, who shall credit the same to the funds of the commission for use for the purposes of sections 458A.01 to 458A.15 subject to any applicable pledges or limitations on account of tax anticipation certificates or other specific purposes. At any time after making a tax levy under this section and certifying ~~the same~~ it to the county auditors, the

commission may issue general obligation certificates of indebtedness in anticipation of the collection of ~~such the taxes upon like procedure and subject to the provisions and limitations~~ as provided by section 412.261.

Sec. 57. Minnesota Statutes 1988, section 458A.31, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding anything to the contrary contained in the charter of the city of Duluth, any ordinance thereof, or any statute applicable thereto, limiting the amount levied in any one year for general or special purposes, the city council of the city of Duluth shall each year, ~~at the time the tax levies for the support of the city are made,~~ levy a tax on all taxable property in an amount not to exceed ~~three mills in any year a gross tax capacity rate of 2.46 percent or a net tax capacity rate of 3.06 percent,~~ by ordinance. An ordinance fixing the levy shall take effect immediately upon its passage and approval. The proceeds ~~from such of the~~ levy shall be paid into the city treasury; and ~~shall be~~ deposited in the operating fund provided for in section 458A.24, subdivision 3.

Sec. 58. Minnesota Statutes 1988, section 459.06, subdivision 1, is amended to read:

Subdivision 1. [ACCEPT DONATIONS.] Any county, city, or town ~~in this state,~~ may by resolution of ~~the its~~ governing body ~~thereof,~~ may accept donations of land that ~~such the~~ governing body ~~may deem~~ *deems* to be better adapted for the production of timber and wood than for any other purpose, for a forest, and may manage ~~the same it~~ on forestry principles. The donor of not less than 100 acres of any such land shall be entitled to have the ~~same land~~ perpetually bear the donor's name. The governing body of any city, or town ~~in this state,~~ when funds are available or have been levied therefor, may, when authorized by a majority vote by ballot of the voters voting at any general or special city election or town meeting where ~~such the~~ question is properly submitted, purchase or obtain by condemnation proceedings, and preferably at the sources of streams, any tract of land for a forest which is better adapted for the production of timber and wood than for any other purpose, and which is conveniently located for the purpose, and manage ~~the same it~~ on forestry principles; The selection of ~~such the~~ lands and the plan of management ~~thereof shall have the approval of~~ *must be approved by* the director of lands and forestry. ~~Such The city or town is authorized to may levy and collect an annual a tax of not exceeding 4-2/3 mills on the dollar of its real estate gross tax capacity; in addition to all other taxes authorized or permitted by law; a gross tax capacity rate of 1.37 percent or a net tax capacity rate of 1.7 percent to procure and maintain such forests.~~

Sec. 59. Minnesota Statutes 1988, section 459.14, subdivision 2, is amended to read:

Subd. 2. [FINANCING.] ~~Any such~~ *The* municipality may pay for any portion of the cost of providing automobile parking facilities by:

(a) ~~(1) appropriating moneys therefor~~ *money* as authorized in subdivision 1;

(b) ~~(2) levying a tax, not exceeding one-sixth of one mill in any one year, on all taxable property in the municipality a gross tax capacity rate of .14 percent or a net tax capacity rate of .17 percent;~~

(c) ~~(3) levying special assessments against benefited property;~~

(d) ~~(4) appropriating any or all net revenues derived from the operation of~~

its parking facilities;

~~(e)~~ (5) classifying the users of ~~such~~ *the* facilities as a subject for taxation, and imposing taxes thereon computed according to the extent of use of the facilities;

~~(f)~~ (6) imposing reasonable rates, rents, fees and charges for the use of any on-street or off-street parking privilege or facility, which may be in excess of actual cost of operation, maintenance, regulation and supervision of parking at the particular location where the privilege is exercised;

~~(g)~~ (7) leasing any off-street facilities at specified or determinable rents to be paid to the municipality under a lease made as ~~hereinafter authorized and limited~~ *provided in subdivision 4*;

~~(h)~~ (8) borrowing money and issuing bonds as authorized and limited by subdivision 3; or

~~(i)~~ (9) any combination of ~~all or any~~ of the foregoing.

Sec. 60. Minnesota Statutes 1988, section 462.396, subdivision 2, is amended to read:

Subd. 2. On or before August 20, ~~1971~~, and each year ~~thereafter~~, the commission shall submit its proposed budget for the ensuing calendar 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 clerk within the region 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 each year ~~thereafter~~, the commission shall adopt, after a public hearing held not later than September 20, a budget covering its anticipated receipts and disbursements for the ensuing 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 shall certify to the auditor of each county within the region the county share of ~~such~~ *the* tax, which shall be an amount bearing the same proportion to the total levy agreed on by the commission as the gross tax capacity of the county bears to the gross tax capacity of the region. 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 a gross tax capacity rate of .14 percent or a net tax capacity rate of .17 percent~~ on all taxable property in the region. The auditor of each county in the region shall add the amount of any levy made by the commission 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 in the same manner as other taxes are distributed to political subdivisions. ~~The levy authorized by this section shall be in addition to any other county taxes authorized by law.~~

Sec. 61. Minnesota Statutes 1988, section 469.033, subdivision 6, is amended to read:

Subd. 6. [OPERATION AREA AS TAXING DISTRICT, SPECIAL TAX.] All of the territory included within the area of operation of any authority shall constitute a taxing district for the purpose of levying and collecting special benefit taxes as provided in this subdivision. All of the taxable property, both real and personal, within that taxing district shall be deemed to be

benefited by projects to the extent of the special taxes levied under this subdivision. Subject to the consent by resolution of the governing body of the city in and for which it was created, an authority may levy each year a special tax upon all *taxable property, both real and personal*, within that taxing district. The authority shall ~~cause certify~~ the tax so levied each year to be ~~certified~~ to the auditor of the county in which the taxing district is located on or before October 10 each year. The tax shall be extended, spread, and included with and as a part of the general taxes for state, county, and municipal purposes by the county auditor, to be collected and enforced therewith, together with the penalty, interest, and costs. As the tax, including any penalties, interest, and costs, is collected by the county treasurer it shall be accumulated and kept in a separate fund to be known as the "housing and redevelopment project fund." The money in the fund shall be turned over to the authority at the same time and in the same manner that the tax collections for the city are turned over to the city, and shall be expended ~~and applied only~~ for the purposes of sections 469.001 to 469.047, ~~and for no other purpose~~. It shall be paid out upon vouchers signed by the chair of the authority or an authorized representative. The amount of the ~~special tax~~ levy shall be an amount approved by the governing body of the city, but shall not exceed ~~ten cents on each \$100 of a gross tax capacity in the area of operation, rate of .28 percent or a net tax capacity rate of .34 percent~~, except that in cities of the first class having a population of less than 200,000, the ~~special tax~~ levy shall not exceed ~~five cents on each \$100 of a gross tax capacity in the area of operation rate of .14 percent or a net tax capacity rate of .17 percent~~. The authority may levy an additional levy, not to exceed ~~one cent on each \$100 of a gross tax capacity in the area of operation rate of .03 percent or a net tax capacity rate of .04 percent~~, to be used to defray costs of providing informational service and relocation assistance as set forth in section 462.445, subdivision 4. The authority shall each year formulate and file a budget in accordance with the budget procedure of the city in the same manner as required of executive departments of the city or, if no budgets are required to be filed, by August 1. The amount of the tax levy for the following year shall be based on that budget and shall be approved by the governing body.

Sec. 62. Minnesota Statutes 1988, section 469.053, subdivision 4, is amended to read:

Subd. 4. [MANDATORY CITY LEVY.] A city shall, at the request of the port authority, levy a tax in any year for the benefit of the port authority. The tax must not exceed ~~.75 mill times the~~ a gross tax capacity rate of ~~taxable property in the city~~ *.62 percent or a net tax capacity rate of .77 percent*. ~~The tax is not subject to levy limits~~. The amount levied must be paid by the city treasurer to the treasurer of the port authority, to be spent by the authority.

Sec. 63. Minnesota Statutes 1988, section 469.053, subdivision 6, is amended to read:

Subd. 6. [DISCRETIONARY CITY LEVY.] Upon request of a port authority, the port authority's city may levy a tax to be spent by and for its port authority. The tax must enable the port authority to carry out efficiently and in the public interest sections 469.048 to 469.068 to create and develop industrial development districts. The levy must not be ~~for more than 7/60 of one mill on each dollar of a gross tax capacity rate of taxable property in the city~~ *.1 percent or a net tax capacity rate of .12 percent*. The county treasurer shall pay the proceeds of the tax to the port authority treasurer. The money may be spent by the authority in performance of its duties to create

and develop industrial development districts. In spending the money the authority must judge what best serves the public interest. The levy in this subdivision is in addition to the levy in subdivision 4 and is not subject to levy limits.

Sec. 64. Minnesota Statutes 1988, section 469.107, subdivision 1, is amended to read:

Subdivision 1. [CITY TAX LEVY.] A city may, at the request of the authority, levy a tax in any year for the benefit of the authority. The tax must be for not more than ~~.75 mill times the~~ a gross tax capacity rate of ~~taxable property in the city~~ .62 percent or a net tax capacity rate of .77 percent. ~~The tax is not subject to levy limits.~~ The amount levied must be paid by the city treasurer to the treasurer of the authority, to be spent by the authority.

Sec. 65. Minnesota Statutes 1988, section 469.180, subdivision 2, is amended to read:

Subd. 2. [TAX LEVIES.] Notwithstanding any law, the county board of any county may appropriate from the general revenue fund a sum not to exceed ~~1/30 of a mill on the~~ a gross tax capacity rate of ~~the county~~ .03 percent or a net tax capacity rate of .04 percent to carry out the purposes of this section.

Sec. 66. Minnesota Statutes 1988, section 469.187, is amended to read:

469.187 [EXPENDITURE FOR PUBLICITY; PUBLICITY BOARD; FIRST CLASS CITIES.]

Any city of the first class may expend money for city publicity purposes. The city may levy a tax, at a rate not exceeding ~~1/30 of one mill upon the~~ a gross tax capacity rate of ~~the taxable property of the city~~ .03 percent or a net tax capacity rate of .04 percent. The proceeds of the levy shall be expended in the manner and for the city publicity purposes the council directs. The council may establish and provide for a publicity board or bureau to administer the fund, subject to the conditions and limitations the council prescribes by ordinance.

Sec. 67. Minnesota Statutes 1988, section 469.188, is amended to read:

469.188 [TAX FOR ADVERTISING RESOURCES; CITIES OF SECOND OR THIRD CLASS.]

The governing body of any city of the second or third class in this state may levy a tax of not to exceed ~~one-third of one mill against the taxable property in the city~~ a gross tax capacity rate of .28 percent or a net tax capacity rate of .34 percent for the purpose of advertising agricultural, industrial business, and all other resources of the community ~~subject to the city's levy limits.~~

Sec. 68. Minnesota Statutes 1988, section 471.191, subdivision 2, is amended to read:

Subd. 2. Any such city may issue bonds pursuant to chapter 475, for the acquisition and betterment of land, buildings, and facilities for the purpose of carrying out the powers granted by this section. Such bonds, unless authorized as general obligations of the issuer pursuant to approval of the electors or pursuant to another law or charter provision permitting such issuance without an election, shall be payable solely from the income of land, buildings, and facilities used or useful for the operation of the program, but may be secured by a pledge to the bondholders, or to a trustee, of all income

and revenues of whatsoever nature derived from any such land, buildings, and facilities, as a first charge on the gross revenues thereof to the extent necessary to pay the bonds and interest thereon when due and to accumulate and maintain an additional reserve for that purpose in an amount equal to the total amount of ~~such~~ payments to become due in any fiscal year. In this event the governing body of the issuer may by resolution or trust indenture define the land, buildings, or facilities, the revenues of which are pledged, and establish covenants and agreements to be made by the issuer for the security of the bonds, including a covenant that the issuer will establish, maintain, revise when necessary, and collect charges for all services, products, use, and occupancy of the land, buildings, and facilities, in the amounts and at the times required to produce the revenues pledged, and also sufficient, with any other funds appropriated by the governing body from time to time, to provide adequately for the operation and maintenance of the land, buildings, and facilities. ~~From and~~ After the issuance of any bonds for which revenues are so pledged, the governing body of the issuer shall provide in its budget each year for any anticipated deficiency in the revenues available for such operation and maintenance. For this purpose any issuer other than a city of the first class may levy a tax of not more than ~~two-thirds of one mill on the~~ a gross tax capacity rate of ~~all taxable property within its corporate limits~~ .55 percent or a net tax capacity rate of .68 percent, in excess of taxes which may otherwise be levied within legal and charter limitations, provided ~~such~~ the excess levy is approved by a majority of its electors voting on ~~such~~ the question at a regular or special election. The authority to levy additional taxes granted herein shall not apply to cities or towns in which the gross tax capacity consists in part of iron ore or lands containing taconite or semitaconite.

Sec. 69. Minnesota Statutes 1988, section 471.1921, is amended to read:

471.1921 [CITIES AND TOWNS; PLAYGROUNDS AND RECREATION; TAX LEVY.]

Whenever any city or town in which the gross tax capacity consists in part of iron ore or lands containing taconite or semitaconite operates a program of public recreation and playgrounds or other recreational facilities and expends funds for the operation of the program pursuant to sections 471.15 to 471.19, in addition to funds otherwise provided therefor, the governing body of the city or town may levy a tax in excess of any charter or statutory limitation, except the limitation imposed in sections 275.50 to 275.58, for the support of this program of public recreation and playgrounds as follows:

(a) (1) in cities the council or governing body may levy a tax of not exceeding ~~two-ninths of a mill and not exceeding the lesser of (i) a gross tax capacity rate of .19 percent or a net tax capacity rate of .23 percent; (ii) \$3 per capita and not exceeding; or (iii) \$15,000-; and~~

(b) (2) in towns the governing body may levy a tax of not exceeding ~~two-ninths of a mill and not exceeding the lesser of (i) a gross tax capacity rate of .19 percent or a net tax capacity rate of .23 percent; or (ii) \$10,000.~~

Sec. 70. Minnesota Statutes 1988, section 471.571, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] This section applies to each city in which the gross tax capacity of real and personal property consists in part of iron ore or lands containing taconite or semitaconite and in which the total gross tax capacity of real and personal property exceeds ~~\$200,000~~ \$75,000 or in

which the total net tax capacity of real and personal property exceeds \$60,000.

Sec. 71. Minnesota Statutes 1988, section 471.571, subdivision 2, is amended to read:

Subd. 2. [CREATION OF FUND, TAX LEVY.] The governing body of ~~such~~ the city may create a permanent improvement and replacement fund to be maintained by an annual tax levy. The governing body may levy a tax in excess of any charter ~~or statutory~~ limitation *and in excess of the per capita limitation imposed under section 275.11* for the support of ~~such~~ the permanent improvement and replacement fund, but not exceeding the following:

(a) In cities having a population of not more than 500 inhabitants, the lesser of \$20 per capita or ~~3-1/3 mills~~ a gross tax capacity rate of 2.73 percent or a net tax capacity rate of 3.4 percent;

(b) In cities having a population of more than 500 and less than 2500, the greater of \$12.50 per capita or \$10,000 but not exceeding ~~3-1/3 mills~~ a gross tax capacity rate of 2.73 percent or a net tax capacity rate of 3.4 percent;

(c) In cities having a population of more than 2500 inhabitants, the greater of \$10 per capita or \$31,500 but not exceeding ~~3-1/3 mills~~ a gross tax capacity rate of 2.73 percent or a net tax capacity rate of 3.4 percent.

Sec. 72. Minnesota Statutes 1988, section 473.325, subdivision 2, is amended to read:

Subd. 2. The metropolitan council shall sell and issue ~~such~~ the bonds in the manner provided in chapter 475, and shall have the same powers and duties as a municipality issuing bonds under that law, except that the approval of a majority of the electors shall not be required and the net debt limitations ~~therein~~ shall not apply. The terms of each series of ~~such~~ bonds shall be fixed so that the amount of principal and interest on all outstanding and undischarged bonds, together with the bonds proposed to be issued, due in any year shall not exceed ~~5 mills~~ a gross tax capacity rate of .41 percent times the gross tax capacity or a net tax capacity rate of .51 percent times the net tax capacity of all taxable property in the metropolitan area as last finally equalized prior to a proposed issue. The bonds shall be secured in accordance with section 475.61, subdivision 1, and any taxes required for their payment shall be levied by the council, shall not affect the amount or rate of taxes which may be levied by the council for other purposes, shall be spread against all taxable property in the metropolitan area and shall not be subject to limitation as to rate or amount. Any taxes certified by the council to the county auditors for collection shall be reduced by the amount received by the council from the commissioner of finance or the federal government for the purpose of paying the principal and interest on bonds to which the levy relates. The council shall certify the fact and amount of all money so received to the county auditors, and the auditors shall reduce the levies ~~theretofore~~ previously made for ~~such~~ the bonds in the manner and to the extent provided in section 475.61, subdivision 3.

Sec. 73. Minnesota Statutes 1988, section 473.446, subdivision 1, is amended to read:

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.404 to 473.449 and the metropolitan transit system, except as otherwise provided in this subdivision, the regional transit board shall levy each year upon all taxable property within the metropolitan

transit taxing district, defined in subdivision 2, a transit tax consisting of:

(a) an amount which shall be used for payment of the expenses of operating transit and paratransit service and to provide for payment of obligations issued by the commission under section 473.436, subdivision 6;

(b) an additional amount, if any, as the board determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1985, to which property taxes under this section have been pledged; and

(c) an additional amount necessary to provide full and timely payment of certificates of indebtedness, bonds, including refunding bonds or other obligations issued or to be issued under section 473.39 by the council for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the council or board has specifically pledged tax levies under this clause.

The property tax levied by the regional transit board for general purposes under clause (a) must not exceed the following amount for the years specified:

(1) for taxes payable in 1988, the product of two mills multiplied by the total assessed valuation of all taxable property located within the metropolitan transit taxing district as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(2) for taxes payable in 1989, the product of (i) the regional transit board's property tax levy limitation for general purposes for the taxes payable year 1988 determined under clause (1) multiplied by (ii) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan transit taxing district divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan transit taxing district; and

(3) for taxes payable in 1990 and subsequent years, the product of (i) the regional transit board's property tax levy limitation for general purposes for the previous year determined under this subdivision multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan transit taxing district for the current assessment year divided by the total market valuation of all taxable property located within the metropolitan transit taxing district for the previous assessment year.

For the purpose of determining the regional transit board's property tax levy limitation for general purposes for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan transit taxing district without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive full peak service and limited off-peak service by an amount equal to the tax levy that would be produced by applying a *gross tax capacity* rate of ~~0.5 mills~~ *.41 percent* or a *net tax capacity* rate of *.51 percent* on the property. The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive limited peak service by an amount equal to the tax levy that would

be produced by applying a *gross tax capacity rate of 0.75 mills .62 percent or a net tax capacity rate of .77 percent* on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner shall review the certifications to determine their accuracy and may make changes in the certification as necessary or return a certification to the county auditor for corrections. The commissioner shall pay to the regional transit board the amounts certified by the county auditors on the dates provided in section 273.1398. There is annually appropriated from the general fund in the state treasury to the department of revenue the amounts necessary to make these payments ~~in fiscal year 1987 and thereafter.~~

For the purposes of this subdivision, "full peak and limited off-peak service" means peak period regular route service, plus weekday midday regular route service at intervals longer than 60 minutes on the route with the greatest frequency; and "limited peak period service" means peak period regular route service only.

Sec. 74. Minnesota Statutes 1988, section 473.661, subdivision 3, is amended to read:

Subd. 3. In any budget certified by the commissioners, ~~pursuant to any of the provisions of under~~ this section, the amount included for operation and maintenance shall not exceed an amount which, when extended against the ~~gross or net~~ tax capacity of property ~~then~~ taxable therefor under the ~~provisions of~~ section 473.621, subdivision 5, will require a levy at ~~the a~~ *gross tax capacity rate of one-third of one mill upon such gross .28 percent or a net tax capacity rate of .34 percent.* Taxes levied by the corporation shall not affect the amount or rate of taxes which may be levied by any other local government unit within the metropolitan area under the provisions of any ~~law or~~ charter.

Sec. 75. Minnesota Statutes 1988, section 473.667, subdivision 9, is amended to read:

Subd. 9. [ADDITIONAL TAXES.] Nothing herein shall prevent the commission from levying a tax not to exceed ~~in any year 1/20 of one mill on the a~~ *gross tax capacity rate of .05 percent or a net tax capacity rate of .06 percent* on taxable property within its taxing jurisdiction, ~~over and above in addition to~~ any levies found necessary for the debt service fund ~~as~~ authorized by section 473.671. Nothing herein shall prevent the levy and appropriation for purposes of the commission of any other tax on property or on any income, transaction, or privilege, when and if authorized by law. All collections of any taxes so levied shall be included in the revenues appropriated for the purposes referred to in this section, unless otherwise provided in the law authorizing ~~such the~~ levies; but no covenant as to the continuance or as to the rate and amount of any such levy shall be made with the holders of the commission's bonds unless specifically authorized by law.

Sec. 76. Minnesota Statutes 1988, section 473.671, is amended to read:

473.671 [LIMIT OF TAX LEVY.]

The taxes levied against the property of the metropolitan area in any one year shall not exceed ~~one-third of one mill upon the a~~ *gross tax capacity thereof rate of .28 percent or a net tax capacity rate of .34 percent,*

exclusive of the taxes ~~it may be necessary to levy~~ levied to pay the principal or interest on any bonds or indebtedness of ~~said the city issued by it~~ under the provisions of Laws 1943, chapter 500, and exclusive of any ~~amounts required taxes~~ levied to pay the share of ~~such the city~~ for payments on bonded indebtedness of the corporation provided for in Laws 1943, chapter 500. The levy of taxes authorized in Laws 1943, chapter 500, shall be in addition to the maximum rate allowed to be levied to defray the cost of government under the provisions of the charter of any city affected by Laws 1943, chapter 500.

Sec. 77. Minnesota Statutes 1988, section 473.882, subdivision 3, is amended to read:

Subd. 3. [TAX.] After adoption of the ordinance under subdivision 2, a local government unit may annually levy a tax on all taxable property in the district for the purposes for which the tax district is established. The tax ~~levied~~ may not exceed ~~one mill~~ *a gross tax capacity rate of .82 percent or a net tax capacity rate of 1.02 percent* on property located in rural towns other than urban towns, unless allowed by resolution of the town electors. The proceeds of the tax shall be paid into a fund reserved for these purposes. Any proceeds remaining in the reserve fund at the time the tax is terminated or the district is dissolved shall be transferred and irrevocably pledged to the debt service fund of the local unit to be used solely to reduce tax levies for bonded indebtedness of taxable property in the district. A tax levied in accordance with this subdivision for paying capital costs is a levy for the payment of principal and interest on bonded indebtedness within the meaning of section 275.50, subdivision 5, clause (e).

Sec. 78. Minnesota Statutes 1988, section 473.883, subdivision 6, is amended to read:

Subd. 6. [TAX.] For the payment of principal and interest on the bonds issued under subdivision 5 and the payment required under subdivision 4, the county shall irrevocably pledge and appropriate the proceeds of ~~an ad valorem~~ *a tax levied on all taxable property located within the territory of the watershed management organization or minor watershed unit for which the bonds are issued.* Each year until the reserve for payment of the bonds is sufficient to retire the bonds, the county shall levy on all taxable property in the territory of the organization or unit, without respect to any statutory or other limitation on taxes, an amount of taxes sufficient to pay principal and interest on the bonds and to restore any deficiencies in reserves required to be maintained for payment of the bonds. The tax levied on rural towns other than urban towns may not exceed ~~one mill~~ *a gross tax capacity rate of .82 percent or a net tax capacity rate of 1.02 percent*, unless approved by resolution of the town electors. If at any time the amounts available from the levy on property in the territory of the organization are insufficient to pay principal and interest on the bonds when due, the county shall make payment from any available funds in the county treasury. The amount of any taxes which are required to be levied outside of the territory of the watershed management organization or unit or taken from the general funds of the county to pay principal or interest on the bonds shall be reimbursed to the county from taxes levied within the territory of the watershed management organization or unit.

Sec. 79. Minnesota Statutes 1988, section 641.23, is amended to read:

641.23 [FUNDS, HOW PROVIDED.]

Before any contract is made for the erection of a county jail, sheriff's residence, or both, the county board shall either levy a sufficient tax to provide the necessary funds, or issue county bonds therefor in accordance with the provisions of chapter 475, provided that the amount of all bonds issued for this purpose and interest on them which are due and payable in any year shall not exceed an amount equal to ~~four mills~~ *a gross tax capacity rate of 3.28 percent times the gross tax capacity or a net tax capacity rate of 4.08 percent times the net tax capacity* of taxable property within the county, as last determined before the bonds are issued.

Sec. 80. [REPEALER.]

Minnesota Statutes 1988, sections 38.17; 38.28; 69.36; 423.376; 423.47; 423.807; 424.12; and 424.13, are repealed.

Sec. 81. [EFFECTIVE DATE.]

Sections 30, 35, 36, 39, 41, 72, and 79 are effective for bonds and other obligations issued after the date of enactment of this act, provided that the limitations in those sections include the amount of debt service on obligations issued before that date. Section 33 is effective for obligations issued after the date of enactment of this act.

ARTICLE 7

INCOME MAINTENANCE AND LEVY LIMITS

Section 1. Minnesota Statutes 1988, section 256.018, is amended to read:

256.018 [COUNTY PUBLIC ASSISTANCE INCENTIVE FUND.]

~~Beginning~~ *In 1990, \$1,000,000 is the amount provided in Laws 1988, chapter 719, article 8, section 34, is appropriated from the general fund to the department in each fiscal year* for awards to counties: (1) that have not been assessed an administrative penalty under section 256.017 in the corresponding fiscal year; and (2) that perform satisfactorily according to indicators established by the commissioner.

After consultation with local agencies, the commissioner shall inform local agencies in writing of the performance indicators that govern the awarding of the incentive fund for each fiscal year by April of the preceding fiscal year.

The commissioner may set performance indicators to govern the awarding of the total fund, may allocate portions of the fund to be awarded by unique indicators, or may set a sole indicator to govern the awarding of funds.

The funds shall be awarded to qualifying local agencies according to their share of benefits for the programs related to the performance indicators governing the distribution of the fund or part of it as compared to the total benefits of all qualifying local agencies for the programs related to the performance indicators governing the distribution of the fund or part of it.

Sec. 2. 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. *Effective January 1, 1990, the state rate of participation shall be 100 percent.*

For the period from January 1 to June 30, the county shall advance 25 percent of the amount of the direct participation expenses and administrative costs of providing work readiness services. Subsequent to July 1 of each year, the state agency shall reimburse the county for the funds expended during the January 1 to June 30 period, except as provided for in section 256.016. For the period from July 1 to December 31, payments will be made by the state agency, except as provided for in section 256.016, and the county agency will be advised of the amounts paid monthly.

Sec. 3. Minnesota Statutes 1988, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of tax capacity rates.

(c) "Gross tax capacity" means the product of the appropriate percentages of market value listed as gross tax capacities in section 273.13 and equalized market values. "Total gross tax capacity" means the gross tax capacities for all property within the unique taxing jurisdiction. The total gross tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's gross tax capacity of commercial industrial property as defined in section 473F02, subdivision 3, multiplied by the ratio determined pursuant to section 473F08, subdivision 6, for the municipality, as defined in section 473F02, subdivision 8, in which the unique taxing jurisdiction is located and (2) the gross tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2. For purposes of determining the gross tax capacity of property referred to in clauses (1) and (2) for disparity reduction aid payable in 1989, the gross tax capacity before equalization shall equal the property's 1987 assessed value multiplied by 12 percent. Gross tax capacity cannot be less than zero.

(d) "Net tax capacity" means the product of the appropriate percentages of market value listed as net tax capacities in section 273.13 and equalized market values. "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F02, subdivision 3, multiplied by the ratio determined pursuant to section 473F08, subdivision 6, for the municipality, as defined in section 473F02, subdivision 8, in which the unique taxing jurisdiction is located and (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2. For purposes of determining the net tax capacity of property referred to in clauses (1) and (2), the net tax capacity before equalization shall equal the property's 1987 assessed value multiplied by 12 percent. Net tax capacity cannot be less than zero.

(e) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined

by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. For computation of aids payable in 1989 only, if the aggregate assessment sales ratio is less than or equal to 92 percent, the assessment sales ratios by class shall be adjusted proportionally so that the aggregate ratio of the unequalized market values to the equalized market values equals 92 percent; otherwise the equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(f) "Homestead effective rate" means the product of (i) 46 percent; (ii) 2.17 percent; and (iii) the total tax capacity rate for taxes payable in 1989 within a unique taxing jurisdiction multiplied by the 1988 aggregate assessment sales ratio. A sales ratio of .92 is used if the actual sales ratio is less than .92.

(g) For purposes of calculating the transition aid authorized pursuant to subdivision 2, the "subtraction factor" is the product of (i) a unique taxing jurisdiction's homestead effective rate; (ii) its net tax capacity; and (iii) 103.

(h) For purposes of calculating and allocating transition aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties" or "gross taxes" means the total gross taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F02, subdivision 3, subject to the areawide tax as provided in section 473F08, subdivision 6, in a unique taxing jurisdiction before reduction by any credits for taxes payable in the year prior to that in which the aids are payable. For purposes of disparity reduction aid only, total gross taxes shall be reduced by the taxes levied for any school district referendum levies authorized pursuant to section 124A.03, subdivision 2, and any school district debt levies authorized pursuant to section 475.61. Gross taxes levied cannot be less than zero.

(i) "Income maintenance aids" means:

(1) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(2) preadmission screening and alternative care grants under section 256B.091, subdivision 8;

(3) general assistance, and work readiness under section 256D.03, subdivision 2;

(4) general assistance medical care under section 256D.03, subdivision 6;

(5) aid to families with dependent children under section 256.82, subdivision 1, including emergency assistance under section 256.871, subdivision 6; and funeral expense payments under section 256.935, subdivision 1; ~~and~~

(6) supplemental aid under section 256D.36, subdivision 1; *and*

(7) *work readiness service costs and emergency work grants under section 256D.051, subdivision 6.*

Sec. 4. Minnesota Statutes 1988, section 273.1398, is amended by adding a subdivision to read:

Subd. 2a. [INCOME MAINTENANCE AIDS REDUCTION.] The income maintenance aids payable to a county in 1990 and thereafter under Laws 1988, chapter 719, and section 2 of this article, must be reduced by the amount the county levied in 1988 payable in 1989 for programs included in income maintenance aids but not below zero. The reduction must be prorated among the payments so that each payment is reduced proportionally. The amount payable by a county for programs included in income maintenance aids for calendar year 1989 must be estimated by the department of human services and certified to the department of revenue by July 15, 1989. If the amount paid by a county for programs included in income maintenance aids is less than or greater than the amount certified to the department of revenue, the amount of difference shall be adjusted accordingly. The commissioner of revenue shall certify the amount of the reduction for each county to the department of human services. On July 15 of each year, the department of revenue shall pay to the county agency the increased income maintenance aids for the January 1 to June 30 period. Payments to the county agency shall be made in equal payments monthly for the increased income maintenance aids for the period of July 1 to December 31.

The county may appeal to the department of revenue if the actual county share of income maintenance program costs for the first four months of a calendar year exceed one-third of the department of human services estimate by 15 percent or more.

Actual costs for income maintenance aid for a year will be reconciled with the estimated costs for that year subsequent to July 1 of the following year.

"Increased income maintenance aids" means the difference between:

(1) the income maintenance aids payable to a county under this section, section 2, and Laws 1988, chapter 719, article 8; and

(2) the income maintenance aids that would be payable to the county under the rates in effect for calendar year 1989.

Sec. 5. Minnesota Statutes 1988, section 275.50, subdivision 2, is amended to read:

Subd. 2. [GOVERNMENTAL SUBDIVISION.] (a) "Governmental subdivision" means a county, a home rule charter city, or a statutory city, ~~except a home rule charter or statutory city that has a population of less than 2,500 according to the most recent federal census or a town described in section 368.01, subdivision 1 or 1a.~~

(b) "Governmental subdivision" also includes any ~~home rule charter or statutory city or town~~ that receives a distribution from the taconite municipal aid account in the levy year.

Sec. 6. Minnesota Statutes 1988, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in ~~1988 1989~~ payable in ~~1989 1990~~ and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. ~~Except for the costs of general assistance as defined in section 256D.02, subdivision 4, general assistance medical care under section 256D.03 and the costs of hospital care pursuant to section 261.21,~~ The aggregate amounts levied ~~pursuant to~~ *under this clause paragraph for the costs of purchase or delivery of social services* are subject to a maximum increase of ~~48~~ *six* percent over the amount levied for these purposes in the previous year. Effective with taxes levied in 1989, the portion of this special levy for income maintenance programs identified in section 273.1398, subdivision 1, paragraph (i), is ~~eliminated~~ *limited to the amount of the levy for those purposes in 1988, provided that it shall be reduced by the amount levied under this paragraph in 1988 for the cost of administration of any program of public assistance;*

(b) pay the costs of principal and interest on bonded indebtedness except on bonded indebtedness issued under section 471.981, subdivisions 4 to 4c or to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(c) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency; and to pay the cost for certificates of indebtedness issued pursuant to sections 298.28 and 298.282;

(d) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(e) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(f) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(g) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(h) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 356.216 reduced by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public

pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(i) to compensate the state for the cost of a reassessment ordered by the commissioner of revenue pursuant to section 270.16; and

(j) pay the debt service on tax increment financing revenue bonds to the extent that revenue to pay the bonds or to maintain reserves for the bonds is insufficient as a result of the provisions of Laws 1988, chapter 719, article 5-;

(k) pay the cost of operation of the district courts, provided that the special levy under this paragraph shall not exceed the amount levied for that purpose in 1988, annually increased by:

(1) a caseload factor determined as the courts' projected caseload for the calendar year in which the taxes will be payable, divided by its estimated caseload for the calendar year in which the taxes are levied; and

(2) three percent; and

(l) pay the cost of the district public defender system, provided that the special levy under this paragraph shall not exceed the amount levied for that purpose in 1988, annually increased by:

(1) a caseload factor determined as the public defenders' projected caseload for the calendar year in which the taxes will be payable, divided by its estimated caseload for the calendar year in which the taxes are levied; and

(2) three percent.

Sec. 7. Minnesota Statutes 1988, section 275.51, subdivision 3f, is amended to read:

Subd. 3f. [LEVY LIMIT BASE.] (a) The property tax levy limit base for governmental subdivisions for taxes levied in 1988 shall be equal to the total actual levy for taxes payable in 1988 plus the amount of any payments the governmental subdivision was certified to receive in 1988 under sections 477A.011 to 477A.014 and minus any special levies claimed for taxes payable in 1988 pursuant to Laws 1987, chapter 268, article 5, section 12, subdivision 4, clauses (1), (2), (3), and (4). A county's levy limit base will be increased by the amount of any increase in its levy under section 134.07 over that levied under section 134.07 for taxes payable in 1988 which is required under section 134.341. For governmental subdivisions located in the seven-county metropolitan area, the total actual levy for taxes payable in 1988 shall include the fiscal disparities distribution levy pursuant to Minnesota Statutes 1986, section 473F.08, subdivision 7a with additions and subtractions as specified in paragraphs (b) and (c).

(b) The amounts to be added to the actual 1988 levy are (1) the amount of local government aid the governmental subdivision was certified to receive in 1988 under sections 477A.011 to 477A.014, (2) its 1988 taconite aids under sections 298.28 and 298.282, and (3) its 1988 wetlands and native prairie reimbursements under Minnesota Statutes 1986, sections 273.115, subdivision 3, and 273.116, subdivision 3.

(c) The amounts to be subtracted from the actual 1988 levy are (1) any

special levies claimed for taxes payable in 1988 pursuant to Laws 1987, chapter 268, article 5, section 12, subdivision 4, clauses (1), (2), (3), and (4), and (2) for a governmental subdivision participating in a regional library system receiving grants from the department of education under section 134.34, the amount levied for taxes payable in 1988 for the operating costs of a public library service.

(b) (d) For taxes levied in 1989 and subsequent years, a governmental subdivision's levy limit base is equal to its adjusted levy limit base for the preceding year ~~not including the adjustment made under subdivision 3h, paragraph (e)~~, plus, provided that for taxes levied in 1989, the amount of the administrative reimbursement aid received in 1988 shall be added to the base and the amount levied in 1988 for the operation of the district court and the public defender system shall be subtracted from the base.

The amount levied as a special levy in 1988 under section 134.34 shall be added to the base.

(e) For a governmental subdivision that becomes subject to levy limits for the first time in levy year 1989, its levy limit base shall equal the sum of:

(1) its 1988 payable 1989 levy; plus

(2) 1989 local government aid paid under chapter 477A; and

(3) less any portion of its levy which would have been a special levy under Minnesota Statutes 1988, section 275.50, subdivision 5.

Sec. 8. Minnesota Statutes 1988, section 275.51, subdivision 3h, is amended to read:

Subd. 3h. [ADJUSTED LEVY LIMIT BASE.] For taxes levied in ~~1988~~ 1989 and thereafter, the adjusted levy limit base is equal to the levy limit base computed pursuant to subdivision 3f, increased by:

~~(a) a percentage equal to four percent for taxes levied in 1988 and three percent for taxes levied in 1989 and subsequent years; and~~

~~(b) a percentage equal to one-third of the greater of the percentage increases in population or in number of households, if any, for the most recent 12-month period for which data is available, using figures derived pursuant to subdivision 6-;~~

~~For taxes levied in 1989 and subsequent years, to the resulting product must be added the estimated reduction in a county's income maintenance aids as defined in section 273.1398, subdivision 1, pursuant to section 273.1398, subdivision 2, paragraph (d). The department of human services shall annually estimate the increase in income maintenance aids referred to in section 273.1398, subdivision 2, paragraph (d), and certify it by county to the department of revenue by July 15 of the levy year preceding that in which the aids are payable. If the actual increase in a county's income maintenance aid referred to in section 273.1398, subdivision 2, paragraph (d), is less than or greater than the amount added to a county's adjusted levy limit base in the prior year, its adjusted levy limit base for the subsequent year will be increased or decreased by the appropriate amount.~~

~~(c) the amount of a permanent increase in the levy limit base approved at a general or special election held during the 12-month period ending September 30 of the levy year under section 275.58, subdivisions 1 and~~

2; and

(d) for levy year 1989, for counties levying for the first time under section 134.34 due to the requirements of Laws 1987, chapter 398, article 9, section 2, the amount of the 1989 levy under section 134.34 to the extent required under section 134.341 shall be added to the base.

Sec. 9. Minnesota Statutes 1988, section 275.51, subdivision 3i, is amended to read:

Subd. 3i. [LEVY LIMITATION.] The levy limitation for a governmental subdivision shall be equal to the adjusted levy limit base determined pursuant to subdivision 3h, reduced by:

(1) the local government aid that the governmental subdivision has been certified to receive pursuant to sections 477A.011 to 477A.014-; and

(2) taconite aids under sections 298.28 and 298.282 including any aid received in the levy year that was required to be placed in a special fund for expenditure in the next succeeding year.

As provided in section 298.28, one cent per taxable ton of the amount distributed under section 298.28, subdivision 5, paragraph (d), must not be deducted from the levy limit base of a county that receives the aid.

This amount is the amount of property taxes which a governmental subdivision may levy for all purposes other than those for which special levies and special assessments are made.

For taxes levied in 1989 and later years, the levy limit for a county calculated under clause (1) must be decreased by an additional amount equal to the difference between what would have been a county's production year 1986 payable 1987 distribution under Minnesota Statutes 1984, section 298.28, based on 1986 production and its actual distribution for production year 1986, payable 1987.

Sec. 10. Minnesota Statutes 1988, section 275.51, subdivision 3j, is amended to read:

Subd. 3j. [APPEALS.] ~~A governmental subdivision subject to the limitations in this section~~ county may appeal to the commissioner of revenue for an adjustment in its levy limit base ~~under this section~~. If the ~~governmental subdivision~~ county can provide evidence satisfactory to the commissioner that its levy for taxes payable in 1988 ~~had been reduced because it had made expenditures from reserve funds~~ 1989 under Minnesota Statutes 1988, section 275.50, subdivision 5, paragraph (a), included a levy for the cost of administration of the programs listed in that paragraph, the commissioner may permit the ~~governmental subdivision~~ county to increase its levy limit base under this section by the amount determined by the commissioner ~~to have been levied for that purpose~~, provided that the total adjustment shall not be in excess of three percent of the county's income maintenance aids as defined in section 273.1398, subdivision 2, paragraph (d), for 1989. The commissioner's decision is final.

Sec. 11. Minnesota Statutes 1988, section 275.51, is amended by adding a subdivision to read:

Subd. 3k. [SPECIAL LEVY REQUIREMENT.] *A levy for any purpose that is defined as a special levy under section 275.50, subdivision 5, shall not be included within the levy limit base of a governmental subdivision for determination of the levy limit for levies in 1989 and subsequent years.*

Sec. 12. Minnesota Statutes 1988, section 275.58, subdivision 1, is amended to read:

Subdivision 1. ~~Notwithstanding~~ *Subject to* the provisions of sections 275.50 to 275.56, ~~but subject and~~ to other law or charter provisions establishing per capita, mill or other limitations on the amount of taxes that may be levied, the levy of a governmental subdivision, as defined by section 275.50, subdivision 1, may be increased ~~above the limitation imposed by sections 275.50 to 275.56~~ in any per capita or dollar amount which is approved by the majority of voters of the governmental subdivision voting on the question at a general or special election. When the governing body of the governmental subdivision resolves to increase the levy of the governmental subdivision pursuant to this section, it shall provide for submission of the proposition of an increase in the levy limit base per capita or the proposition of an additional levy, as the case may be, at a general or special election. Notice of such election shall be given in the manner required by law. If the proposition is for an adjustment to the governmental subdivision's levy limit base per capita, increasing the levy limit base per capita over the per capita amount established pursuant to section 275.51, subdivision 3, such notice shall state the purpose of such per capita adjustment and the per capita amount of such adjustment. If the proposition is for an additional levy, such notice shall state the purpose and maximum yearly amount of such additional levy.

Sec. 13. Minnesota Statutes 1988, section 475.58, subdivision 1, is amended to read:

Subdivision 1. [APPROVAL BY MAJORITY OF ELECTORS; EXCEPTIONS.] Obligations authorized by law or charter may be issued by any municipality upon obtaining the approval of a majority of the electors voting on the question of issuing the obligations, but an election shall not be required to authorize obligations issued:

- (1) to pay any unpaid judgment against the municipality;
- (2) for refunding obligations;
- (3) for an improvement, which obligation is payable wholly or partly from the proceeds of special assessments levied upon property specially benefited by the improvement, or of taxes levied upon the increased value of property within a district for the development of which the improvement is undertaken, including obligations which are the general obligations of the municipality, if the municipality is entitled to reimbursement in whole or in part from the proceeds of such special assessments or taxes and not less than 20 percent of the cost of the improvement is to be assessed against benefited property or is estimated to be received from such taxes within the district;
- (4) payable wholly from the income of revenue producing conveniences;
- (5) under the provisions of a home rule charter which permits the issuance of obligations of the municipality without election;
- (6) under the provisions of a law which permits the issuance of obligations of a municipality without an election;
- (7) to fund pension or retirement fund liabilities pursuant to section 475.52, subdivision 6; and
- (8) *for the construction of a county jail* under a capital improvement

plan under section 373.40.

Sec. 14. [EFFECTIVE DATE.]

Except as provided otherwise for section 7, paragraph (a), sections 5 to 12 are effective for taxes levied in 1989, payable in 1990, and thereafter. Section 13 is effective for obligations issued after May 22, 1989.

ARTICLE 8

PROPOSED AND FINAL TAX NOTICE

Section 1. Minnesota Statutes 1988, section 124.2131, subdivision 1, is amended to read:

Subdivision 1. [ADJUSTED GROSS TAX CAPACITY.] (a) [COMPUTATION.] The department of revenue shall annually conduct an assessment/sales ratio study of the taxable property in each school district in accordance with the procedures referenced in paragraphs (b) and (c). Based upon the results of this assessment/sales ratio study, the department of revenue shall determine an aggregate equalized gross tax capacity for the various strata of taxable property in each school district, which tax capacity shall be designated as the adjusted gross tax capacity. The department of revenue shall take such steps as are necessary in the performance of that duty and may incur such expense as is necessary therefor. The commissioner of revenue is authorized to reimburse any county or governmental official for requested services performed in ascertaining such adjusted gross tax capacity. On or before March 15 annually, the department of revenue shall file with the chair of the tax committee of the house of representatives and the chair of the committee on taxes and tax laws of the senate a report of adjusted gross tax capacities. On or before ~~June~~ April 15, annually, the department of revenue shall file its final report on the gross tax capacities established by the previous year's assessment with the commissioner of education and each county auditor for those school districts for which the auditor has the responsibility for determination of mill rates. A copy of the adjusted gross tax capacity so filed shall be forthwith mailed to the clerk of each district involved and to the county assessor or supervisor of assessments of the county or counties in which each district is located.

(b) [METHODOLOGY.] In making its annual assessment/sales ratio studies, the department of revenue shall use a methodology consistent with the most recent Standard on Assessment Ratio Studies published by the assessment standards committee of the International Association of Assessing Officers. The commissioner of revenue shall supplement this general methodology with specific procedures necessary for proper execution of the study in accordance with other Minnesota laws impacting the assessment/sales ratio study. The commissioner shall document these specific procedures in writing and shall publish the procedures in the State Register, but these procedures will not be considered "rules" pursuant to the Minnesota administrative procedure act. By January 15, 1985, the commissioner shall report to the chairs of the house tax committee and the senate committee on taxes and tax laws the results of a study which the commissioner shall prepare comparing the 1983 sales ratio study based upon the original 1983 assessment/sales ratio study methodology with the new methodology as provided in clause (b). The 1984 adjusted assessed values which are certified to the commissioner of education shall be computed using the 1983 assessment/sales ratio study methodology unless the 1985 legislature directs otherwise.

(c) [AGRICULTURAL LANDS.] For purposes of determining the adjusted gross tax capacity of agricultural lands for the calculation of 1987 adjusted gross tax capacities and thereafter, the market value of agricultural lands shall be the price for which the property would sell in an arms length transaction.

Sec. 2. Minnesota Statutes 1988, section 124.42, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATION; APPLICATION; AWARD; INTEREST.] Any school district in which the required levy for debt service in any year will exceed its maximum effort debt service levy by ten percent or by \$5,000, whichever is less, is qualified for a debt service loan hereunder in an amount not exceeding the amount applied for, and not exceeding one percent of the net debt of the district, and not exceeding the difference between the required and the maximum effort debt service levy in that year. Applications shall be filed with the commissioner in each calendar year up to and including ~~September 15~~ July 1. The commissioner shall determine whether the applicant is entitled to a loan and the amount thereof, and on or before October 1 shall certify to each applicant district the amount granted and its due date. The commissioner shall notify the county auditor of each county in which the district is located that the amount certified is available and appropriated for payment of principal and interest on its outstanding bonds, and the auditors shall reduce by that amount the taxes otherwise leviable as the district's debt service levy on the tax rolls for that year. Each debt service loan shall bear interest from its date at a rate equal to the average annual rate payable on Minnesota state school loan bonds most recently issued prior to the disbursement of the loan to the district, but in no event less than 3-1/2 percent per annum on the principal amount from time to time remaining unpaid, payable on December 15 of the year following that in which the loan is received and annually thereafter.

Sec. 3. Minnesota Statutes 1988, section 124.42, subdivision 4, is amended to read:

Subd. 4. Each district receiving a debt service loan shall levy for debt service in that year and each year thereafter, until all its debts to the fund are paid, (a) the amount of its maximum effort debt service levy, or (b) the amount of its required debt service levy less the amount of any debt service loan in that year, whichever is greater. Whenever the maximum effort debt service levy is greater the district shall remit to the commissioner, within ten days after its receipt of the last regular tax distribution in the year in which it is collected, that portion of the maximum effort debt service tax collections, including penalties and interest, which exceeds the required debt service levy. On or before ~~November 1~~ September 1 in each year the commissioner shall notify the county auditor of each county containing taxable property situated within the school district of the amount of the maximum effort debt service levy of the district for that year, and said county auditor or auditors shall extend upon the tax rolls an ad valorem tax upon all taxable property within the district in the aggregate amount so certified.

Sec. 4. Minnesota Statutes 1988, section 124.83, subdivision 1, is amended to read:

Subdivision 1. [HEALTH AND SAFETY PROGRAM.] To receive health and safety revenue a district must submit to the commissioner of education an application for aid and levy by ~~August 15~~ July 1 in the previous school

year. The application may be for hazardous substance removal, fire code compliance, or life safety repairs. The application must include a health and safety program adopted by the school district board. The program must include the estimated cost of the program by fiscal year.

Sec. 5. Minnesota Statutes 1988, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX CAPACITY RATE.] The commissioner of revenue shall establish the general education tax capacity rate and certify it to the commissioner of education by ~~September 4~~ *July 1* of each year for levies payable in the following year. The general education tax capacity rate shall be a rate, rounded up to the nearest tenth of a ~~mill~~ *percent*, that, when applied to the adjusted gross tax capacity for all districts, raises the amount specified in this subdivision. The general education tax capacity rate for the 1990 fiscal year shall be the rate that raises \$1,100,580,000. The general education tax capacity rate certified by the commissioner of revenue may not be changed due to changes or corrections made to a district's adjusted gross tax capacity after the tax capacity rate has been certified.

Sec. 6. Minnesota Statutes 1988, section 124A.26, subdivision 1, is amended to read:

Subdivision 1. [REVENUE REDUCTION.] A district's general education revenue for a school year shall be reduced if the *estimated* net unappropriated operating fund balance as of June 30 in the second prior school year exceeds \$600 times the actual pupil units in the second prior year. The amount of the reduction shall equal the lesser of:

- (1) the amount of the excess, or
- (2) \$150 times the actual pupil units for the school year.

Sec. 7. Minnesota Statutes 1988, section 270.11, subdivision 2, is amended to read:

Subd. 2. [COUNTY ASSESSOR'S REPORTS OF ASSESSMENT FILED WITH COMMISSIONER.] Each county assessor shall file by ~~June 15~~ *April 1* with the commissioner of revenue a copy of the abstract that will be acted upon by the ~~local and county board boards~~ of review. The abstract must list the real and personal property in the county, ~~as equalized by the local board of review or equalization,~~ itemized by assessment districts. ~~A printed or typewritten copy of the proceedings of the local board of review or equalization must also be filed with the commissioner.~~ The assessor of each county in the state shall file with the commissioner, within five working days following final action of ~~the local board of review or equalization and within five days following final action of the county board of equalization,~~ any changes made by the ~~local or county board of equalization.~~ The information must be filed in the manner prescribed by the commissioner. It must be accompanied by a printed or typewritten copy of the proceedings of the ~~county board of equalization~~ *appropriate board*.

The final abstract of assessments after adjustments by the state board of equalization and inclusion of any omitted property shall be submitted to the commissioner of revenue on or before ~~November 15~~ *September 1* of each calendar year. *The final abstract must separately report the captured tax capacity of tax increment financing districts under section 469.177, subdivision 2, the metropolitan revenue contribution value under section*

473F07, and the value subject to the power line credit under section 273.42.

Sec. 8. Minnesota Statutes 1988, section 270.12, subdivision 2, is amended to read:

Subd. 2. The board shall meet annually between ~~July~~ *April 15 and October 1* ~~October 1~~ *June 30* at the office of the commissioner of revenue and examine and compare the returns of the assessment of the property in the several counties, and equalize the same so that all the taxable property in the state shall be assessed at its market value, subject to the following rules:

(1) The board shall add to the aggregate valuation of the real property of every county, which the board believes to be valued below its market value in money, such percent as will bring the same to its market value in money;

(2) The board shall deduct from the aggregate valuation of the real property of every county, which the board believes to be valued above its market value in money, such percent as will reduce the same to its market value in money;

(3) If the board believes the valuation of the real property of any town or district in any county, or the valuation of the real property of any county not in towns or cities, should be raised or reduced, without raising or reducing the other real property of such county, or without raising or reducing it in the same ratio, the board may add to, or take from, the valuation of any one or more of such towns or cities, or of the property not in towns or cities, such percent as the board believes will raise or reduce the same to its market value in money;

(4) The board shall add to the aggregate valuation of any class of personal property of any county, town, or city, which the board believes to be valued below the market value thereof, such percent as will raise the same to its market value in money;

(5) The board shall take from the aggregate valuation of any class of personal property in any county, town or city, which the board believes to be valued above the market value thereof, such percent as will reduce the same to its market value in money;

(6) The board shall not reduce the aggregate valuation of all the property of the state, as returned by the several county auditors, more than one percent on the whole valuation thereof;

(7) When it would be of assistance in equalizing values the board may require any county auditor to furnish statements showing assessments of real and personal property of any individuals, firms, or corporations within the county. The board shall consider and equalize such assessments and may increase the assessment of individuals, firms, or corporations above the amount returned by the county board of equalization when it shall appear to be undervalued, first giving notice to such persons of the intention of the board so to do, which notice shall fix a time and place of hearing. The board shall not decrease any such assessment below the valuation placed by the county board of equalization; and

(8) In equalizing values pursuant to this section, the board shall utilize a 12-month assessment/sales ratio study conducted by the department of revenue containing only sales *that are filed in the county auditor's office under section 272.115, by November 1 of the previous year and that occurred*

between October 1 of the year immediately preceding the previous year to September 30 of the previous year. The sales prices used in the study must be discounted for terms of financing. The board shall use the median ratio as the statistical measure of the level of assessment for any particular category of property.

Sec. 9. Minnesota Statutes 1988, section 270.12, subdivision 3, is amended to read:

Subd. 3. When a taxing jurisdiction lies in two or more counties, if the sales ratio studies prepared by the department of revenue show that the average levels of assessment in the several portions of the taxing jurisdictions in the different counties differ by more than five percent, the board may order the apportionment of the levy. When the sales ratio studies prepared by the department of revenue show that the average levels of assessment in the several portions of the taxing jurisdictions in the different counties differ by more than ten percent, the board shall order the apportionment of the levy unless (a) the proportion of total adjusted gross tax capacity value in one of the counties is less than ten percent of the total adjusted gross tax capacity in the taxing jurisdiction and the average level of assessment in that portion of the taxing jurisdiction is the level which differs by more than five percent from the assessment level in any one of the other portions of the taxing jurisdiction; (b) significant changes have been made in the level of assessment in the taxing jurisdiction which have not been reflected in the sales ratio study, and those changes alter the assessment levels in the portions of the taxing jurisdiction so that the assessment level now differs by five percent or less; or (c) commercial, industrial, mineral, or public utility property predominates in one county within the taxing jurisdiction and another class of property predominates in another county within that same taxing jurisdiction. If one or more of these factors are present, the board may order the apportionment of the levy.

Notwithstanding any other provision, the levy for the metropolitan mosquito control district, metropolitan council, metropolitan transit district, and metropolitan transit area must be apportioned without regard to the percentage difference.

If, pursuant to this subdivision, the board apportions the levy, then that levy apportionment among the portions in the different counties shall be made in the same proportion as the adjusted gross tax capacity as determined by the commissioner in each portion is to the total adjusted gross tax capacity of the taxing jurisdiction.

For the purposes of this section, the average level of assessment in a taxing jurisdiction or portion thereof shall be the aggregate assessment sales ratio. Gross tax capacities as determined by the commissioner shall be the gross tax capacities as determined for the year preceding the year in which the levy to be apportioned is levied.

Actions pursuant to this subdivision shall be commenced subsequent to the annual meeting on ~~July~~ *April* 15 of the state board of equalization, but notice of the action shall be given to the affected jurisdiction and the appropriate county auditors by the following ~~October~~ *June* 30.

Apportionment of a levy pursuant to this subdivision shall be considered as a remedy to be taken after equalization pursuant to subdivision 2, and when equalization within the jurisdiction would disturb equalization within

other jurisdictions of which the several portions of the jurisdiction in question are a part.

Sec. 10. Minnesota Statutes 1988, section 270.13, is amended to read:

270.13 [RECORD OF PROCEEDINGS CHANGING GROSS TAX CAPACITY; DUTIES OF COUNTY AUDITOR.]

A record of all proceedings of the commissioner of revenue affecting any change in the gross tax capacity of any property, as revised by the state board of equalization, shall be kept by the commissioner of revenue and a copy thereof, duly certified, shall be mailed each year to the auditor of each county wherein such property is situated, on or before ~~October 1~~ *June 30* or 30 days after submission of the abstract required by section 270.11, subdivision 2, whichever is later. This record shall specify the amounts or amount, or both, added to or deducted from the gross tax capacity of the real property of each of the several towns and cities, and of the real property not in towns or cities, also the percent or amount of both, added to or deducted from the several classes of personal property in each of the towns and cities, and also the amount added to or deducted from the assessments of individuals, copartnerships, associations, or corporations. The county auditor shall add to or deduct from such tract or lot, or portion thereof, of any real property in the county the required percent or amount, or both, on the gross tax capacity thereof as it stood after equalized by the county board, adding in each case a fractional sum of 50 cents or more, and deducting in each case any fractional sum of less than 50 cents, so that no gross tax capacity of any separate tract or lot shall contain any fraction of a dollar; and add to, or deduct from, the several classes of personal property in the county the required percent or amount, or both, on the gross tax capacity thereof as it stood after equalized by the county board, adding or deducting in manner aforesaid any fractional sum so that no gross tax capacity of any separate class of personal property shall contain a fraction of a dollar, and add to or deduct from assessments of individuals, copartnerships, associations, or corporations, as they stood after equalization by the county board, the required amounts to agree with the assessments as returned by the commissioner of revenue.

Sec. 11. Minnesota Statutes 1988, section 270.18, is amended to read:

270.18 [REASSESSMENT; COMPENSATION; REIMBURSEMENT BY COUNTIES.]

The compensation of each special assessor and deputies, appointed under the provisions of sections 270.11, subdivision 3, and 270.16, and the expenses as such, shall be fixed by the commissioner of revenue and paid out of money appropriated for operation of the department of revenue. The commissioner of revenue on ~~October~~ *August 1* shall notify the auditor of each affected county of the amount thereof paid on behalf of such county since ~~October~~ *August 1* of the preceding year, whereupon the county auditor shall levy a tax upon the taxable property in the assessment district or districts wherein such reassessment was made sufficient to pay the same. One-half of such tax shall be levied in the year in which the commissioner of revenue so notifies the county auditor and the remaining one-half shall be levied in the following year. The respective counties shall reimburse the state by paying one-half of the tax so assessed on or before July 1 and the remaining one-half on or before December 1 in the year in which the tax is payable by owner, whether or not the tax was collected by the county. The reimbursement shall be credited to the general fund. If any county

fails to reimburse the state within the time specified herein, the commissioner of revenue is empowered to order withholding of state aids or distributions to such county equal to the amount delinquent.

Sec. 12. Minnesota Statutes 1988, section 270.82, is amended to read:
270.82 [REPORTS OF RAILROAD COMPANIES.]

Subdivision 1. Every railroad company doing business in Minnesota shall annually file with the commissioner on or before ~~April 30~~ *March 31* a report under oath setting forth the information prescribed by the commissioner to enable the commissioner to make the valuation and equalization required by Laws 1979, chapter 303, article 7, sections 1 to 13.

Subd. 2. The commissioner for good cause may extend *for up to 15 days* the time for filing the report required by subdivision 1.

Sec. 13. Minnesota Statutes 1988, section 270.84, is amended to read:
270.84 [ANNUAL VALUATION OF OPERATING PROPERTY.]

Subdivision 1. The commissioner shall annually between ~~April 30~~ *March 31* and ~~July~~ *May* 31 make a determination of the fair market value of the operating property of every railroad company doing business in this state as of January 2 of the year in which the valuation is made. In making this determination, the commissioner shall employ generally accepted appraisal principles and practices which may include the unit method of determining value. The commissioner may promulgate emergency rules adopting valuation procedures under sections 14.29 to 14.36.

~~The commissioner shall give a report to the legislature in February 1985 and in February 1986 on the formula used to determine the value of railroad operating property pursuant to Laws 1984, chapter 502, article 9. This report shall also contain the valuation for taxes payable 1985 and 1986 by company and the taxes payable in 1985 and 1986 by company based upon the valuation of operating property. The legislature may review the formula, the valuation, and the resulting taxes and may make changes in the formula that it deems necessary.~~

Subd. 2. The commissioner, after determining the fair market value of the operating property of each railroad company, shall give notice ~~by first class mail~~ to the railroad company of the valuation *by first class mail, overnight delivery, or messenger service.*

Sec. 14. Minnesota Statutes 1988, section 270.85, is amended to read:
270.85 [REVIEW OF VALUATION.]

A railroad company may within ~~15~~ *ten* days of ~~receipt~~ *the date* of the notice of valuation file a written request for a conference with the commissioner relating to the value of its operating property. The commissioner shall thereupon designate a time and place for the conference which the commissioner shall conduct, upon commissioner's entire files and records and such further information as may be offered. ~~Said~~ *The* conference ~~shall~~ *must* be held no later than ~~30~~ *20* days after ~~mailing~~ *the date* of the commissioner's valuation notice. At a reasonable time after such conference the commissioner shall make a final determination of the fair market value of the operating property of the railroad company and shall notify the company promptly ~~thereof~~ *of the determination.*

Sec. 15. Minnesota Statutes 1988, section 270.87, is amended to read:

270.87 [CERTIFICATION TO COUNTY ASSESSORS.]

After making an annual determination of the equalized fair market value of the operating property of each company in each of the respective counties, and in the taxing districts therein, the commissioner shall certify the equalized fair market value to the county assessor on or before ~~October 1,~~ ~~which shall constitute~~ *June 30*. The equalized fair market value of the operating property of the railroad company in ~~such~~ *the* county and the taxing districts therein ~~upon is the value on which taxes shall must~~ be levied and collected in the same manner as on the commercial and industrial property of such county and the taxing districts therein.

Sec. 16. Minnesota Statutes 1988, section 272.02, subdivision 4, is amended to read:

Subd. 4. Any property exempt from taxation on January 2 of any year which, due to sale or other reason, loses its exemption prior to ~~October 1~~ *December 20* of any year, shall be placed on the current assessment rolls for that year.

The valuation shall be determined with respect to its value on January 2 of such year. The classification shall be based upon the use to which the property was put by the purchaser, or in the event the purchaser has not utilized the property by ~~October 1~~ *December 20*, the intended use of the property, determined by the county assessor, based upon all relevant facts.

Sec. 17. Minnesota Statutes 1988, section 272.115, subdivision 1, is amended to read:

Subdivision 1. Whenever any real estate is sold on or after January 1, 1978 for a consideration in excess of \$1,000, whether by warranty deed, quitclaim deed, contract for deed or any other method of sale, the grantor, grantee or the legal agent of either shall file a certificate of value with the county auditor in the county in which the property is located *within 30 days of the sale*. Value shall, in the case of any deed not a gift, be the amount of the full actual consideration thereof, paid or to be paid, including the amount of any lien or liens assumed. The certificate of value shall include the classification to which the property belongs for the purpose of determining the fair market value of the property. The certificate shall include financing terms and conditions of the sale which are necessary to determine the actual, present value of the sale price for purposes of the sales ratio study. The commissioner of revenue shall promulgate administrative rules specifying the financing terms and conditions which must be included on the certificate.

Sec. 18. Minnesota Statutes 1988, section 273.064, is amended to read:

273.064 [EXAMINATION OF LOCAL ASSESSOR'S WORK; COMPLETION OF ASSESSMENTS.]

The county assessor shall examine the assessment appraisal records of each local assessor anytime after January 15 of each year and shall immediately give notice in writing to the governing body of said district of any deficiencies in the assessment procedures with respect to the quantity of or quality of the work done as of that date and indicating corrective measures to be undertaken and effected by the local assessor not later than 30 days thereafter. If, upon reexamination of such records at that time, the deficiencies noted in the written notice previously given have not been substantially corrected to the end that a timely and uniform assessment of all

real property in the county will be attained, then the county assessor with the approval of the county board shall collect the necessary records from the local assessor and complete the assessment or employ others to complete the assessment. When the county assessor has completed the assessments, the local assessor shall thereafter resume the assessment function within the district. In this circumstance the cost of completing the assessment shall be charged against the assessment district involved. The county auditor shall certify the costs thus incurred to the appropriate governing body not later than ~~September~~ August 1 and if unpaid as of ~~October 10~~ September 1 of the assessment year, the county auditor shall levy a tax upon the taxable property of said assessment district sufficient to pay such costs. The amount so collected shall be credited to the general revenue fund of the county.

Sec. 19. Minnesota Statutes 1988, section 273.065, is amended to read:

273.065 [DELIVERY OF ASSESSMENT APPRAISAL RECORDS; EXTENSIONS.]

Assessment districts shall complete the assessment appraisal records on or before March ~~15~~ 1. The records shall be delivered to the county assessor as of that date and any work which is the responsibility of the local assessor which is not completed by March ~~15~~ 1 shall be accomplished by the county assessor or persons employed by the county assessor and the cost of such work shall be charged against the assessment district as provided in section 273.064. Extensions of time to complete the assessment appraisal records may be granted to the local assessor by the county assessor if such extension is approved by the county board.

Sec. 20. Minnesota Statutes 1988, section 273.119, subdivision 2, is amended to read:

Subd. 2. [REIMBURSEMENT FOR LOST REVENUE.] The county may transfer money from the county conservation account created in section 40A.152 to the county revenue fund to reimburse the fund for the cost of the property tax credit. The county auditor shall certify to the commissioner of revenue ~~on or before June 1 of each year as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29~~ the amount of tax lost to the county from the property tax credit under subdivision 1 and the extent that the tax lost exceeds funds available in the county conservation account. ~~On or before July 15 of each year,~~ The commissioner shall reimburse ~~the county~~ each taxing district, other than school districts, from the Minnesota conservation fund under section 40A.151 for the taxes lost in excess of the county account. *The payments must be made at the times provided in section 477A.015 for payment of local government aid to taxing jurisdictions in the same proportion that the ad valorem tax is distributed. If the abstract of tax lists under section 275.29 is not timely filed, the July 20 payment must be delayed. For each month or fraction of a month that the abstract was filed late, the July 20 payment must be delayed one month.*

Sec. 21. Minnesota Statutes 1988, section 273.123, subdivision 4, is amended to read:

Subd. 4. [STATE REIMBURSEMENT.] The county auditor shall calculate the tax on the property described in subdivision 2 based on the assessment made on January 2 of the year in which the disaster or emergency occurred. The difference between the tax determined on the January

2 gross tax capacity and the tax actually payable based on the reassessed gross tax capacity determined under subdivision 2 shall be reimbursed to each taxing jurisdiction in which the damaged property is located. The amount shall be certified by the county auditor and reported to the commissioner of revenue. The commissioner shall make the payments to the taxing jurisdictions, *other than school districts*, containing the property at the time distributions are made pursuant to section 273.13 for taxes payable in 1989, and pursuant to section 273.1398 for taxes payable in 1990 and thereafter under section 477A.015, in the same proportion that the ad valorem tax is distributed. *If the abstract of tax lists under section 275.29 is not timely filed, the July 20 payment must be delayed. For each month or fraction of a month that the abstract was filed late, the July 20 payment must be delayed one month.*

Sec. 22. Minnesota Statutes 1988, section 273.123, subdivision 5, is amended to read:

Subd. 5. [COMPUTATION OF CREDITS.] The amounts of any credits or tax relief which reduce the gross tax shall be computed upon the reassessed gross tax capacity determined under subdivision 2. ~~Payment shall be made pursuant to section 273.13 for taxes payable in 1989, and pursuant to section 273.1398 for taxes payable in 1990 and thereafter.~~ For purposes of the property tax refund, property taxes payable, as defined in section 290A.03, subdivision 13, and net property taxes payable, as defined in section 290A.04, subdivision 2d, shall be computed upon the reassessed gross tax capacity determined under subdivision 2.

Sec. 23. Minnesota Statutes 1988, section 273.1392, is amended to read:
273.1392 [PAYMENT; AIDS TO SCHOOL DISTRICTS.]

(a) The amounts of *conservation tax credits under section 273.119; disaster or emergency reimbursement under section 273.123; attached machinery aid under section 273.138; homestead credit under section 273.13; agricultural credit under section 273.132; aids and credits under section 273.1398; enterprise zone property credit payments under section 469.171; and metropolitan agricultural preserve reduction under section 473H.10,* shall be certified to the department of education by the department of revenue. The amounts so certified shall be paid according to section 124.195, subdivisions 6 and 10.

(b) *The commissioner of revenue shall certify to the commissioner of education if payments to the school district are delayed under sections 273.119, 273.123, 469.171, and 473H.10, because abstracts of tax limits were not timely filed with the commissioner. If so notified, the commissioner of education must delay those payments under section 124.195, subdivisions 6 and 10, for the same length of time that payments to other taxing jurisdictions under section 477A.015 are delayed.*

Sec. 24. Minnesota Statutes 1988, section 273.33, subdivision 2, is amended to read:

Subd. 2. The personal property, consisting of the pipeline system of mains, pipes, and equipment attached thereto, of pipeline companies and others engaged in the operations or business of transporting natural gas, gasoline, crude oil, or other petroleum products by pipelines, shall be listed with and assessed by the commissioner of revenue. This subdivision shall not apply to the assessment of the products transported through the pipelines nor to the lines of local commercial gas companies engaged primarily in

the business of distributing gas to consumers at retail nor to pipelines used by the owner thereof to supply natural gas or other petroleum products exclusively for such owner's own consumption and not for resale to others. On or before ~~October 4~~ June 30, the commissioner shall certify to the auditor of each county, the amount of such personal property assessment against each company in each district in which such property is located.

Sec. 25. Minnesota Statutes 1988, section 273.37, subdivision 2, is amended to read:

Subd. 2. Transmission lines of less than 69 kv, transmission lines of 69 kv and above located in an unorganized township, and distribution lines, and equipment attached thereto, having a fixed situs outside the corporate limits of cities except distribution lines taxed as provided in sections 273.40 and 273.41, shall be listed with and assessed by the commissioner of revenue in the county where situated. The commissioner shall assess such property at the percentage of market value fixed by law; and, on or before ~~the 15th day of November~~ June 30, shall certify to the auditor of each county in which such property is located the amount of the assessment made against each company and person owning such property.

Sec. 26. [273.371] [REPORTS OF UTILITY COMPANIES.]

Subdivision 1. [REPORT REQUIRED.] Every electric light, power, gas, water, express, stage, and transportation company and pipeline doing business in Minnesota shall annually file with the commissioner on or before March 31 a report under oath setting forth the information prescribed by the commissioner to enable the commissioner to make valuations, recommended valuations, and equalization required under sections 273.33, 273.35, 293.36, and 273.37.

Subd. 2. [EXTENSION.] The commissioner for good cause may extend the time for filing the report required by subdivision 1. The extension may not exceed 15 days.

Sec. 27. Minnesota Statutes 1988, section 274.14, is amended to read:

274.14 [LENGTH OF SESSION; RECORD.]

The county board of equalization or the special board of equalization appointed by it shall meet during the last two weeks in June. ~~The commissioner may extend the session period to July 15 but~~ No action taken by the county board of review after ~~the extended termination date~~ June 30 is valid. The county auditor shall keep an accurate record of the proceedings and orders of the board. The record must be published like other proceedings of county commissioners. A copy of the published record must be sent to the commissioner of revenue, with the abstract of assessment required by section 274.16.

Sec. 28. [274.175] [VALUES FINALIZED.]

The assessments recorded by the county assessor and the county auditor under sections 273.124, subdivision 9; 274.16; 274.17; or other law for real and personal property are final on July 1 of the assessment year, except for property added to the assessment rolls under section 272.02, subdivision 4. No changes in value, including parcel description splits, may be made after July 1 of the assessment year.

Sec. 29. Minnesota Statutes 1988, section 275.065, subdivision 1, is amended to read:

Subdivision 1. [PROPOSED LEVY.] On or before ~~August~~ *September 15* for levy year 1989 and *September 1* for levy years thereafter, each taxing authority shall adopt a proposed budget and certify to the county auditor the proposed property tax levy for taxes payable in the following year and their state aids as enumerated in section 276.04, subdivision 2, paragraph (c), clause (2). For purposes of this section, "taxing authority" shall include ~~includes~~ all home rule and statutory cities with a population of over 2,500, towns, counties, and school districts, ~~the metropolitan council, and the metropolitan regional transit commission~~ for taxes levied in 1989. For taxes levied in 1990, "taxing authority" also includes special taxing districts.

Sec. 30. Minnesota Statutes 1988, section 275.065, is amended by adding a subdivision to read:

Subd. 1a. [OVERLAPPING JURISDICTIONS.] In the case of a taxing authority lying in two or more counties, the home county auditor shall certify the proposed levy to the other county auditor by September 20, for taxes levied in 1989 and by September 5 for taxes levied in 1990.

Sec. 31. Minnesota Statutes 1988, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) If there is a percentage increase in property taxes proposed by the taxing authority, on or before September 15, The county auditor shall compute for each parcel of property on the assessment rolls within the taxing authority the proposed property tax for taxes levied in the current year. In the case of cities under 2,500 population, and all special taxing districts except the metropolitan council and the metropolitan regional transit commission, the auditor shall use the taxing district's previous year tax capacity rate for use in computing the total property tax. On or before November 10, each year, the county auditor shall prepare and deliver by first class mail to each taxpayer at the address listed on the city's current year's assessment roll, a notice of the taxpayer's proposed property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) A notice in substantially the following form shall be sufficient:

NOTICE OF PROPOSED PROPERTY TAXES

DO NOT PAY THIS IS NOT A BILL

This notice shows the amount your next property tax bill will be if proposed budgets are approved by the local government districts you live in. It also shows the amount of your next property tax bill if the local government districts you live in do not change their budgets from this year.

Name of property owner	Description of property	Market value of property	Class of property
John Q. and Mary W. Smith	Lot 1, Block 1 Pleasant Acres sub- division Middletown, Minnesota	\$65,000	residential homestead

Based on their proposed budgets, next year the governing bodies of the county, city, school district, and special tax districts you live in are proposing to collect from you the amount of property tax shown below. At the meetings listed below, the governing bodies will discuss and vote on the amount of their budgets for next year. The larger the amount of the budget, the more property tax you will pay. You can attend the meetings and express your opinions about the amount of the budget before the budget is voted on.

These local governments	Amount of your tax	Amount of your tax	Time and place of
These local governments collect property tax from you	Amount of your tax next year if they do not change their budgets from this year	Amount of your tax next year if they adopt their proposed budgets	Time and place of meetings on proposed budgets
County: Sparte	\$218.55	\$257.75	September 1, 1988, 7:30 pm Room 123, Sparte Co. Courthouse
City or Town: Middletown	\$168.63	\$184.09	October 1, 1988, 8:00 pm Middletown Town Hall
Public School: Ind. set by school board	Dist. 123 \$47.56	\$146.88	September 25, 1988, Cafeteria, Middletown Town Hall
set by state law	\$300.00	\$300.00	
Special Tax Districts			
Metropolitan Council	\$25.00	\$50.00	October 5, 1988, 3:00 pm Board Room, Tri-County Hospital
Metropolitan Regional Transit Board	\$10.00	\$12.00	October 12, 1988, 6:00 pm Common Room, Tri-County Library
Tax before State payments:	\$769.74	\$950.72	
Payments by State: (subtract: \$215.00) (subtract: \$235.00)			

Your tax if budget is not changed: \$554.74

Your tax if proposed budget is adopted: \$715.72

The notice must inform taxpayers that it contains the amount of property taxes each taxing authority proposes to collect for taxes payable the following year. It must clearly state that each taxing authority will hold a public meeting to receive public testimony on the proposed budget. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail.

(d) For taxes levied in 1989, the notice must state the total proposed property tax levy for taxes payable in 1990 before reduction for state aid, compare that amount to the actual amount for taxes paid in 1989, and express the difference as a percentage increase or decrease in property taxes by county, city or town, and school district. For purposes of this paragraph, "proposed property tax before reduction for state aid" means the taxing authority's levy certified under section 275.07, plus aids payable in calendar year 1990 under sections 477A.011 to 477A.015.

(e) For taxes levied in 1990, and thereafter, the notice must state for each parcel the market value of the property for property taxes payable in the following year and for taxes payable the current year. It must also state the following proposed amounts for taxes payable the following year by county, city or town, school district, and as a total of the taxing authorities, including special taxing districts:

(1) the amount of property taxes on the property before reduction for state aid;

(2) the amount of aid paid by the state to reduce property taxes, apportioned to the property;

(3) the amount of the credits for the property as enumerated under section 276.04, subdivision 2, paragraph (c), clause (5), apportioned in the ratio of the local government's proposed levy after state aids to all local governments' proposed levies after state aids;

(4) the net tax on the property; and

(5) the percentage increase or decrease in the amount in clause (4) from taxes payable in the current year to taxes payable the following year.

The notice must compare the proposed amounts in clauses (1), (2), and (4) to the actual amount for taxes payable in the current year.

For purposes of this paragraph, "property taxes before reduction for state aid" means the taxing authority's levy that would be certified under section 275.07 not including the state aids enumerated under section 276.04, subdivision 2, paragraph (c), clause (2); and the "amount of aid paid by the state to reduce property taxes" is the sum of the state aids listed in section 276.04, subdivision 2, paragraph (c), clause (2), apportioned to the property.

(f) The notice must clearly state that the proposed taxes do not include the following:

(1) special assessments;

(2) a levy approved by the voters after the date the proposed taxes are

certified, including school district levy referenda and levy limit increase referenda;

(3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified; and

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified.

Sec. 32. Minnesota Statutes 1988, section 275.065, subdivision 4, is amended to read:

Subd. 4. [COSTS.] ~~The taxing authority shall pay the county for~~ *If the reasonable cost of the county auditor's services and for the costs cost of preparing and mailing the notice required in this section exceed the amount distributed to the county by the commissioner of revenue to administer this section, the taxing authority must reimburse the county for the excess cost.*

Sec. 33. Minnesota Statutes 1988, section 275.065, subdivision 6, is amended to read:

Subd. 6. [PUBLIC HEARING; ADOPTION OF BUDGET AND LEVY.] ~~Prior to October 25~~ *Between November 15 and December 20, the governing body bodies of the city, county, and school district shall each hold a public hearing to adopt its final budget and property tax levy for taxes payable in the following year. The hearing must be held not less than two days or more than five days after the day the notice is first published.*

At the hearing the taxing authority may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy. The adopted property tax levy ~~adopted may~~ *must not exceed the final proposed levy determined under subdivision 2, paragraph (c)-, except by an amount up to the sum of the following amounts:*

(1) the amount of a school district levy whose voters approved a referendum to increase taxes after the proposed levy was certified;

(2) the amount of a city or county levy approved by the voters under section 275.58 after the proposed levy was certified;

(3) the amount of a levy to pay costs, due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a; and

(4) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a.

At the hearing the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax revenues are being increased must be discussed. During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions prior to adoption of any measures by the governing body. The governing body shall adopt its final property tax levy prior to adopting its final budget.

The hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No hearing may be held on a Sunday. ~~The school board and county board shall~~ *The commissioner of revenue shall provide for the coordination of hearing dates so that a taxing authority does not schedule*

public meetings on ~~days~~ *the day* scheduled for the hearing by ~~the governing body of the city~~ *another taxing authority*.

If the hearing is recessed, the taxing authority shall publish a notice in a qualified newspaper of general paid circulation in the city. The notice must state the time and place for the continuation of the hearing and must be published at least two days but not more than five days prior to the date the hearing will be continued.

This subdivision does not apply to towns and special taxing districts.

Sec. 34. Minnesota Statutes 1988, section 275.065, is amended by adding a subdivision to read:

Subd. 6a. [APPROVAL OF COMMISSIONER.] (a) A taxing authority may appeal to the commissioner of revenue for authorization to levy an amount over the amount of the proposed levy. The taxing authority must provide evidence satisfactory to the commissioner that it has incurred costs for the purposes specified in paragraph (b). The commissioner may approve an increase in the taxing authority's levy of up to the amount of costs incurred or a lesser amount determined by the commissioner. The commissioner's decision is final.

(b) A levy addition may be made under paragraph (a) for the following costs incurred after the proposed levy is certified: (1) the unreimbursed costs to satisfy judgments rendered against the taxing authority by a court of competent jurisdiction in a tort action in excess of \$50,000 or ten percent of the current year's proposed certified levy whichever is less; or (2) the costs incurred in clean up of a natural disaster. For purposes of this subdivision, "natural disaster" includes the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from natural causes such as earthquake, fire, flood, windstorm, wave action, oil spill, water contamination, air contamination, or drought.

Sec. 35. Minnesota Statutes 1988, section 275.065, subdivision 7, is amended to read:

~~Subd. 7. [CERTIFICATION OF COMPLIANCE.] At the time the taxing authority certifies its tax levy under section 275.07, it shall certify to the commissioner of revenue its compliance with this section. The certification must contain copies of the advertisement required under subdivision 5, the resolution adopting the final property tax levy under subdivision 6, and any other information required by the commissioner of revenue. If the commissioner determines that the taxing authority has failed to substantially comply with the requirements of this section, the commissioner of revenue shall notify the county auditor. When fixing rates under section 275.08 for a taxing authority that has not complied with this section, the county auditor must use the no-increase tax rate taxing authority's previous year's levy.~~

Sec. 36. Minnesota Statutes 1988, section 275.07, subdivision 1, is amended to read:

Subdivision 1. The taxes voted by cities, towns, counties, school districts, and special districts shall be certified by the proper authorities to the county auditor on or before ~~October 25~~ *five working days after December 20* in each year. The taxes certified shall not be adjusted by the aid received under section 273.1398, subdivisions 2 and 3. If a city, town, county, school district, or special district fails to certify its levy by that date, its levy shall

be the amount levied by it for the preceding year. If the local unit notifies the commissioner of revenue before October 25 of its inability to certify its levy by that date, and the commissioner is satisfied that the delay is unavoidable and is not due to the negligence of the local unit's officials or staff, the commissioner shall extend the time within which the local unit shall certify its levy up to 15 calendar days beyond the date of request for extension.

Sec. 37. Minnesota Statutes 1988, section 275.07, is amended by adding a subdivision to read:

Subd. 4. [REPORT TO COMMISSIONER.] On or before September 30 for taxes levied in 1989, and on or before September 15 for taxes levied thereafter, the county auditor shall report to the commissioner of revenue the proposed levy certified by local units of government under section 275.065, subdivision 1. On or before January 15, the county auditor shall report to the commissioner of revenue the final levy certified by local units of government under subdivision 1. The levies must be reported in the manner prescribed by the commissioner.

Sec. 38. Minnesota Statutes 1988, section 275.08, subdivision 2, is amended to read:

Subd. 2. [ESTIMATES.] If, by ~~December~~ January 15 of any year, the county auditor has not received from another county auditor the tax capacity rate or gross tax capacity applicable to any taxing district lying in two or more counties, the county auditor who has not received the necessary information may levy taxes for the overlapping district by estimating the tax capacity rate or the gross tax capacity.

Sec. 39. Minnesota Statutes 1988, section 275.08, subdivision 3, is amended to read:

Subd. 3. [ASSISTANCE OF COUNTY AUDITOR.] A county auditor who has not furnished the tax capacity rate or gross tax capacity of property in the county by ~~December~~ January 15 shall, on request, furnish the county auditor of a county in the overlapping district an estimate of the tax capacities or the tax capacity rate. The auditor may request the assistance of the county assessor in determining the estimate.

Sec. 40. Minnesota Statutes 1988, section 275.124, is amended to read:

275.124 [REPORT OF CERTIFIED LEVY.]

Prior to ~~February 1~~ April 1 of each year, each county auditor shall report to the commissioner of education on forms furnished by the commissioner, the amount of the certified levy made by each school district within the county which has taxable property and any other information concerning these levies that is deemed necessary by the commissioner.

Sec. 41. Minnesota Statutes 1988, section 275.125, subdivision 5, is amended to read:

Subd. 5. [BASIC TRANSPORTATION LEVY.] Each year, a school district may levy for school transportation services an amount not to exceed the amount raised by the basic transportation tax capacity rate times the adjusted gross tax capacity of the district for the preceding year. The commissioner of revenue shall establish the basic transportation tax capacity rate and certify it to the commissioner of education by ~~September 1~~ July

1 of each year for levies payable in the following year. The basic transportation tax capacity rate shall be a rate, rounded up to the nearest hundredth of a mill, that, when applied to the adjusted gross tax capacity of taxable property for all districts, raises the amount specified in this subdivision. The basic transportation tax capacity rate for transportation for the 1990 fiscal year shall be the rate that raises \$72,681,200. The basic transportation tax capacity rate certified by the commissioner of revenue must not be changed due to changes or corrections made to a district's adjusted gross tax capacity after the tax capacity rate has been certified.

Sec. 42. Minnesota Statutes 1988, section 275.125, subdivision 5b, is amended to read:

Subd. 5b. [TRANSPORTATION LEVY OFF-FORMULA ADJUSTMENT.] In any fiscal year, if the basic transportation levy under subdivision 5 in a district attributable to a particular fiscal year exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8i, 8j, and 8k, the district's levy limitation shall be adjusted as provided in this subdivision. In the *second* year following each fiscal year, the district's transportation levy shall be reduced by an amount equal to the difference between (1) the amount of the basic transportation levy under subdivision 5, and (2) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8i, 8j, and 8k, and the amount of any subtraction made from special state aids pursuant to section 124.2138, subdivision 2, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.

Sec. 43. Minnesota Statutes 1988, section 275.28, subdivision 1, is amended to read:

Subdivision 1. [AUDITOR TO MAKE.] The county auditor shall make out the tax lists according to the prescribed form, and to correspond with the assessment districts. The rate percent necessary to raise the required amount of the various taxes shall be calculated on the gross tax capacity of property as determined by the state board of equalization, but, in calculating such rates, no rate shall be used resulting in a fraction other than a decimal fraction, or less than one-tenth of a mill; and, in extending any tax, whenever it amounts to the fractional part of a cent, it shall be made one cent. The tax lists shall also be made out to correspond with the assessment books in reference to ownership and description of property, with columns for the valuation and for the various items of tax included in the total amount of all taxes set down opposite each description; and opposite each description which has been sold for taxes, and which is subject to redemption, but not redeemed, shall be placed the words "sold for taxes." The amount of all special taxes shall be entered in the proper columns, but the general taxes may be shown by entering the rate percent of each tax at the head of the proper columns, without extending the same, in which case a schedule of the rates percent of such taxes shall be made on the first page of each tax list. If the auditor shall fail to enter on any such list before its delivery to the treasurer any tax levied, such tax may be subsequently entered. The tax lists shall be deemed completed, and all taxes extended thereon, as of ~~October 16~~ *January 1* annually.

Sec. 44. Minnesota Statutes 1988, section 275.29, is amended to read:

275.29 [ABSTRACTS TO COMMISSIONER OF REVENUE.]

~~On or before January 1~~ *Not later than March 31*, in each year, the county

auditor shall make and transmit to the commissioner of revenue, in such form as may be prescribed by the commissioner of revenue, complete abstracts of the tax lists of the county, showing the number of acres of land assessed; its value, including the structures thereon; the value of town and city lots, including structures; the total value of all taxable personal property in the several assessment districts; the aggregate amount of all taxable property in the county, and the total amount of taxes levied therein for state, county, town, and all other purposes for that year.

Sec. 45. Minnesota Statutes 1988, section 275.51, is amended by adding a subdivision to read:

Subd. 7. [LEVY LIMIT CERTIFICATION.] A governmental subdivision must certify its levy limitations under sections 275.50 to 275.58 to the commissioner of revenue by December 31 of the levy year.

Sec. 46. Minnesota Statutes 1988, section 275.58, subdivision 2, is amended to read:

Subd. 2. A levy limit base per capita adjustment approved pursuant to subdivision 1 at a general or special election held prior to ~~October 1~~ *five working days after December 20* in any levy year increases the levy limit base per capita in that same levy year by the approved per capita amount and provides a permanent adjustment to the levy limit base per capita of the governmental subdivision for future levy years. A levy limit base per capita adjustment approved pursuant to subdivision 1 at a general or special election held *on or after September 30 five working days after December 20* in any levy year shall not increase the levy limit base per capita in that same levy year but shall provide a permanent adjustment to the levy limit base per capita of the governmental subdivision for future levy years.

Sec. 47. Minnesota Statutes 1988, section 275.58, subdivision 3, is amended to read:

Subd. 3. An additional levy approved pursuant to subdivision 1 at a general or special election held prior to ~~October 1~~ *five working days after December 20* in any levy year may be levied in that same levy year and in any levy years thereafter. An additional levy approved pursuant to subdivision 1 at a general or special election held *on or after September 30 five working days after December 20* in any levy year shall not be levied in that same levy year, but may be levied in the subsequent levy year and in levy years thereafter.

Sec. 48. Minnesota Statutes 1988, section 276.01, is amended to read:

276.01 [DELIVERY OF LISTS TO TREASURER.]

On or before the first business day in ~~January~~ *March* in each year, the county auditor shall deliver the lists of the districts of the county to the county treasurer and get the treasurer's receipt for them. The lists must show the total amount of taxes due. Where the names of taxpayers appear in the property tax lists, the county auditor shall show the taxpayers' addresses. The lists are authority for the treasurer to collect the taxes shown on the list.

In counties that have elected to come under section 273.03, subdivision 2, when the county treasurer possesses the lists provided for in section 275.28, subdivision 3, the county auditor shall have access to the lists to change the market valuations and the classifications of real estate in the lists that the auditor would have been required to change in the assessment

books provided for in section 273.03, subdivision 1, except for the election to discontinue the preparation of the assessment books. The county auditor is the official custodian of the lists after the year when they are in the county treasurer's possession.

Sec. 49. Minnesota Statutes 1988, section 276.04, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF TAX STATEMENTS.] (a) ~~The treasurer shall, whether or not directed by the county board, cause to be printed on all tax statements, or on an attachment, The commissioner of revenue shall prescribe the form of the property tax statement and its contents. The statement must contain~~ a tabulated statement of the dollar amount due to each taxing authority from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the county, township or municipality and school district must be separately stated. The amounts due other taxing districts, if any, may be aggregated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The statement shall include the following sentence, printed in upper case letters in boldface print: "THE STATE OF MINNESOTA DOES NOT RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT."

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) ~~For taxes payable in 1990 and thereafter, real and personal property tax statements must contain (1) the property's market value, as defined in section 272.03, subdivision 8; (2) the net tax capacity rate applicable to the property's classification under section 273.13, and the product of (1) and (2); the property's initial tax. The statement must show the difference between a property's gross tax capacity and net tax capacity multiplied by the tax capacity rate as "state paid homestead and agricultural credit."~~ The statement must also show the decrease in tax attributable to that portion of the sum of the following aids attributable to the property as "state paid tax relief": (i) education aids payable under chapters 124 and 124A; (ii) local government aid for cities, towns, and counties under chapter 477A; (iii) disparity reduction aid paid under section 273.1398; and (iv) income maintenance aids as defined in section 273.1398, subdivision 1, paragraph (i). The commissioner of revenue shall certify to the county auditor the actual or estimated aids local governments will receive in the following year.

(d) ~~For taxes payable in 1989 only, the statement must show the property's market value, as defined in section 272.03, subdivision 8, and the amount attributable to section 273.13, subdivisions 22 and 23, as "state paid homestead credit" and the amount attributable to section 273.132 as "state paid agricultural credit."~~ The statement must also show the decrease in tax attributable to that portion of the sum of the following aids attributable to the property as "state paid tax relief": (i) education aids under chapters 124 and 124A; (ii) local government aid for cities, towns, and counties under chapter 477A; and (iii) disparity reduction aid under section 273.1398. The commissioner of revenue shall certify to the county auditor

the actual or estimated aids local governments will receive in the following year:

Real and personal property tax statements must contain the following information in the order given in this paragraph. The information must contain the current year tax information in the left column with the corresponding information for the previous year in a column on the right:

(1) the property's market value as defined in section 272.03, subdivision 8;

(2) a total of the following aids:

(i) education aids payable under chapters 124 and 124A;

(ii) local government aids for cities, towns, and counties under chapter 477A;

(iii) disparity reduction aid under section 273.1398;

(iv) income maintenance aids as defined in section 273.1398, subdivision 1, paragraph (i); and

(v) homestead agricultural credit aid under section 273.1398, or for purposes of comparison with the previous year's amount for the statement for taxes payable in 1990, the 1989 homestead credit under section 273.13, subdivisions 22 and 23, and the 1989 agricultural credit under section 273.132.

(3) the property's gross tax, calculated by multiplying the property's gross tax capacity times the total tax capacity rate plus any credits received under sections 273.119; 273.123; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10;

(4) for homestead residential and agricultural properties, the homestead agricultural credit apportioned to the property. This amount is obtained by multiplying the total tax capacity rate by the difference between the property's gross and net tax capacities under section 273.13. For purposes of comparison with the the previous year's amount for the statement for taxes payable in 1990, the statement must show the homestead credit and agricultural credit for taxes payable in 1989;

(5) any credits received under sections 273.119; 273.123; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10; and

(6) the net tax payable as provided in paragraph (a).

Sec. 50. Minnesota Statutes 1988, section 276.04, subdivision 3, is amended to read:

Subd. 3. [MAILING OF TAX STATEMENTS.] The county treasurer shall mail to taxpayers statements of their personal property taxes due not later than ~~February 15~~ **March 30**, except in the case of manufactured homes and sectional structures taxed as personal property. Statements of the real property taxes due shall be mailed not later than ~~January 31~~ **March 30**. The validity of the tax shall not be affected by failure of the treasurer to mail the statement. The taxpayer is defined as the owner who is responsible for the payment of the tax.

Sec. 51. Minnesota Statutes 1988, section 276.09, is amended to read:
276.09 [SETTLEMENT BETWEEN AUDITOR AND TREASURER.]

On ~~March 5, and~~ May 20 of each year, the county treasurer shall make full settlement with the county auditor of all receipts collected for all purposes, from the date of the last settlement up to and including each day mentioned. The county auditor shall, within 30 days after ~~each the~~ settlement, send an abstract of it to the state auditor in the form prescribed by the state auditor. At ~~each the~~ settlement the treasurer shall make complete returns of the receipts on the current tax list, showing the amount collected on account of the several funds included in the list.

Settlement of receipts from May 20 to December 31 of each year must be made as provided in section 276.111.

For purposes of this section, "receipts" includes all tax payments received by the county treasurer on or before the settlement date.

Sec. 52. Minnesota Statutes 1988, section 276.10, is amended to read:
276.10 [APPORTIONMENT AND DISTRIBUTION OF FUNDS.]

On the settlement day in ~~March and~~ May of each year, the county auditor and county treasurer shall distribute all undistributed funds in the treasury. The funds must be apportioned as provided by law, and credited to the state, town, city, school district, special district and each county fund. Within 20 days after the distribution is completed, the county auditor shall report to the state auditor in the form prescribed by the state auditor. The county auditor shall issue a warrant for the payment of money in the county treasury to the credit of the state, town, city, school district, or special districts on application of the persons entitled to receive the payment. The county auditor may apply the tax capacity rate from the year before the year of distribution when apportioning and distributing delinquent tax proceeds, if the composition of the previous year's tax capacity rate between taxing districts is not significantly different than the tax capacity rate that existed for the year of the delinquency.

Sec. 53. Minnesota Statutes 1988, section 276.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] As soon as practical after the ~~March and May settlements~~ settlement the county treasurer shall pay to the state treasurer or the treasurer of a town, city, school district, or special district, on the warrant of the county auditor, all receipts of taxes levied by the taxing district and deliver up all orders and other evidences of indebtedness of the taxing district, taking triplicate receipts for them. The treasurer shall file one of the receipts with the county auditor, and shall return one by mail on the day of its receipt to the clerk of the town, city, school district, or special district to which payment was made. The clerk shall keep the receipt in the clerk's office. Upon written request of the taxing district, to the extent practicable, the county treasurer shall make partial payments of amounts collected periodically in advance of the next settlement and distribution. A statement prepared by the county treasurer must accompany each payment. It must state the years for which taxes included in the payment were collected and, for each year, the amount of the taxes and any penalties on the tax. Upon written request of a taxing district, except school districts, the county treasurer shall pay at least 70 percent of the estimated collection within 30 days after the ~~March and May settlement dates~~ date. Within seven business days after the due date, the county treasurer shall pay to the treasurer of the school districts 50 percent of the estimated collections arising from taxes levied by and belonging to the school district. The

remaining 50 percent of the estimated collections must be paid to the treasurer of the school district within the next seven business days. The treasurer shall pay the balance of the amounts collected to the state or to a municipal corporation or other body within 60 days after the ~~March and May settlement dates~~ *date*. After 45 days interest at an annual rate of eight percent accrues and must be paid to the taxing district. Interest must be paid upon appropriation from the general revenue fund of the county. If not paid, it may be recovered by the taxing district, in a civil action.

Sec. 54. Minnesota Statutes 1988, section 277.01, subdivision 1, is amended to read:

Subdivision 1. All unpaid personal property taxes ~~where the amount is \$50 or less shall be deemed delinquent on the later of March + May 16 next after they become due or 30 days after the postmark date on the envelope containing the property tax statement, and thereupon a penalty of eight percent shall attach and be charged upon all such taxes. When the amount of such tax exceeds the sum of \$50 the first half shall become delinquent if not paid prior to March + or 30 days after the postmark date on the envelope containing the property tax statement, whichever is later, and thereupon a penalty of eight percent shall attach on such unpaid first half. The second half of a tax in excess of \$50 shall become delinquent if not paid prior to July + and thereupon a penalty of eight percent shall attach on such unpaid second half.~~ This section shall not apply to class 2a property.

A county may provide by resolution that in the case of a property owner that has multiple personal property tax statements with the aggregate taxes exceeding \$50, payments may be made in installments as provided in this subdivision.

The county treasurer may accept payments of more or less than the exact amount of a tax installment due. If the accepted payment is less than the amount due, payments must be applied first to the penalty accrued for the year the payment is made. Acceptance of partial payment of tax does not constitute a waiver of the minimum payment required as a condition for filing an appeal under section 277.011 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.

Sec. 55. Minnesota Statutes 1988, section 277.02, is amended to read:
277.02 [DELINQUENT LIST FILED IN COURT.]

~~On the last secular day of July;~~ *By June 15* of each year, the county treasurer shall make a list of all personal property taxes remaining delinquent ~~July first~~ *May 16*, and shall immediately certify to and file the same with the court administrator of the district court of the county, and upon such filing the list shall be prima facie evidence that all of the provisions of law in relation to the assessment and levy of such taxes have been complied with.

Sec. 56. Minnesota Statutes 1988, section 277.05, is amended to read:
277.05 [SHERIFF TO FILE LIST OF UNCOLLECTED TAXES.]

If the sheriff is unable, for want of goods and chattels whereon to levy, to collect by a distress, or otherwise, the taxes, or any part thereof, assessed upon the personal property of any persons, the sheriff shall file with the court administrator of the district court, on ~~September first~~ *July 15* following, a list of such taxes, with an affidavit of the sheriff, or of the deputy

sheriff entrusted with the collection thereof, stating that the affiant has made diligent search and inquiry for goods and chattels from which to collect such taxes, and is unable to collect the same. The list of such taxes as they apply to manufactured homes shall be filed on December 1. The sheriff shall note on the margin of such list the place to which any delinquent taxpayer may have removed, with the date of removal, if known. At the time of filing the list the sheriff shall also return all the warrants with endorsements thereon showing the doings of the sheriff or deputy in the premises, and the court administrator shall file and preserve the same. On or before September tenth thereafter, the court administrator shall deliver such list and affidavit to the county treasurer, who shall, by comparison of such list with the tax duplicates in the treasurer's office, ascertain whether or not all personal property taxes reported by the treasurer to the court administrator as delinquent, except those included in such list, have been paid into the treasurer's office, and shall attach to the list a certificate stating whether or not all taxes reported by the treasurer to the court administrator as delinquent and not included in the list have been received, and stating the items of such taxes, if any, as have been received. The court administrator shall deliver such list and affidavit as they apply to manufactured homes on or before December 10. The treasurer shall deliver such list and affidavit, with the certificate attached, to the county board at its first session thereafter, which shall cancel such taxes as it is satisfied cannot be collected. A copy of the tax list so revised, and also a separate list of the taxes so canceled, shall be included in the records of the proceedings of the board, and published in full, as a part of the proceedings.

Sec. 57. Minnesota Statutes 1988, section 277.06, is amended to read:

277.06 [CITATION TO DELINQUENTS; DEFAULT JUDGMENT.]

On ~~October 20~~ *September 5*, or within ten days after the adjournment of the county board, whichever occurs first, the county auditor shall file a copy of such revised list with the court administrator of the district court. The county auditor shall file a copy of the revised list as it applies to manufactured homes on January 20. Within ten days after the list has been filed, the court administrator shall issue a citation to each delinquent named in the list, stating the amount of tax and penalty, and requiring such delinquent to appear on a day to be set by the district court in the county, appointed to be held at a time not less than 30 days after the issuance of such citation, and show cause, if any there be, why the delinquent should not pay the tax and penalty. The citation shall be delivered for service to the sheriff of the county where such person may at the time reside or be. If such person, after service of the citation, fails to pay such tax, penalty, and costs to the sheriff before the first day of the term, or on such day to show cause as aforesaid, the court shall direct judgment against the person for the amount of such tax, penalty, and costs. When unable to serve the citation, the sheriff shall return the same to the court administrator, with a return thereto to that effect, and thereupon, or if the court decides that the service of such citation made or attempted to be made, or the issuance thereof by the court administrator, was illegal, the court administrator shall issue another like citation, requiring such delinquent to appear on the first day of the next general term to be held in the county, and show cause as aforesaid, and if the delinquent fails to pay or to show cause, the court shall direct judgment as aforesaid. Whenever the sheriff has been unable to serve any such citation theretofore issued in any year or years, or whenever the court decides that the service of any such citation theretofore made or

attempted to be made, or the issuance thereof by the court administrator, was illegal, the court administrator shall issue another like citation requiring such delinquent to appear, as in the case last provided, and with like effect; provided, that all citations other than the first shall be issued only on the request of the county attorney.

Sec. 58. Minnesota Statutes 1988, section 277.13, is amended to read:

277.13 [REMOVAL OF DELINQUENT; DUTY OF COUNTY AUDITOR.]

Within 30 days after June first By July 30, in each year, the county auditor shall make out and forward to the court administrator of the district court of any county to which any delinquent personal property taxpayer may have removed a statement of such delinquent taxes, specifying the value of the property on which such taxes were levied and the amount of the taxes, to which the auditor shall add an amount equal to 25 percent on the taxes levied if such delinquent taxpayer left the county in which the taxes were levied after the day upon which they became due, but not otherwise. On receipt of such statement or account, the court administrator shall issue a warrant to the sheriff of the county, who shall immediately proceed to collect the same of the person so charged with the taxes and percent, together with a court administrator's fee of 25 cents for each warrant so issued. The sheriff shall deliver such warrant, with the doings thereunder, to the court administrator, together with the amount of collections thereon. The court administrator shall remit all taxes thus collected to the treasurer of the county to which they belong, and at the same time shall return the original statement to the auditor of such county, certifying the amount of such collections, and, if any taxes remain unpaid, the reason why they could not be collected. The auditor shall charge the treasurer to whom such remittance is made with the amount thereof, and cancel such taxes from the list. Receipts shall be issued to the sheriff for delinquent taxes collected and the payment shall be made in the manner provided in section 276.05.

Sec. 59. Minnesota Statutes 1988, section 429.061, subdivision 3, is amended to read:

Subd. 3. [TRANSMITTED TO AUDITOR, PREPAYMENT.] After the adoption of the assessment, the clerk shall transmit a certified duplicate of the assessment roll with each installment, including interest, set forth separately to the county auditor of the county to be extended on the proper tax lists of the county; but in lieu of such certification, the council may in its discretion direct the clerk to file all assessment rolls in the clerk's office and to certify annually to the county auditor, on or before ~~October 40~~ *five working days after December 20* in each year, the total amount of installments of and interest on assessments on each parcel of land in the municipality which are to become due in the following year. If any installment and interest has not been so certified prior to the year when it is due, the clerk shall forthwith certify the same to the county auditor for collection in the then succeeding year; and if the municipality has issued improvement warrants to finance the improvement, it shall pay out of its general funds into the fund of the improvement interest on the then unpaid balance of the assessment for the year or years during which the collection of such installment is postponed. All assessments and interest thereon shall be collected and paid over in the same manner as other municipal taxes. The owner of any property so assessed may, at any time prior to certification of the assessment or the first installment thereof to the county auditor, pay the whole of the assessment on such property, with interest accrued to the

date of payment, to the municipal treasurer, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption thereof; and, except as hereinafter provided, the owner may at any time prior to November 15 of any year, prepay to the treasurer of the municipality having levied said assessments, the whole assessment remaining due with interest accrued to December 31 of the year in which said prepayment is made. If the assessment roll is retained by the municipal clerk, the installment and interest in process of collection on the current tax list shall be paid to the county treasurer and the remaining principal balance of the assessment, if paid, shall be paid to the municipal treasurer. The council may by ordinance authorize the partial prepayment of assessments, in such manner as the ordinance may provide, prior to certification of the assessment or the first installment thereof to the county auditor.

Sec. 60. Minnesota Statutes 1988, section 469.171, is amended by adding a subdivision to read:

Subd. 7a. [PROPERTY TAX CREDIT; APPROPRIATION.] There is annually appropriated from the general fund to the commissioner of revenue the amounts required to reimburse taxing jurisdictions for the revenue lost due to the property tax credit provided in subdivision 1, clause (4). Payment shall be made to taxing jurisdictions in the same proportion that the ad valorem tax is distributed. Payment shall be made to taxing jurisdictions, other than school districts, at the times provided in section 477A.015. If the abstracts of tax lists are not timely filed under section 275.29, the July 20 payment to the county must be delayed. For each month or fraction of a month that the abstract was filed late, the July 20 payment must be delayed one month.

Sec. 61. Minnesota Statutes 1988, section 469.177, subdivision 6, is amended to read:

Subd. 6. [REQUEST FOR CERTIFICATION OF NEW TAX INCREMENT FINANCING DISTRICT.] A request for certification of a new tax increment financing district pursuant to subdivision 1 or of a modification to an existing tax increment financing district pursuant to section 469.175, subdivision 4, received by the county auditor on or before ~~October 10~~ July 1 of the calendar year shall be recognized by the county auditor in determining tax capacity rates for the current and subsequent levy years. Requests received by the county auditor after ~~October 10~~ July 1 of the calendar year shall not be recognized by the county auditor in determining tax capacity rates for the current levy year but shall be recognized by the county auditor in determining tax capacity rates for subsequent levy years.

Sec. 62. Minnesota Statutes 1988, section 473.167, subdivision 4, is amended to read:

Subd. 4. [STATE REVIEW.] *The council must certify its property tax levy to the commissioner of revenue by August 1 of the levy year. The commissioner of revenue shall annually determine whether the property tax for the right-of-way acquisition loan fund certified by the metropolitan council for levy following the adoption of its budget is within the levy limitation imposed by this section. To the extent practicable, the determination must be completed prior to ~~November~~ September 1 of each year. If current information regarding market valuation in any county is not transmitted to the commissioner in a timely manner, the commissioner may estimate the current market valuation within that county for purposes of making the calculation.*

Sec. 63. Minnesota Statutes 1988, section 473.249, subdivision 2, is amended to read:

Subd. 2. *The council must certify its property tax levy to the commissioner of revenue by August 1 of the levy year.* The commissioner of revenue shall annually determine whether the ad valorem property tax certified by the metropolitan council for levy following the adoption of its budget is within the levy limitation imposed by this section. ~~To the extent practicable,~~ The determination shall be completed prior to ~~December~~ *September 1* of each year. If current information regarding gross tax capacity in any county is not transmitted to the commissioner in a timely manner, the commissioner may estimate the current gross tax capacity within that county for purposes of making the calculation.

Sec. 64. Minnesota Statutes 1988, section 473.446, subdivision 8, is amended to read:

Subd. 8. [STATE REVIEW.] *The board must certify its property tax levy to the commissioner of revenue by August 1 of the levy year.* The commissioner of revenue shall annually determine whether the property tax for general purposes certified by the regional transit board for levy following the adoption of its budget is within the levy limitation imposed by subdivision 1. The commissioner shall also annually determine whether the transit tax imposed on all taxable property within the metropolitan transit area but outside of the metropolitan transit taxing district is within the levy limitation imposed by subdivision 1a. ~~To the extent practicable,~~ The determination must be completed prior to ~~November~~ *September 1* of each year. If current information regarding market valuation in any county is not transmitted to the commissioner in a timely manner, the commissioner may estimate the current market valuation within that county for purposes of making the calculations.

Sec. 65. Minnesota Statutes 1988, section 473.711, subdivision 5, is amended to read:

Subd. 5. [STATE REVIEW.] *The commission must certify its property tax levy to the commissioner of revenue by August 1 of the levy year.* The commissioner of revenue shall annually determine whether the property tax certified by the metropolitan mosquito control commission for levy following the adoption of its budget is within the levy limitation imposed by subdivision 2. ~~To the extent practicable,~~ The determination must be completed prior to ~~November~~ *September 1* of each year. If current information regarding market valuation in any county is not transmitted to the commissioner in a timely manner, the commissioner may estimate the current market valuation within that county for purposes of making the calculation.

Sec. 66. Minnesota Statutes 1988, section 473F05, is amended to read:
473F05 [GROSS TAX CAPACITY; 1988 AND SUBSEQUENT YEARS.]

On or before ~~November 20~~ *August 5* of ~~1988~~ and each subsequent year, the assessors within each county in the area shall determine and certify to the county auditor the gross tax capacity in that year of commercial-industrial property subject to taxation within each municipality in the county, determined without regard to section 469.177, subdivision 3.

Sec. 67. Minnesota Statutes 1988, section 473F06, is amended to read:
473F06 [INCREASE IN GROSS TAX CAPACITY.]

On or before ~~September 4~~ *July 15* of 1976 and each subsequent year, the auditor of each county in the area shall determine the amount, if any, by which the gross tax capacity determined in the preceding year pursuant to section 473F05, of commercial-industrial property subject to taxation within each municipality in the auditor's county exceeds the gross tax capacity in 1971 of commercial-industrial property subject to taxation within that municipality. If a municipality is located in two or more counties within the area, the auditors of those counties shall certify the data required by section 473F05 to the county auditor who is responsible under other provisions of law for allocating the levies of that municipality between or among the affected counties. That county auditor shall determine the amount of the net excess, if any, for the municipality under this section, and certify that amount under section 473F07. Notwithstanding any other provision of sections 473F01 to 473F13 to the contrary, in the case of a municipality which is designated on July 24, 1971, as a redevelopment area pursuant to section 401(a)(4) of the Public Works and Economic Development Act of 1965, Public Law Number 89-136, the increase in its gross tax capacity of commercial-industrial property for purposes of this section shall be determined in each year subsequent to the termination of such designation by using as a base the gross tax capacity of commercial-industrial property in that municipality in the year following that in which such designation is terminated, rather than the gross tax capacity of such property in 1971. The increase in gross tax capacity determined by this section shall be reduced by the amount of any decreases in the gross tax capacity of commercial-industrial property resulting from any court decisions, court related stipulation agreements, or abatements for a prior year, and only in the amount of such decreases made during the 12-month period ending on ~~June 30~~ *May 15* of the current assessment year, where such decreases, if originally reflected in the determination of a prior year's gross tax capacity under section 473F05, would have resulted in a smaller contribution from the municipality in that year. An adjustment for such decreases shall be made only if the municipality made a contribution in a prior year based on the higher gross tax capacity of the commercial-industrial property.

Sec. 68. Minnesota Statutes 1988, section 473F07, subdivision 1, is amended to read:

Subdivision 1. Each county auditor shall certify the determinations pursuant to sections 473F05 and 473F06 to the administrative auditor on or before ~~November 20~~ *August 10* of each year. The administrative auditor shall determine the sum of the amounts certified pursuant to section 473F06, and divide that sum by 2-1/2. The resulting amount shall be known as the "areawide gross tax capacity for (year)."

Sec. 69. Minnesota Statutes 1988, section 473F07, subdivision 2, is amended to read:

Subd. 2. The commissioner of revenue shall certify to the administrative auditor, on or before ~~November 20~~ *August 10* of each year, the population of each municipality for the preceding year, the proportion of that population which resides within the area, the average fiscal capacity of municipalities for the preceding year, and the fiscal capacity of each municipality for the preceding year.

Sec. 70. Minnesota Statutes 1988, section 473F07, subdivision 5, is amended to read:

Subd. 5. The product of the multiplication prescribed by subdivision 4

shall be known as the "areawide gross tax capacity for (year) attributable to (municipality)." The administrative auditor shall certify such product to the auditor of the county in which the municipality is located on or before ~~November 25~~ August 15.

Sec. 71. Minnesota Statutes 1988, section 473F08, subdivision 3, is amended to read:

Subd. 3. ~~On or before October 15 of 1976 and each subsequent year,~~ The county auditor shall apportion the levy of each governmental unit in the auditor's county in the manner prescribed by this subdivision. The auditor shall:

(a) *by August 20*, determine the areawide portion of the levy for each governmental unit by multiplying the tax capacity rate of the governmental unit for the preceding levy year times the distribution value set forth in subdivision 2, clause (b); and

(b) *by September 5*, determine the local portion of the current year's levy by subtracting the resulting amount from clause (a) from the governmental unit's current year's levy.

Sec. 72. Minnesota Statutes 1988, section 473F08, subdivision 5, is amended to read:

Subd. 5. ~~On or before November 30 of 1972 and August 25 of each subsequent year,~~ the county auditor shall certify to the administrative auditor that portion of the levy of each governmental unit determined pursuant to subdivision 3, clause (a). The administrative auditor shall then determine the tax capacity rate sufficient to yield an amount equal to the sum of such levies from the areawide gross tax capacity. ~~On or before December 5 September 1 of each year,~~ the administrative auditor shall certify said rate to each of the county auditors.

Sec. 73. Minnesota Statutes 1988, section 473E09, is amended to read:
473E09 [ADJUSTMENTS IN DATES.]

If, by reason of the enactment of any other law, the date by which the commissioner of revenue is required to certify to the county auditors the records of proceedings affecting the gross tax capacity of property is advanced to a date earlier than ~~November 15~~ June 30, the dates specified in sections 473E07 and 473E10 may be modified in the years to which such other law applies in the manner and to the extent prescribed by the administrative auditor.

Sec. 74. Minnesota Statutes 1988, section 473H.10, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF TAX; STATE REIMBURSEMENT.] (a) After having determined the market value of all land valued according to subdivision 2, the assessor shall compute the gross tax capacity of those properties by applying the appropriate classification percentages. When computing the rate of tax pursuant to section 275.08, the county auditor shall include the gross tax capacity of land as provided in this clause.

(b) The county auditor shall compute the tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the gross tax capacity times the total rate of tax for all purposes as provided in clause (a).

(c) The county auditor shall then compute the maximum ad valorem property tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the gross tax capacity times 105 percent of the previous

year's statewide average tax capacity rate levied on property located within townships for all purposes.

(d) The tax due and payable by the owner of preserve land valued according to subdivision 2 and nonresidential buildings will be the amount determined in clause (b) or (c), whichever is less. If the gross tax in clause (c) is less than the gross tax in clause (b), the state shall reimburse the taxing jurisdictions for the amount of difference. Residential buildings shall continue to be valued and classified according to the provisions of sections 273.11 and 273.13, as they would be in the absence of this section, and the tax on those buildings shall not be subject to the limitation contained in this clause.

The county may transfer money from the county conservation account created in section 40A.152 to the county revenue fund to reimburse the fund for the tax lost as a result of this subdivision or to pay taxing jurisdictions within the county for the tax lost. The county auditor shall certify to the commissioner of revenue on or before June 1 the total amount of tax lost to the county and taxing jurisdictions located within the county as a result of this subdivision and the extent that the tax lost exceeds funds available in the county conservation account. Payments shall be made by the state ~~as provided in section 273.13, subdivision 15a,~~ *at the times provided in section 477A.015 to each of the affected taxing jurisdictions, other than school districts, in the same proportion that the ad valorem tax is distributed if the county conservation account is insufficient to make the reimbursement. If the abstract of tax lists is not timely filed the July 20 payment to counties must be delayed. For each month or fraction of a month that the abstract was filed late, the July 20 payment must be delayed one month.* There is annually appropriated from the Minnesota conservation fund under section 40A.151 to the commissioner of revenue an amount sufficient to make the reimbursement provided in this subdivision. If the amount available in the Minnesota conservation fund is insufficient, the balance that is needed is appropriated from the general fund.

Sec. 75. Minnesota Statutes 1988, section 477A.011, subdivision 3, is amended to read:

Subd. 3. [POPULATION.] Population means the population established by the most recent federal census, by a special census conducted under contract with the United States Bureau of the Census, by a population estimate made by the metropolitan council, or by a population estimate of the state demographer made pursuant to section 116K.04, subdivision 4, clause (10), whichever is the most recent as to the stated date of the count or estimate *for the preceding calendar year.* The term "per capita" refers to population as defined by this subdivision.

Sec. 76. Minnesota Statutes 1988, section 477A.011, subdivision 3a, is amended to read:

Subd. 3a. [NUMBER OF HOUSEHOLDS.] Number of households means the number of households established by the most recent federal census, by a special census conducted under contract with the United States bureau of the census, by an estimate made by the metropolitan council, or by an estimate of the state demographer made pursuant to section 116K.04, subdivision 4, whichever is the most recent as to the stated date of the count or estimate *for the preceding calendar year.*

Sec. 77. [APPROPRIATION.]

\$1,840,000 is appropriated for fiscal year 1990 from the general fund to

the commissioner of revenue to reimburse counties for costs of compliance with Minnesota Statutes, section 275.065, for taxes payable in 1990.

Sec. 78. [APPROPRIATION; COMPLEMENT INCREASE.]

\$80,000 is appropriated for fiscal year 1990 and \$80,000 for fiscal year 1991 is appropriated from the general fund to the commissioner of education for costs to administer Minnesota Statutes, section 275.065. The complement of the department of education is increased by two.

Sec. 79. [SCHOOL DISTRICT CASH FLOW FUND.]

A permanent school district cash flow revolving fund of \$3,000,000 is created. \$3,000,000 is appropriated from the general fund to the cash flow fund. The amount in the fund is annually appropriated to the commissioner of education. The commissioner may loan the money in the fund to school districts who demonstrate to the satisfaction of the commissioner that the delay of property tax settlement payments due to implementation of this article has an adverse cash flow impact on the district. Each school district receiving money under this section must reimburse the commissioner at the time required by the commissioner. The reimbursements must be deposited by the commissioner in the revolving fund.

Sec. 80. [REPEALER.]

Minnesota Statutes 1988, sections 270.81, subdivision 5; 275.065, subdivisions 2 and 5; and 275.51, subdivision 3j, are repealed.

Sec. 81. [EFFECTIVE DATES.]

Sections 2 to 6, 11, 16, 18, 20 to 23, 36 to 60, 62 to 65, and 80 are effective for taxes levied in 1989, payable in 1990, and thereafter.

Sections 1, 7 to 10, 12, 15, 19, 24 to 28, and 66 to 73 are effective for taxes levied in 1990, payable in 1991, and thereafter.

Section 17 is effective for sales after July 1, 1989.

Sections 29 to 35 are effective for taxes levied in 1989, payable in 1990, except as otherwise provided.

Sections 61, 77, 78, and 79 are effective July 1, 1989.

ARTICLE 9

SALES TAX

Section 1. Minnesota Statutes 1988, section 270.77, is amended to read: 270.77 [SUBSTANTIAL UNDERSTATEMENT OF LIABILITY.]

The commissioner of revenue shall impose a penalty for substantial understatement of any tax payable to the commissioner, except a tax imposed under chapter 297A.

There must be added to the tax an amount equal to 25 percent of the amount of any underpayment attributable to the understatement. There is a substantial understatement of tax for the period if the amount of the understatement for the period exceeds the greater of: (1) ten percent of the tax required to be shown on the return for the period; or (2)(a) \$10,000 in the case of a corporation other than an S corporation as defined in section 290.9725 when the tax is imposed by chapter 290, or (b) \$5,000 in the case of any other taxpayer, and in the case of a corporation any tax not imposed by chapter 290. The term "understatement" means the excess of

the amount of the tax required to be shown on the return for the period, over the amount of the tax imposed which is shown on the return. The amount of the understatement shall be reduced by that portion of the understatement which is attributable to the tax treatment of any item by the taxpayer if there is or was substantial authority for the treatment, or any item with respect to which the relevant facts affecting the item's tax treatment are adequately disclosed in the return or in a statement attached to the return. The special rules in cases involving tax shelters provided in section 6661(b)(2)(C) of the Internal Revenue Code of 1954, as amended through December 31, 1985, shall apply and shall apply to a tax shelter the principal purpose of which is the avoidance or evasion of state taxes. The commissioner may abate all or any part of the addition to the tax provided by this section on a showing by the taxpayer that there was reasonable cause for the understatement, or part of it, and that the taxpayer acted in good faith. The additional tax and penalty shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid.

Sec. 2. 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. *The furnishing for a consideration of access to telephone services by a hotel to its guests is a sale under this clause.* Sales by municipal corporations in a proprietary capacity are included in the provisions of this clause. The furnishing of water and sewer services for residential use shall not be considered a sale;

(g) The furnishing for a consideration of cable television services, including charges for basic monthly service, charges for monthly premium service, and charges for any other similar television services;

(h) Notwithstanding subdivision 4, and section 297A.25, subdivision 9, the sales of horses including claiming sales and fees paid for breeding a stallion to a mare. This clause applies to sales and fees with respect to a horse to be used for racing whose birth has been recorded by the Jockey Club or the United States Trotting Association or the American Quarter Horse Association;

(i) The furnishing for a consideration of parking services, whether on a contractual, hourly, or other periodic basis, except for parking at a meter;

(j) The furnishing for a consideration of services listed in this paragraph:

(i) laundry and dry cleaning services including cleaning, pressing, repairing, altering, and storing clothes, linen services and supply, cleaning and blocking hats, and carpet, drapery, upholstery, and industrial cleaning. Laundry and dry cleaning services do not include services provided by coin operated facilities operated by the customer;

(ii) motor vehicle washing, waxing, and cleaning services, including

services provided by coin-operated facilities operated by the customer, and rustproofing, undercoating, and towing of motor vehicles;

(iii) building and residential cleaning, maintenance, and disinfecting and exterminating services;

(iv) services provided by detective agencies, security services, burglar, fire alarm, and armored car services not including services performed within the jurisdiction they serve by off-duty licensed peace officers as defined in section 626.84, subdivision 1;

(v) pet grooming services; 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;

(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. 3. Minnesota Statutes 1988, section 297A.02, subdivision 2, is amended to read:

Subd. 2. [MACHINERY AND EQUIPMENT.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon sales of special tooling, ~~and capital equipment~~ is four percent, and upon sales of *capital equipment and farm machinery* is two percent.

Sec. 4. Minnesota Statutes 1988, section 297A.25, subdivision 5, is amended to read:

Subd. 5. [OUTSTATE TRANSPORT OR DELIVERY.] The gross receipts from the following sales of tangible personal property are exempt:

(1) property which, without intermediate use, is shipped or transported outside Minnesota by the purchaser and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); provided that the property is not subject to tax in that state or country to which it is transported for storage or use; *except that sales of cement mixers mounted on truck chassis that are shipped or transported for use outside Minnesota shall be taxed at the rate of the use tax imposed by the state to which the property is shipped or transported but at a rate that does not exceed the rate of tax imposed under section 297A.02*, and provided further that sales of tangible personal property to be used in other states or countries as part of a maintenance contract shall be specifically exempt; or

(2) property which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce.

Sec. 5. Minnesota Statutes 1988, section 297A.39, is amended by adding a subdivision to read:

Subd. 9. [INTENTIONAL DISREGARD OF LAW OR RULES.] *If any part of any underpayment resulting from an additional assessment is due to negligence or intentional disregard of the provisions of this chapter or rules of the commissioner of revenue (but without intent to defraud), there shall be added to the tax an amount equal to ten percent of such additional assessment. The penalty imposed by this subdivision shall be collected as part of the tax and shall be in addition to any other penalties provided by this chapter. The amount of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid.*

Sec. 6. [EFFECTIVE DATE.]

Sections 1 and 5 are effective for penalties imposed after June 30, 1989.

Sections 2, 3, and 4 are effective for sales after June 30, 1989, provided that section 2 does not apply to sales made under bona fide contracts that were enforceable before July 1, 1989, if delivery is made before January 1, 1990.

ARTICLE 10

CHARITABLE GAMBLING TAX

Section 1. 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, *including the use of gambling equipment as defined in section 349.12, subdivision 15*, 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;

(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; *and*

(m) *the sale of state lottery tickets.*

Sec. 2. Minnesota Statutes 1988, section 349.12, subdivision 11, is amended to read:

Subd. 11. (a) "Lawful purpose" means one or more of the following:

~~(a)~~ (1) benefiting persons by enhancing their opportunity for religious or educational advancement, by relieving or protecting them from disease, suffering or distress, by contributing to their physical well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of and devotion to the principles upon which this nation was founded; ~~(b)~~ (2) initiating, performing, or fostering worthy public works or enabling or furthering the erection or maintenance of public structures; ~~(c)~~ (3) lessening the burdens borne by government or voluntarily supporting, augmenting or supplementing services which government would normally render to the people; ~~or~~ ~~(d)~~ (4) payment of taxes imposed under this chapter, and other taxes imposed by the state or the United States on receipts from lawful gambling; or (5) payment of real estate taxes and assessments on licensed gambling premises wholly owned by the licensed organization.

(b) "Lawful purpose" does not include the erection, acquisition, improvement, expansion, repair, or maintenance of any real property owned or leased by ~~the~~ an organization, unless the board has first specifically ~~authorizes~~ authorized the expenditures after finding: (1) that the property will be used exclusively for one or more of the purposes specified in paragraph (a), clauses ~~(a)~~ (1) to ~~(c)~~ (3); or (2) with respect to expenditures for repair or maintenance only, that the property is or will be used as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; or (3) with respect to expenditures for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance. The board ~~may~~ shall by rule adopt procedures and standards to administer this subdivision.

Sec. 3. Minnesota Statutes 1988, section 349.151, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] The board has the following powers and duties:

- (1) to issue, revoke, and suspend licenses to organizations, distributors, and manufacturers under sections 349.16, 349.161, 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.

Sec. 4. 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 to evade the tax imposed by this chapter, or who aids and abets evasion of the tax,~~ or hinders or interferes with a seizing authority when a seizure is made as provided by section 349.2125, is guilty of a gross misdemeanor.

Sec. 5. [**STATE TO BE SUPPLIER OF GAMBLING EQUIPMENT.**]

Notwithstanding any other law to the contrary, after June 30, 1990, the state of Minnesota will be the sole supplier of all gambling equipment under Minnesota Statutes, chapter 349. The commissioner of revenue shall no later than January 15, 1990, submit to the legislature a bill making all statutory changes required to implement this section including proposing the required staff and appropriation. The bill shall include provisions requiring the state to provide an adequate supply and variety of gambling equipment and to supply it efficiently. The commissioner of revenue shall provide copies of this bill to the chair of the house of representatives tax committee and to the chair of the senate committee on taxes and tax laws.

Sec. 6. [**REFUND.**]

Every organization that has paid the tax under Minnesota Statutes 1988, section 349.2121, on pull-tabs or tipboards that it has in inventory on July 1, 1989, shall submit a request for a refund of the tax to the commissioner of revenue. When the organization has provided proof satisfactory to the commissioner of its eligibility for the refund claimed, the commissioner shall pay the refund. Claims for refunds must be submitted no later than September 1, 1989. The amount necessary to pay the refunds is appropriated to the commissioner of revenue from the general fund.

Sec. 7. [**REPEALER.**]

Minnesota Statutes 1988, sections 349.212, subdivisions 1, 2, and 4; and 349.2121, are repealed.

Sec. 8. [**EFFECTIVE DATES.**]

Sections 1, 2, 3, 4, 6, and 7 are effective July 1, 1989.

ARTICLE 11

BUDGET RESERVE

Section 1. Minnesota Statutes 1988, section 16A.15, subdivision 6, is amended to read:

Subd. 6. [**BUDGET AND CASH FLOW RESERVE ACCOUNT.**] A budget and cash flow reserve account is created in the general fund in the state treasury. The commissioner of finance shall, as authorized from time to time by law, restrict part or all of the budgetary balance in the general fund for use as the budget and cash flow reserve account. The commissioner of finance shall transfer to the budget and cash flow reserve account such amounts as are available to bring the total amount, including any existing balance in the account on June 30, ~~1988~~ 1989, to ~~\$265,000,000~~ \$550,000,000. The amounts restricted shall remain in the account until drawn down under subdivision 1 or increased under section 16A.1541.

Sec. 2. Minnesota Statutes 1988, section 16A.1541, is amended to read:
16A.1541 [ADDITIONAL REVENUES; PRIORITY.]

If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money to the budget and cash flow reserve account until the total amount in the account equals \$550,000,000 five percent of net nondedicated general fund revenues.

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

Sec. 3. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 12

MISCELLANEOUS

Section 1. Minnesota Statutes 1988, section 93.55, subdivision 4, is amended to read:

Subd. 4. After the mineral interest has forfeited to the state pursuant to this section, a person claiming an ownership interest before the forfeiture may recover the fair market value of the interest, either: (1) as an alternative claim raised in the hearing on the order to show cause why the mineral interest should not forfeit absolutely, with fair market value to be determined and paid as provided in this subdivision, or (2) in a separate action brought as follows. An action may be commenced within six years after the forfeiture ~~entry of judgment~~ under this section to determine the ownership and the fair market value of the mineral interests in the property both at the time of forfeiture and at the time of bringing the action. The action shall be brought in the manner provided in chapter 559, for an action to determine adverse claims, to the extent applicable. The person bringing the action shall serve notice of the action on the commissioner of natural resources in the same manner as is provided for service of notice of the action on a defendant. The commissioner may appear and contest the allegations of ownership and value in the same manner as a defendant in such actions. Persons determined by the court to be owners of the interests at the time of forfeiture to the state under this section may present to the commissioner of finance a verified claim for refund of the fair market value of the interest. A copy of the court's decree shall be attached to the claim. Thereupon the commissioner of finance shall refund to the claimant the fair market value at the time of forfeiture, *which is the expiration of the period within which tax forfeiture would not have been possible had the mineral interest been properly and timely filed for record under section 93.52*, or at the time of bringing the action, whichever is lesser, less any taxes, penalties, costs, and interest which could have been collected during the period following the forfeiture under this section, had the interest in minerals been valued and assessed for tax purposes at the time of forfeiture under this section. There is appropriated from the general fund to the persons entitled to a refund an amount sufficient to pay the refund.

Sec. 2. Minnesota Statutes 1988, section 469.167, subdivision 2, is amended to read:

Subd. 2. [DURATION.] The designation of an area as an enterprise zone

shall be effective for seven years after the date of designation, *except that enterprise zones in border cities eligible to receive allocations for tax reductions under section 469.169, subdivisions 7 and 8, and under section 469.171, subdivision 6a, shall be effective until these allocations have been expended.*

Sec. 3. Minnesota Statutes 1988, section 469.171, subdivision 7, is amended to read:

Subd. 7. [DURATION.] Each tax reduction provided to a business pursuant to this subdivision shall terminate not longer than five years after the effective date of the tax reduction for the business unless the business is located in a border city enterprise zone designated under section 469.168, subdivision 4, clause (c), that is not a city of the first class. Each tax reduction provided to a business that is located in a border city enterprise zone designated under section 469.168, subdivision 4, clause (c), that is not located in a city of the first class ~~shall terminate not longer than seven years after the effective date of the tax reduction for the business, may be provided until the allocations provided under subdivision 6a, and under section 469.169, subdivisions 7 and 8, have been expended.~~ Subject to the ~~five-year or the seven-year~~ limitation in this subdivision, the tax reductions may be provided after expiration of the zone's designation.

Sec. 4. [DURATION OF TAX INCREMENT FINANCING DISTRICT.]

Notwithstanding Minnesota Statutes, section 469.176, subdivision 1, tax increment financing district No. 2 in development district No. 1 within the city of Chanhassen may continue to receive tax increments through the year 1992, provided that any increment received during the years 1990 through 1992 may only be used to pay development costs associated with improvement of those portions of state trunk highway 101 or 5 within the development district or to pay the administrative expenses of the tax increment financing district.

Sec. 5. [CONTINUATION OF PRODUCTION TAX LIABILITY.]

Notwithstanding Minnesota Statutes, section 298.25, or any other law to the contrary, the provisions of Minnesota Statutes, section 298.24, will continue to apply to a taconite production facility that has ceased production in 1986 for production years 1989 and 1990 if ownership of that facility is transferred in 1989 to a new owner that intends to resume taconite production at that facility no later than December 31, 1991. The new owner must provide evidence to the commissioner of revenue of its intent and ability to do so. If the new owner fails to resume taconite production at the facility by December 31, 1991, the property shall become subject to ad valorem taxes for the 1991 levy year, taxes payable in 1992, and thereafter, and an additional tax equal to the amount of ad valorem tax that would have been payable on the property for taxes payable in 1990 and 1991, less any taxes paid under Minnesota Statutes, section 298.24, during 1990 and 1991, shall also be extended against the property on the tax list for 1992.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment. Section 4 is effective the day after compliance with Minnesota Statutes, section 645.021, by the Chanhassen city council."

Amend the title as follows:

Page 1, delete lines 2 to 8 and insert:

“relating to the financing of government in Minnesota; changing tax rates and bases; modifying the administration, collection, and enforcement of taxes; imposing taxes; creating tax exemptions; changing the computation, administration, and payment of aids, credits, and refunds; providing new aids and credits; making technical corrections and clarifications; changing proposed property tax notice provisions; changing levy limits and other local government powers and duties; specifying the amount of a budget reserve; clarifying provisions relating to claims regarding severed mineral interests; authorizing extension of duration of a tax increment financing district in the city of Chanhassen; providing penalties and appropriating money; amending Minnesota Statutes 1988, sections 3.983, subdivision 3; 10A.31, subdivision 5; 16A.15, subdivision 6; 16A.1541; 18.022, subdivision 2; 18.111, subdivision 1; 40A.15, subdivision 2; 60A.15, subdivision 1; 88.04, subdivision 3; 93.55, subdivision 4; 110.71, subdivision 2; 110B.20; 112.61, subdivisions 2, 3, and 8; 124.155, subdivision 2; 124.2131, subdivision 1; 124.2139; 124.42, subdivisions 1 and 4; 124.83, subdivision 1; 124A.23, subdivision 1; 124A.26, subdivision 1; 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; 256.018; 256.82, subdivision 1; 256.871, subdivision 6; 256B.041, subdivision 5; 256D.051, subdivision 6a; 270.071, subdivision 6; 270.072, subdivisions 2 and 3; 270.075, subdivision 2; 270.11, subdivision 2; 270.12, subdivisions 2 and 3, and by adding a subdivision; 270.13; 270.18; 270.77; 270.82; 270.84; 270.85; 270.87; 272.01, subdivision 2; 272.02, subdivisions 1, 4, and by adding a subdivision; 272.115, subdivision 1; 273.064; 273.065; 273.11, subdivision 1, and by adding a subdivision; 273.1102, subdivision 3; 273.111, subdivision 3; 273.119, subdivision 2; 273.123, subdivisions 4 and 5; 273.124, subdivisions 1, 6, 9, and 13, and by adding a subdivision; 273.13, subdivisions 22, 23, 24, and 25; 273.135, subdivisions 2 and 2a; 273.1391, subdivisions 2 and 2a; 273.1392; 273.1393; 273.1398, subdivisions 1, 2, 3, 4, 5, and 6, and by adding a subdivision; 273.33, subdivision 2; 273.37, subdivision 2; 274.14; 275.011, subdivisions 1 and 2; 275.065, subdivisions 1, 3, 4, 6, and 7, and by adding subdivisions; 275.07, subdivisions 1 and 3, and by adding a subdivision; 275.077, subdivision 2; 275.08, subdivisions 2 and 3; 275.124; 275.125, subdivisions 5 and 5b; 275.28, subdivision 1; 275.29; 275.50, subdivisions 2 and 5; 275.51, subdivisions 3f, 3h, 3i, and 3j, and by adding subdivisions; 275.56; 275.58, subdivisions 1, 2, and 3; 276.01; 276.04, subdivisions 2 and 3; 276.09; 276.10; 276.11, subdivision 1; 277.01, subdivision 1; 277.02; 277.05; 277.06; 277.13; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivisions 1 and 3; 279.37, subdivision 7; 290.015, subdivisions 3 and 4; 290.02; 290.05, subdivision 3; 290.06, subdivisions 1 and 21; 290.067, subdivision 2, and by adding a subdivision; 290.091, subdivision 2, and by adding a subdivision; 290.092, subdivision 1; 290.17, by adding a subdivision; 290.191, subdivision 6; 290.21, subdivision 4; 290.35, subdivision 1; 290.37, subdivision 1; 290.38; 290.92, subdivisions 4b and 21; 290.934, subdivision 3a; 290A.03, subdivisions 11 and 12; 290A.04, subdivisions 1, 2, 2b, 2h, and 3, and by adding subdivisions; 295.34, subdivision 1; 297A.01, subdivision 3; 297A.02, subdivision 2; 297A.25, subdivision 5; 297A.39, by adding a subdivision; 298.01, by adding subdivisions; 298.28, subdivisions 3, 4, and 6; 298.282, subdivision 2; 349.12, subdivision 11; 349.151, subdivision 4; 349.22, subdivision 1; 366.27;

373.40, subdivisions 4 and 6; 375.167, subdivision 1; 375.18, subdivision 3; 375.192, subdivision 2; 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; 429.061, subdivision 3; 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; 469.167, subdivision 2; 469.171, subdivision 7, and by adding a subdivision; 469.174, subdivision 8; 469.175, subdivision 7; 469.176, subdivision 4c; 469.177, subdivision 6; 469.180, subdivision 2; 469.187; 469.188; 471.191, subdivision 2; 471.1921; 471.571, subdivisions 1 and 2; 473.167, subdivision 4; 473.249, subdivision 2; 473.325, subdivision 2; 473.446, subdivisions 1 and 8; 473.661, subdivision 3; 473.667, subdivision 9; 473.671; 473.711, subdivision 5; 473.882, subdivision 3; 473.883, subdivision 6; 473E05; 473E06; 473E07, subdivisions 1, 2, and 5; 473E08, subdivisions 3 and 5; 473E09; 473H.10, subdivision 3; 475.53, subdivision 4; 475.58, subdivision 1; 477A.011, subdivisions 1a, 3, 3a, 15, and 20, and by adding subdivisions; 477A.013, subdivisions 1 and 3; 477A.014, subdivisions 1 and 3; and 641.23; amending Laws 1988, chapter 719, article 1, section 22; chapter 719, article 8, section 37; and chapter 719, article 12, section 29; proposing coding for new law in Minnesota Statutes, chapters 273; 274; 276; 290; and 477A; repealing Minnesota Statutes 1988, sections 38.17; 38.28; 69.36; 134.34, subdivision 6; 270.81, subdivision 5; 275.065, subdivisions 2 and 5; 275.50, subdivision 3g; 275.51, subdivision 3j; 275.57; 275.58, subdivision 4; 276.13; 276.14; 290.092, subdivision 5; 349.212, subdivisions 1, 2, and 4; 349.2121; 423.376; 423.47; 423.807; 424.12; 424.13; and 477A.013, 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. 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.

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

Delete everything after the enacting clause and insert:

“ARTICLE 1

GENERAL EDUCATION REVENUE

Section 1. Minnesota Statutes 1988, section 124.19, is amended by adding a subdivision to read:

Subd. 7. [ALTERNATIVE PROGRAMS.] (a) This subdivision applies to an alternative program that has been approved by the state board of education pursuant to Minnesota Rules, part 3500.3500, as exempt from Minnesota Rules, part 3500.1500, requiring a school day to be at least six hours in duration.

(b) To receive general education revenue for a pupil in an alternative program, a school district must meet the requirements in this paragraph. The program must be approved by the commissioner of education. In approving a program, the commissioner may use the process used for approving state designated area learning centers under section 129B.56.

(c) In addition to the requirements in paragraph (b), to receive general education revenue for a pupil in an alternative program that has an independent study component, a school district must meet the requirements in this paragraph.

For a course having an independent study component, the pupil must complete coursework and receive credit for each course for which the aid is claimed.

The school district must develop with the pupil a continual learning plan for the pupil. A district must allow a minor pupil's parent or guardian to participate in developing the plan, if the parent or guardian wants to participate. The plan must identify the learning experiences and expected outcomes needed for satisfactory credit for the year and for graduation. The plan must be updated each year.

General education revenue for a pupil in an approved alternative program without an independent study component must be prorated for a pupil participating for less than a full school year, or its equivalent.

General education revenue for a pupil in an approved alternative program that has an independent study component must be prorated for a pupil receiving fewer than six credits in a year.

For an alternative program having an independent study component, the commissioner shall require a description of the courses in the program, the kinds of independent study involved, the expected learning outcomes of the courses, and the means of measuring student performance against the expected outcomes.

A credit for a year in an approved alternative program shall, for the purposes of audit, be considered to be 170 hours of teacher contact time and independent study time.

Sec. 2. Minnesota Statutes 1988, section 124A.03, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM LEVY.] (†) (a) The levy authorized by section 124A.23, subdivision 2, may be increased in ~~any~~ the amount that is approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. *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.* The referendum shall be held on a date set by the school board. ~~Only two elections may be held to approve a levy increase that will commence in a specific school year.~~ The ballot shall state the maximum amount of the increased levy ~~in mills as a percentage of net tax capacity~~, the amount that will be raised by that tax capacity rate in the first year it is to be levied, and that the tax capacity rate shall be used to finance school operations. The ballot may designate a specific number of years for which the referendum authorization shall apply. The ballot may contain a textual portion with the information required

in this subdivision and a question stating substantially the following:

“Shall the increase in the levy proposed by (petition to) the board of, School District No., be approved?”

If approved, the amount provided by the approved tax capacity rate applied to ~~each year's gross~~ *the net tax capacity for the year preceding the year the levy is certified* shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

~~(2)~~ (b) A referendum on the question of revoking or reducing the increased levy amount authorized pursuant to ~~clause (1) paragraph (a)~~ may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. A levy approved by the voters of the district pursuant to ~~clause (1) paragraph (a)~~ must be made at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one ~~such~~ revocation or reduction election may be held to revoke or reduce a levy for any specific year and for years thereafter.

~~(3)~~ A petition authorized by clause (1) shall be effective if signed by a number of qualified voters in excess of 15 percent, or ten percent if the school board election is held in conjunction with a general election, of the average number of voters at the two most recent district wide school elections. A referendum invoked by petition shall be held within three months of submission of the petition to the school board.

~~(4)~~ (c) A petition authorized by ~~clause (2) paragraph (a) or (b)~~ shall be effective if signed by a number of qualified voters in excess of ~~five~~ 15 percent of the ~~residents~~ *registered voters* of the school district as ~~determined by the most recent census~~. A ~~revocation or reduction~~ referendum invoked by petition shall be held within three months of submission of the petition to the school board.

(d) The approval of 50 percent plus one of those voting on the question is required to pass a referendum *authorized by this subdivision*.

~~(6)~~ (e) Within 30 days after the district holds a referendum pursuant to this clause, the district shall notify the commissioner of education of the results of the referendum.

Sec. 3. Minnesota Statutes 1988, section 124A.22, subdivision 2, is amended to read:

Subd. 2. [BASIC REVENUE.] The basic revenue for each district equals the formula allowance times the actual pupil units for the school year. ~~The formula allowance is \$2,755 for the 1988-1989 school year.~~ The formula allowance is \$2,800 for fiscal year 1990. *The formula allowance for subsequent fiscal years is \$2,910.*

Sec. 4. Minnesota Statutes 1988, section 124A.22, subdivision 5, is amended to read:

Subd. 5. [DEFINITIONS.] The definitions in this subdivision apply only to subdivision 6.

(a) “High school” means a secondary school that has pupils enrolled in at least the 10th, 11th, and 12th grades. *Except for districts that cooperate under sections 122.541 or article 6, sections 3 to 11,* If there is no secondary school in the district that has pupils enrolled in at least the 10th, 11th, and 12th grades, the commissioner shall designate one school in the district as a high

school for the purposes of this section.

(b) "Secondary average daily membership" means, for a district that has only one high school, the average daily membership of resident pupils in grades 7 through 12. For a district that has more than one high school, "secondary average daily membership" for each high school means the product of the average daily membership of resident pupils in grades 7 through 12 in the high school, times the ratio of six to the number of grades in the high school.

(c) "Attendance area" means the total surface area of the district, in square miles, divided by the number of high schools in the district.

(d) "Isolation index" for a high school means the square root of one-half the attendance area plus the distance in miles, according to the usually traveled routes, between the high school and the nearest high school.

(e) "Qualifying high school" means a high school that has an isolation index greater than 23 and that has secondary average daily membership of less than 400 420.

(f) "*Qualifying elementary school*" means an elementary school that is located 20 miles or more from the nearest elementary school or from the nearest elementary school within the district and, in either case, has an elementary average daily membership of an average of 20 or fewer per grade.

(g) "*Elementary average daily membership*" means, for a district that has only one elementary school, the average daily membership of resident pupils in kindergarten through grade 6. For a district that has more than one elementary school, "*average daily membership*" for each school means the average daily membership of kindergarten through grade 6 multiplied by the ratio of seven to the number of grades in the elementary school.

Sec. 5. Minnesota Statutes 1988, section 124A.22, subdivision 6, is amended to read:

Subd. 6. [SECONDARY SPARSITY REVENUE.] A district's secondary sparsity revenue for a school year equals the sum of the results of the following calculation for each qualifying high school in the district:

- (1) the formula allowance for the school year, multiplied by
- (2) the secondary average daily membership of the high school, multiplied by
- (3) the quotient obtained by dividing 400 420 minus the secondary average daily membership by 400 420 plus the secondary daily membership, multiplied by
- (4) the lesser of one or the quotient obtained by dividing the isolation index minus 23 by ten.

Sec. 6. Minnesota Statutes 1988, section 124A.22, is amended by adding a subdivision to read:

Subd. 6a. [ELEMENTARY SPARSITY REVENUE.] A district's elementary sparsity revenue equals the sum of the following amounts for each qualifying elementary school in the district:

- (1) the formula allowance for the year, multiplied by
- (2) the elementary average daily membership of the school, multiplied by
- (3) the quotient obtained by dividing 140 minus the elementary average

daily membership by 140 plus the average daily membership.

Sec. 7. Minnesota Statutes 1988, section 124A.22, subdivision 9, is amended to read:

Subd. 9. [DEFINITIONS FOR SUPPLEMENTAL REVENUE.] (a) The definitions in this subdivision apply only to subdivision 8.

(b) "1987-1988 revenue" means the sum of the following categories of revenue for a district for the 1987-1988 school year:

(1) basic foundation revenue, tier revenue, and declining pupil unit revenue, according to Minnesota Statutes 1986, as supplemented by Minnesota Statutes 1987 Supplement, chapter 124A, plus any reduction to second tier revenue, according to Minnesota Statutes 1986, section 124A.08, subdivision 5;

(2) teacher retirement and FICA aid, according to Minnesota Statutes 1986, sections 124.2162 and 124.2163;

(3) chemical dependency aid, according to Minnesota Statutes 1986, section 124.246;

(4) gifted and talented education aid, according to Minnesota Statutes 1986, section 124.247;

(5) arts education aid, according to Minnesota Statutes 1986, section 124.275;

(6) summer program aid and levy, according to Minnesota Statutes 1986, sections 124A.03 and 124A.033;

(7) programs of excellence grants, according to Minnesota Statutes 1986, section 126.60; and

(8) liability insurance levy, according to Minnesota Statutes 1986, section 466.06.

For the purpose of this subdivision, intermediate districts and other employing units, as defined in Minnesota Statutes 1986, section 124.2161, shall allocate the amount of their teacher retirement and FICA aid for fiscal year 1988 among their participating school districts.

(c) "Minimum allowance" for a district means:

(1) the district's 1987-1988 revenue, according to subdivision 1; divided by

(2) the district's 1987-1988 actual pupil units, adjusted for the change in secondary pupil unit weighting from 1.4 to 1.35 made by Laws 1987, chapter 398; plus

(3) \$105 for fiscal year 1990 and \$215 for subsequent fiscal years.

Sec. 8. Minnesota Statutes 1988, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX CAPACITY RATE.] The commissioner of revenue shall establish the general education tax capacity rate and certify it to the commissioner of education by September 1 of each year for levies payable in the following year. The general education tax capacity rate shall be a rate, rounded up to the nearest ~~tenth of a mill~~ *hundredth of a percent*, that, when applied to the adjusted gross tax capacity for all districts, raises the amount specified in this subdivision. The general education

tax capacity rate for the 1990 fiscal year shall be the rate that raises ~~\$1,100,580,000~~ \$1,156,000,000 for fiscal year 1991 and \$1,213,800,000 for subsequent fiscal years. The general education tax capacity rate certified by the commissioner of revenue may not be changed due to changes or corrections made to a district's adjusted gross tax capacity after the tax capacity rate has been certified.

Sec. 9. Minnesota Statutes 1988, section 124A.26, subdivision 1, is amended to read:

Subdivision 1. [REVENUE REDUCTION.] A district's general education revenue for a ~~school~~ fiscal year shall be reduced if the net ~~unappropriated operating fund unreserved~~ balance of the general fund as of June 30 in the second prior ~~school~~ year exceeds \$600 times the actual pupil units in the second prior year. The amount of the reduction shall equal the lesser of:

- (1) the amount of the excess, or
- (2) \$150 times the actual pupil units for the ~~school~~ year.

Sec. 10. [CONVERSION OF EXISTING REFERENDUM LEVIES.]

The department of education shall convert the referendum levy authority existing under Minnesota Statutes, section 124A.03, for 1988 taxes payable in 1989, for future years, as follows:

The tax capacity rate equals the rate determined by dividing the district's maximum levy under Minnesota Statutes, section 124A.03, for 1988 taxes payable in 1989 by the district's 1987 net tax capacity. A district's maximum levy for all subsequent years for which the levy is authorized equals the amount provided by the tax capacity rate applied to the net tax capacity for the year preceding the year the levy is certified.

However, if a district's levy is limited to a dollar amount, the maximum levy under Minnesota Statutes, section 124A.03, must not exceed the dollar amount.

Sec. 11. [ADDITIONAL CONVERSION PROCEDURES.]

For a referendum levy authorized after December 1, 1988, and before the effective date of article 13, section 24, the department of education shall convert the approved levy amount to the appropriate net tax capacity rate. Levy amounts approved prior to the effective date of this act are validated.

Sec. 12. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [GENERAL EDUCATION AID.] For general education aid:

\$1,175,021,600 1990,

\$1,276,350,400 1991.

The 1990 appropriation includes \$174,824,000 for 1989 and \$1,000,197,600 for 1990.

The 1991 appropriation includes \$173,077,700 for 1990 and \$1,103,272,700 for 1991.

Subd. 3. [EXCEPTIONAL NEED AID.] For exceptional need aid according to Minnesota Statutes, section 124.217:

\$420,000 1990,

\$479,000 1991.

The 1990 appropriation includes \$23,000 for 1989 and \$397,000 for 1990.

The 1991 appropriation includes \$70,000 for 1990 and \$409,000 for 1991.

Sec. 13. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment.

Sections 4, paragraphs (f) and (g), 6, and 9 are effective for revenue for fiscal year 1991 and thereafter.

ARTICLE 2

PUPIL TRANSPORTATION

Section 1. Minnesota Statutes 1988, section 123.39, is amended by adding a subdivision to read:

Subd. 14. [STUDENT PARENTS AND CHILDREN.] The board may provide transportation to a pupil who is a custodial parent and that pupil's child between the pupil's home and the child care provider and between the provider and the school, if the home and provider are within the attendance area of the school.

Sec. 2. Minnesota Statutes 1988, section 124.223, is amended to read:

124.223 [TRANSPORTATION AID AUTHORIZATION.]

School transportation and related services for which state transportation aid is authorized are:

(1) [TO AND FROM SCHOOL; BETWEEN SCHOOLS.] (a) Transportation or board of resident elementary pupils who reside one mile or more from the public schools which they could attend; transportation or board of resident secondary pupils who reside two miles or more from the public schools which they could attend; transportation to and from schools the resident pupils attend according to a program approved by the commissioner of education, or between the schools the resident pupils attend for instructional classes; transportation of resident elementary pupils who reside one mile or more from a nonpublic school actually attended; transportation of resident secondary pupils who reside two miles or more from a nonpublic school actually attended; but with respect to transportation of pupils to nonpublic schools actually attended, only to the extent permitted by sections 123.76 to 123.79; transportation of ~~pupils~~ *a pupil who are is a custodial parents to and from parent and that pupil's child between the pupil's home and the child care provider of child care services for the pupil's child and between the provider and the school, if the home and provider are within the attendance area of the school the pupil attends;*

(b) For the purposes of this clause, a district may designate a licensed day care facility ~~or~~, *respite care facility*, the residence of a relative, *or the residence of a person chosen by the pupil's parent or guardian* as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian and if that facility or residence is within the attendance area of the school the pupil attends;

(c) *Transportation to and from school of an elementary pupil who moves during the school year within an area designated by the district as a mobility zone, but only for the remainder of the school year.*

The attendance areas of schools in a mobility zone must be contiguous. To be in a mobility zone, a school must meet both of the following requirements:

(1) more than 50 percent of the pupils enrolled in the school are eligible for free or reduced school lunch; and

(2) the pupil withdrawal rate for the prior year is more than 12 percent.

A pupil withdrawal rate is determined by dividing (i) the sum of the number of pupils who withdraw from the school, during the school year, and the number of pupils enrolled in the school as a result of transportation provided under this paragraph, by (ii) the number of pupils enrolled in the school.

The district may establish eligibility requirements for individual pupils to receive transportation in the mobility zone.

(2) [OUTSIDE DISTRICT.] Transportation to and from or board and lodging in another district, of resident pupils of a district without a secondary school; the pupils may attend a classified secondary school in another district and shall receive board and lodging in or transportation to and from a district having a classified secondary school at the expense of the district of the pupil's residence;

(3) [SECONDARY VOCATIONAL CENTERS.] Transportation to and from a state board approved secondary vocational center for secondary vocational classes for resident pupils of any of the districts who are members of or participating in programs at that center;

(4) [HANDICAPPED.] Transportation or board and lodging of a handicapped pupil when that pupil cannot be transported on a regular school bus, the conveying of handicapped pupils between home and school and within the school plant, necessary transportation of handicapped pupils from home or from school to other buildings, including centers such as developmental achievement centers, hospitals and treatment centers where special instruction or services required by section 120.17 are provided, within or outside the district where services are provided, and necessary transportation for resident handicapped pupils required by section 120.17, subdivision 4a. Transportation of handicapped pupils between home and school shall not be subject to any distance requirement for children not yet enrolled in kindergarten or to the requirement in clause (1) that elementary pupils reside at least one mile from school and secondary pupils reside at least two miles from school in order for the transportation to qualify for aid;

(5) [BOARD AND LODGING; NONRESIDENT HANDICAPPED.] When necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes;

(6) [SHARED TIME.] Transportation from one educational facility to another within the district for resident pupils enrolled on a shared time basis in educational programs, and necessary transportation required by section 120.17, subdivision 9, for resident handicapped pupils who are provided special instruction and services on a shared time basis;

(7) [FARIBAULT STATE ACADEMIES.] Transportation for residents to and from the Minnesota state academy for the deaf or the Minnesota state academy for the blind;

(8) [SUMMER INSTRUCTIONAL PROGRAMS.] Services described

in clauses (1) to (7), (9), and (10) when provided in conjunction with a summer program that meets the requirements of section 124A.27, subdivision 9;

(9) [COOPERATIVE ACADEMIC AND VOCATIONAL.] Transportation to, from or between educational facilities located in any of two or more school districts jointly offering academic classes or secondary vocational classes not provided at a secondary vocational center for resident pupils of any of these districts; and

(10) [NONPUBLIC SUPPORT SERVICES.] Necessary transportation within district boundaries between a nonpublic school and a public school or a neutral site for nonpublic school pupils who are provided pupil support services pursuant to section 123.935.

Sec. 3. Minnesota Statutes 1988, section 124.225, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision have the meanings given to them.

(a) "FTE" means a transported full-time equivalent pupil whose transportation is authorized for aid purposes by section 124.223.

(b) "Authorized cost for regular transportation" means the sum of:

(1) all expenditures for transportation in the regular category, as defined in clause (e)(1), for which aid is authorized in section 124.223, plus

(2) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 12-1/2 percent per year of the cost of the fleet, plus

(3) an amount equal to one year's depreciation on district school buses reconditioned by the department of corrections computed on a straight line basis at the rate of 33-1/3 percent per year of the cost to the district of the reconditioning, plus

(4) an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.44, subdivision 15, which were purchased after July 1, 1982, for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

(c) "Adjusted authorized predicted cost per FTE" means the authorized cost predicted by a multiple regression formula determined by the department of education, and adjusted pursuant to subdivision 7a.

(d) "~~Aid entitlement per FTE~~ *Regular transportation allowance*" means the adjusted authorized predicted cost per FTE, inflated pursuant to subdivision 7b.

(e) "Transportation category" means a category of transportation service provided to pupils.

~~(4) For the purposes of this section, transportation categories for the 1986-1987 and 1987-1988 school years are as follows:~~

~~(i) regular transportation is transportation services provided during the regular school year under section 124.223, clauses (1) and (2); excluding transportation between schools under section 124.223, clause (1); and~~

~~(ii) nonregular transportation is transportation services provided between~~

schools under section 124.223, clause (1); and transportation services provided under section 124.223, clauses (3), (4), (5), (6), (7), (8), (9), and (10).

(2) (1) For purposes of this section, for the 1988-1989 and 1989-1990 school year and after years:

(i) regular transportation is transportation services provided during the regular school year under section 124.223, clauses (1) and (2), excluding the following transportation services provided under section 124.223, clause (1): transportation between schools; noon transportation to and from school for kindergarten pupils attending half-day sessions; late transportation home from school for pupils involved in after school activities; transportation of pupils to and from schools located outside their normal attendance areas under the provisions of a plan for desegregation mandated by the state board of education or under court order; and transportation of elementary pupils to and from school within a mobility zone;

(ii) nonregular transportation is transportation services provided under section 124.223, clause (1), that are excluded from the regular category, and transportation services provided under section 124.223, clauses (3), (4), (5), (6), (7), (8), (9), and (10); and

(iii) excess transportation is transportation to and from school for secondary pupils residing at least one mile but less than two miles from the public school they could attend or from the nonpublic school actually attended, and transportation to and from school for pupils residing less than one mile from school who are transported because of extraordinary traffic hazards.

(2) For purposes of this section, for 1990-1991 and later school years:

(i) regular transportation is transportation services provided during the regular school year under section 124.223, clauses (1) and (2), excluding the following transportation services provided under section 124.223, clause (1): transportation between schools; noon transportation to and from school for kindergarten pupils attending half-day sessions; late transportation home from school for pupils involved in after school activities; transportation of pupils to and from schools located outside their normal attendance areas under the provisions of a plan for desegregation mandated by the state board of education or under court order; transportation of elementary pupils to and from school within a mobility zone; and transportation of a pupil who is a custodial parent and that pupil's child between the pupil's home and child care provider and between the provider and the school, if the home and the provider are within the attendance area of the school;

(ii) nonregular transportation is transportation services provided under section 124.223, clause (1), that are excluded from the regular category, and transportation services provided under section 124.223, clauses (3), (4), (5), (6), (7), (8), (9), and (10); and

(iii) excess transportation is transportation to and from school for secondary pupils residing at least one mile but less than two miles from the public school they could attend or from the nonpublic school actually attended, and transportation to and from school for pupils residing less than one mile from school who are transported because of extraordinary traffic hazards.

(f) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services, and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123.932, subdivision 9.

(g) "Current year" means the school year for which aid will be paid.

(h) "Base year" means the second school year preceding the school year for which aid will be paid.

(i) "Base cost" for the 1984-1985 and 1985-1986 base years means the authorized regular transportation cost per FTE in the base year in the regular transportation category, excluding summer school transportation. Base cost for the 1986-1987 base year and after means the ratio of:

(1) the sum of:

(i) the authorized cost in the base year for regular transportation as defined in clause (b), plus

(ii) the actual cost in the base year for excess transportation to and from school of secondary pupils who live more than one mile but less than two miles from the public school that they could attend or from the nonpublic school actually attended, plus

(iii) the actual cost in the base year for transportation costs which are necessary because of extraordinary traffic hazards as defined in paragraph (e), clauses (1)(iii) and (2)(iii),

(2) to the sum of:

(i) the number of FTE pupils transported in the regular category in the base year, plus

(ii) the number of secondary FTE pupils transported to and from school in the base year who live more than one mile but less than two miles from the public school that they could attend or from the nonpublic school actually attended, plus

(iii) the number of FTE pupils residing less than one mile from school who were transported to and from school in the base year because of extraordinary traffic hazards in the excess category.

(j) "Predicted base cost" means the base cost as predicted by subdivision 3.

Sec. 4. Minnesota Statutes 1988, section 124.225, subdivision 7b, is amended to read:

Subd. 7b. [INFLATION FACTORS.] The adjusted authorized predicted cost per FTE determined for a district under subdivision 7a for the base year shall be increased by 6.0 percent to determine the district's aid entitlement per FTE for the 1986-1987 school year, by 4.9 percent to determine the district's aid entitlement per FTE for the 1987-1988 school year, and by 4.1 5.8 percent to determine the district's aid entitlement per FTE for the 1988-1989 school fiscal year 1990 and 3.7 percent for subsequent fiscal years.

Sec. 5. Minnesota Statutes 1988, section 275.125, subdivision 5, is amended to read:

Subd. 5. [BASIC TRANSPORTATION LEVY.] Each year, a school district may levy for school transportation services an amount not to exceed the amount raised by the basic transportation tax capacity rate times the adjusted gross tax capacity of the district for the preceding year. The commissioner of revenue shall establish the basic transportation tax capacity rate and certify it to the commissioner of education by September 1 of each year for levies payable in the following year. The basic transportation tax capacity rate shall be a rate, rounded up to the nearest ~~hundredth of a mill~~ *thousandth percent*, that, when applied to the adjusted gross tax capacity of taxable property for all districts, raises the amount specified in this subdivision. The basic transportation tax capacity rate for transportation ~~for the 1990 fiscal year~~ shall be the rate that raises ~~\$72,681,200~~ *\$76,315,300 for fiscal year 1991 and \$80,131,000 for subsequent fiscal years*. The basic transportation tax capacity rate certified by the commissioner of revenue must not be changed due to changes or corrections made to a district's adjusted gross tax capacity after the tax capacity rate has been certified.

Sec. 6. Minnesota Statutes 1988, section 275.125, subdivision 5c, is amended to read:

Subd. 5c. [NONREGULAR TRANSPORTATION LEVY.] A school district may also make a levy for unreimbursed nonregular transportation costs pursuant to this subdivision. The amount of the levy shall not exceed the product of:

- (a) the district's unreimbursed nonregular transportation revenue determined pursuant to section 124.225, subdivision 8j, clause (a), times
- (b) the lesser of
 - (i) one, or
 - (ii) the ratio of the district's adjusted gross tax capacity for the preceding year per total pupil unit in the school year to which the levy is attributable, to ~~\$83,800~~ *\$10,261*.

Sec. 7. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [TRANSPORTATION AID.] For transportation aid under Minnesota Statutes, section 124.225:

\$91,979,500 1990,

\$96,716,900 1991.

The 1990 appropriation includes \$12,773,000 for 1989 and \$79,206,500 for 1990.

The 1991 appropriation includes \$13,977,600 for 1990 and \$82,739,300 for 1991.

Subd. 3. [TRANSPORTATION AID FOR POST-SECONDARY ENROLLMENT OPTIONS.] For transportation of pupils attending post-secondary institutions under Minnesota Statutes, section 123.3514:

\$50,000 1990,

\$50,000 1991.

Subd. 4. [TRANSPORTATION AID FOR OPEN ENROLLMENT.] For transportation of pupils attending nonresident districts under Minnesota Statutes, sections 120.062 and 123.3515:

\$50,000 1990,

\$50,000 1991.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1988, section 120.17, subdivision 3, is amended to read:

Subd. 3. [RULES OF THE STATE BOARD.] The state board shall promulgate rules relative to qualifications of essential personnel, courses of study, methods of instruction, ~~pupil~~ *pupil* eligibility for special instruction and services, size of classes, rooms, equipment, supervision, parent consultation, and any other rules it deems necessary for instruction of handicapped children. These rules shall provide standards and procedures appropriate for the implementation of and within the limitations of subdivisions 3a and 3b. These rules shall also provide standards for the discipline, control, management, and protection of handicapped children. The state board shall not adopt rules for pupils served in level 1, 2, or 3, as defined in Minnesota Rules, part 3525.2340, establishing either case loads or the maximum number of pupils that may be assigned to special education teachers. The state board, in consultation with the departments of health and human services, shall adopt permanent rules for instruction and services for children under age five and their families. ~~Until June 30, 1988, a developmental achievement center under contract to a school district to provide special instruction and services is eligible for variance from rules relating to personnel licensure. Until June 30, 1988, the licensure variancee for a developmental achievement center shall be granted according to the same procedures and criteria used for granting a variancee to a school district.~~ The state board shall, according to section 14.05, subdivision 4, notify a district applying for a variance from the rules within 45 calendar days of receiving the request whether the request for the variance has been granted or denied. If a request is denied, the board shall specify the program standards used to evaluate the request and the reasons for denying the request.

Sec. 2. Minnesota Statutes 1988, section 120.17, subdivision 3b, is amended to read:

Subd. 3b. [PROCEDURES FOR DECISIONS.] Every district shall utilize at least the following procedures for decisions involving identification, assessment, and educational placement of handicapped children:

(a) Parents and guardians shall receive prior written notice of:

(1) any proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) a proposed placement of their child in, transfer from or to, or denial of placement in a special education program; or

(3) the proposed provision, addition, denial or removal of special education services for their child;

(b) The district shall not proceed with the initial formal assessment of

a child, the initial placement of a child in a special education program, or the initial provision of special education services for a child without the prior written consent of the child's parent or guardian. The refusal of a parent or guardian to consent may be overridden by the decision in a hearing held pursuant to clause (d) at the district's initiative;

(c) Parents and guardians shall have an opportunity to meet with appropriate district staff in at least one conciliation conference if they object to any proposal of which they are notified pursuant to clause (a). The conciliation process shall not be used to deny or delay a parent or guardian's right to a due process hearing. If the parent or guardian refuses efforts by the district to conciliate the dispute with the school district, the requirement of an opportunity for conciliation shall be deemed to be satisfied;

(d) Parents, guardians, and the district shall have an opportunity to obtain an impartial due process hearing initiated and conducted in *either* the school district where the child resides *or the district providing special instruction and services, as determined by the parent or guardian*, if the parent or guardian continues to object to:

(1) a proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) the proposed placement of their child in, or transfer of their child to a special education program;

(3) the proposed denial of placement of their child in a special education program or the transfer of their child from a special education program;

(4) the proposed provision or addition of special education services for their child; or

(5) the proposed denial or removal of special education services for their child.

At least five calendar days before the hearing, the objecting party shall provide the other party with a brief written statement of the objection and the reasons for the objection.

The hearing shall take place before an impartial hearing officer mutually agreed to by the school board and the parent or guardian. If the school board and the parent or guardian are unable to agree on a hearing officer, the school board shall request the commissioner to appoint a hearing officer. The hearing officer shall not be a school board member or employee of the school district where the child resides or of the child's school district of residence, an employee of any other public agency involved in the education or care of the child, or any person with a personal or professional interest which would conflict with the person's objectivity at the hearing. A person who otherwise qualifies as a hearing officer is not an employee of the district solely because the person is paid by the district to serve as a hearing officer. If the hearing officer requests an independent educational assessment of a child, the cost of the assessment shall be at district expense. The proceedings shall be recorded and preserved, at the expense of the school district, pending ultimate disposition of the action.

(e) The decision of the hearing officer pursuant to clause (d) shall be rendered not more than 45 calendar days from the date of the receipt of the request for the hearing. A hearing officer may grant specific extensions of time beyond the 45-day period at the request of either party. The decision of the hearing officer shall be binding on all parties unless appealed to the

hearing review officer by the parent, guardian, or the school board of the district where the child resides pursuant to clause (f).

The local decision shall:

- (1) be in writing;
- (2) state the controlling facts upon which the decision is made in sufficient detail to apprise the parties and the hearing review officer of the basis and reason for the decision;
- (3) state whether the special education program or special education services appropriate to the child's needs can be reasonably provided within the resources available to the responsible district or districts;
- (4) state the amount and source of any additional district expenditure necessary to implement the decision; and
- (5) be based on the standards set forth in subdivision 3a and the rules of the state board.

(f) Any local decision issued pursuant to clauses (d) and (e) may be appealed to the hearing review officer within 30 calendar days of receipt of that written decision, by the parent, guardian, ~~or~~ the school board of the district where the child resides, *or the school board of the district providing special instruction and services.*

If the decision is appealed, a written transcript of the hearing shall be made by the school district and shall be accessible to the parties involved within five calendar days of the filing of the appeal. The hearing review officer shall issue a final decision based on an impartial review of the local decision and the entire record within 30 calendar days after the filing of the appeal. The hearing review officer shall seek additional evidence if necessary and may afford the parties an opportunity for written or oral argument; provided any hearing held to seek additional evidence shall be an impartial due process hearing but shall be deemed not to be a contested case hearing for purposes of chapter 14. The hearing review officer may grant specific extensions of time beyond the 30-day period at the request of any party.

The final decision shall:

- (1) be in writing;
- (2) include findings and conclusions; and
- (3) be based upon the standards set forth in subdivision 3a and in the rules of the state board.

(g) The decision of the hearing review officer shall be final unless appealed by the parent or guardian or school board to the court of appeals. The judicial review shall be in accordance with chapter 14.

(h) The commissioner of education, having delegated general supervision of special education to the appropriate staff, shall be the hearing review officer except for appeals in which:

- (1) the commissioner has a personal interest in or specific involvement with the student who is a party to the hearing;
- (2) the commissioner has been employed as an administrator by the district that is a party to the hearing;

(3) the commissioner has been involved in the selection of the administrators of the district that is a party to the hearing;

(4) the commissioner has a personal, economic, or professional interest in the outcome of the hearing other than the proper administration of the federal and state laws, rules, and policies;

(5) the appeal challenges a state or local policy which was developed with substantial involvement of the commissioner; or

(6) the appeal challenges the actions of a department employee or official.

For any appeal to which the above exceptions apply, the state board of education shall name an impartial and competent hearing review officer.

In all appeals, the parent or guardian of the handicapped student or the district that is a party to the hearing may challenge the impartiality or competence of the proposed hearing review officer by applying to the state board of education.

(i) Pending the completion of proceedings pursuant to this subdivision, unless the district and the parent or guardian of the child agree otherwise, the child shall remain in the child's current educational placement and shall not be denied initial admission to school.

(j) The child's school district of residence, if different from the district where the child actually resides, *and the district providing special instruction and services* shall receive notice of and may be a party to any hearings or appeals pursuant to this subdivision.

Sec. 3. Minnesota Statutes 1988, section 120.17, subdivision 11a, is amended to read:

Subd. 11a. [STATE INTERAGENCY COORDINATING COUNCIL.] An interagency coordinating council of 15 members is established. The members and the chair shall be appointed by the governor. The council shall be composed of at least three parents of ~~handicapped~~ children under age seven *with handicaps*, ~~a representative of each of the commissioners of education, health, and human services~~, three representatives of public or private providers of services for ~~handicapped~~ children under age five *with handicaps*, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education, at least one representative of advocacy organizations for ~~handicapped~~ children *with handicaps*, *at least one representative of a school district or a school district cooperative*, and other members knowledgeable about ~~handicapped~~ children under age five *with handicaps*. Section 15.059, subdivisions 2 to 5, apply to the council. The council shall meet at least quarterly. *A representative of each of the commissioners of education, health, and human services shall attend council meetings as a nonvoting member of the council.*

The council shall address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for ~~handicapped~~ children *with handicaps* and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for ~~handicapped~~ children under age five *with handicaps* and their families. The policies must address how to incorporate each agency's services into

a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

It is the joint responsibility of county boards and school districts to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate services must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, case management, medical services for diagnostic and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable ~~handicapped~~ children *with handicaps* to benefit from early intervention services. School districts must be the primary agency in this cooperative effort.

Each year by January 15 the council shall submit its recommendations to the education committees of the legislature, the governor, and the commissioners of education, health, and human services.

Sec. 4. Minnesota Statutes 1988, section 124.195, subdivision 8, is amended to read:

Subd. 8. [PAYMENT PERCENTAGE FOR REIMBURSEMENT AIDS.] One hundred percent of the aid for the last fiscal year must be paid for the following aids: ~~abatement aid according to section 124.214, subdivision 2;~~ special education residential aid according to section 124.32, subdivision 5; *special education aid according to section 124.32, subdivision 6*; special education summer school aid, according to section 124.32, subdivision 10; and planning, evaluating, and reporting process aid according to section 124.274.

Sec. 5. Minnesota Statutes 1988, section 124.273, subdivision 4, is amended to read:

Subd. 4. [APPLICATION DATES.] (a) *By June 1 a district that expects to enroll pupils in educational programs for pupils of limited English proficiency during the next fiscal year shall submit an initial application for aid by October 15 and. The district shall submit an amended application by February November 15 or and by June February 15 if the number of enrolled pupils of limited English proficiency has changed since filing a previous application. Districts which do A district that does not submit an initial application by October 15 June 1 but enroll enrolls pupils of limited English proficiency after that date may need not wait until November 15 or February 15 to submit an initial application by February 15 or by June 15.* A final report for the prior fiscal year with actual salary and enrollment information shall be submitted by August 15 for calculation of the final payment.

(b) All applications shall be submitted to the department in the manner prescribed by the commissioner. Each application shall include (1) the number of pupils ~~or additional pupils~~ enrolled who meet the criteria in section 126.262, subdivision 2; (2) the number, dates of hire, full-time equivalency, and salaries of essential licensed personnel ~~or additional essential licensed personnel~~ employed in the district's educational program for pupils of limited English proficiency who meet the criteria in section 126.262,

subdivision 3; and (3) any other information deemed necessary by the commissioner to implement this section. School districts may submit joint applications for aid pursuant to this section and may share essential instructional personnel employed in educational programs for pupils of limited English proficiency.

Sec. 6. Minnesota Statutes 1988, section 124.273, subdivision 5, is amended to read:

Subd. 5. [NOTIFICATION; AID PAYMENTS.] The department shall inform each applicant district of the amount of aid it will receive pursuant to this section within ~~a month~~ 45 days after the application deadline.

Sec. 7. [124.311] [ASSURANCE OF MASTERY REVENUE.]

Subdivision 1. [INSTRUCTION IN REGULAR CLASSROOM.] A school district may receive assurance of mastery revenue to provide direct instructional services to eligible pupils in the pupils' regular classroom.

Subd. 2. [ELIGIBLE DISTRICTS.] To be eligible to receive assurance of mastery revenue, a district must have a policy adopted according to section 126.67, subdivision 3a, that identifies the direct instructional services to be used to assure that individual pupils master the learner outcomes in communications and mathematics.

Subd. 3. [ELIGIBLE PUPILS.] A pupil is eligible to receive services provided with assurance of mastery revenue if the pupil has not demonstrated mastery of learner outcomes in communications or mathematics, or both, after receiving instruction that was designed to enable the pupil to master the learner outcomes in a regular classroom setting. To determine pupil eligibility, a district must use the learner outcomes and the evaluation process, adopted by the school board under section 126.666, subdivision 1, clauses (2) and (3), for the subjects and at the grade level at which the district uses the revenue.

Subd. 4. [ELIGIBLE SERVICES.] Assurance of mastery revenue must be used to provide direct instructional services to an eligible pupil, or group of eligible pupils, under the following conditions:

- (a) Instruction may be provided at one or more grade levels.*
- (b) Instruction must be provided in the usual and customary classroom of the eligible pupil.*
- (c) Instruction must be provided under the supervision of the eligible pupil's regular classroom teacher. Instruction may be provided by the eligible pupil's classroom teacher, by another teacher, by a team of teachers, or by an education assistant or aide. A special education teacher may provide instruction, but instruction that is provided under this section is not eligible for aid under section 124.32.*
- (d) The instruction that is provided must differ from the initial instruction the pupil received in the regular classroom setting. The instruction may differ by presenting different curriculum than was initially presented in the regular classroom, or by presenting the same curriculum:*
 - (1) at a different rate or in a different sequence than it was initially presented;*
 - (2) using different teaching methods or techniques than were used initially; or*

(3) using different instructional materials than were used initially.

Subd. 5. [REVENUE AMOUNT.] Assurance of mastery revenue is the sum of state and district money. The sum may equal up to \$20 for fiscal year 1990 and \$30 for fiscal year 1991 and thereafter times the number of actual pupil units in the district. The district shall determine the amount of money it will provide and the state shall provide an equal amount of money.

Subd. 6. [USES OF REVENUE.] Assurance of mastery revenue may be used only to provide eligible services to eligible pupils.

Subd. 7. [DISTRICT REPORT.] A district that receives assurance of mastery revenue shall include the following in the report required by section 126.666, subdivision 4:

(a) A summary of initial assessment results used to determine pupil eligibility to receive instructional services must be included. The summary must include:

- (1) a description of the assessment device used;
- (2) the number of pupils who were assessed; and
- (3) the number of pupils who were determined to be eligible to receive services.

(b) A description of the services provided to eligible pupils must be included.

(c) A summary of assessment results for eligible pupils obtained after providing the services must be included.

Sec. 8. Minnesota Statutes 1988, section 124.32, subdivision 1b, is amended to read:

Subd. 1b. [TEACHERS SALARIES.] Each year the state shall pay to a district a portion of the salary of each essential person employed in the district's program for handicapped children during the regular school year, whether the person is employed by one or more districts. The portion for a full-time person shall be an amount not to exceed the lesser of 66 58 percent of the salary or ~~\$18,400~~ \$15,000. The portion for a part-time or limited-time person shall be an amount not to exceed the lesser of 66 58 percent of the salary or the product of ~~\$18,400~~ \$15,000 times the ratio of the person's actual employment to full-time employment.

Sec. 9. Minnesota Statutes 1988, section 124.574, subdivision 2b, is amended to read:

Subd. 2b. [SALARIES.] Each year the state shall pay to any district or cooperative center a portion of the salary of each essential licensed person employed during that school year for services rendered in that district or center's secondary vocational education programs for handicapped children. The portion for a full-time person shall be an amount not to exceed the lesser of 66 58 percent of the salary or ~~\$18,400~~ \$15,000. The portion for a part-time or limited-time person shall be the lesser of 66 58 percent of the salary or the product of ~~\$18,400~~ \$15,000 times the ratio of the person's actual employment to full-time employment.

Sec. 10. Minnesota Statutes 1988, section 124.574, subdivision 5, is amended to read:

Subd. 5. The aid provided pursuant to this section shall be paid only for services rendered as designated in subdivision 2 or for the costs designated in subdivision 3 which are incurred in secondary vocational education programs for handicapped children which are approved by the commissioner of education and operated in accordance with rules promulgated by the state board. These rules shall be subject to the restrictions provided in section 124.573, subdivision 3. The procedure for application for approval of these programs shall be as provided in section 124.32, subdivisions 7 and 10 and the application review process shall be conducted ~~jointly by the division of special and compensatory education and the division of vocational technical education~~ *section* of the state department.

Sec. 11. Minnesota Statutes 1988, section 124A.28, subdivision 1, is amended to read:

Subdivision 1. [USE OF THE REVENUE.] The compensatory education revenue under section 124A.22, subdivision 3, may be used *to provide eligible services to eligible pupils according to section 7, subdivisions 3 and 4. It also may be used to meet the educational needs of pupils whose educational achievement is below the level that is appropriate for pupils of their age. These needs may be met by providing at least some of the following:*

(1) remedial instruction in reading, language arts, and mathematics to improve the achievement level of these pupils;

(2) additional teachers and teacher aides to provide more individualized instruction to these pupils;

(3) summer programs that enable these pupils to improve their achievement or that reemphasize material taught during the regular school year;

(4) in-service education for teachers, teacher aides, principals, and other personnel to improve their ability to recognize these pupils and provide appropriate responses to the pupils' needs;

(5) for instructional material for these pupils including: textbooks, workbooks, periodicals, pamphlets, photographs, reproductions, filmstrips, prepared slides, prerecorded video programs, sound recordings, desk charts, games, study prints and pictures, desk maps, models, learning kits, blocks and cubes, flashcards, instructional computer software programs, pencils, pens, crayons, notebooks, duplicating fluids, and papers;

(6) programs to reduce truancy, encourage completion of high school, enhance self-concept, provide health services, provide nutrition services, provide a safe and secure learning environment, provide coordination for pupils receiving services from other governmental agencies, provide psychological services to determine the level of social, emotional, cognitive, and intellectual development, and provide counseling services, guidance services, and social work services; and

(7) bilingual programs, bicultural programs, and programs for pupils of limited English proficiency.

Sec. 12. Minnesota Statutes 1988, section 126.151, subdivision 2, is amended to read:

Subd. 2. [ACCOUNTS OF THE ORGANIZATION.] The state boards of education and vocational technical education may retain dues and other money collected on behalf of students participating in approved vocational

student organizations and may deposit the money in separate accounts. The money in these accounts shall be available for expenditures for state and national activities related to specific organizations. Administration of money collected under this section is not subject to the provisions of chapters 15, 16A, and 16B, and may be deposited outside the state treasury. Money shall be administered under the policies of the applicable state board or agency relating to post-secondary and secondary vocational student organizations and is subject to audit by the legislative auditor. Any unexpended money shall not cancel but may be carried forward to the next fiscal year.

Sec. 13. [GRANTS FOR INDIAN TEACHERS.]

Subdivision 1. [ESTABLISHMENT.] A grant program is established during the biennium to assist American Indian people to become teachers and to provide additional education for American Indian teachers. The state board may award a joint grant to each of the following: (1) the University of Minnesota, Duluth, and independent school district No. 709, Duluth; (2) Bemidji state university and independent school district No. 38, Red Lake; and (3) Moorhead state university and one of the school districts located within the White Earth reservation. To obtain a joint grant, a joint application must be submitted to the state board of education. The application must be developed with the participation of the district parent advisory committee, established according to Minnesota Statutes, section 126.51, and the Indian advisory committee at the post-secondary institution.

Subd. 2. [GRANT APPLICATION.] The application must set forth the in-kind services to be provided by the post-secondary institution. The coordination and mentorship services to be provided by the post-secondary institution and the school district must also be set forth in the application.

Subd. 3. [LOAN FORGIVENESS.] The portion of the scholarship attributable to living expenses and additional needs, according to subdivision 4, clause (4), shall be in the form of a loan to be forgiven if the recipient teaches for five years in the school district receiving the joint grant. If the recipient is placed on unrequested leave of absence by that school district, the loan may be forgiven if the recipient teaches in another Minnesota school district for an amount of time that, when added to the previous amount of time, equals five years. The loan forgiveness program and procedures to administer the program shall be approved by the higher education coordinating board.

Subd. 4. [ELIGIBILITY FOR SCHOLARSHIPS.] The following American Indian people are eligible for scholarships:

(1) a student who intends to become a teacher and who is enrolled in a post-secondary institution receiving a joint grant;

(2) a teacher aide who intends to become a teacher and who is employed by a district receiving a joint grant;

(3) a licensed employee of a district receiving a joint grant who is enrolled in a master of education degree program; and

(4) a student who, after receiving federal and state financial aid and an Indian scholarship according to Minnesota Statutes, section 124.48, has financial needs that remain unmet. Financial need shall be determined according to the uniform methodology for needs determination. Additional needs attributable to living expenses may be included in the forgivable loan.

Subd. 5. [REVIEW AND COMMENT.] The joint application shall be submitted to the Minnesota Indian scholarship committee for review and comment.

Subd. 6. [GRANT AMOUNT.] The state board may award a joint grant in the amount it determines appropriate. Scholarship money shall be included in the joint grant.

Sec. 14. [LEVY ADJUSTMENT.]

The department of education shall adjust the 1989 levy for each school district by the amount of the increase in the district's special education levy for fiscal year 1990 according to Minnesota Statutes, section 275.125, subdivision 8c, resulting from the changes to special education aid under sections 8 and 9. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for fiscal year 1990.

Sec. 15. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [SPECIAL EDUCATION AID.] For special education aid:

\$150,623,400 1990,

\$154,033,200 1991.

The 1990 appropriation includes \$23,074,000 for 1989 and \$127,549,400 for 1990.

The 1991 appropriation includes \$22,508,800 for 1990 and \$131,524,400 for 1991.

Subd. 3. [ASSURANCE OF MASTERY.] For assurance of mastery revenue:

\$6,900,100 1990,

\$11,764,600 1991.

The 1990 appropriation includes \$6,900,100 for 1990.

The 1991 appropriation includes \$1,217,700 for 1990 and \$10,546,900 for 1991.

Subd. 4. [SPECIAL EDUCATION-SPECIAL PUPIL AID.] For special education-special pupil aid according to Minnesota Statutes, section 124.32, subdivision 6:

\$284,000 1990,

\$158,000 1991.

Subd. 5. [SPECIAL EDUCATION SUMMER SCHOOL AID.] For special education summer school aid according to Minnesota Statutes, section 124.32, subdivision 10:

\$5,836,000 1990,

\$5,435,600 1991.

Subd. 6. [TRAVEL FOR HOME-BASED SERVICES AID.] For aid for teacher travel for home-based services according to Minnesota Statutes, section 124.32, subdivision 2b:

\$51,000 1990,

\$51,000 1991.

The 1990 appropriation includes \$8,000 for 1989 and \$43,000 for 1990.

The 1991 appropriation includes \$8,000 for 1990 and \$43,000 for 1991.

Subd. 7. [RESIDENTIAL FACILITIES AID.] For residential facilities aid according to Minnesota Statutes, section 124.32, subdivision 5:

\$1,398,000 1990,

\$1,374,000 1991.

Subd. 8. [AMERICAN INDIAN EDUCATION AID.] For certain American Indian education programs:

\$174,755 1990,

\$174,755 1991.

The 1990 appropriation includes \$26,213 for 1989 and \$148,542 for 1990.

The 1991 appropriation includes \$26,213 for 1990 and \$48,542 for 1991.

These appropriations are available for expenditure with the approval of the commissioner of education.

The commissioner shall not approve the payment of any amount to a school district pursuant to this subdivision unless that school district is in compliance with all applicable laws of this state.

Up to the following amounts may be distributed to the following school districts for each fiscal year: \$54,848 to independent school district No. 309, Pine Point School; \$9,685 to independent school district No. 166; \$14,949 to independent school district No. 432; \$14,053 to independent school district No. 435; \$42,163 to independent school district No. 707; and \$39,057 to independent school district No. 38. These amounts shall be expended only for the benefit of American Indian students and for the purpose of meeting established state educational standards or statewide requirements.

These appropriations are available only if there will not be available for the districts enumerated in this subdivision for the applicable school year any operation support funds from the federal Bureau of Indian Affairs pursuant to the Johnson-O' Malley Act, Public Law Number 73-167, or Code of Federal Regulations, title 25, section 273.31, or equivalent money from the same or another source.

Before a district can receive money pursuant to this subdivision, the district must submit to the commissioner of education evidence that it has:

(1) complied with the uniform financial accounting and reporting standards act, Minnesota Statutes, sections 121.90 to 121.917. For each school year, compliance with Minnesota Statutes, section 121.908, subdivision 3a, shall require the school district to prepare one budget including the amount available to the district pursuant to this subdivision and one budget which does not include this money. The budget of that school district for the 1991-1992 school year prepared according to Minnesota Statutes, section 121.908, subdivision 3a, shall be submitted to the commissioner of education at the same time as 1990-1991 budgets and shall not include any money appropriated in this subdivision; and

(2) compiled accurate daily pupil attendance records.

Subd. 9. [AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAM GRANTS.] For grants to American Indian language and culture education programs according to Minnesota Statutes, section 126.54, subdivision 1:

\$590,000 1990,

\$590,000 1991.

The 1990 appropriation includes \$89,000 for 1989 and \$501,000 for 1990.

The 1991 appropriation includes \$89,000 for 1990 and \$501,000 for 1991.

Subd. 10. [AMERICAN INDIAN POST-SECONDARY PREPARATION GRANTS.] For Indian post-secondary preparation grants according to Minnesota Statutes, section 124.481:

\$857,000 1990,

\$857,000 1991.

Subd. 11. [AMERICAN INDIAN TEACHER GRANTS.] For joint grants to assist American Indian people to become teachers:

\$150,000 1990,

\$150,000 1991.

Up to \$70,000 each year is for a joint grant to the University of Minnesota-Duluth and the Duluth school district.

Up to \$40,000 each year is for a joint grant to Bemidji state university and Red Lake school district.

Up to \$40,000 each year is for a joint grant to Moorhead state university and a school district located within the White Earth reservation.

Subd. 12. [LIMITED ENGLISH PROFICIENCY PUPILS PROGRAM AID.] For aid to educational programs for pupils of limited English proficiency according to Minnesota Statutes, section 124.273:

\$3,270,000 1990,

\$3,403,000 1991.

The 1990 appropriation includes \$454,000 for 1989 and \$2,816,000 for 1990.

The 1991 appropriation includes \$497,000 for 1990 and \$2,906,000 for 1991.

Subd. 13. [SECONDARY VOCATIONAL EDUCATION AID.] For secondary vocational education aid according to Minnesota Statutes, section 124.573:

\$11,471,000 1990,

\$11,720,000 1991.

The 1990 appropriation includes \$1,525,000 for 1989 and \$9,946,000 for 1990.

The 1991 appropriation includes \$1,755,000 for 1990 and \$9,965,000 for 1991.

Subd. 14. [SECONDARY VOCATIONAL HANDICAPPED AID.] For aid for secondary vocational education for handicapped pupils according to

Minnesota Statutes, section 124.574:

\$4,993,000 1990,

\$5,847,400 1991.

The 1990 appropriation includes \$645,000 for 1989 and \$4,348,000 for 1990.

The 1991 appropriation includes \$767,300 for 1990 and \$5,080,100 for 1991.

Sec. 16. [EFFECTIVE DATE.]

Section 5 is effective the day following final enactment.

ARTICLE 4

COMMUNITY AND ADULT EDUCATION

PART A

COMMUNITY EDUCATION AND EARLY
CHILDHOOD FAMILY EDUCATION

Section 1. Minnesota Statutes 1988, section 121.88, subdivision 8, is amended to read:

Subd. 8. [YOUTH DEVELOPMENT PLANS.] A district advisory council may prepare a youth development plan. The council is encouraged to use the state model plan developed under section 121.87, subdivision 1a, when developing the local plan. ~~If The school board approves~~ *may approve* the youth development plan ~~and the district makes a community education levy, the district is eligible for additional community education revenue under section 124.271, subdivision 2b.~~

Sec. 2. Minnesota Statutes 1988, section 121.88, subdivision 9, is amended to read:

Subd. 9. [~~COMMUNITY~~ YOUTH SERVICE PROGRAMS.] A school board may offer, as part of a community education program *with a youth development program*, a ~~community~~ youth service program for ~~public school pupils for the purpose of promoting~~ *to promote* active citizenship and ~~addressing~~ *to address* community needs through youth service. *The school board may award up to one credit, or the equivalent, toward graduation for a pupil who completes the youth service requirements of the district.* The community education advisory council shall design the ~~service~~ program in cooperation with the district planning, evaluating and reporting committee and local organizations that train volunteers or need volunteers' services. Programs must include:

- (1) preliminary training for pupil volunteers conducted, when possible, by organizations experienced in such training;
- (2) supervision of the pupil volunteers to ensure appropriate placement and adequate learning opportunity;
- (3) sufficient opportunity, *in a positive setting for human development, for pupil volunteers to develop general skills in preparation for employment, to enhance self esteem and self worth, and to give genuine service to their community;* and

(4) integration of academic learning with the service experience.

~~Examples of appropriate pupil service placements include: child care, Head Start, early childhood education, and extended day programs; tutoring programs involving older pupils tutoring younger pupils; environmental beautification projects; and regular visits for shut-in senior citizens.~~

Youth service projects include, but are not limited to, the following:

(1) human services for the elderly, including home care and related services;

(2) tutoring and mentoring;

(3) training for and providing emergency services;

(4) services at extended day programs; and

(5) environmental services.

The commissioner shall maintain a list of acceptable projects with a description of each project. A project that is not on the list must be approved by the commissioner.

A youth service project must have a community sponsor that may be a governmental unit or nonprofit organization. To assure that pupils provide additional services, each sponsor must assure that pupil services do not displace employees or reduce the workload of any employee.

The commissioner must assist districts in planning youth service programs, implementing programs, and developing recommendations for obtaining community sponsors.

Sec. 3. Minnesota Statutes 1988, section 121.882, subdivision 4, is amended to read:

Subd. 4. [PARTICIPANTS' FEES.] ~~A district may charge a reasonable fee but it shall waive the fee for a participant unable to pay. A district shall establish a fee schedule that exempts a participant who would be eligible for free school lunch from paying a fee.~~

Sec. 4. Minnesota Statutes 1988, section 121.912, is amended by adding a subdivision to read:

Subd. 1b. [TRA AND FICA TRANSFER.] Notwithstanding subdivision 1, a district shall transfer money from the general fund to the community education fund for teacher retirement and FICA obligations attributable to community education programs.

Sec. 5. Minnesota Statutes 1988, section 124.271, subdivision 4, is amended to read:

Subd. 4. (a) Each district providing community education programs pursuant to sections 121.85 to 121.88 shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all ~~funds~~ money related to these community education programs. All ~~funds~~ money received pursuant to this section and to the levy authorized in section 275.125, subdivision 8, shall be utilized solely for the purposes of community education programs. ~~These funds~~ The money may be used to reimburse G.E.D. testing centers for each battery of G.E.D. tests or each individual test administered by that center.

(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.

Sec. 6. [124.2713] [COMMUNITY EDUCATION REVENUE.]

Subdivision 1. [TOTAL COMMUNITY EDUCATION REVENUE.] Community education revenue equals the sum of a district's general community education revenue, youth development plan revenue, and youth service program revenue.

Subd. 2. [ELIGIBILITY.] To be eligible for community education revenue, a district must:

(1) operate a community education program that complies with section 121.88; and

(2) file a certificate of compliance with the commissioner of education. The certificate of compliance shall certify that a meeting was held to discuss methods of increasing cooperation among the governing boards of each county, city, and township in which the district, or any part of the district, is located, and that each governing board was sent a written notice of the meeting at least 15 working days before the meeting. The failure of a governing board to attend the meeting shall not affect the authority of the district to obtain community education revenue.

Subd. 3. [GENERAL COMMUNITY EDUCATION REVENUE.] For fiscal year 1991 and thereafter, the general community education revenue for a district equals \$5.95 times the population of the district or \$7,941, whichever is greater. The population of the district is determined according to section 275.14.

Subd. 3a. [1990 GENERAL COMMUNITY EDUCATION REVENUE.] For fiscal year 1990, the general community education revenue for each district equals \$5.75 times the population of the district or \$7,674, whichever is greater.

Subd. 4. [YOUTH DEVELOPMENT PLAN REVENUE.] Youth development plan revenue for a district with a plan approved by the school board equals 50 cents times the population of the district or \$660, whichever is greater.

Subd. 5. [YOUTH SERVICE REVENUE.] Youth service program revenue is available to a district that has implemented a youth development plan and a youth service program. Youth service revenue equals 50 cents times the population of the district or \$660, whichever is greater.

Subd. 6. [COMMUNITY EDUCATION LEVY.] To obtain community education revenue, a district may levy the amount raised by a gross tax capacity rate of 0.7 percent times the adjusted gross tax capacity of the district for taxes payable in 1990 or a net tax capacity rate of .88 percent times the adjusted net tax capacity of the district for taxes payable in 1991 and thereafter. If the amount of the community education levy would exceed the community education revenue, the community education levy shall equal the community education revenue.

Subd. 7. [COMMUNITY EDUCATION AID.] A district's community education aid is the difference between its community education revenue and the community education levy. If the district does not levy the entire amount permitted, the community education aid shall be reduced in proportion to the actual amount levied.

Subd. 8. [USES OF GENERAL REVENUE.] General community education revenue may be used for:

- (1) nonvocational, recreational, and leisure time activities and programs;*
- (2) handicapped adult programs, if the programs and budgets are approved by the department of education;*
- (3) adult basic education programs, according to section 124.26;*
- (4) summer programs for elementary and secondary pupils;*
- (5) implementation of a youth development plan;*
- (6) implementation of a youth service program;*
- (7) early childhood family education programs, according to section 121.882; and*
- (8) extended day programs, according to section 121.88, subdivision 10.*

Subd. 9. [USE OF YOUTH REVENUE.] Youth development revenue may be used only to implement the youth development plan approved by the school board. Youth service revenue may be used only to provide a youth service program according to section 121.88, subdivision 9.

Sec. 7. [124.2714] [ADDITIONAL COMMUNITY EDUCATION REVENUE.]

A district that is eligible under section 6, subdivision 2, may levy an amount up to the amount authorized by Minnesota Statutes 1986, section 275.125, subdivision 8, clause (2). The proceeds of the levy may be used for the purposes set forth in section 6, subdivision 8.

Sec. 8. [124.2715] [HANDICAPPED ADULT REVENUE.]

Subdivision 1. [REVENUE AMOUNT.] A district that is eligible according to section 6, subdivision 2, may receive revenue for a handicapped adult program. Handicapped adult program revenue for a district or a group of districts equals the lesser of:

- (1) the actual expenditures for approved programs and budgets; or*
- (2) \$60,000.*

Subd. 2. [AID.] Handicapped adult program aid equals the lesser of:

- (1) one-half of the actual expenditures for approved programs and budgets; or*
- (2) \$30,000.*

Subd. 3. [LEVY.] A district may levy for a handicapped adult program an amount up to the amount designated in subdivision 2. In the case of a program offered by a group of districts, the levy amount shall be apportioned among the districts according to the agreement submitted to the department of education.

Subd. 4. [OUTSIDE REVENUE.] A district may receive money from public or private sources to supplement handicapped adult program revenue. Aid may not be reduced as a result of receiving money from these sources.

Subd. 5. [USE OF REVENUE.] Handicapped adult program revenue may be used only to provide handicapped adult programs.

Sec. 9. Minnesota Statutes 1988, section 275.14, is amended to read:
275.14 [CENSUS.]

For the purposes of sections 6 and 275.11 to 275.16, the population of a city shall be that established by the last federal census, by a special census taken by the United States Bureau of the Census, by an estimate made by the metropolitan council, or by the state demographer made according to section 116K.04, subdivision 4, whichever has the latest stated date of count or estimate, before July 2 of the current levy year. The population of a school district must be ~~determined by~~ *as certified by the department of education from the most recent federal census.*

In any year in which no federal census is taken pursuant to law in any school district affected by sections 275.11 to 275.16 a population estimate may be made and submitted to the state demographer for approval as hereinafter provided. The school board of a school district, in case it desires a population estimate, shall pass a resolution by September 1 containing a current estimate of the population of the school district and shall submit the resolution to the state demographer. The resolution shall describe the criteria on which the estimate is based and shall be in a form and accompanied by the data prescribed by the state demographer. The state demographer shall determine whether or not the criteria and process described in the resolution provide a reasonable basis for the population estimate and shall inform the school district of that determination within 30 days of receipt of the resolution. If the state demographer determines that the criteria and process described in the resolution do not provide a reasonable basis for the population estimate, the resolution shall be of no effect. If the state demographer determines that the criteria and process do provide a reasonable basis for the population estimate, the estimate shall be treated as the population of the school district for the purposes of sections 275.11 to 275.16 until the population of the school district has been established by the next federal census or until a more current population estimate is prepared and approved as provided herein, whichever occurs first. The state demographer shall establish guidelines for acceptable population estimation criteria and processes. The state demographer shall issue advisory opinions upon request in writing to cities or school districts as to proposed criteria and processes prior to their implementation in an estimation. The advisory opinion shall be final and binding upon the demographer unless the demographer can show cause why it should not be final and binding.

In the event that a census tract employed in taking a federal or local census overlaps two or more school districts, the county auditor shall, on the basis of the best information available, allocate the population of said census tract to the school districts involved.

The term "council," as used in sections 275.11 to 275.16, means any board or body, whether composed of one or more branches, authorized to make ordinances for the government of a city within this state.

Sec. 10. [COMMUNITY EDUCATION LEVY INCREASE FOR 1990.]

A district may levy in 1989 an amount equal to the difference between the amount the district could have levied in 1988, if section 6 had been in effect, and the amount the district could have levied in 1988 under Minnesota Statutes, section 275.125, subdivision 8, paragraph (a) or (b). Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy must be recognized as revenue for fiscal year 1990.

PART B

HEALTH AND DEVELOPMENTAL SCREENING

Sec. 11. [123.706] [EARLY CHILDHOOD SCREENING.]

Subdivision 1. [OBJECTIVES.] The objectives of an early childhood screening program are to:

- (1) detect health and developmental conditions that may impede learning;*
- (2) encourage further assessment, if needed; and*
- (3) refer children to appropriate programs.*

Subd. 2. [SCREENING.] Early childhood screening is a program for making a preliminary determination whether a child has a health or developmental condition that may impede learning. After screening, a child who may have such a condition is referred to a qualified individual or organization for assessment.

Subd. 3. [PROGRAM AVAILABLE.] Beginning in fiscal year 1994, a school district shall make a screening program available to children who are three years old and older but who have not entered kindergarten. No child may be required to be screened. A district shall follow up on referrals to determine whether a child needs or has obtained additional services. To the extent possible, a district shall cooperate with public and private organizations in the community to deliver, finance, and provide volunteer and in-kind services.

Subd. 3a. [DISTRICT OPTIONS DURING INTERIM YEARS.] During fiscal years 1990, 1991, 1992, and 1993, a school district may conduct a screening program according to this section. A school district shall continue to conduct a screening program according to sections 123.702 and 123.704.

Subd. 4. [REQUIREMENTS FOR ALL CHILDREN.] The following must be available for all children who are screened:

- (1) developmental screening;*
- (2) vision and hearing screening;*
- (3) height and weight assessment;*
- (4) immunization review and immunizations;*
- (5) review of health and family history;*
- (6) identification of additional health and developmental factors that may influence learning;*
- (7) a summary interview with the parent;*
- (8) referral for assessment when potential needs are identified; and*
- (9) referral to a qualified health, developmental, education, or social service provider.*

Subd. 5. [REQUIREMENTS FOR CERTAIN CHILDREN.] (a) Additional services must be offered to children:

- (1) who have not had a physical examination within one year; or*
- (2) for whom information from a physical examination conducted within one year cannot be provided by the parent.*

(b) The following must be available for the children described in paragraph (a):

- (1) nutrition assessment;*
- (2) physical examination;*
- (3) laboratory tests;*
- (4) oral inspection and dental referral; and*
- (5) any other service required by medical assistance rules set forth in Minnesota Rules, parts 9505.0275 and 9505.1693 to 9505.1748.*

Services in this subdivision may be offered in conjunction with the screening program or provided by a public or private individual or health care organization within 30 days before the screening program.

Subd. 6. [DEVELOPMENTAL SCREENING.] Developmental screening, according to subdivision 4, clause (1), must be conducted by an individual who is licensed as, or has the equivalent training of, a special education teacher, school psychologist, kindergarten teacher, prekindergarten teacher, school nurse, public health nurse, registered nurse, or physician. The individual may be a volunteer.

Subd. 7. [DATA PRIVACY.] Data on individuals collected in a screening program is private, as defined in section 13.02, subdivision 12. Summary data shall be reported by the health provider who performs the screening to the school district for the purposes of developing educational and health programs. If the child's parent or guardian consents in writing, individual data shall also be reported.

Subd. 8. [STATE AGENCY COOPERATION.] The commissioner of education shall consult regularly with the commissioners of human services, health, and jobs and training, about the development of effective policies, practices, and cooperative arrangements to maximize the participation of preschool children and in follow-up services to enhance their health, preparation for formal education, and family nurturing. The commissioners of education and human services shall assist school districts in identifying children eligible for medical assistance or the children's health plan, providing outreach, and providing or paying for services with medical assistance or other available money, including private insurance.

Sec. 12. [124.2718] [HEALTH AND DEVELOPMENTAL SCREENING AID.]

Subdivision 1. [ELIGIBILITY FOR AID.] A district is eligible for screening aid if the district establishes and maintains procedures:

- (1) to coordinate services with or obtain reimbursement from the medical assistance program and the children's health plan; and*
- (2) after July 1, 1990, to process claims to obtain reimbursement from private health insurance and health maintenance organizations.*

Subd. 2. [FOUR-, FIVE-, AND SIX-YEAR-OLD AID.] A district is eligible for aid under this subdivision if it:

- (1) complies with sections 123.702 and 123.704 or with section 11;*
- (2) does not screen children who were previously screened without professional justification; and*
- (3) screens a total number of children ages four and older that is not more than the number of children of any single age group.*

A district shall receive \$8.15 for each child screened who is four, five, or six years old but has not entered kindergarten.

Subd. 3. [FY 1991 AID FOR THREE-YEAR-OLDS.] Beginning in fiscal year 1991, a district is eligible for three-year-old screening aid if:

- (1) the district is enrolled in the medical assistance program as a provider of early periodic screening, diagnosis, and treatment services;*
- (2) the screening program complies with rules of the department of human services for early periodic screening, diagnosis, and treatment set forth in Minnesota Rules, parts 9505.0275 and 9505.1693 to 9505.1748;*
- (3) the district complies with section 11;*
- (4) the district provides assurances that no age cohort has been denied screening; and*
- (5) the district cooperates with human service agencies to encourage and facilitate timely enrollment of eligible children in the medical assistance program or the children's health plan.*

For each three-year-old child screened who is enrolled in the medical assistance program or the children's health plan, a district shall receive \$4. For each child who is covered by private health insurance or a health maintenance organization, a district shall receive \$30 minus the reimbursement the district is eligible to receive, but not less than \$4. Failure to process a claim for private health insurance or a health maintenance organization for a child does not alter the reduction. For each child who is not enrolled in the medical assistance program or the children's health plan and who is not covered by private health insurance or a health maintenance organization, a district shall receive \$30.

Subd. 3a. [FY 1990 THREE-YEAR-OLD AID.] During fiscal year 1990, a district is eligible for three-year-old screening aid if:

- (1) the district is enrolled in the medical assistance program as a provider of early periodic screening, diagnosis, and treatment services;*
- (2) the screening program complies with rules of the department of human services for early periodic screening, diagnosis, and treatment set forth in Minnesota Rules, parts 9505.0275 and 9505.1693 to 9505.1748; and*
- (3) the district complies with section 11.*

A district that is enrolled according to clause (1) on April 24, 1989, shall receive up to \$30 for each three-year-old child screened. A district that enrolls according to clause (1) during fiscal year 1990 shall receive up to \$30 for a percentage of the number of three-year-old children in the district. The department shall determine the percentage according to the appropriation for screening aid for fiscal year 1990.

For each three-year-old child screened who is enrolled in the medical assistance program or the children's health plan, a district shall receive \$4. For each child who is covered by private health insurance or a health maintenance organization, a district shall receive \$30 minus the reimbursement the district is eligible to receive, but not less than \$4. Failure to process a claim for private health insurance or a health maintenance organization for a child does not alter the reduction. For each child who is not enrolled in the medical assistance program or the children's health plan and who is not covered by private health insurance or a health maintenance organization, a district shall receive \$30.

Subd. 4. [DISTRICT INFORMATION.] To receive screening aid, a district or a group of districts must submit information on a form provided by the department of education.

Sec. 13. [HEALTH AND DEVELOPMENT SCREENING.]

By November 15, 1990 and 1991, the commissioner of education shall report to the education committees of the legislature about the health and developmental screening program.

Sec. 14. [REALLOCATE DURING FISCAL 1990 OR CARRY-OVER.]

During fiscal year 1990 the commissioner may reallocate money to districts that request additional money to serve a higher percentage of the eligible children or carry money forward into fiscal year 1991, as determined by the commissioner.

PART C

ADULT BASIC EDUCATION

Sec. 15. Minnesota Statutes 1988, section 124.26, subdivision 1c, is amended to read:

Subd. 1c. [PROGRAM APPROVAL.] ~~A district receiving~~ To receive aid under this section, a district must ~~have its program~~ submit an application by June 1 describing the program, on a form provided by the department. The program must be approved by the commissioner according to the following criteria:

- (1) how the needs of ~~all~~ different levels of learners learning will be met;*
- (2) for continuing programs, an evaluation of results;*
- (3) anticipated number and education level of participants;*
- (4) coordination with other resources and services;*
- (5) participation in a consortium, if any, and ~~funds~~ money available from other participants;*
- (6) management and program design;*
- (7) volunteer training and use of volunteers;*
- (8) staff development services;*
- (9) program sites and schedules; and*
- (10) program expenditures that qualify for aid.*

The commissioner may contract with a private, nonprofit organization to provide services that are not offered by a district or that are supplemental to a district's program. The program provided under a contract must be

approved according to the same criteria used for district programs.

Sec. 16. Minnesota Statutes 1988, section 124.26, subdivision 7, is amended to read:

Subd. 7. [~~ADULT BASIC AND CONTINUING EDUCATION AID.~~] Each district shall receive aid for approved adult basic ~~and continuing~~ education programs equal to 75 percent of the salary for each teacher, counselor, coordinator of volunteers, and nonlicensed instructional staff. In addition, the state shall pay aid equal to 75 percent of the expenditures for benefits, contracted services, supplies, and materials. Expenditures for which the district receives federal aid shall not qualify for state aid. *Up to five percent of the combined state and federal aid may be for the administrative costs of coordinating services with human services, employment, training, corrections, or other agencies providing educational services to adults.*

Sec. 17. Minnesota Statutes 1988, section 124.26, is amended by adding a subdivision to read:

Subd. 8. [ADULT BASIC EDUCATION LEVY.] *To obtain adult basic education aid, a district may levy an amount not to exceed the amount raised by a gross tax capacity rate of .16 percent times the adjusted gross tax capacity of the district for the preceding year for taxes payable in 1990 or a net tax capacity rate of .20 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 1991 and thereafter.*

Sec. 18. [129B.13] [INTERAGENCY ADULT LEARNING ADVISORY COUNCIL AND GRANTS.]

Subdivision 1. [SPECIFIC GOALS.] The interagency adult learning initiative is intended to:

(1) increase the number of adults improving their basic skills and completing general educational development, high school diploma, and technical skills training programs;

(2) reduce the dropout rate in adult programs by ensuring that transportation, child care, and other barriers to learning are addressed;

(3) be a catalyst to upgrade existing adult education programs;

(4) expand cooperation among education, human services, and job training agencies; and

(5) support employer, labor union, or other initiatives to improve employed workers' basic skills.

Subd. 2. [MEMBERS; MEETINGS; OFFICERS.] *The interagency adult learning advisory council shall have 16 to 18 members. Members must have experience in educating adults or in programs addressing welfare recipients and incarcerated, unemployed, and underemployed people.*

The members of the interagency adult learning advisory council are appointed by the state board of education. Recommendations may be made as follows:

(1) one member by the commissioner of education;

(2) one member by the commissioner of jobs and training;

(3) one member by the commissioner of human services;

(4) one member by the director of the refugee and immigrant assistance division of the department of human services;

(5) one member by the commissioner of corrections;

(6) one member by the commissioner of the state planning agency;

(7) one member by the director of the state board of vocational technical education;

(8) one member by the chancellor of community colleges;

(9) one member by the Minnesota adult literacy campaign or by another nonprofit literacy organization, as designated by the commissioner of education;

(10) one member by the council on Black Minnesotans;

(11) one member by the Spanish-speaking affairs council;

(12) one member by the council on Asian-Pacific Minnesotans;

(13) one member by the Indian affairs council; and

(14) one member by the disability council.

Up to four additional members of the council may be nominated by the participating agencies. Based on the council's recommendations, the state board of education must appoint at least two, but not more than four, additional members. Nominees shall include, but are not limited to, representatives of local education, government, nonprofit agencies, employers, labor organizations, and libraries.

The council shall elect its officers.

Subd. 3. [STAFF] The commissioner of education shall provide space and administrative services to the council.

Subd. 4. [COMPENSATION.] Compensation of members is governed by section 15.059, subdivision 6.

Subd. 5. [EXPIRATION DATE.] The advisory council expires on June 30, 1995.

Subd. 6. [COUNCIL RESPONSIBILITIES.] The responsibilities of the council are to make recommendations to:

(1) coordinate planning and activities of participating agencies;

(2) assist program coordination at the local level;

(3) develop policy recommendations on adult literacy for the state, and make recommendations to the participating commissioners and the state board;

(4) establish standards for effective programs and promote statewide implementation of such standards;

(5) award grant funds;

(6) evaluate programs funded by the state; and

(7) provide technical assistance and staff development services, in coordination with participating agencies.

Subd. 7. [TARGETED ADULT LITERACY GRANTS.] The council may make recommendations to award grants to qualified programs to serve

people who are on public assistance, are unemployed, or underemployed and who:

- (1) are functioning below the eighth grade level;*
- (2) have not completed high school or a GED program;*
- (3) need basic skills remediation for employment, occupational training, or post-secondary education; or*
- (4) do not speak English.*

The council may prioritize funding for services for people described in clause (1) or to persons with learning disabilities.

Priority must be given to qualified programs for the recipients of aid to families with dependent children who are identified for self-sufficiency services under section 256.736, and qualified programs for recipients of general assistance or work readiness assistance.

Subd. 8. [STANDARDS FOR QUALIFIED PROGRAMS.] (a) Except as provided in paragraph (b) and subdivision 9, a program qualifying for a grant must:

- (1) be directed to the unemployed, the underemployed, the incarcerated, public assistance recipients, or to non-English speaking immigrants;*
- (2) integrate learning and support services such as child care, transportation, and counseling;*
- (3) have intensive learning that maximizes the weekly hours available to learners;*
- (4) be accessible year-round and during daytime or evening hours as needed, except where otherwise appropriate to learners' needs;*
- (5) have individualized learning plans and outcome based learning;*
- (6) provide instruction in transferable basic skills;*
- (7) have context based learning linked to individual occupational or self-sufficiency goals;*
- (8) provide for reporting and evaluation;*
- (9) have appropriate coordination and differentiation of services among adult literacy services and agencies in the local area;*
- (10) be coordinated with human services and employment and training agencies, as appropriate to the target population; and*
- (11) maximize use of available local resources.*

(b) The state board may waive a standard because of client need or local conditions. The reason for the waiver must be documented.

Subd. 9. [INNOVATION GRANTS.] The state board may award grants for innovative programs. An innovation grant need not comply with the standards in subdivision 8. The nature and extent of the proposed innovation must be described in the award.

Subd. 10. [NO FUNDING REQUIRED.] The state board need not award a grant for any proposal that, in the determination of the state board, does not meet the standards in subdivision 8.

Subd. 11. [ELIGIBLE GRANTEES.] To be eligible for a grant, one or

more public agencies, or public or private nonprofit organizations, must submit a plan to create or maintain a qualified program. A profit-making organization cannot receive a grant but may be a subcontractor on a grant.

Grantees may not reduce existing expenditure levels for the target population.

Subd. 12. [GEOGRAPHIC DISTRIBUTION.] The state board shall seek to award grants throughout the state, taking into account the incidence of the target population. It shall provide technical assistance to local agencies to enhance fulfillment of this subdivision.

Subd. 13. [SUPPLEMENTAL GRANTS.] A grant may supplement existing local programs by financing additional services or hours of instruction.

Subd. 14. [GRANT SCHEDULE.] The state board must award initial grants by April 1, 1990. Beginning in 1991, grants must be awarded by July 1 of each year. Grants may be awarded for a period not to exceed 24 months.

Subd. 15. [LOCAL AND REGIONAL JOINT PLANNING.] The state board may require grant applicants and existing adult basic education providers in a locality to present a joint services plan as a condition of receiving a grant under this section.

Subd. 16. [REPORTING AND EVALUATION.] The state board shall evaluate the performance of the grantees and report to the legislature by November 15 of each year, except that a preliminary report may be submitted by February 15, 1991.

Sec. 19. [CONVENING THE INTERAGENCY ADULT LEARNING COUNCIL.]

The state board of education shall convene the state agency members of the interagency adult learning council on an interim basis by August 1, 1989, and the full council by September 1, 1989.

Sec. 20. [ADULT BASIC EDUCATION LEVY INCREASE FOR 1990.]

A district may levy in 1989 an amount equal to the difference between what the district could have levied in 1988 if Minnesota Statutes, section 124.26, subdivision 8, had been in effect and the district's actual levy in 1988 under Minnesota Statutes, section 275.125, subdivision 8, paragraph (d). Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy must be recognized as revenue for fiscal year 1990.

PART D

APPROPRIATIONS AND REPEALER

Sec. 21. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] Except as otherwise provided, the sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [ADULT BASIC EDUCATION AID.] For adult basic education aid according to Minnesota Statutes, section 124.26:

\$4,780,000 1990,

\$5,043,000 1991.

The 1990 appropriation includes \$638,000 for 1989 and \$4,142,000 for

1990.

The 1991 appropriation includes \$731,000 for 1990 and \$4,312,000 for 1991.

Up to \$200,000 each year may be used for contracts with private, non-profit organizations for approved programs.

Subd. 3. [ADULT HANDICAPPED PROGRAM AID.] For handicapped adult programs according to Minnesota Statutes, section 124.271:

\$610,000 1990,

\$670,000 1991.

Any unexpended balance remaining from the appropriations in this sub-division for 1990 does not cancel and is available for the second year of the biennium.

Subd. 4. [COMMUNITY EDUCATION AID.] For community education aid according to Minnesota Statutes, section 124.271:

\$4,523,000 1990,

\$5,222,000 1991.

The 1990 appropriation includes \$516,000 for 1989 and \$4,007,000 for 1990.

The 1991 appropriation includes \$708,000 for 1990 and \$4,514,000 for 1991.

Subd. 5. [EARLY CHILDHOOD FAMILY EDUCATION AID.] For early childhood family education aid according to Minnesota Statutes, section 124.2711:

\$9,424,900 1990,

\$9,572,000 1991.

The 1990 appropriation includes \$1,235,000 for 1989 and \$8,189,900 for 1990.

The 1991 appropriation includes \$1,445,300 for 1990 and \$8,126,700 for 1991.

Subd. 6. [HEALTH AND DEVELOPMENTAL SCREENING AID.] For health and developmental screening aid:

\$819,000 1990,

\$1,829,000 1991.

The 1990 appropriation includes \$60,000 for 1989 and \$759,000 for 1990.

The 1991 appropriation includes \$134,000 for 1990 and \$1,695,000 for 1991.

Any unexpended balance for fiscal year 1990 does not cancel but is available for fiscal year 1991.

Subd. 7. [HEARING IMPAIRED SUPPORT SERVICES AID.] For payment of support services for hearing impaired persons:

\$70,000 1990,

\$70,000 1991.

Subd. 8. [ADULT LITERACY GRANTS.] For grants awarded by the interagency adult literacy council:

\$800,000 1990,

\$1,000,000 1991.

\$50,000 each year is appropriated for technical assistance to employers.

Sec. 22. [REPEALER.]

Subdivision 1. Minnesota Statutes 1988, sections 123.703; 123.705; 124.271, subdivisions 2b, 3, 4, and 7; 129B.48; and 275.125, subdivision 8, are repealed July 1, 1989. Sections 6, subdivision 3a; and 12, subdivision 3a, are repealed July 1, 1990. Minnesota Statutes, sections 123.702 and 123.704, and section 11, subdivision 3a, are repealed July 1, 1993. Section 18 is repealed June 30, 1995.

Subd. 2. Notwithstanding the repeal of Minnesota Statutes, section 123.703, the rules of the state board of education adopted under the authority of Minnesota Statutes, section 123.703, remain in effect until amended or superseded.

Sec. 23. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment.

ARTICLE 5

EDUCATION FACILITIES

Section 1. Minnesota Statutes 1988, section 123.36, subdivision 1, is amended to read:

Subdivision 1. According to section 11 or 12, when funds are available therefor, the board may locate and acquire necessary sites of schoolhouses or enlargements, or additions to existing schoolhouse sites by lease, purchase or condemnation under the right of eminent domain; it may erect schoolhouses thereon; it may erect or purchase garages for district-owned school buses. When property is taken by eminent domain by authority of this subdivision when needed by the school district for such purposes, the fact that the property so needed has been acquired by the owner under the power of eminent domain or is already devoted to public use, shall not prevent its acquisition by the school district. The board may sell or exchange schoolhouses or sites, and execute deeds of conveyance thereof.

Sec. 2. Minnesota Statutes 1988, section 123.36, subdivision 13, as amended by 1989 H.F. No. 141, section 10, is amended to read:

Subd. 13. [PROCEEDS OF SALE OR EXCHANGE.] Proceeds of the sale or exchange of school buildings or real property of the school district shall be used as provided in this subdivision.

~~(1)~~ *(a) In districts with outstanding bonds, the proceeds of the sale or exchange shall first be deposited in the debt retirement fund of the district in an amount sufficient to meet when due that percentage of the principal and interest payments for outstanding bonds which is ascribable to the payment of expenses necessary and incidental to the construction or purchase of the particular building or property which is sold.*

~~(2)~~ *(b) After satisfying the requirements of ~~clause (1)~~ paragraph (a), a district with outstanding bonds may deposit proceeds of the sale or exchange in its capital expenditure fund if the amount deposited is used for the*

following:

~~(a) for expenditures for the removal of asbestos from school buildings or property or for asbestos encapsulation, if the method for asbestos removal or encapsulation is approved by the department of education;~~

~~(b) (1) for expenditures for the cleanup of polychlorinated biphenyls, if the method for cleanup is approved by the department of education;~~

~~(e) (2) for capital expenditures for the betterment, as defined in section 475.51, subdivision 8, of district-owned school buildings, other than as provided in clause (a); or~~

~~(d) (3) to replace the building or property sold.~~

~~The amount of the proceeds used for the purposes specified in clauses (a) and (b) shall be deducted from the levy limitation computed for the levy authorized in section 124.83, subdivision 4, in the first year after the deposit and from levy limitations computed for this levy in succeeding years until the entire amount is deducted.~~

~~(3) (c) In a district with outstanding bonds, the amount of the proceeds of the sale or exchange remaining after the application of clauses (1) and (2) paragraphs (a) and (b), which is sufficient to meet when due that percentage of the principal and interest payments for the district's outstanding bonds which is not governed by clause (1) paragraph (a), shall be deposited in the debt retirement fund.~~

~~(4) (d) Any proceeds of the sale or exchange remaining in districts with outstanding bonds after the application of clauses (1), (2), and (3) paragraphs (a), (b), and (c), and all proceeds of the sale or exchange in districts without outstanding bonds shall be deposited in the capital expenditure fund of the district.~~

~~(5) (e) Notwithstanding clauses (2) and (3) paragraphs (b) and (c), a district with outstanding bonds may deposit in its capital expenditure fund and use for any lawful capital expenditure without the reduction of any levy limitation the same percentage of the proceeds of the sale or exchange of a building or property as the percentage of the initial cost of purchasing or constructing the building or property which was paid using revenue from the capital expenditure fund.~~

~~(6) Every district which sells or exchanges a building or property shall report to the commissioner in the form and at the time the commissioner prescribes on the disposition of the proceeds of the sale or exchange.~~

Sec. 3. Minnesota Statutes 1988, section 124.243, subdivision 2, is amended to read:

Subd. 2. [CAPITAL EXPENDITURE FACILITIES REVENUE.] Capital expenditure facilities revenue for a district equals the lesser of:

(1) ~~\$137~~ \$130 times its actual pupil units for the school year; or

(2) the difference between \$400 times the actual pupil units for the school year and the unreserved balance in the capital expenditure facilities account on June 30 of the second prior school year. For the purpose of determining revenue for the 1989-1990 and the 1990-1991 school years, the unreserved balance in the capital expenditure facilities account on June 30 of the second prior school year is zero.

Sec. 4. Minnesota Statutes 1988, section 124.243, subdivision 3, is

amended to read:

Subd. 3. [CAPITAL EXPENDITURE FACILITIES LEVY.] To obtain capital expenditure facilities revenue, a district may levy an amount not to exceed the capital expenditure facilities revenue determined in subdivision 2 multiplied by the lesser of one, or the ratio of:

(1) the quotient derived by dividing the adjusted gross tax capacity of the district for the year preceding the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable, to

(2) ~~75~~ 70 percent of the equalizing factor for the school year to which the levy is attributable.

Sec. 5. Minnesota Statutes 1988, section 124.244, subdivision 1, is amended to read:

Subdivision 1. [REVENUE AMOUNT.] The capital expenditure equipment revenue for each district equals ~~\$70~~ \$65 times its actual pupil units counted according to section 124.17, subdivision 1, for the school year.

Sec. 6. Minnesota Statutes 1988, section 124.244, subdivision 2, is amended to read:

Subd. 2. [CAPITAL EXPENDITURE EQUIPMENT LEVY.] To obtain capital expenditure equipment revenue, a district may levy an amount not to exceed the district's capital expenditure equipment revenue as determined in subdivision 1 multiplied by the lesser of one, or the ratio of:

(1) the quotient derived by dividing the adjusted gross tax capacity of the district for the year preceding the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable, to

(2) ~~75~~ 70 percent of the equalizing factor for the school year to which the levy is attributable.

Sec. 7. Minnesota Statutes 1988, section 124.245, subdivision 3b, is amended to read:

Subd. 3b. [HAZARDOUS SUBSTANCE REVENUE AND AID.] (a) A district's "hazardous substance revenue" *for fiscal year 1989* equals the approved cost of the hazardous substance plan for the ~~school~~ *fiscal year to which the levy is attributable*, minus the unexpended portion of levies certified and aids earned by the district in earlier years under ~~section~~ *sections 124.245, subdivision 3, and 275.125, subdivision 11c.*

(b) A district's "hazardous substance levy limitation" means its levy limitation computed according to section 275.125, subdivision 11c.

(c) A district's "hazardous substance aid" for 1988-1989 and later school years equals:

(i) the difference between its hazardous substance revenue and its hazardous substance levy limitation for the levy for that school year, multiplied by

(ii) the ratio of the amount actually levied to the amount of its hazardous substance levy limitation.

(d) Aid paid under this subdivision may be used only for the purposes

for which the proceeds of the levy authorized in section 275.125, subdivision 11c, may be used.

(e) In the event that the aid available for any year is prorated, a district having its aid prorated may levy an additional amount equal to the amount not paid by the state due to proration.

Sec. 8. Minnesota Statutes 1988, section 124.83, subdivision 3, is amended to read:

Subd. 3. [HEALTH AND SAFETY REVENUE.] A district's health and safety revenue *for a fiscal year* equals ~~the approved cost of the health and safety program for the school year to which the levy is attributable, minus the unexpended portion of levies certified by the district in earlier years under section 275.125, subdivision 11c:~~

(1) *the sum of (a) the total approved cost of the district's hazardous substance plan for fiscal years 1985 to 1989, plus (b) the total approved cost of the district's health and safety program for fiscal year 1990 to the fiscal year for which the revenue is attributable, minus*

(2) *the sum of (a) the district's total hazardous substance aid and levy for fiscal years 1985 to 1989 under sections 124.245, subdivision 3, and 275.125, subdivision 11c, plus (b) the district's health and safety revenue under this subdivision, for years prior to the fiscal year for which the revenue is attributable, plus (c) the amount of any other federal, state, or local receipts for the district's hazardous substance or health and safety programs for fiscal year 1985 to the fiscal year for which the revenue is attributable.*

Sec. 9. Minnesota Statutes 1988, section 124.83, subdivision 4, is amended to read:

Subd. 4. [HEALTH AND SAFETY LEVY.] To receive health and safety revenue, a district may levy an amount equal to the district's health and safety revenue as defined in subdivision 3 multiplied by the lessor of one, or the ratio of:

(1) *the quotient derived by dividing the adjusted gross tax capacity of the district for the year preceding the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable, to*

(2) ~~75~~ *70* percent of the equalizing factor for the school year to which the levy is attributable.

Sec. 10. Minnesota Statutes 1988, section 124.83, subdivision 6, is amended to read:

Subd. 6. [USES OF HEALTH AND SAFETY REVENUE.] Health and safety revenue may be used only for *approved* expenditures necessary to correct fire safety hazards, life safety hazards, or for the removal or encapsulation of asbestos from school buildings or property, asbestos-related repairs, cleanup and disposal of polychlorinated biphenyls found in school buildings or property, or the cleanup, removal, disposal, and repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01.

Sec. 11. Minnesota Statutes 1988, section 275.125, subdivision 11d, is amended to read:

Subd. 11d. [EXTRA CAPITAL EXPENDITURE LEVY FOR LEASING BUILDINGS.] When a district finds it economically advantageous to rent or lease a building, *or to purchase a building and site under an installment purchase agreement, lease purchase agreement, or any other deferred payment agreement authorized under section 465.71, for a secondary vocational cooperative program* any instructional purposes and it determines that the capital expenditure facilities revenues authorized under section 124.243 are insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease *or agreement*, and a description of the space to be leased *or purchased according to any type of deferred payment agreement*, and its proposed use. The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the ~~leased~~ building, conformity of the lease *or agreement* to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease *or agreement* to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing *or purchasing* a building for approved purposes. The proceeds of this levy must not be used for ~~leasing or renting a facility owned by a district~~ or for custodial or other maintenance services *or to purchase a building newly constructed under an installment purchase agreement, lease purchase agreement, or any other deferred payment agreement authorized under section 465.71.*

Sec. 12. Minnesota Statutes 1988, section 465.71, is amended to read:

465.71 [INSTALLMENT AND LEASE PURCHASES; CITIES; COUNTIES; SCHOOL DISTRICTS.]

A home rule charter city, statutory city, county, town, or school district may purchase real or personal property under an installment contract, or lease *real or personal property* with an option to purchase under a lease purchase agreement, by which contract or agreement title is retained by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any, but such purchases are subject to statutory and charter provisions applicable to the purchase of real or personal property. For purposes of the bid requirements contained in section 471.345, "the amount of the contract" shall include the total of all lease payments for the entire term of the lease under a lease-purchase agreement. The obligation created by a lease purchase agreement *or installment contract* shall not be included in the calculation of net debt for purposes of section 475.53, *shall be deemed to constitute the issuance of an obligation under section 475.58, subdivision 1, clause (6),* and shall not constitute debt under any other statutory provision. No election shall be required in connection with the execution of a lease purchase agreement *or installment contract* authorized by this section. The city, county, town, or school district shall have the right to terminate a lease purchase agreement at the end of any fiscal year during its term.

Sec. 13. Laws 1959, chapter 462, section 3, subdivision 10, as renumbered, as amended by Laws 1963, chapter 645, section 3, Laws 1967, chapter 661, section 3, Laws 1969, chapter 994, section 1, Laws 1975, chapter 320, section 1, and Laws 1980, chapter 525, section 2, is amended

to read:

Subd. 10. [SPECIAL SCHOOL DISTRICT NO. 1; MINNEAPOLIS, CITY OF; EXTENDING BONDING AUTHORITY.] As used in this act the word "project" shall mean any proposed new or enlarged school building site, any proposed new school building or any proposed new addition to a school building, and "undertaking" shall mean any other purpose for which bonds may be issued as authorized in this subdivision. Subject to the limitations of subdivision 11, the special independent school district of Minneapolis may issue and sell bonds with the approval of 53 percent of the electors voting on the question at a general school district election or at a school district election held at the same time and place within the district as a state general or primary election, as determined by the board of education. Subject to the provisions of subdivision 11, the school district may also by a two-thirds majority vote of all the members of its board of education and without any election by the voters of the district, issue and sell in each calendar year bonds of the district in an amount not to exceed one-half of one percent of the assessed value of the taxable property in the district (plus, for each of the calendar years 1980 through 1984 year 1990, an amount not to exceed 50 percent of the amount of indebtedness to be retired during the calendar year \$7,500,000; with an additional provision that any amount of bonds so authorized for sale in a specific year and not sold can be carried forward and sold in the year immediately following); provided, however, that the board shall submit the list of projects and undertakings to be financed by a proposed issue to the city planning commission as provided in subdivision 11(c). All bonds of the school district shall be payable in not more than 20 30 years. The proceeds of the sale of the bonds shall be used only for the rehabilitating, remodeling, expanding and equipping of existing school buildings and for the acquisition of sites, construction and equipping of new school buildings, and for acquisition and betterment purposes, and no part of the proceeds shall be used for maintenance. The provisions of this act shall apply to the issuance and sale of the bonds and to the purposes for which the bonds may be issued notwithstanding any provisions to the contrary in any other existing law relating thereto.

Sec. 14. [INSTRUCTIONS TO THE DEPARTMENT.]

The department of education shall make adjustments to the capital expenditure facilities levy, the capital expenditure equipment levy, and the health and safety levy certified for fiscal year 1991, according to sections 2, 3, 4, 5, and 8, for revenue for fiscal year 1990.

Sec. 15. [RED LAKE FUND TRANSFER.]

By June 30, 1990, independent school district No. 38, Red Lake, may permanently transfer up to \$160,000 from the general fund to the capital expenditure fund to obtain portable classrooms. According to Minnesota Statutes, section 645.023, subdivision 1, clause (a), this section is effective without local approval the day following final enactment.

Sec. 16. [SCHOOL DISTRICT NO. 710 BONDS.]

Subdivision 1. [AUTHORIZATION.] Independent school district No. 710, St. Louis county, may issue bonds in an aggregate principal amount not exceeding \$1,000,000, in addition to any bonds already issued or authorized, to provide funds to construct, equip, furnish, remodel, rehabilitate, and acquire land for school facilities and buildings. The district may spend

the proceeds of the bond sale for those purposes and any architects', engineers', and legal fees incidental to those purposes or the sale. Bonds may be issued under this section without a referendum. Except as permitted by this section, the bonds shall be authorized, issued, sold, executed, and delivered in the manner provided by Minnesota Statutes, chapter 475. An election on the question of issuing the bonds is not required. A resolution of the board levying taxes for the payment of the bonds and interest on them as authorized by this section and pledging the proceeds of the levies for the payment of the bonds and interest on them shall be deemed to be in compliance with the provisions of chapter 475 with respect to the levying of taxes for their payment.

Subd. 2. [APPROPRIATION.] There is annually appropriated from the distribution of taconite production tax revenues to the taconite environmental protection fund pursuant to Minnesota Statutes, section 298.28, subdivision 11, and to the northeast Minnesota economic protection trust pursuant to section 298.28, subdivisions 9 and 11, in equal shares, an amount sufficient to pay when due 100 percent of the principal and interest on the bonds issued pursuant to subdivision 1. If the annual distribution to the northeast Minnesota economic protection trust is insufficient to pay its share after fulfilling any obligations of the trust under Minnesota Statutes, section 298.225 or 298.293, the deficiency shall be appropriated from the taconite environmental protection fund.

Subd. 3. [DISTRICT OBLIGATIONS.] Bonds issued under authority of this section shall be the general obligations of the school district for which its full faith and credit and unlimited taxing powers shall be pledged. If there are any deficiencies in the amount received pursuant to subdivision 2, they shall be made good by general levies, not subject to limit, on all taxable properties in the district in accordance with Minnesota Statutes, section 475.74. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to become due.

Subd. 4. [LEVY LIMITATIONS.] Taxes levied pursuant to this section shall be disregarded in the calculation of any other tax levies or limits on tax levies provided by other law.

Subd. 5. [BONDING LIMITATIONS.] Bonds may be issued under authority of this section notwithstanding any limitations upon the indebtedness of a district, and their amounts shall not be included in computing the indebtedness of a district for any purpose, including the issuance of subsequent bonds and the incurring of subsequent indebtedness.

Subd. 6. [TERMINATION OF APPROPRIATION.] The appropriation authorized in subdivision 2 shall terminate upon payment or maturity of the last of those bonds.

Subd. 7. [LOCAL APPROVAL.] This section is effective for independent school district No. 710, the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 17. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [CAPITAL EXPENDITURE FACILITIES AID.] For capital expenditure facilities aid according to Minnesota Statutes, section 124.243, subdivision 5:

\$33,233,600 1990,

\$40,373,200 1991.

The 1990 appropriation includes \$33,233,600 for 1990.

The 1991 appropriation includes \$5,864,800 for 1990 and \$34,508,400 for 1991.

Subd. 3. [CAPITAL EXPENDITURE EQUIPMENT AID.] For capital expenditure equipment aid according to Minnesota Statutes, section 124.244, subdivision 3:

\$16,616,800 1990,

\$20,186,600 1991.

The 1990 appropriation includes \$16,616,800 for 1990.

The 1991 appropriation includes \$2,932,400 for 1990 and \$17,254,200 for 1991.

Subd. 4. [HEALTH AND SAFETY AID.] For health and safety aid according to Minnesota Statutes, section 124.83, subdivision 5:

\$8,018,300 1990,

\$10,613,300 1991.

The 1990 appropriation includes \$8,018,300 for 1990.

The 1991 appropriation includes \$1,415,000 for 1990 and \$9,198,300 for 1991.

Subd. 5. [CAPITAL EXPENDITURE AID.] For the final adjustment payment of capital expenditure aid according to Minnesota Statutes 1987 Supplement, section 124.244, subdivision 3:

\$5,628,000 1990.

The 1990 appropriation includes \$5,628,000 for 1989.

Subd. 6. [HAZARDOUS SUBSTANCE AID.] For the final adjustment payment of hazardous substance aid under Minnesota Statutes 1987 Supplement, section 124.245, subdivision 3b:

\$9,000 1990.

The 1990 appropriation includes \$9,000 for 1989.

Subd. 7. [FACILITY REMODELING GRANTS.] For a grant to special school district No. 1, Minneapolis, for facility remodeling:

\$250,000 1990.

The grant shall be used to remodel a public building for use as a public school. The remodeled building must meet all the requirements that apply to a school building.

Sec. 18. [REPEALER.]

Minnesota Statutes 1988, sections 124.243, subdivision 4; 129B.71; 129B.72; and 129B.73, are repealed.

Sec. 19. [EFFECTIVE DATE.]

Section 7 is effective the day following final enactment.

ARTICLE 6

EDUCATION ORGANIZATION AND COOPERATION

PART A

COOPERATION

Section 1. Minnesota Statutes 1988, section 122.41, is amended to read:

122.41 [POLICY.]

The policy of the state is to encourage organization of school districts into units of administration to afford better educational opportunities for all pupils, make possible more economical and efficient operation of the schools, and insure more equitable distribution of public school revenue. To this end all area of the state shall be included in an independent or special school district maintaining classified elementary and secondary schools, grades 1 through 12, unless a district has made an agreement with another district or districts as provided in ~~section~~ *sections* 122.535 ~~or~~, 122.541, *or sections 3 to 11.*

Sec. 2. Minnesota Statutes 1988, section 122.541, is amended to read:

122.541 [INTERDISTRICT COOPERATION.]

Subdivision 1. [DISTRICT REQUIREMENTS.] *The school boards of two or more school districts may, after consultation with the department of education, enter into an agreement providing for the:*

(1) discontinuance by a district all districts except one of any of at least the 10th, 11th, and 12th grades kindergarten through 12 or portions of those grades; and the

(2) instruction in a cooperating district of the pupils in the discontinued grades or portions of grades; provided, the board of a district discontinuing a grade pursuant to the agreement in one of the cooperating districts. Each district shall continue to maintain operate a school enrolling pupils in with at least three grades. Before making entering into a final an agreement permitted by this subdivision, the boards shall provide a copy of this agreement to the commissioner of education.

Subd. 2. [AID; TRANSPORTATION.] *A (a) Each district entering into an agreement permitted in subdivision 1 shall:*

(1) continue to count its resident pupils who are educated in a cooperating district as resident pupils in the calculation of pupil units for all purposes, including the calculation of state aids and levy limitations. Notwithstanding section 124.18, subdivision 2, an The agreement permitted by subdivision 1 shall provide for the tuition payments between or among the cooperating districts determine are necessary and equitable to compensate each district for the instruction of nonresident pupils; and.

(2) (b) Each district shall continue to provide transportation and collect transportation aid for its resident pupils pursuant to sections 123.39, 124.223, and 124.225. This clause shall not be construed to prohibit A district from providing may provide some or all transportation to its resident pupils by

contracting with a *cooperating* district ~~that has entered the agreement~~. For purposes of ~~aid calculations pursuant to~~ section 124.225, the commissioner may adjust the base cost per eligible pupil transported to reflect changes in costs resulting from ~~an the agreement which provides for a district to discontinue at least one grade~~.

Subd. 3. [TEACHER DEFINED.] As used in this section, the term "teacher" ~~shall have~~ *has* the meaning given it in section 125.12, subdivision 1.

Subd. 4. [NEGOTIATED PLAN FOR DISCONTINUED TEACHERS.] The school board and exclusive bargaining representative of the teachers in each district discontinuing grades ~~pursuant to an agreement permitted by subdivision 4~~ may negotiate a plan ~~for the assignment to assign or employment employ~~ in a cooperating district or ~~the placement to place~~ on unrequested leave of absence ~~of all~~ teachers whose positions are discontinued as a result of the agreement. The school board and exclusive bargaining representative of the teachers in each district providing instruction to nonresident pupils ~~pursuant to an agreement permitted by subdivision 4~~ may negotiate a plan ~~for the employment of to employ~~ teachers from a cooperating district whose positions are discontinued as a result of the agreement. If ~~such~~ plans are negotiated ~~in cooperating districts~~ and if the boards determine the plans are compatible ~~with one another~~, the boards of ~~the districts~~ shall include the plans in their agreement.

Subd. 5. [COMBINED SENIORITY LIST.] If compatible plans are not negotiated ~~pursuant to subdivision 4~~ before the March 1 preceding any year of the agreement ~~permitted by subdivision 4~~, the cooperating districts shall be governed by ~~the provisions of~~ this subdivision. Insofar as possible, teachers who have acquired continuing contract rights and whose positions are discontinued as a result of the agreement shall be employed by a cooperating district or assigned to teach in a cooperating district as exchange teachers pursuant to section 125.13. If necessary, teachers whose positions are discontinued as a result of the agreement and who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed by a cooperating district, according to a combined seniority list of teachers in the cooperating districts.

Subd. 6. [NOTICE AND HEARING.] Prior to ~~making~~ *entering into* an agreement ~~permitted by subdivision 4~~, the school board of a district ~~participating in the agreement~~ shall consult with the community at an informational meeting. The board shall publish notice of the meeting in the ~~official~~ newspaper ~~of with the greatest circulation in the district~~ and may send written notice of the meeting to parents of pupils who would be affected ~~by the plan~~.

Subd. 7. [MEETING LOCATION.] Notwithstanding any law to the contrary, ~~the school boards of districts with that have~~ an agreement ~~under this section~~ may hold a valid joint meeting at any location that would be permissible for one of the school boards participating in the meeting.

PART B

SHORT-TERM COOPERATION

AND PERMANENT COMBINATION

Sec. 3. [122.241] [COOPERATION AND COMBINATION.]

Subdivision 1. [SCOPE.] Sections 3 to 11 establish procedures for school

boards that adopt, by resolution, a five-year written agreement:

(1) to provide at least secondary instruction cooperatively for at least two years; and

(2) to combine into one district after cooperating.

Subd. 2. [COOPERATION REQUIREMENTS.] Cooperating districts shall:

(1) have a written agreement according to section 2;

(2) all be members of one education district, if any one of the districts is a member; and

(3) all be members of one ECSU, if any one of the districts is a member.

Subd. 3. [COMBINATION REQUIREMENTS.] Combining districts must be contiguous and meet one of the following requirements at the time of combination:

(1) at least two districts with at least 420 resident pupils enrolled in grades 7 through 12 in the combined district and projections, approved by the department of education, of enrollment at least at that level for five years;

(2) at least two districts, each of which qualifies for sparsity revenue under section 124A.22, subdivision 6, and has an isolation index over 30; or

(3) at least three districts with fewer than 420 resident pupils enrolled in grades 7 through 12 in the combined district.

A combination under clause (3) must be approved by the state board of education. The state board shall disapprove a combination under clause (3) if the combination is educationally unsound or would not reasonably enable the districts to fulfill statutory and rule requirements.

Sec. 4. [122.242] [COOPERATION AND COMBINATION PLAN.]

Subdivision 1. [ADOPTION AND STATE BOARD REVIEW.] Each school board must adopt, by resolution, a plan for cooperation and combination. The plan must address each item in this section. The plan must be specific for any item that will occur within three years and may be general or set forth alternative resolutions for an item that will occur in more than three years. The plan must be submitted to the state board of education for review and comment. Every six months, significant modifications and specific resolutions of items must be submitted to the state board for review and comment. In the newspaper with the greatest circulation in the districts proposed for combination, the school board must publish at least a summary of the adopted plans, each significant modification and resolution of items, and each state board review and comment.

Subd. 2. [RULE EXEMPTIONS.] The plan must identify the rules of the state board of education from which the district intends to request exemption, according to Minnesota Rules, part 3500.1000. The plan may provide information about state laws that deter or impair cooperation or combination.

Subd. 3. [BOARD FORMATION.] The plan must state:

(1) whether the new district would have one elected school board or whether it would have one elected school board and one elected board for

each elementary school exercising powers and duties delegated to it by the school board of the entire district;

(2) whether all of the members of each district would become members of the school board of the combined district and, if so, a method to gradually reduce the membership to six or seven; and

(3) if desired, election districts for school board members that include areas from each of the combining districts.

Subd. 4. [ADMINISTRATION.] The plan must provide for:

(1) selection of one superintendent for the combined district at a specified time, according to section 123.34, subdivision 9; and

(2) alterations, if any, in administrative personnel and duties.

Subd. 5. [EMPLOYEES.] The plan must state:

(1) procedures needed, at the time of combination, to combine teachers into one bargaining unit, with the exclusive representative determined according to section 122.532;

(2) procedures needed, at the time of combination, to combine other bargaining units;

(3) procedures to negotiate, with the assistance of the bureau of mediation services, an employment plan for licensed employees affected by the agreement;

(4) procedures to negotiate, with the assistance of the bureau of mediation services, an employment plan for nonlicensed employees affected by the agreement; and

(5) incentives for superintendents, principals, teachers, and other licensed and nonlicensed employees, such as early retirement, severance pay, and health insurance benefits.

Subd. 6. [ACADEMIC PROGRAMS.] The plan must set forth:

(1) elementary curriculum and programs;

(2) increased secondary course offerings in at least communications, mathematics, science, social studies, foreign languages, physical education, health, and career education;

(3) procedures for involving parents, teachers, and other interested people in developing learner outcomes in curricular areas;

(4) procedures for involving teachers in determining levels of learner outcomes;

(5) implications for special education cooperatives, secondary vocational cooperatives, joint powers agreements, education districts, and other cooperative arrangements if the districts combined and if they did not; and

(6) a description of the long-range educational services of the combined district and of the individual districts if the combination is not achieved.

Subd. 7. [PUPIL ACTIVITIES.] The plan must provide for combining extracurricular and cocurricular activities.

Subd. 8. [REFERENDUM.] The plan must set forth:

(1) procedures for a referendum, held prior to the year of the proposed combination, to approve combining the school districts;

(2) whether a majority of those voting in each district proposed for combination or a majority of those voting on the question in the entire area proposed for combination would be needed to pass the referendum; and

(3) whether a referendum within the attendance area of an elementary school that a school board proposes to close should be authorized to provide revenue for the school.

Subd. 9. [FINANCES.] The plan must state:

(1) whether debt service for the bonds outstanding at the time of combination remains solely with the district that issued the bonds or whether the debt service for the bonds will be assumed by the combined district and paid by the combined district on behalf of the district that issued the bonds;

(2) the treatment of debt service levies and referendum levies;

(3) two-, five-, and ten-year projections, prepared by the department of education upon the request of any district, of revenues, expenditures, and property taxes for each district if it cooperated and combined and if it did not.

Subd. 10. [BUILDING SITES.] The plan must provide for:

(1) locations for elementary schools which need not be altered; and

(2) one location, if possible, for a secondary school.

Subd. 11. [TIMING.] The plan must contain a time schedule for implementation.

Sec. 5. [122.243] [STATE BOARD AND VOTER APPROVAL.]

Subdivision 1. [STATE BOARD APPROVAL.] Before submitting the question of combining school districts to the voters at a referendum, the cooperating districts shall submit the proposed combination to the state board of education. The state board shall determine the date for submission and may require any information it determines necessary. The state board shall disapprove the proposed combination if it is educationally unsound, will not reasonably enable the combined district to fulfill statutory and rule requirements, or if the plan or modifications are incomplete. If disapproved by the state board, the referendum shall be postponed, but not canceled, by the school boards.

Subd. 2. [VOTER APPROVAL.] During the second year of cooperation, a referendum on the question of combination shall be conducted. The referendum shall be on a date called by the school boards. The referendum shall be conducted by the school boards according to the Minnesota election law, as defined in section 200.01. If the referendum fails, the same question or a modified question may be submitted the following school year. If a question is submitted, the second referendum must be conducted on a date before October 1. If the referendum fails again, the same question may not be submitted. A different question may be submitted on any date before October 1. Referendums shall be conducted on the same date in all districts.

Sec. 6. [122.244] [EFFECTIVE DATE OF COMBINATION.]

The effective date for combination of districts shall be July 1. If the effective date is July 1 of an even-numbered year, the terms of each employment contract shall continue in effect and shall be enforceable upon the parties, including the combined school board, until a successor contract is negotiated.

Sec. 7. [122.245] [EMPLOYEES OF COOPERATING AND COMBINING DISTRICTS.]

Subdivision 1. [COMBINED SENIORITY LIST.] During the school year before the cooperation begins and during the school years of cooperation, the districts shall comply with section 122.541, subdivision 5, unless compatible plans are negotiated according to section 122.541, subdivision 4. During the school year before the combination becomes effective, the cooperating districts shall comply with section 122.532.

Subd. 2. [NONLICENSED EMPLOYEES TERMINATION.] If compatible plans are not negotiated according to section 4, subdivision 5, the school boards shall comply with this subdivision with respect to nonlicensed employees. Nonlicensed employees whose positions are discontinued as a result of cooperation or combination, as applicable, shall be:

- (1) employed by a cooperating board or the combined board, if possible;*
- (2) assigned to work in a cooperating district or the combined district, if possible; or*
- (3) terminated in the inverse order in which they were employed in a district, according to a combined seniority list of nonlicensed employees in the cooperating or combined district, as applicable.*

Subd. 3. [EMPLOYMENT LAWS.] Unless otherwise explicitly provided, chapter 179A governs the rights and duties of employers and employees. Either party may promptly submit questions of procedure, interpretation, or application to the commissioner of mediation services.

Sec. 8. [122.246] [COUNTY AUDITOR PLAT.]

Upon the request of two or more districts that have adopted a resolution to cooperate and combine, the county auditor shall prepare a plat. If the proposed combined district is located in more than one county, the request shall be submitted to the county auditor of the county that has the greatest land area in the proposed district. The plat shall show:

- (1) the boundaries of each of the present districts;*
- (2) the boundaries of the proposed district;*
- (3) the boundaries of proposed election districts, if requested; and*
- (4) other information deemed pertinent by the school boards or the county auditor.*

Sec. 9. [122.247] [LEVIES FOR DISTRICTS AT THE TIME OF COMBINATION.]

Subdivision 1. [REFERENDUM LEVIES.] The referendum levy authorization of the combined district shall be one of the methods set forth in section 122.531, subdivision 2a, 2b, or 2c, and must be consistent with the plan adopted according to section 4, and any subsequent modifications.

Subd. 2. [BONDED DEBT.] Debt service for bonds outstanding at the time of the combination may be levied by the combined school board

consistent with the plan adopted according to section 4, and any subsequent modifications, subject to section 475.61. The primary obligation to pay the bonded indebtedness that is outstanding on the effective date of combination remains with the district that issued the bonds. However, the combined district may make debt service payments on behalf of a preexisting district.

Subd. 3. [TRANSITIONAL LEVY.] The board of the combined district may levy for the expenses of negotiation, administrative expenses directly related to the transition from cooperation to combination, and the cost of necessary new athletic and music uniforms. The board may levy this amount over three or fewer years. All expenses must be approved by the state board of education.

Sec. 10. [122.248] [ELEMENTARY SCHOOL REFERENDUM LEVY.]

(a) The levy in an elementary school attendance area may be increased in the amount approved by the voters in the attendance area at a referendum called for the purpose. The amount may not exceed 15 percent of the formula allowance times the number of actual pupil units for the year to which the proceeds of the levy are attributable. The referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters residing in the attendance area. The referendum shall be held on a date set by the school board. 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. The ballot shall state the maximum amount of the increased levy in dollars and as a percentage of net tax capacity in the first year it is to be levied, and that the proceeds of the levy shall be used to prevent the elementary school from being closed. The ballot may designate a specific number of years for which the levy authorization shall apply. The ballot may contain a textual portion with the required information and a question stating substantially the following:

"Shall the increase in the levy proposed by (petition to) the board of School District No. , be approved?"

If approved, the amount provided shall be authorized for certification for the number of years approved, if applicable.

(b) A petition shall be effective if signed by a number of qualified voters in excess of 15 percent of the average number of voters at the two most recent districtwide school elections. A referendum invoked by petition shall be held within three months of submission of the petition to the school board.

Sec. 11. [122.249] [REPORTS TO DEPARTMENT OF EDUCATION.]

Cooperating districts may submit joint reports and jointly provide information required by the department of education. The joint reports must allow information to be attributed to each district. A combined district must report and provide information as a single unit.

Sec. 12. Minnesota Statutes 1988, section 122.43, subdivision 1, is amended to read:

Subdivision 1. Any organized school district not a part of an independent A school district ~~maintaining classified~~ shall maintain elementary and secondary schools, grades 1 through 12 ~~is dissolved~~, unless the district has made an agreement with another district or districts as provided in ~~section~~ sections 122.535 ~~or~~, 122.541, or sections 3 to 11.

Sec. 13. [124.2725] [COOPERATION AND COMBINATION REVENUE.]

Subdivision 1. [ELIGIBILITY.] A school district is eligible for cooperation and combination revenue if it has adopted a plan according to section 4 and has submitted it to the state board of education.

Subd. 2. [COOPERATION AND COMBINATION REVENUE.] Cooperation and combination revenue equals, for each resident and nonresident pupil receiving instruction in a cooperating or combined district, \$100 times the actual pupil units. A district may not receive revenue under this section if it receives revenue under section 275.125, subdivision 8e.

Subd. 3. [COOPERATION AND COMBINATION LEVY.] To obtain cooperation and combination revenue, a district may levy an amount equal to the cooperation and combination revenue multiplied by the lesser of one or the following ratio:

(1) the quotient derived by dividing the adjusted gross tax capacity for the district in the year preceding the year the levy is certified by the actual pupil units in the district for the year to which the levy is attributable, to

(2) the percentage, specified in subdivision 4, of the equalizing factor for the school year to which the levy is attributable.

Subd. 4. [INCREASING LEVY.] The percentage in subdivision 3, clause (2), shall be:

(1) 100 percent for the first year of cooperation;

(2) 75 percent for the second year of cooperation;

(3) 50 percent for the first year of combination; and

(4) 25 percent for the second year of combination.

Subd. 5. [COOPERATION AND COMBINATION AID.] For the first two years of cooperation and the first two years of combination, cooperation and combination aid is equal to the difference between the cooperation and combination revenue and cooperation and combination levy. Aid shall not be paid after two years of combining.

Subd. 6. [ADDITIONAL AID.] In addition to the aid in subdivision 5, districts shall receive aid under this subdivision. For the first year of cooperation, a district shall receive, for each resident and nonresident pupil receiving instruction in a cooperating district, \$100 times the actual pupil units. For the first year of combination, the combined district shall receive, for each resident and nonresident pupil receiving instruction in the combined district, \$100 times the actual pupil units.

Subd. 7. [PROPORTIONAL AID.] If a district does not levy the entire amount permitted under subdivision 3, the aid in subdivisions 5 and 6 must be reduced in proportion to the actual amount levied.

Subd. 8. [PERMANENT REVENUE.] For the third year of combination and thereafter, a combined district may levy an amount equal to the cooperation and combination revenue, defined in subdivision 2.

Subd. 9. [REVENUE LIMIT.] Revenue under this section shall not exceed the revenue received by cooperating districts or a combined district with 2,000 actual pupil units.

Subd. 10. [USE OF REVENUE.] Revenue under this section shall be used for expenses of cooperating and combining school districts, including, but

not limited to:

(1) secondary course offerings in communications, mathematics, science, social studies, foreign languages, physical education, health, and career education if the courses have specific learner outcomes;

(2) participation by teachers in determining the learner outcomes;

(3) staff in-service related to cooperation and combination;

(4) any of the purposes set forth in section 124.243, subdivision 6, clauses (3), (4), and (15), and section 124.244, subdivision 4, clauses (2), (3), (4), (5), and (6), if the purposes are related to courses offered cooperatively; and

(5) incentives for superintendents, principals, teachers, and other licensed and nonlicensed employees, such as early retirement, severance pay, and health insurance benefits.

Subd. 11. [JOINT PURPOSES.] Cooperating district revenue may only be used for purposes of joint efforts between cooperating districts. The revenue shall be in a separate account. School boards shall mutually determine cooperative expenditures.

Subd. 12. [REVENUE FOR EXTENDED COOPERATION.] If the state board disapproves of the plan according to section 5, subdivision 1, or if a second referendum fails under section 5, subdivision 2, cooperation and combination revenue shall equal \$60 times the actual pupil units. Cooperation and combination aid must be reduced by an amount equal to the aid paid under subdivision 6 plus the difference between the aid paid under subdivision 5 for the first two years of the agreement and the aid that would have been paid if the revenue had been \$60 times the actual pupil units. If the aid is insufficient to recover the entire amount, the department of education shall reduce other aids due the district to recover the entire amount. The cooperation and combination levy shall be reduced by an amount equal to the difference between the levy for the first two years of the agreement and the levy that would have been authorized if the revenue had been \$60 times the actual pupil units. A district that receives revenue under this subdivision may not also receive revenue according to sections 124.2721 and 124.575.

Subd. 13. [CESSATION OF REVENUE.] At any time the districts cease cooperating, aid shall not be paid and the authority to levy ceases.

Subd. 14. [RETIREMENT AND SEVERANCE LEVY.] A cooperating or combined district may levy for severance pay or early retirement incentives for licensed and nonlicensed employees who retire early as a result of the cooperation or combination.

Sec. 14. [124.497] [COOPERATIVE SECONDARY FACILITIES GRANT.]

Subdivision 1. [AUTHORIZATION.] One or two incentive grants for a secondary school may be awarded by the state board of education for districts that combine under sections 3 to 11.

Subd. 2. [ELIGIBILITY AND APPLICATION.] To be eligible to apply for a grant, districts must have cooperated under sections 3 to 11 for at least one year, adopted a specific plan for combination, and have received state board approval for the plan. The application must be submitted before the referendum to combine is submitted to the voters and must contain the intentions of the school boards should they not receive a grant. The state board

shall determine the dates, form, and requirements of an application.

Subd. 3. [CONSTRUCTION, APPROVAL.] The commissioner of education shall review and comment on the proposed construction. A grant may not be awarded unless the proposal receives a positive review and comment.

Subd. 4. [USE OF GRANT MONEY.] A grant shall be used to provide not more than 75 percent of the cost to acquire, construct, remodel, or improve a secondary school building or site.

Subd. 5. [PAYMENT OF GRANT MONEY.] Grant money shall be paid according to a schedule, terms, and conditions established by the commissioner of finance. The commissioner shall consider the progress of construction when determining payments. No money may be paid until a construction contract has been awarded.

Subd. 6. [CANCELLATION.] If construction has not commenced within one year of the grant award, payments of grant money shall cease. Any money that has been paid shall be promptly returned by the district.

Sec. 15. [129B.12] [GRANTS FOR COOPERATION AND COMBINATION.]

Subdivision 1. [ELIGIBILITY.] Two or more districts that have adopted a plan according to section 4 may apply for a grant under this section. The grant shall be awarded after the districts combine according to sections 3 to 11.

Subd. 2. [PROCEDURES.] The state board shall establish procedures and deadlines for the grants. The state board shall review each application for a grant and may require modifications consistent with sections 3 to 11.

Subd. 3. [GRANT AMOUNT.] The state board shall determine the amount of a grant according to the needs of the districts to effectuate combination. A grant may not exceed \$250,000.

Subd. 4. [USE OF GRANT MONEY.] The grant money may be used for any purpose related to combining school districts, including, but not limited to:

(1) secondary course offerings in communications, mathematics, science, social studies, foreign languages, physical education, health, and career education if the courses have specific learner outcomes;

(2) staff development related to cooperation; and

(3) any of the purposes set forth in section 124.243, subdivision 6, clauses (3), (4), and (15), and section 124.244, subdivision 4, clauses (2), (3), (4), (5), and (6), in all cases only if related to courses offered cooperatively.

PART C

OTHER ORGANIZATION AND COOPERATION MATTERS

Sec. 16. Minnesota Statutes 1988, section 121.904, subdivision 4a, is amended to read:

Subd. 4a. [LEVY RECOGNITION.] (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to ~~section~~ sections 124.2721, subdivision 3; 124.575, subdivision 3; and 275.125, subdivision 9a; and

Laws 1976, chapter 20, section 4.

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the June and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, which are for the fiscal year payable in that fiscal year plus 27 percent of the amount of the levy certified in the prior calendar year according to section 124A.03, subdivision 2, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) 27 percent of the amount of the levy certified in the prior calendar year, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the reserved fund balance accounts for unemployment insurance and bus purchases;

(ii) statutory operating debt pursuant to section 275.125, subdivision 9a, and Laws 1976, chapter 20, section 4; and

(iii) retirement and severance pay pursuant to ~~section~~ sections 124.4945 and 275.125, subdivision 6a, and Laws 1975, chapter 261, section 4; and

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, and amounts levied pursuant to section 275.125, subdivision 14a.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 17. Minnesota Statutes 1988, section 121.904, is amended by adding a subdivision to read:

Subd. 4e. [COOPERATION LEVY RECOGNITION.] (a) A cooperative district is a district or cooperative that receives revenue according to section 124.2721 or 124.575.

(b) In June of each year, the cooperative district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, that are for the fiscal year payable in that fiscal year; or

(2) 27 percent of the difference between

(i) the sum of the amount of levies certified in the prior year according to sections 124.2721, subdivision 3, and 124.575, subdivision 3; and

(ii) the amount of transition aid paid to the cooperative unit according

to section 273.1392 for the fiscal year to which the levy is attributable.

Sec. 18. Minnesota Statutes 1988, section 122.91, subdivision 3, is amended to read:

Subd. 3. [REQUIREMENTS FOR FORMATION.] An education district must have one of the following at the time of formation:

- (1) at least five *contiguous* districts;
- (2) at least four *contiguous* districts with a total of at least 5,000 pupils in average daily membership; or
- (3) at least four *contiguous* districts with a total of at least 2,000 square miles.

Districts with a cooperation agreement according to section 2 may join an education district only as a unit.

Sec. 19. Minnesota Statutes 1988, section 123.58, subdivision 4, is amended to read:

Subd. 4. [MEMBERSHIP AND PARTICIPATION.] Full membership in an ECSU shall be limited to public school districts of the state but nonvoting associate memberships shall be available to nonpublic school administrative units within the ECSU. Participation in programs and services provided by the ECSU shall be discretionary ~~and~~. No school district shall be compelled to participate in these services under authority of this section, ~~except that~~. *However, all school districts whose central administrative offices are within that ECSU whose boundaries coincide with those of development region 11 shall participate in the planning and planning research functions of that ECSU. All of the members of an education district shall belong to the same ECSU, if any members belong to an ECSU. No planning or planning research decision of that ECSU shall be binding on these region 11 districts. Nonpublic school students and personnel are encouraged to participate in programs and services to the extent allowed by law.*

Sec. 20. Minnesota Statutes 1988, section 124.155, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF ADJUSTMENT.] ~~In fiscal year 1984 and~~ Each year ~~thereafter~~, state aids and credits enumerated in subdivision 2 payable to any school district, *education district, or secondary vocational cooperative* for that fiscal year shall be adjusted, in the order listed, by an amount equal to (1) the amount the district, *education district, or secondary vocational cooperative* recognized as revenue for the prior fiscal year pursuant to section 121.904, subdivision 4a, clause (b), *plus revenue recognized according to section 17*, minus (2) the amount the district recognizes as revenue for the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), *plus revenue recognized according to section 17*. For the purposes of making the aid adjustment under this subdivision, the amount the district recognizes as revenue for either the prior fiscal year or the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), *plus revenue recognized according to section 17*, shall not include any amount levied pursuant to section 124A.03, subdivision 2. Payment from the permanent school fund shall not be adjusted pursuant to this section. The school district shall be notified of the amount of the adjustment made to each payment pursuant to this section.

Sec. 21. Minnesota Statutes 1988, section 124.155, subdivision 2, is

amended to read:

Subd. 2. [ADJUSTMENT TO AIDS.] The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (a) general education aid authorized in section 124A.23;
- (b) secondary vocational aid authorized in section 124.573;
- (c) special education aid authorized in section 124.32;
- (d) secondary vocational aid for handicapped children authorized in section 124.574;
- (e) aid for pupils of limited English proficiency authorized in section 124.273;
- (f) transportation aid authorized in section 124.225;
- (g) community education programs aid authorized in section 124.271;
- (h) adult education aid authorized in section 124.26;
- (i) early childhood family education aid authorized in section 124.2711;
- (j) capital expenditure aid authorized in sections 124.244 and 124.245;
- (k) *education district aid according to section 124.2721*;
- (l) *secondary vocational cooperative aid according to section 124.575*;
- (m) homestead credit under section 273.13 for taxes payable in 1989 and under section 273.1398 for taxes payable in 1990 and thereafter;
- (n) agricultural credit under section 273.132 for taxes payable in 1989 and under section 273.1398 for taxes payable in 1990 and thereafter; and
- (o) transition aid and disparity reduction aid authorized in section 273.1398;
- (p) attached machinery aid authorized in section 273.138, subdivision 3.

The commissioner of education shall schedule the timing of the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible.

Sec. 22. Minnesota Statutes 1988, section 124.2721, subdivision 2, is amended to read:

Subd. 2. [REVENUE.] ~~Education district revenue is \$60 per actual pupil unit in each district that is a member of an education district. Each year the education district board shall certify to the department of education the amount of revenue to be raised. Revenue for the education district shall be the lesser of:~~

- (1) \$60 times the actual pupil units in the education district, or
- (2) the amount certified by the education district board.

Sec. 23. Minnesota Statutes 1988, section 124.2721, subdivision 3, is amended to read:

Subd. 3. [LEVY.] ~~To obtain education district revenue, an eligible education district may levy the lesser of its education district revenue or the amount raised by 1-3 mills times the adjusted gross tax capacity of each~~

~~participating district for the preceding year. Each year, the education district board shall certify to the county auditor or county auditors the amount of taxes to be levied under this section. The education district levy is equal to the following:~~

(1) the education district revenue according to subdivision 2, times

(2) the greater of

(a) one, or

(b) the ratio of the adjusted gross tax capacity for taxes payable in 1990 and adjusted net tax capacity for taxes payable in 1991 and thereafter of the education district divided by the number of actual pupil units in the education district to an amount equal to \$60 divided by 1.6 percent for taxes payable in 1990 and 1.99 percent for taxes payable in 1991 and thereafter.

The department of education shall allocate the levy amount proportionately among the member districts based on adjusted tax capacity. The member districts shall levy the amount allocated.

Sec. 24. Minnesota Statutes 1988, section 124.2721, is amended by adding a subdivision to read:

Subd. 3a. [REVENUE TRANSFER.] Each year a member district shall transfer revenue to the education district board according to this subdivision. By June 20 and November 30 of each year, an amount shall be transferred equal to:

(1) 50 percent times

(2) the amount certified in subdivision 3 minus transition aid allocated for that levy according to section 273.1398, subdivision 6.

Sec. 25. Minnesota Statutes 1988, section 124.575, subdivision 2, is amended to read:

~~Subd. 2. [REVENUE.] Secondary vocational cooperative revenue is \$20 per actual pupil unit in the participating school districts of a secondary vocational cooperative. Each year the secondary vocational cooperative board shall certify to the department of education the amount of revenue to be raised. Revenue for the secondary vocational cooperative shall be the lesser of:~~

(1) \$20 times the actual pupil units in the secondary vocational cooperative, or

(2) the amount certified by the secondary vocational cooperative board.

Sec. 26. Minnesota Statutes 1988, section 124.575, subdivision 3, is amended to read:

~~Subd. 3. [LEVY.] To obtain secondary vocational cooperative revenue, an eligible secondary vocational cooperative may levy the lesser of its secondary vocational cooperative revenue or the amount raised by .4 mills times the adjusted gross tax capacity of each member district for the preceding year. Each year, the secondary vocational cooperative board must certify the amount of taxes to be levied under this section to the county auditor or county auditors. The secondary vocational cooperative levy is equal to the following:~~

(1) the secondary vocational cooperative revenue according to subdivision 2, times

(2) the greater of

(a) one, or

(b) the ratio of the adjusted gross tax capacity for taxes payable in 1990 and adjusted net tax capacity for taxes payable in 1991 and thereafter of the secondary vocational cooperative divided by the number of actual pupil units in the secondary vocational cooperative to an amount equal to \$20 divided by .6 percent for taxes payable in 1990 and .74 percent for taxes payable in 1991 and thereafter.

The department of education shall allocate the levy amount proportionately among the member districts based on adjusted tax capacity. The member districts shall levy the amount allocated.

Sec. 27. Minnesota Statutes 1988, section 124.575, is amended by adding a subdivision to read:

Subd. 3a. [REVENUE TRANSFER.] Each year a member district shall transfer revenue to the secondary vocational cooperative according to this subdivision. By June 20 and November 30 of each year, an amount shall be transferred equal to:

(1) 50 percent times

(2) the amount certified in subdivision 3 minus transition aid allocated for that levy according to section 273.1398, subdivision 6.

Sec. 28. Minnesota Statutes 1988, section 273.1398, subdivision 6, is amended to read:

Subd. 6. [PAYMENT.] The commissioner shall certify the aids provided in subdivisions 2 and 3 before September 30 of the year preceding the distribution year to the county auditor of the affected local government and pay them and the credit reimbursements to local governments other than school districts at the times provided in section 477A.015 for payment of local government aid to taxing jurisdictions. Aids and credit reimbursements to school districts must be certified to the commissioner of education and paid under section 273.1392. Except for education districts and secondary cooperatives that receive revenue according to section 124.2721 or 124.575, payment shall not be made to any taxing jurisdiction that has ceased to levy a property tax nor shall transition aid be payable on the part of a levy to which transition aid was separately allocated under subdivision 2, paragraph (b), clause (2), which is no longer levied.

Sec. 29. Minnesota Statutes 1988, section 275.125, subdivision 8e, is amended to read:

Subd. 8e. [INTERDISTRICT COOPERATION LEVY.] This subdivision does not apply to special school district No. 1, independent school district No. 11, 625, or 709, or to a district that is a member of intermediate school district No. 287, 916, or 917. A district may levy each year under this subdivision if it:

(1) is a member of an education district, under sections 122.91 to 122.96, and the education district of which the district is a member does not receive revenue under section 124.2721; or

(2) has a cooperation agreement with other districts to expand curricular

offerings in mathematics in grades 10 to 12, science in grades 10 to 12, foreign languages for two years, computer usage, or other programs recommended by the state board.

The levy must not exceed ~~the amount raised by one mill times the adjusted gross tax capacity of the district for the preceding year~~ *\$50 times the actual pupil units, the cost of the agreement to expand curricular offerings, or \$50,000, whichever is the smallest.* A district that is a member of a secondary vocational cooperative that levies under section 124.575, may levy the difference between (1) the amount raised by ~~one mill~~ *.8 percent* times the adjusted gross tax capacity of the district for taxes payable in 1990 or a net tax capacity rate of 1.0 percent times the adjusted net tax capacity of the district for taxes payable in 1991 and thereafter for the preceding year and (2) the amount levied under section 124.575. The proceeds of the levy may be used only to pay for instructional and administrative costs incurred in providing the curricular offerings under this section. A district may not spend more than five percent of the amount of the levy for administration.

Sec. 30. [STATUTORY CONSTRUCTION.]

For the purposes of construing Minnesota Statutes 1988, section 124A.22, subdivisions 1 and 8, during fiscal year 1991, sparsity revenue includes secondary sparsity revenue according to Minnesota Statutes, section 124A.22, subdivision 6, and elementary sparsity revenue according to article 1, section 6.

PART D

APPROPRIATIONS AND REPEALERS

Sec. 31. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal year ending June 30 in the year designated.

Subd. 2. [COOPERATION AND COMBINATION AID.] For aid for districts that cooperate and combine there is appropriated:

\$75,000 1991.

Subd. 3. [EDUCATION DISTRICT AID.] For education district aid according to Minnesota Statutes, section 124.2721:

\$4,644,000 1990,

\$3,963,000 1991.

The 1990 appropriation includes \$4,644,000 for 1990.

The 1991 appropriation includes \$820,000 for 1990 and \$3,143,000 for 1991.

Subd. 4. [SECONDARY VOCATIONAL COOPERATIVE AID.] For secondary vocational cooperative aid according to Minnesota Statutes, section 124.575:

\$496,000 1990,

\$225,000 1991.

The 1990 appropriation includes \$496,000 for 1990.

The 1991 appropriation includes \$88,000 for 1990 and \$137,000 for 1991.

Subd. 5. [TELECOMMUNICATIONS GRANT.] For a grant to the Wasioja educational telecommunications cooperative, including independent school district Nos. 201, Claremont; 202, Dodge Center; 205, West Concord; 253, Goodhue; 254, Kenyon; 255, Pine Island; 258, Wanamingo; and 260, Zumbrota, to support a cooperative educational technology program:

\$300,000 1990.

Subd. 6. [TELECOMMUNICATIONS GRANT.] For a grant to independent school districts Nos. 356, 353, 444, 441, 564, 440, 678, 676, 682, 690, 390, 593, 595, 630, and 600 to support a cooperative educational technology program:

\$300,000 1990.

Sec. 32. [APPROPRIATION; BLUE EARTH SCHOOL DISTRICT.]

\$4,500 in fiscal year 1990 is appropriated from the general fund to the commissioner of education for a grant to independent school district No. 240, Blue Earth. The grant is to pay for the cost of a communications link between Blue Earth and Mankato. The appropriation is available until June 30, 1991.

Sec. 33. [REPEALER.]

Minnesota Statutes 1988, section 122.96, is repealed.

Sec. 34. [EFFECTIVE DATE.]

Section 13 is effective for revenue for fiscal year 1991 and thereafter.

ARTICLE 7

ACCESS TO EXCELLENCE

PART A

Section 1. Minnesota Statutes 1988, section 121.11, subdivision 7, is amended to read:

Subd. 7. [GENERAL SUPERVISION OVER EDUCATIONAL AGENCIES.] The state board of education shall *adopt goals for and* exercise general supervision over public schools and public educational agencies in the state, classify and standardize public elementary and secondary schools, and prepare for them outlines and ~~suggestive~~ *suggested* courses of study. *The board shall develop work plans for achieving the goals it adopts and shall submit the work plans to the commissioner of education. Upon the request of the board, the commissioner may assign department of education staff to assist the board in meeting adopted state board goals. The commissioner shall submit in writing the reasons for any denial or delay of a request for staff to the state board.* The board shall establish rules relating to examinations, reports, acceptances of schools, courses of study, and other proceedings in connection with elementary and secondary schools applying for special state aid. The state board may recognize educational accrediting agencies for the sole purposes of sections 120.101, 120.102, and 120.103.

Sec. 2. [121.111] [OFFICE OF EDUCATIONAL LEADERSHIP.]

Subdivision 1. [ESTABLISHMENT.] The office of educational leadership is established within the department of education. The purpose of the

office is to conduct and coordinate research in selected education programs for the purpose of determining policies that enable education systems to maximize the learning of all pupils. The research and development will focus upon a study relating to a hierarchy of learner outcomes. The hierarchy is composed of state learner goals; integrated learner outcomes and program learner outcomes; and course, unit, and lesson learner outcomes.

The office shall be the principal office of the department of education for developing, implementing, and coordinating research and development of state education systems based on learner outcomes and communicating research results to education systems.

Subd. 2. [OFFICE STRUCTURE.] The office of educational leadership must be administered by the assistant commissioner of instructional effectiveness in consultation with the assistant commissioner of development and partnership effectiveness. The office shall be managed by a director in the unclassified service appointed by the assistant commissioner of instructional effectiveness.

Subd. 3. [IMPLEMENTATION ADVISORY COMMITTEE.] The state board of education shall appoint an advisory committee of seven members to advise the office on implementing an education system based on learner outcomes. The committee members shall include the following or their designees: the chair of the task force on education organization, the chair of the state curriculum advisory committee, the chair of the state board of education, the assistant commissioners for instructional effectiveness and development and partnership effectiveness, the chair of the Minnesota association of colleges of teacher education, and the chair of the minority educational partnership. The role of the advisory council shall be one of receiving information and ideas from school districts and various education professional organizations about the continued development of outcome based education.

Subd. 4. [COORDINATION AND ASSISTANCE.] The office of educational leadership shall coordinate the research activities conducted at all sites and provide technical assistance to individual sites upon request. To assist in coordinating the research activities, the office shall develop a work plan for the two-year period during which the research and development project is conducted. The work plan shall include:

(1) specific goals to be attained through research activities conducted at the sites;

(2) identification of goals to be attained at each site;

(3) procedures to avoid unnecessary duplication of research efforts at multiple sites;

(4) procedures to enable regular communication among participants at all sites;

(5) procedures for informing participants at each site about the activities being conducted at all other sites;

(6) procedures for evaluating the research process and effects on achievement of learner outcomes at each site;

(7) procedures for determining the feasibility of statewide assessment of learner outcomes that are common across sites; and

(7) procedures for reporting to the legislative commission on public

education about the status of the research on at least two occasions between July 1, 1989, and December 31, 1989.

Subd. 5. [PROGRAM COORDINATION.] The office of educational leadership shall coordinate federal, state, and regional programs available to research and development sites, including, but not limited to:

- (1) educational effectiveness instruction, according to section 121.609;*
- (2) teacher mentorship programs;*
- (3) administrators academy, according to section 125.241;*
- (4) district staff development programs, according to section 126.70;*
- (5) exemplary teacher education programs;*
- (6) curricula and technology integration, according sections 129B.32 to 129B.40;*
- (7) teacher centers, according to article 11, section 13;*
- (8) the assessment and program section of the department of education;*
- (9) the curriculum services section of the department of education;*
- (10) the instructional design section of the department; and*
- (11) the secondary vocational education curriculum services section of the department of education.*

Sec. 3. Minnesota Statutes 1988, section 126.661, is amended by adding a subdivision to read:

Subd. 3a. [STATE LEARNER GOALS.] "State learner goals" means the knowledge, skills, and attitudes that a pupil can expect to attain that reflect the pupil's intellectual, social, emotional, physical, and career vocational needs.

Sec. 4. Minnesota Statutes 1988, section 126.662, is amended to read:
126.662 [PER FINDINGS.]

The legislature finds that a process is needed to facilitate decisions by school boards and communities concerning education curriculum planning, evaluation of curriculum, evaluation for improvement of instruction, and determination of the services that can or should be provided by institutions, such as the family, private or public organizations and agencies, in addition to being provided by public education. *The PER process is a method to create outcome based education programs in all Minnesota public schools beginning September 1, 1993. The focus of all curriculum decisions must be the learning needs of students. All decisions shall be made at a level as close to students as possible.*

Sec. 5. Minnesota Statutes 1988, section 126.663, subdivision 2, is amended to read:

~~Subd. 2. [MODEL STATE CORE CURRICULUM LEARNER OUTCOMES.]~~ The state board of education shall adopt a set of learner outcomes that it considers to be goals, essential for each subject area learner outcomes, and integrated learner outcomes for curriculum areas, as set forth in section 120.101, subdivision 6, and for career vocational curriculum. ~~The department of education, in cooperation with the state curriculum advisory committee, shall develop a validated research-based process to~~

identify a set of learner outcomes that are essential for each subject area state curriculum advisory committee and the office on educational leadership shall assist the state board in identifying and integrating learner outcomes.

Sec. 6. Minnesota Statutes 1988, section 126.663, subdivision 3, is amended to read:

Subd. 3. [MODEL LEARNER OUTCOMES.] The department shall develop and maintain sets of model learner outcomes in state board identified subject areas that it considers to be model learner outcomes, including the career vocational learner outcomes. The department shall make the sets learner outcomes available for use by a district at the option of the districts upon request by a district. The sets Learner outcomes shall be for pupils in kindergarten to grade 12. The department shall consult with each of the public post-secondary systems and with the higher education coordinating board in developing model learner outcomes appropriate for entry into post-secondary institutions. The learner outcomes shall include thinking and problem solving skills.

Sec. 7. Minnesota Statutes 1988, section 126.67, subdivision 5, is amended to read:

Subd. 5. [ASSESSMENT ITEM BANK.] The department shall maintain an assessment item bank to provide assessment programs items that are tailored designed to measure pupils' attainment of state essential learner outcomes and specific educational objectives learner outcomes of an individual school or district. The department shall develop an item bank for at least two curriculum areas each year. The department shall develop and maintain an item bank for at least ten different curriculum areas.

Sec. 8. [RESEARCH AND DEVELOPMENT SITES.]

Subdivision 1. [SELECTION OF RESEARCH SITES.] The state board of education shall select up to ten sites to serve as research and development sites during the biennium. The state board shall select sites based on criteria identified by the assistant commissioners of instructional effectiveness and development and partnership effectiveness, in consultation with the director of the office of educational leadership.

Subd. 2. [SITES.] A site may be an individual building or school district, a group of buildings or districts, or an education district. Sites must be located in different regions of the state and must have a direct working relationship with a post-secondary institution that has a teacher preparation program that includes technology-based methods.

Subd. 3. [SELECTION CRITERIA.] The assistant commissioners of instructional effectiveness and development and partnership effectiveness, with the assistance of the director of the office of educational leadership, shall consider the following goals in establishing criteria for selection of research sites:

(1) to build upon the process for curriculum identification, implementation, review, and improvement described in Minnesota Statutes, sections 126.661 to 126.67;

(2) to identify or develop the resources and management practices necessary for districts to implement policies adopted according to Minnesota Statutes, section 126.666, subdivision 1;

(3) to develop policies for the involvement of teachers in the identification and integration of learner outcomes and establishing district levels of attainment of learner outcomes; sites may use staff development revenue as provided in Minnesota Statutes, section 126.70 for this purpose;

(4) to incorporate alternative learning models that use technology in instruction and administration, including personalized, individualized learning;

(5) to incorporate alternative patterns of staff assignments and roles, including a career teacher program according to sections 14 to 18, teacher mentoring, and teacher sharing of instructional areas;

(6) to expand curriculum, instruction, and assessment to include thinking and problem solving skills;

(7) to develop multiple measures to assess whether pupils have met or exceeded levels of attainment of state and district learner outcomes;

(8) to identify and incorporate career vocational learner outcomes into district or school site education programs and to articulate between secondary and post-secondary vocational programs;

(9) to examine state board rules that affect outcome based education;

(10) to develop site-based management and collaborative decision making models; and

(11) to identify the professional development needs of education personnel as they relate to this section and to design staff development programs to enable educators to implement outcome based education.

Subd. 4. [REQUIREMENTS OF SITES.] To be considered for selection as a site by the state board, an applicant must develop a written proposal that describes the activities to be conducted at the site. The site proposal must include:

(1) plans for a two-year project;

(2) specific goals to be met in the first year and goals to be achieved in the second year;

(3) a description of documentation that will be prepared to assist other districts that wish to replicate the activities of the proposed site; and

(4) a description of procedures to be used to explain the project to the community.

Subd. 5. [APPLICATION TIMELINE.] The proposal must be submitted to the office of educational leadership by September 1, 1989. The office shall review all proposals to determine whether the requirements of this section are met and may request additional information about a proposal from the applicant who submitted it. The office shall transmit the proposals to the state board and may recommend sites for selection based on the selection criteria established in subdivision 3. Sites must be selected by October 1, 1989.

Sec. 9. [REPORT OF OFFICE OF EDUCATIONAL LEADERSHIP:]

By January 15, 1990, the office of educational leadership shall submit a report to the education committees of the legislature about the status of its projects. The report shall include recommendations and a list of statutes and rules that have prevented implementation of PER policy requirements

at a site and an explanation of how implementation is prevented.

Sec. 10. [TEACHER PREPARATION INSTITUTES.]

Teacher preparation institutes shall work with the research and development sites, schools, school districts, education districts, and the office of educational leadership to implement the education policies contained in sections 1 to 8.

Sec. 11. [APPROPRIATIONS FOR THE OFFICE OF EDUCATIONAL LEADERSHIP]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the office of educational leadership for the fiscal years indicated.

Subd. 2. [RESEARCH AND DEVELOPMENT GRANTS.] For grants for research and development sites:

\$1,050,000 1990.

Up to \$50,000 may be used for administration and evaluation.

Any unexpended balance remaining from fiscal year 1990 does not cancel and is available for fiscal year 1991.

Subd. 3. [TECHNICAL ASSISTANCE; RESEARCH AND DEVELOPMENT SITES.] For technical assistance to research and development sites:

\$250,000 1990.

\$250,000 1991.

PART B

Sec. 12. Minnesota Statutes 1988, section 126.22, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE PROGRAMS.] (a) A pupil who is eligible according to subdivision 2, clause (a), (b), (c), or (d), may enroll in any program approved by the state board of education under Minnesota Rules, part 3500.3500, including area learning centers under sections 129B.52 to 129B.55, or according to section 121.11, subdivision 12.

(b) A pupil who is eligible according to subdivision 2, clause (b), (c), or (d), may enroll in secondary school courses upon a resolution passed by a school board approving enrollment, or may enroll in post-secondary courses under section 123.3514.

(c) A pupil who is eligible under subdivision 2, clause (a), (b), (c), or (d), may enroll in any public secondary education program.

(d) A pupil who is eligible under subdivision 2, clause (a), (b), or (c), may enroll in any nonprofit, nonpublic, nonsectarian school approved by the state board of education. The state board shall adopt rules, with the advice of the nonpublic school council, establishing standards and criteria for approving schools.

(e) An eligible institution providing eligible programs as defined in this subdivision may contract with an entity providing adult basic education programs under the community education program contained in section 121.88 for actual program costs.

Sec. 13. Minnesota Statutes 1988, section 126.23, is amended to read:
126.23 [AID FOR PRIVATE ALTERNATIVE PROGRAMS.]

If a pupil enrolls in a nonsectarian alternative program operated by a private organization that has contracted with a school district to provide educational services for high school dropouts or other eligible students under section 126.22, subdivision 2, the resident district must reimburse the provider an amount equal to at least ~~50~~ 90 percent of the basic revenue of the district for each pupil. Pupils for whom a district provides reimbursement may not be counted by the district for any purpose other than computation of basic revenue, according to section 124A.22, subdivision 2.

Sec. 14. Minnesota Statutes 1988, section 129B.41, is amended to read:
129B.41 [CITATION.]

Sections ~~129B.41~~ 129B.42 to ~~129B.47~~ 129B.46 may be cited as the "Minnesota ~~improved learning and principal teacher, counselor teacher, and career teacher act.~~"

Sec. 15. Minnesota Statutes 1988, section 129B.42, is amended to read:
129B.42 [PURPOSE OF THE CAREER TEACHER ACT.]

The legislature recognizes the unique and lifelong learning and development process of all human beings. The legislature is committed to the goal of maximizing the individual growth potential of all students through the secondary schools learners. The purposes of sections ~~129B.41 to 129B.47~~ the career teacher act are:

(~~a~~) (1) to offer ~~improved learning~~ career teacher programs which emphasize ~~basic and applied learning skills and the liberal arts learning and development based on learner outcomes;~~

(~~b~~) (2) to recognize and utilize the unique skills that teachers, students, family, and the community have in both the teaching process and the learning and development process; and

(~~c~~) (3) to provide an opportunity for maximum use of ~~principals and teachers, principals, and counselors.~~

Sec. 16. Minnesota Statutes 1988, section 129B.44, is amended to read:
129B.44 [ADVISORY COUNCIL.]

The school board of a district providing an ~~improved learning~~ a career teacher program shall appoint an advisory council. Council members shall be selected from the school attendance area in which programs are provided. Members of the council may include students, teachers, principals, administrators and community members. A majority of the members shall be parents with children participating in the local program. The local advisory council shall advise the school board in the development, coordination, supervision, and review of the ~~improved learning~~ career teacher program. The council shall meet at least two times each year with any established community education advisory council in the district. Members of the council may be members of the community education advisory council. The council shall report to the school board.

Sec. 17. Minnesota Statutes 1988, section 129B.45, is amended to read:
129B.45 [CAREER TEACHER PROGRAM COMPONENTS.]

Subdivision 1. [MANDATORY COMPONENTS.] An improved learning A career teacher program shall include:

(a) (1) participation by a designated individual as a career teacher, principal-teacher, ~~career or counselor teacher, or counselor-teacher, as defined in sections 129B.46 and 129B.47;~~

(b) ~~a plan~~ (2) an emphasis on each individual child's unique learning and development needs;

(3) procedures to give the career teacher a major responsibility for leadership of the instructional and noninstructional activities of each child beginning with early childhood family education;

(4) procedures to involve parents in ~~planning~~ the educational learning and development experiences of their children;

(e) ~~an annual plan for the district to evaluate program goals and objectives;~~

(d) ~~a plan~~ (5) procedures to implement outcome based education by focusing on the needs of the learner;

(6) procedures to coordinate and integrate the instructional program with all community education programs;

(7) procedures to concentrate career teacher programs at sites that provide early childhood family education and subsequent learning and development programs; and

(8) procedures for the district to fund the program ~~after the third year of the program.~~

Subd. 2. [OPTIONAL COMPONENTS.] An improved learning A career teacher program may include:

(a) (1) efforts to improve curricula strategies, instructional strategies, and use of materials ~~which~~ that respond to the individual educational needs and learning styles of each pupil in order to enable each pupil to make continuous progress and to learn at a rate appropriate to that pupil's abilities;

(b) (2) efforts to develop student abilities in basic skills; applied learning skills; and, when appropriate, arts; humanities; physical, natural, and social sciences; multicultural education; physical, emotional, and mental health; consumer economics; and career education;

(c) (3) use of community resources and communications media to pursue ~~improved~~ learning and development opportunities for pupils;

(d) (4) staff development for teachers and other school personnel;

(e) (5) improvements to the learning and development environment, including use of the community in general, to enhance the learning and development process;

(f) (6) cooperative efforts with other agencies involved with human services or child development and development of alternative community based learning and development experiences;

(g) ~~apprenticeship~~ (7) post-secondary education components for pupils who are able to accelerate or programs for pupils with special abilities and interests who are given advanced learning and development opportunities within existing programs;

(h) (8) use of volunteers in the learning and development program;

- (i) (9) flexible attendance schedules for pupils;
- (j) (10) adult education component;
- (k) (11) coordination with early childhood ~~and~~ family education *and community education* programs;
- (l) (12) variable student/faculty ratios for special education students to provide for special programming;
- (m) (13) inclusion of nonpublic pupils as part of the ratio in the *career teacher*, principal-teacher, and ~~career counselor~~ teacher component;
- (n) (14) application of educational research findings;
- (o) (15) summer learning *and development* experiences for students as recommended by the *career teacher*, principal-teacher, and ~~career counselor~~ teacher;
- (p) (16) use of ~~educational~~ education assistants, teacher aides, or para-professionals as part of the ~~improved learning~~ *career teacher* program;
- (q) (17) establishment of alternative criteria for high school graduation; and
- (r) (18) variable age and ~~class learning~~ size groupings of students.

Sec. 18. Minnesota Statutes 1988, section 129B.46, is amended to read:

129B.46 [PRINCIPAL-TEACHER AND CAREER TEACHER COMPONENT.]

Subdivision 1. [STATUS.] ~~An improved learning~~ *A career teacher* program may include a *career teacher*, principal-teacher ~~and career teacher~~, and *counselor teacher* component. The *career teacher*, principal-teacher, and ~~career counselor~~ teacher shall not be the exclusive teacher for students assigned to them but shall serve *as a primary teacher and perform* the function of developing and implementing a student's overall learning *and development* program. The *career teacher*, principal-teacher, and ~~career counselor~~ teacher may be responsible for regular ~~classroom~~ assignments as well as learning *and development* programs for other assigned students.

Subd. 2. [QUALIFICATIONS.] (a) ~~An individual employed as a principal-teacher must be licensed as a principal by the state board of education and shall be considered a principal as defined in section 179A.03, subdivision 12, for purposes of the public employment labor relations act.~~

(b) An individual employed as a career teacher must be licensed as a teacher ~~by the state board of teaching~~ and shall be considered a teacher as defined in section 179A.03, subdivision 18, for purposes of ~~the public employment labor relations act~~ *chapter 179A.*

(b) *An individual employed as a principal teacher must be licensed as a teacher and shall be considered a principal, as defined in section 179A.03, subdivision 12, for purposes of chapter 179A.*

(c) *An individual employed as a counselor teacher must be licensed as a counselor and shall be considered a teacher, as defined in section 179A.03, subdivision 18, for purposes of chapter 179A.*

Subd. 3. [STAFF/STUDENT RATIO.] (a) Except as provided in clause (b), one *career teacher*, principal-teacher, or ~~career counselor~~ teacher shall be assigned for every 125 students. For each special education student

included in the assignment, the 1:125 ratio shall be reduced by one.

(b) One principal-teacher shall be assigned for every 50 students when the principal-teacher is also the principal of the school.

Subd. 4. [SELECTION; RENEWAL.] (a) The school board shall establish procedures for teachers ~~and~~, principals, *and counselors* to apply for the position of *career teacher*, principal-teacher ~~and career~~, or *counselor teacher*. The authority for selection of *career teachers*, principal-teachers, and ~~career~~ *counselor teachers* shall be vested in the board and no individual shall have a right to employment as a *career teacher*, principal-teacher, or ~~career~~ *counselor teacher* based on seniority or order of employment in the district.

(b) Employment of the *career teacher*, principal-teacher, and ~~career~~ *counselor teacher* shall ~~may~~ be on a 12-month basis with vacation time negotiated individually with the board. The annual contract of a *career teacher*, principal-teacher, or ~~career~~ *counselor teacher* may not be renewed, as the board shall see fit; provided, however, the board shall give any such teacher whose contract as a *career teacher*, principal-teacher, or ~~career~~ *counselor teacher* it declines to renew for the following year written notice to that effect before April 15. If the board fails to renew the contract of a *career teacher*, principal-teacher, or ~~career~~ *counselor teacher*, that individual shall be reinstated to another position in the district if eligible pursuant to section 125.12 or 125.17.

Subd. 5. [DUTIES.] The *career teacher*, principal-teacher, and ~~career~~ *counselor teacher* shall be responsible for:

(~~a~~) (1) the overall education ~~and~~, learning, *and development* plan of assigned students. This plan shall be designed by the *career teacher*, principal-teacher, and ~~career~~ *counselor teacher* with the student, parents, and other faculty, and shall seek to maximize the learning *and development* potential and maturation level of each pupil;

(~~b~~) (2) measuring the proficiency of the assigned students and assisting other staff in identifying pupil needs and making appropriate educational and subject groupings;

(~~c~~) (3) when part of the district's plan, taking responsibility for the parent and early childhood education of assigned students;

(~~d~~) (4) designing and being responsible for program components which meet special learning needs of high potential and talented students; ~~and~~

(~~e~~) (5) coordinating the ongoing, year-to-year learning *and development* program for assigned students; *and*

(6) *developing learning and development portfolios.*

Sec. 19. [MINORITY TEACHER INCENTIVES.]

During the biennium, a school district that has a minority enrollment of more than ten percent or that has a desegregation plan approved by the state board shall be reimbursed if it employs a minority teacher who has not taught in a Minnesota school district during the 1988-1989 school year. The reimbursement shall equal one-half of the salary and fringe benefits, but not more than \$20,000. The district shall receive reimbursement for each year during the biennium that a minority teacher is employed.

The department of education shall contract with an outside agency, school district, or group of districts to assist in recruiting minority teachers

from outside the state.

The department of education shall establish application or other procedures for districts to obtain the entire reimbursement amount. The department shall not prorate the reimbursement amount.

For the purposes of this section, a minority person is an African American, American Indian, Asian Pacific American, or a Spanish-surnamed American of Mexican, Puerto Rican, or Spanish origin or ancestry.

Sec. 20. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [PER PROCESS AID.] For the planning, evaluating, and reporting process according to Minnesota Statutes, section 124.274:

\$1,038,000 1990,

\$1,046,000 1991.

Subd. 3. [AREA LEARNING CENTER GRANTS.] For grants to area learning centers:

\$150,000 1990,

\$150,000 1991.

Subd. 4. [ADULT GRADUATION AID.] For adult graduation aid according to Minnesota Statutes, section 124.261:

\$1,223,000 1990,

\$1,550,500 1991.

The 1990 appropriation includes \$1,223,000 for 1990.

The 1991 appropriation includes \$216,000 for 1990 and \$1,334,500 for 1991.

Subd. 5. [ARTS PLANNING GRANTS.] For grants for arts planning according to Minnesota Statutes, section 129B.20:

\$38,000 1990,

\$38,000 1991.

Subd. 6. [MINORITY TEACHER INCENTIVE GRANTS.] For grants for minority teacher incentives according to section 19:

\$2,500,000 1990,

\$2,500,000 1991.

The appropriation for 1990 does not cancel but is available through June 30, 1991.

Subd. 7. [INTERNATIONAL EDUCATION GRANTS.] For grants and assistance to improve student learning in areas relating to international education:

\$500,000 1990,

\$525,000 1991.

Up to \$160,000 of the 1991 appropriation may be used for environmental

education planning grants.

Up to \$50,000 each year may be used for a match for National Geographic Society grants.

Up to \$200,000 of the 1990 appropriation and \$65,000 of the 1991 appropriation may be used for environmental education materials and technical assistance.

Up to \$250,000 each year may be used for world language staff development.

ARTICLE 8

OTHER EDUCATIONAL PROGRAMS

Section 1. Minnesota Statutes 1988, section 121.11, subdivision 14, is amended to read:

Subd. 14. [SCHOOL LUNCH PROGRAM, REVOLVING FUND.] The commissioner of finance shall establish for the state board a revolving fund for deposit of storage and handling charges paid by recipients of donated foods shipped by the school lunch section of the department of education. These funds are to be used only to pay storage and related charges as they are incurred for United States Department of Agriculture foods.

The commissioner of finance shall also establish a revolving fund for the department of education to deposit charges paid by recipients of processed commodities and for any authorized appropriation transfers for the purpose of this subdivision. These funds are to be used only to pay for commodity processing and related charges as they are incurred using United States Department of Agriculture donated commodities.

Sec. 2. Minnesota Statutes 1988, section 124.252, subdivision 3, is amended to read:

Subd. 3. [DISTRICT AID.] An eligible district shall receive 54 cents ~~in fiscal year 1987~~ and each year ~~thereafter~~ for each pupil, in average daily membership enrolled in a public elementary, secondary, or technical institute or nonpublic elementary or secondary school. Aid for nonpublic school pupils shall be paid to the district upon request by or on behalf of the pupils. No school district shall receive less than \$1,040 ~~in fiscal year 1987~~ and each year ~~thereafter~~.

Sec. 3. [124.6472] [SCHOOL BREAKFAST PROGRAM]

Subdivision 1. [BREAKFAST REQUIRED.] A school district shall offer a school breakfast program in every school building in which:

(1) at least 40 percent of the school lunches served during the 1989-1990 school year were served free or at a reduced price; or

(2) at least 50 percent of the parents surveyed by the district indicate a positive interest in having their children participate in the program.

Subd. 2. [EXEMPTION.] The provisions of subdivision 1 do not apply to a school in which fewer than 25 pupils would be expected to take part in the program.

Sec. 4. Minnesota Statutes 1988, section 171.29, subdivision 2, is amended to read:

Subd. 2. (a) A person whose drivers license has been revoked as provided

in subdivision 1, except under section 169.121 or 169.123, shall pay a \$30 fee before the person's drivers license is reinstated.

(b) A person whose drivers license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a \$200 fee before the person's drivers license is reinstated to be credited as follows:

(1) 25 percent shall be credited to the trunk highway fund;

(2) 50 percent shall be credited to a separate account to be known as the county probation reimbursement account. Money in this account may be appropriated to the commissioner of corrections for the costs that counties assume under Laws 1959, chapter 698, of providing probation and parole services to wards of the commissioner of corrections. This money is provided in addition to any money which the counties currently receive under section 260.311, subdivision 5;

(3) ten percent shall be credited to a separate account to be known as the bureau of criminal apprehension account. Money in this account may be appropriated to the commissioner of public safety and shall be divided as follows: eight percent for laboratory costs; two percent for carrying out the provisions of section 299C.065;

(4) 15 percent shall be credited to a separate account to be known as the ~~alcohol impaired~~ alcohol-impaired driver education account. Money in the account may be appropriated to the commissioner of education for grants to develop ~~alcohol impaired~~ alcohol-impaired driver education programs in elementary, secondary, and post-secondary schools. The state board of education shall establish guidelines for the distribution of the grants. ~~The commissioner of education shall report to the legislature by January 15, 1988, on the expenditure of grant funds under this clause.~~ Each year the commissioner may use \$100,000 to administer the grant program and other traffic safety education programs.

Sec. 5. [SCHOOL BREAKFAST SURVEY.]

Subdivision 1. [SURVEY REQUIRED.] By October 1, 1990, a school district shall complete a survey of parents of pupils enrolled in each school to determine the number of parents who are interested in having their children participate in a school breakfast program.

Subd. 2. [APPLICABILITY.] This section does not apply to a school building:

(1) that has a school breakfast program; or

(2) that is subject to section 3, subdivision 1, clause (1).

Subd. 3. [REPORTS.] Each school district shall report the survey results, including anticipated costs of providing the program, to the commissioner of education by November 1, 1990. By January 1, 1991, the commissioner shall report to the education committees of the legislature about the results of the surveys, including potential related costs to the districts, efforts by the commissioner to encourage expansion of the school breakfast program, the number of existing programs, and technical assistance provided by the commissioner to districts initiating or expanding participation in the school breakfast program.

Sec. 6. [1989 RULE COMPLIANCE LEVY.]

In 1989, special school district No. 1, Minneapolis, and independent

school district No. 709, Duluth, may each levy an amount up to a gross tax capacity rate of .80 percent times the adjusted gross tax capacity of the district for taxes payable in 1990. Each district may levy according to Minnesota Statutes, section 275.125, subdivision 6i, and this section. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under Minnesota Statutes, section 124.155.

Sec. 7. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums in this section are appropriated, unless otherwise indicated, from the general fund to the department of education for the fiscal years designated.

Subd. 2. [ABATEMENT AID.] For abatement aid according to Minnesota Statutes, section 124.214:

- \$5,111,000 1990,*
- \$6,019,000 1991.*

The 1990 appropriation includes \$5,111,000 for 1990.

The 1991 appropriation includes \$902,000 for 1990 and \$5,117,000 for 1991.

Subd. 3. [ALCOHOL-IMPAIRED DRIVER EDUCATION GRANTS.] For grants for alcohol-impaired driver education according to Minnesota Statutes, section 171.29, subdivision 2, paragraph (b), clause (4):

- \$620,000 1990,*
- \$620,000 1991.*

This appropriation is from the special revenue fund.

Subd. 4. [CHISHOLM SCHOOL DISTRICT GRANT.] For grants for a leadership program in independent school district No. 695, Chisholm:

- \$30,000 1990,*
- \$30,000 1991.*

Subd. 5. [COOK COUNTY INDIAN EDUCATION GRANTS.] For grants to independent school district No. 166, Cook county, for Indian education at the Grand Portage elementary school:

- \$50,000 1990,*
- \$50,000 1991.*

Subd. 6. [HUTCHINSON SCHOOL DISTRICT.] To reimburse independent school district No. 423, Hutchinson, for expenses actually incurred in participating in the national bicentennial competition on the Constitution and Bill of Rights:

- \$7,000 1990.*

Subd. 7. [INTEGRATION GRANTS.] For grants to districts implementing desegregation plans mandated by the state board:

- \$14,444,000 1990,*
- \$14,444,000 1991.*

\$1,242,200 each year shall be allocated to independent school district No. 709, Duluth; \$7,135,300 each year shall be allocated to special school district No. 1, Minneapolis; and \$6,066,500 each year shall be allocated to independent school district No. 625, St. Paul. As a condition of receiving a grant, each district must continue to report its costs according to the uniform financial accounting and reporting system. As a further condition of receiving a grant, each district must submit a report to the chairs of the education committees of the legislature about the actual expenditures it made for integration using the grant money. These grants may be used to transport students attending a nonresident district under Minnesota Statutes, section 120.062 or 123.3515, to the border of the resident district. A district may allocate a portion of the grant to the transportation fund for this purpose.

Subd. 8. [NETT LAKE LIABILITY INSURANCE.] For a grant to independent school district No. 707, Nett Lake, to pay insurance premiums under Minnesota Statutes, section 466.06:

\$40,000 1990.

This sum is available until June 30, 1991.

Subd. 9. [NETT LAKE UNEMPLOYMENT COMPENSATION.] For payment of the obligation of independent school district No. 707, Nett Lake, for unemployment compensation:

\$40,000 1990.

This sum is available until June 30, 1991.

Subd. 10. [NONPUBLIC PUPIL AID.] For nonpublic pupil education aid according to Minnesota Statutes, sections 123.931 to 123.947:

\$8,524,000 1990,

\$8,847,000 1991.

The 1990 appropriation includes \$1,229,000 for 1989 and \$7,295,000 for 1990.

The 1991 appropriation includes \$1,288,000 for 1990 and \$7,559,000 for 1991.

Subd. 11. [SCHOOL LUNCH AND FOOD STORAGE AID.] For school lunch aid according to Minnesota Statutes, section 124.646, and for food storage and transportation costs for USDA donated commodities; and for a temporary transfer to the commodity processing revolving fund to provide cash flow to permit schools and other recipients of donated commodities to take advantage of volume processing rates:

\$4,625,000 1990,

\$4,625,000 1991.

Any unexpended balance remaining from the appropriations in this subdivision shall be prorated among participating schools based on the number of fully paid lunches served during that school year in order to meet the state revenue matching requirement of the USDA National School Lunch Program.

If the appropriation amount attributable to either year is insufficient, the rate of payment for each fully paid student lunch shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized appropriation for that year.

Any temporary transfer processed in accordance with this subdivision to the commodity processing fund will be returned by June 30 in each year so that school lunch aid and food storage costs can be fully paid as scheduled.

Subd. 12. [SCHOOL MILK AID.] For school milk aid according to Minnesota Statutes, section 124.648:

\$800,000 1990,

\$800,000 1991.

Subd. 13. [TOBACCO USE PREVENTION AID.] For tobacco use prevention aid according to Minnesota Statutes, section 124.252:

\$565,000 1990,

\$672,000 1991.

The 1991 appropriation includes \$100,000 for 1990 and \$572,000 for 1991.

Subd. 14. [WEST ST. PAUL.] For a grant to independent school district No. 197, West St. Paul:

\$500,000 1990.

The proceeds of this grant must be deposited in the district's debt redemption fund.

Sec. 8. [EFFECTIVE DATE.]

Section 3 is effective September 1, 1991.

ARTICLE 9

MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 1988, section 121.11, is amended by adding a subdivision to read:

Subd. 17. [CHARTERED SCHOOLS.] The state board may authorize a chartered school subject to section 4.

Sec. 2. Minnesota Statutes 1988, section 121.88, subdivision 10, is amended to read:

Subd. 10. [EXTENDED DAY PROGRAMS.] A school board may offer, as part of a community education program, an extended day program for children from kindergarten through grade 6 for the purpose of expanding students' learning opportunities. A program must include the following:

- (1) adult supervised programs while school is not in session;
- (2) parental involvement in program design and direction;
- (3) partnerships with the K-12 system, and other public, private, or nonprofit entities; and
- (4) opportunities for trained secondary school pupils to work with younger children in a supervised setting as part of a community service program.

The district may charge a sliding fee based upon family income for extended day programs. The district may receive money from other public or private sources for the extended day program. The *school board of the district shall develop standards for school age child care programs. The state board of education may not adopt rules for extended day programs.*

Sec. 3. Minnesota Statutes 1988, section 121.912, subdivision 1, is

amended to read:

Subdivision 1. [LIMITATIONS.] Except as provided in this subdivision, sections 121.9121, 123.36, 124.243, 475.61, and 475.65, a school district may not permanently transfer money from (1) an operating fund to a nonoperating fund; (2) a nonoperating fund to another nonoperating fund; or (3) a nonoperating fund to an operating fund. Permanent transfers may be made from any fund to any other fund to correct for prior fiscal years' errors discovered after the books have been closed for that year. Permanent transfers may be made from the general fund to any other operating funds if the resources of the other fund are not adequate to finance approved expenditures from that other fund. Permanent transfers may also be made from the general fund to eliminate deficits in another fund when that other fund is being discontinued. When a district discontinues operation of a district-owned bus fleet or a substantial portion of a fleet, permanent transfers may be made from the fund balance account entitled "pupil transportation fund reserved for bus purchases" to the capital expenditure fund, ~~with the approval of the commissioner~~ or to the unreserved account in the transportation fund. The levy authorized pursuant to sections 124.243 and 124.244, shall be reduced by an amount equal to the amount transferred to the capital expenditure fund. Any school district may transfer any amount from the undesignated fund balance account in its transportation fund to any other operating fund or to the reserved fund balance account for bus purchases in its transportation fund.

Sec. 4. [123.511] [CHARTERED SCHOOLS.]

Subdivision 1. [DEFINITION.] A charter is a binding agreement between a school district or the state board of education and parents, educators, and others to establish and operate a public school to provide innovative learning opportunities for children. A chartered school is a public school. The courses of study shall meet the state standards for similar courses in school districts unless a waiver has been granted by the state board of education.

Subd. 2. [AUTHORIZATION.] The school board of independent school district No. 281 and special school district No. 1 may grant a charter for a school according to this section. After June 30, 1992, the state board of education, according to criteria and procedures adopted by the board, may grant a charter to an applicant whose application was denied by a school board. However, the state board of education, according to criteria and procedures adopted by the board, may grant a charter after December 31, 1989, to an applicant whose application for a charter for a school for Indian children, according to subdivision 14, was denied by special school district No. 1.

Subd. 3. [APPLICATION.] An application for a chartered school may be submitted by a group of teachers, administrators, or parents. A full- or part-time program may be chartered. The chartered school may be within an existing school or any other location in the district. An application must include at least the following:

(1) a statement of purpose that addresses the way in which the school would provide innovative learning opportunities for children;

(2) a structure for the governance of the school that includes joint decision making by parents, teachers, administrators, and other people associated with the school;

(3) a budget and plan for the financial operation of the school;

(4) identified learner outcomes and methods of assessment and evaluation;

(5) an explanation of the children expected to enroll in the school and methods of providing information about the school to the children and their parents; and

(6) evidence of an agreement with all of the bargaining units in the district about employment procedures for the chartered school.

Subd. 4. [NOTIFICATION TO APPLICANTS.] The school board must notify an applicant within 90 days of receiving the application whether or not a charter is granted. If the charter is rejected, the notice must include specific reasons for the rejection. An application may not be resubmitted until one year after rejection.

Subd. 5. [OPERATION OF A CHARTERED SCHOOL.] The governing body of the chartered school shall manage the school and share authority and responsibility for providing instruction and educational services. The governing body may adopt rules for its operation, instruction, and records, and prescribe textbooks and courses of study.

Subd. 6. [CHARTER MODIFICATION.] A charter may be modified at any time by a resolution of both the governing body of the chartered school and the board that granted the charter.

Subd. 7. [DURATION.] The duration of a charter is perpetual, except that the governing body of a chartered school may relinquish the charter at any time.

Subd. 8. [REVOCATION.] A charter may be revoked at any time by the school board for the following reasons:

(1) violation of the law;

(2) violation of the charter;

(3) mismanagement;

(4) insolvency;

(5) loss of accreditation;

(6) poor overall pupil performance as measured against pupil outcomes;
or

(7) failure to meet accountability provisions of the charter. In lieu of revocation, the board may accept a plan to meet the accountability provisions.

Subd. 9. [ACCREDITATION.] A chartered school must meet the accreditation standards of an accrediting body approved by the state board within three years of being chartered.

Subd. 10. [INCORPORATION.] A chartered school must be incorporated under chapter 317.

Subd. 11. [WAIVER OF RULES.] The state board of education, upon receiving evidence that learning opportunities for pupils would be enhanced by the chartered school, may grant a waiver to a chartered school from any rule established by the board.

Subd. 12. [CHARTERED SCHOOL TEACHERS.] Teachers employed by the chartered school are included within the appropriate unit of the

school district for purposes of chapter 179A.

Subd. 13. [CHARTER PROVISIONS.] The charter must provide for the following, as agreed upon by the charter-granting board and the governing body of the chartered school:

(1) accountability measures for the school and procedures for the charter-granting board to make recommendations to the school when the board determines improvements are needed;

(2) financial arrangements, including state and federal aids, levy revenues, and other sources of revenue;

(3) responsibilities for providing transportation;

(4) responsibilities for liability and casualty insurance coverage; and

(5) other arrangements and procedures as determined by the charter-granting board and the governing body of the school.

Subd. 14. [CHARTERED SCHOOLS FOR INDIAN CHILDREN.] The following apply to any chartered school established for the purpose of providing innovative learning opportunities for Indian children:

(a) The governing body of the school may apply for a waiver from the desegregation rule established by the state board of education. This provision is not intended to restrict attendance to Indian children.

(b) The school is eligible to receive federal aid for Indian children according to section 124.64.

(c) The governing body of the chartered school may employ teachers to provide instruction in American Indian language and culture according to section 126.49.

(d) Within two years of being granted a charter, the governing board of the school shall report to the legislature on the progress of the school and make recommendations as to how the state can assist in improving learning opportunities for Indian children.

Sec. 5. Minnesota Statutes 1988, section 124.494, subdivision 2, is amended to read:

Subd. 2. [REVIEW BY COMMISSIONER.] (a) Any group of districts that submits an application for a grant shall submit a proposal to the commissioner for review and comment under section 121.15, and the commissioner shall prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to acquire, construct, remodel or improve the secondary facility. The commissioner must not approve an application for an incentive grant for any secondary facility unless the facility receives a favorable review and comment under section 121.15 and the following criteria are met:

(1) a minimum of three or more districts, with kindergarten to grade 12 enrollments in each district of no more than 1,000 pupils, enter into a joint powers agreement;

(2) a joint powers board representing all participating districts is established under section 471.59 to govern the cooperative secondary facility;

(3) the planned secondary facility will result in the joint powers district meeting the requirements of Minnesota Rules, parts 3500.2010 and 3500.2110;

(4) at least 240 pupils would be served in grades 10 to 12, 320 pupils would be served in grades 9 to 12, or 480 pupils would be served in grades 7 to 12;

(5) no more than one superintendent is employed by the joint powers board as a result of the cooperative secondary facility agreement;

(6) a statement of need is submitted, that may include reasons why the current secondary facilities are inadequate, unsafe or inaccessible to the handicapped;

(7) an educational plan is prepared, that includes input from both community and professional staff;

(8) a combined seniority list for all participating districts is developed by the joint powers board;

(9) an education program is developed that provides for more learning opportunities and course offerings for students than is currently available in any single member district; and

(10) a plan is developed for providing instruction of any resident students in other districts when distance to the secondary education facility makes attendance at the facility unreasonably difficult or impractical.

(b) To the extent possible, the joint powers board is encouraged to provide for severance pay or for early retirement incentives under section 125.611, for any teacher ~~or administrator~~, as defined under section 125.12, subdivision 1, who is placed on unrequested leave as a result of the cooperative secondary facility agreement.

(c) For the purposes of paragraph (a), clause (8), all teachers who were first employed by a participating district at the beginning of the same school year and who have taught in the district during each succeeding year have the same seniority.

Sec. 6. 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. 7. 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.

Sec. 8. Minnesota Statutes 1988, section 126.666, subdivision 4, is amended to read:

Subd. 4. [REPORT.] By October 1 of each year, the school board shall adopt, using state board standard reporting procedures, a report that includes the following:

- (1) learner outcomes adopted for that year;
- (2) results of local assessment data, and any additional test data;
- (3) the annual school district improvement plans; ~~and~~
- (4) information about progress that has been made toward the improvement plans that were previously adopted by the board; *and*
- (5) *information about the cost to educate a pupil in the district and an itemized list of revenue sources, including:*
 - (i) *state paid education aids;*
 - (ii) *state paid property tax credits;*
 - (iii) *school district levies; and*
 - (iv) *other sources of revenue.*

The school board shall publish the report in the local newspaper with the largest circulation in the district or by mail. The report shall be available for inspection by the public. *The information in clause (5) may also be reported by giving written information to pupils at school to take to their parents.* A copy of the report shall be sent to the commissioner of education

by October 15 of each year.

Sec. 9. Minnesota Statutes 1988, section 129.121, is amended by adding a subdivision to read:

Subd. 6. [SEXUAL HARASSMENT AND VIOLENCE POLICY AND RULES.] The board of the league shall adopt a policy, rules, penalties, and recommendations addressing sexual harassment and sexual violence toward and by participants in league activities.

Sec. 10. Minnesota Statutes 1988, section 136D.22, subdivision 1, is amended to read:

Subdivision 1. [BOARD.] The agreement ~~may~~ shall provide for a joint school board ~~which shall represent~~ representing the parties to the agreement; ~~and.~~ The agreement shall specify the name of the board, the number and manner of election or appointment of its members, their terms and qualifications, and other necessary and desirable provisions; ~~provided, that.~~ Each member of the board shall be a ~~voter of one school board member of the~~ a school districts ~~which~~ district that is a party to the agreement.

Sec. 11. Minnesota Statutes 1988, section 136D.72, subdivision 1, is amended to read:

Subdivision 1. [MEMBERS.] The district shall be operated by a school board of not less than six nor more than 12 members ~~which.~~ The board shall consist of at least one member from each of the school districts within the special intermediate school district ~~created.~~ Board members shall be ~~residents of the respective school districts represented,~~ may be members of the school boards of the respective school districts and shall be appointed by their respective school boards. Members ~~so appointed~~ shall serve at the pleasure of their respective school ~~districts boards~~ and may be subject to recall by a majority vote of the ~~participating school district~~ board. They shall report at least quarterly to their ~~appointing~~ boards on the activities of the intermediate district ~~and shall attend no less than one meeting of their respective appointing boards each month.~~

Sec. 12. Minnesota Statutes 1988, section 136D.82, subdivision 1, is amended to read:

Subdivision 1. [BOARD.] The agreement ~~may~~ shall provide for a joint school board ~~which shall represent~~ representing the parties to the agreement; ~~and.~~ The agreement shall specify the name of the board, the number and manner of election or appointment of its members, their terms and qualifications, and other necessary and desirable provisions; ~~provided, that.~~ Each member of the board shall be a ~~voter of one school board member of the~~ a school districts ~~which~~ district that is a party to the agreement.

Sec. 13. Minnesota Statutes 1988, section 422A.101, subdivision 2, is amended to read:

Subd. 2. [CONTRIBUTIONS BY OR FOR CITY-OWNED PUBLIC UTILITIES, IMPROVEMENTS, OR MUNICIPAL ACTIVITIES.] Contributions by or for any city-owned public utility, improvement project and other municipal activities supported in whole or in part by revenues other than real estate taxes, any public corporation, any employing unit of metropolitan government, special school district No. 1 or Hennepin county, on account of any employee covered by the fund shall be calculated as follows:

(a) a regular employer contribution of an amount equal to the percentage

rounded to the nearest two decimal places of the salaries and wages of all employees of the employing unit covered by the retirement fund which equals the difference between the level normal cost plus administrative cost reported in the annual actuarial valuation prepared by the commission-retained actuary and the employee contributions provided for in section 422A.10;

(b) an additional employer contribution of an amount equal to the percent specified in section 353.27, subdivision 3a, clause (a), multiplied by the salaries and wages of all employees of the employing unit covered by the retirement fund;

(c) a proportional share of an additional employer amortization contribution of an amount equal to \$3,900,000 annually until June 30, 2017, based upon the share of the fund's unfunded actuarial accrued liability attributed to the employer as disclosed in the annual actuarial valuation prepared by the commission-retained actuary.

The city council or any board or commission may, by proper action, provide for the inclusion of the cost of the retirement contributions for employees of any city-owned public utility or for persons employed in any improvement project or other municipal activity supported in whole or in part by revenues other than taxes who are covered by the retirement fund in the cost of operating the utility, improvement project or municipal activity. The cost of retirement contributions for these employees shall be determined by the retirement board and the respective governing bodies having jurisdiction over the financing of these operating costs.

The cost of the employer contributions on behalf of employees of special school district No. 1 who are covered by the retirement fund shall be the obligation of the school district. Contributions by the school district to the retirement fund or any other public pension or retirement fund of which its employees are members must be remitted to the fund each month. An amount due and not transmitted begins to accrue interest at the rate of six percent compounded annually 15 days after the date due. ~~If the amount due plus interest is not paid 30 days after interest begins to accrue, a penalty equal to ten percent of the amount due is added, and interest then accrues on the penalty as well as the amount originally due.~~ The retirement board shall prepare an itemized statement of the financial requirements of the fund payable by the school district, which shall be submitted prior to September 15. Contributions by the school district shall be made at times designated by the retirement board. The school district may levy for its contribution to the retirement fund only to the extent permitted pursuant to section 275.125, subdivision 6a.

The cost of the employer contributions on behalf of elective officers or other employees of Hennepin county who are covered by the retirement fund pursuant to section 422A.09, subdivision 3, clause (2), 422A.22, subdivision 2, or 488A.115, or Laws 1973, chapter 380, section 3, Laws 1975, chapter 402, section 2, or any other applicable law shall be the obligation of Hennepin county. The retirement board shall prepare an itemized statement of the financial requirements of the fund payable by Hennepin county, which shall be submitted prior to September 15. Contributions by Hennepin county shall be made at times designated by the retirement board. Hennepin county may levy for its contribution to the retirement fund.

Sec. 14. Laws 1984, chapter 463, article 6, section 15, subdivision 1,

as amended by Laws 1987, chapter 398, article 6, section 16, is amended to read:

Subdivision 1. [AUTHORIZATION.] In 1985 and each year thereafter, the newly created district formed by the consolidation of Independent School District No. 694, Buhl, and Independent School District No. 703, Mountain Iron, may make an additional levy to eliminate a deficit in the net unappropriated operating funds of the newly created district, determined as of June 30, 1985, and *deficits incurred from July 1, 1985, through June 30, 1989, as certified and adjusted by the commissioner.* This levy each year may be an amount not to exceed ~~4.0 mills~~ *3.20 percent* times the adjusted ~~assessed valuation~~ *gross tax capacity for taxes payable in 1990 or a net tax capacity rate of 3.98 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter* of the newly created district for the preceding year as determined by the equalization aid review committee. When the cumulative amount of the levies made pursuant to this subdivision equals the total amount of the certified deficit of the newly created district, the levy shall be discontinued.

Sec. 15. Laws 1988, chapter 718, article 7, section 61, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM ESTABLISHED FOR TWO YEARS.] A program is established to designate learning year program sites for providing instruction throughout the entire year. The learning year programs may begin ~~in June 9, 1988, and end June 9, 1990~~ *and may be for students in one or more grade levels from kindergarten through grade 12.* The programs must permit students ~~in grades 9 through 12~~ to receive instruction throughout the entire year.

Students may participate in the program if they reside in:

- (1) a district that has been designated a learning year program site under subdivision 2;
- (2) a district that is a member of the same education district as a program site; or
- (3) a district that participates in the same area learning center program as a program site.

Sec. 16. Laws 1988, chapter 718, article 7, section 61, subdivision 6, is amended to read:

Subd. 6. [CONTRACTS.] A district may contract with a licensed employee to provide services in a learning year program that are in addition to the services provided according to the master contract of employment for teachers, entered into under chapter 179A, or an equivalent contract for licensed employees who are not teachers. These additional services and compensation, if any, for the services shall not become a part of the employee's continuing contract rights under Minnesota Statutes, section 125.12 or 125.17. The duration of a contract is negotiable, but may not extend beyond ~~June 9, 1990~~ *of an even-numbered year.*

Sec. 17. Laws 1988, chapter 718, article 7, section 61, subdivision 7, is amended to read:

Subd. 7. [REVENUE COMPUTATION AND REPORTING.] Aid and levy revenue computations shall be based on the total number of hours of education programs for pupils in average daily membership for each fiscal

year. For purposes of *Minnesota Statutes*, section 124.17, average daily membership shall be computed by dividing the total number of hours of participation for the fiscal year by 1,050. Hours of participation that occur ~~between June 9 and after the end of the regular school year and before June 30~~ shall be attributed to the fiscal year following the hours of actual participation. Thirty hours may be used for teacher workshops, staff development, or parent-teacher conferences. As part of each pilot program, the department of education, the commissioner of education, and each district must report and evaluate the changes needed to adjust the dates of the fiscal year for aid and levy computation and fiscal reporting. For revenue computation purposes, the learning year program shall generate revenue based on the formulas for the fiscal year in which the services are provided.

State aid and levy revenue computation for the learning year programs begins July 1, ~~1988, for fiscal year 1989.~~

Sec. 18. [REPEALER.]

Subdivision 1. [JULY 1, 1989.] Minnesota Statutes 1988, sections 120.05, subdivision 1; 120.13; 120.15; 120.16; 120.77; 121.09; 121.12; 121.151; 121.19; 121.35, subdivision 5; 121.49, subdivision 1; 121.496, subdivision 1; 121.83; 121.84; 121.843; 121.844; 121.845; 121.85; 121.86; 121.882, subdivisions 6 and 10; 121.902, subdivision 2; 121.9121, subdivision 6; 121.914, subdivisions 9 and 10; 122.86; 122.87; 122.88; 123.3511; 123.3512; 123.581, subdivisions 1 and 6; 123.60; 123.601; 123.68; 123.701; 124.12, subdivision 1; 124.2138, subdivisions 3 and 4; 124.496; 124.573, subdivision 2; 124A.27, subdivision 7; 125.02; 125.241, subdivision 3; 125.60, subdivision 7; 126.02; 126.025; 126.03; 126.05; 126.07; 126.10; 126.11; 126.39, subdivision 11; 126.52, subdivision 11; 126.70, subdivision 3; 126.80; 127.08; and 275.128, are repealed on July 1, 1989.

Subd. 2. [EFFECT OF CERTAIN REPEALS.] Rules adopted according to provisions of Minnesota Statutes that are repealed in this section remain in effect under Minnesota Statutes, section 121.11, until amended or repealed by the state board of education.

Sec. 19. [EFFECTIVE DATE.]

Sections 10, 11, and 12 are effective July 1, 1992. Section 13 is effective retroactively to May 7, 1988.

ARTICLE 10

LIBRARIES

Section 1. Minnesota Statutes 1988, section 134.31, is amended by adding a subdivision to read:

Subd. 5. [ADVISORY COMMITTEE.] The commissioner shall appoint an advisory committee of five members to advise the staff of the Minnesota library for the blind and physically handicapped on long-range plans and library services. Members shall be people who use the library. Section 15.059 governs this committee.

Sec. 2. Minnesota Statutes 1988, section 134.34, subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of section 134.33 and subdivision 1 of this section, after the second year of participation by a city or county, the dollar amount of the minimum level of support for that city or

county shall not be required to increase by more than ten percent over the dollar amount of the minimum level of support required of it in the previous year. If a participating city or county which has been providing for public library service support in an amount equivalent to .67 mill times the gross tax capacity of the taxable property of that city or county for the year preceding that calendar year would be required to increase the dollar amount of such support by more than ten percent to reach the equivalent of .4 mill times the adjusted gross tax capacity of the taxable property of that participating city or county as determined by the commissioner of revenue for the second year preceding that calendar year or the per capita amount calculated under the provisions of subdivision 1, it shall only be required to increase the dollar amount of such support by ten percent per year until such time as it reaches an amount equivalent to .4 mill times the adjusted gross tax capacity of that taxable property as determined by the commissioner of revenue for the second year preceding that calendar year or the per capita amount calculated under the provisions of subdivision 1.

Sec. 3. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [BASIC SUPPORT GRANTS.] For basic support grants according to Minnesota Statutes, sections 134.32 to 134.35:

\$5,801,000 1990,

\$6,093,000 1991.

The 1990 appropriation includes \$747,000 for 1989 and \$5,054,000 for 1990.

The 1991 appropriation includes \$892,000 for 1990 and \$5,201,000 for 1991.

Subd. 3. [MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS.] For grants according to Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

\$247,000 1990,

\$256,000 1991.

The 1990 appropriation includes \$34,000 for 1989 and \$213,000 for 1990.

The 1991 appropriation includes \$38,000 for 1990 and \$218,000 for 1991.

Subd. 4. [AUTOMATED LIBRARY SYSTEM.] For a computer system to support operations of the Minnesota library for the blind and physically handicapped and for an advisory committee:

\$222,000 1990,

\$21,000 1991.

Up to \$4,000 each year may be used for the advisory committee for the Minnesota library for the blind and physically handicapped.

ARTICLE 11

EDUCATION AGENCY SERVICES

Section 1. Minnesota Statutes 1988, section 121.612, is amended to read:

121.612 [~~CITATION MINNESOTA ACADEMIC EXCELLENCE FOUNDATION.~~]

Subdivision 1. [CITATION.] This section may be cited as the "Minnesota academic excellence act."

Subd. ~~1~~ 2. [CREATION OF FOUNDATION.] There is created the Minnesota academic excellence foundation. The purpose of the foundation shall be to promote academic excellence in Minnesota public schools through a public-private ~~partnership~~ *partnerships*. The foundation shall be a nonprofit organization.

Subd. ~~2~~ 3. [BOARD OF DIRECTORS.] The board of directors of the foundation shall consist of ~~the governor or the governor's designee; the chairs of the education committee and education finance division in the house of representatives and the chairs of the education committee and education subcommittee on education aids in the senate; a minority member of the house of representatives to be appointed by the house minority leader; a minority member of the senate, to be appointed by the senate minority leader;~~ the commissioner of education; and 15 members to be appointed by the governor. Of the 15 members appointed by the governor, six shall represent various education groups and nine shall represent various business groups. ~~The board of directors shall meet as soon as possible after the effective date of this section.~~ The commissioner of education shall serve as secretary for the board of directors and provide administrative support to the foundation.

Subd. ~~3~~ 4. [FOUNDATION PROGRAMS.] The foundation ~~shall plan for~~ *may develop* programs ~~which that~~ advance the concept of educational excellence. These may include, but are not limited to:

- (a) recognition programs and awards for students demonstrating academic excellence;
- (b) summer institute programs for students with special talents;
- (c) recognition programs for teachers, administrators, and others who contribute to academic excellence;
- (d) summer mentorship programs with business and industry for students with special career interests and high academic achievements; and
- (e) governor's awards ceremonies to promote academic competition; and
- (f) *an academic league to provide organized challenges requiring cooperation and competition for public and nonpublic pupils in elementary and secondary schools.*

To the extent possible, the foundation shall make these programs available to students in all parts of the state.

Subd. ~~3a.~~ [ACADEMIC LEAGUE PLANS.] ~~The academic excellence foundation shall develop a plan for an academic league to promote academic excellence through organized challenges requiring both cooperation and competition for public and nonpublic pupils in elementary and secondary~~

~~schools. The foundation shall develop the plan in consultation with administrators of existing programs of academic competition and cooperation, the Minnesota state high school league, and the Minnesota association of secondary school principals. The foundation shall submit the plans to the education committees of the legislature by January 15, 1989.~~

Subd. 5. [POWERS AND DUTIES.] The foundation may:

- (1) establish and collect membership fees;*
- (2) publish brochures or booklets relating to the purposes of the foundation and collect reasonable fees for the publications;*
- (3) receive money and grants from nonstate sources for the purposes of the foundation;*
- (4) contract with consultants; and*
- (5) expend money for awards and other forms of recognition and appreciation.*

~~Subd. 4 6. [PRIVATE FUNDING.] The foundation shall seek private resources to supplement the available public money. Individuals, businesses, and other organizations may contribute to the foundation in any manner specified by the board of directors. All money received shall be administered by the board of directors.~~

~~Subd. 5 7. [REPORT.] The board of directors of the foundation shall submit an annual report to the education committees of the legislature on the progress of its activities made pursuant to the provisions of this section. The annual report shall contain a financial report for the preceding year, including all receipts and expenditures of the foundation.~~

~~Subd. 6. [FOUNDATION PUBLICATIONS.] The foundation may publish brochures or booklets relating to the purposes of the foundation. The foundation may collect reasonable fees for the publications.~~

~~Subd. 7 8. [APPROPRIATION.] There is annually appropriated to the academic excellence foundation any and all amounts received by the foundation pursuant to subdivision 6 this section.~~

Sec. 2. Minnesota Statutes 1988, section 121.931, subdivision 3, is amended to read:

Subd. 3. [SYSTEMS ARCHITECTURE PLAN.] The state board, with the advice and assistance of the ESV computer council, shall develop a systems architecture plan for providing administrative data processing to school districts, the department of education, and the legislature. In developing the plan, the state board shall consider at least the following: user needs; systems design factors; telecommunication requirements; computer hardware technology; and alternative hardware purchase and lease arrangements. ~~The plan shall be completed by September 1, 1981.~~

Sec. 3. Minnesota Statutes 1988, section 121.931, subdivision 4, is amended to read:

Subd. 4. [LONG-RANGE PLAN.] The state board, with the advice and assistance of the ESV computer council *and the information policy office*, shall develop a long-range plan for providing administrative data processing to ~~elementary, secondary, and technical institute~~ *school* districts, the department of education, and the legislature. In developing the plan, the state board shall consider at least the following: desirable major enhance-

ments to the ESV-IS and SDE-IS; new system development proposals; new or modified approaches to provide support services to districts; the responsibility of regional management information centers to provide reports to the department on behalf of affiliated districts; and related development and implementation time schedules. The long-range plan shall address the feasibility and practicability of utilizing microcomputers, minicomputers, and larger computer systems. ~~The preliminary plan shall be prepared by November 1, 1981, and the plan shall be completed by January 1, 1982.~~ The plan shall be updated by September 15 of each even-numbered year. The long-range plan shall consist of one document and shall incorporate the systems architecture plan and all relevant portions of previous documents which have been referred to as the state computing plan.

Sec. 4. Minnesota Statutes 1988, section 121.931, subdivision 7, is amended to read:

Subd. 7. [APPROVAL POWERS.] The state board, with the advice and assistance of the ESV computer council *and the information policy office of the department of administration*, shall approve or disapprove the following, according to the criteria in section 121.937 and rules adopted pursuant to subdivision 8:

(a) the creation of regional management information centers pursuant to section 121.935;

(b) the transfer by a district of its affiliation from one regional management information center to another;

(c) the use by a district of a management information system other than the ESV-IS subsystem through the regional management information center or a state board approved alternative system pursuant to section 121.936, subdivisions 2 to 4; and

(d) annual and biennial plans and budgets submitted by regional management information centers pursuant to section 121.935, subdivisions 3 and 4.

Sec. 5. Minnesota Statutes 1988, section 121.934, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP] The council shall be composed of:

(a) ~~four~~ six representatives of school districts, including one school district administrator from a rural school district, one school district administrator from an urban school district, *one school district administrator from a suburban school district*, ~~one school board member teacher from a rural school district, and one school board member teacher from an urban school district, and one teacher from a suburban school district~~;

(b) three persons employed in management positions in the private sector, at least two of whom are data processing managers or hold an equivalent position in the private sector;

(c) three persons employed in management positions in the public sector other than elementary, secondary, or vocational education, at least two of whom are data processing managers or hold an equivalent position in the public sector;

(d) ~~one person from the general public~~;

(e) one person representing post-secondary vocational technical education; and

(f) (e) one person from the department of education.

Members selected pursuant to clauses (b) and (c) shall not be employees or board members of local school districts or the department of education. The council shall include at least one resident of each congressional district.

Sec. 6. Minnesota Statutes 1988, section 121.935, subdivision 5, is amended to read:

Subd. 5. [~~REGIONAL DISTRICT DATA REPORTING SUBSIDIES.~~] In any year when a regional management information center's annual plan and budget are approved pursuant to subdivision 3, the *member districts of a center* shall receive a ~~regional district data~~ reporting subsidy grant from the department of education. The subsidy grant shall be in the amount allocated by the state board in the process of approving the annual budgets of the regional management information centers pursuant to subdivision 3. The amounts of the subsidy grants and an explanation of the allocation decisions shall be filed by the state board with the committees on education and finance of the senate and the committees on education and appropriations of the house of representatives.

~~For subsidy grants for fiscal year 1984 and for each fiscal year thereafter,~~ The state board is encouraged to recognize that the diversity of regional management information centers precludes a formula-based allocation of subsidy grants, to promote equity and access to regional services in the allocation process, and to consider the following factors:

(a) The number of students in districts affiliated with the center;

(b) The number of districts affiliated with the center;

(c) Fixed and overhead costs to be incurred in operating the regional center, the finance subsystem, the payroll/personnel subsystem, and the student support subsystem;

(d) Variable costs to be incurred which differ in proportion to the number of districts served and the number of subsystems implemented for those districts;

(e) Services provided to districts which enable the districts to meet state reporting requirements;

(f) The cost of meeting the reporting requirements of subdivision 2 for districts using approved alternative management information systems; and

(g) The number of districts affiliated with a regional management information center in relation to the geographic area occupied by those districts.

Based on these considerations the board shall determine the appropriate amount needed by each center and allocate that amount to each member district according to the number of actual pupil units in the district. The amount allocated to all districts of a region shall not be less in fiscal years 1990 and 1991 than the amount received by the center in fiscal year 1989.

Sec. 7. Minnesota Statutes 1988, section 121.935, subdivision 6, is amended to read:

Subd. 6. [FEES.] Regional management information centers may charge fees to affiliated districts for the cost of services provided to the district

and the district's proportionate share of outstanding regional debt. If a district uses a state approved alternative finance system for processing its detailed transactions or transfers to another region, ~~the district is liable for its contracted proportionate share of the outstanding regional debt.~~ the district is not liable for any ~~additional outstanding regional debt that occurs~~ *obligations incurred* after written notice is given to transfer or use an alternative finance system. In no event shall the annual fee of a district participating in a state pilot program of an alternative financial management information system exceed the annual fee chargeable to the district in the absence of the pilot program.

Sec. 8. Minnesota Statutes 1988, section 121.936, subdivision 1, is amended to read:

Subdivision 1. [~~MANDATORY SCHOOL DISTRICT PARTICIPATION.~~]

(a) Every district shall perform financial accounting and reporting operations on a financial management accounting and reporting system utilizing multidimensional accounts and records defined in accordance with the uniform financial accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.917.

(b) ~~Every~~ A school district shall *may* be affiliated with ~~one and only one~~ a regional management information center. This affiliation shall include at least the following ~~components~~:

(1) The center shall provide reports to the department of education for the district to the extent required by the data acquisition calendar.

(2) The district shall process every detailed financial transaction using, at the district's option, either the ESV-IS finance subsystem through the center or an alternative system approved by the state board.

Notwithstanding the foregoing, a district may process and submit its financial data to a region or the state in summary form if it operates an approved alternative system or participates in a state approved pilot test of an alternative system and is reporting directly to the state as of January 1, 1987.

(c) The provisions of this subdivision shall not be construed to prohibit a district from purchasing services other than those described in clause (b) from a center other than the center with which it is affiliated pursuant to clause (b).

Districts operating an approved alternative system may transfer their affiliation from one regional management information center to another. At least one year prior to July 1 of the year in which the transfer is to occur, the district shall give written notice to its current region of affiliation of its intent to transfer to another region *or withdraw from the regional center*. The one year notice requirement may be waived if the two regions mutually agree to the transfer.

Sec. 9. Minnesota Statutes 1988, section 121.936, subdivision 4a, is amended to read:

Subd. 4a. ~~By July 1, 1984,~~ The department of education shall develop and implement an alternative reporting system for submission of financial data in summary form. This system shall accommodate the use of a micro-computer finance system to be developed and maintained by the department of education. The alternative reporting system must comply with sections 121.90 to 121.917. The provisions of this subdivision shall not be construed

to require the department to purchase computer hardware nor to prohibit the department from purchasing services from any regional management information center or the Minnesota educational computing consortium.

Sec. 10. Minnesota Statutes 1988, section 121.936, is amended by adding a subdivision to read:

Subd. 7. [DISTRICT WITHDRAWAL.] (a) Before withdrawing from an ESV region, a district shall develop a long-range information management plan. The plan must be for a five-year period and must include the following:

- (1) hardware architecture and costs;*
- (2) software needs and purchases;*
- (3) telecommunication needs;*
- (4) a financial plan; and*
- (5) a human resources plan.*

(b) The plan must be submitted to the information policy office by January 1 before the beginning of the fiscal year in which the district intends to withdraw. By the following February 1, the information policy office shall submit its recommendations to the ESV council. The council may approve or disapprove the withdrawal. This action must occur by the following May 1. If the withdrawal is disapproved, the council must state its reasons for the disapproval. The district may appeal the decision to the state board. The board shall develop procedures for the appeal process so that a final decision may be made prior to the following July 1.

Sec. 11. Minnesota Statutes 1988, section 126.56, subdivision 4, is amended to read:

~~Subd. 4. [ELIGIBLE PROGRAMS INSTITUTIONS.] A scholarship may be used only for an eligible program. An eligible program shall be approved by the state board of education. An eligible program shall be sponsored by at an eligible institution. A Minnesota public post-secondary institution is an eligible institution. A private post-secondary institution that is eligible if it:~~

- ~~(1) is accredited by the North Central Association of Colleges;~~
- ~~(2) offers at least an associate or baccalaureate degree program approved under section 136A.65, subdivision 1; and~~
- ~~(3) is located in Minnesota.~~

~~An eligible program shall, as its primary purpose, provide academic instruction for student enrichment in curricular areas including, but not limited to, communications, humanities, social studies, social science, science, mathematics, art, or foreign language. The program shall not be offered for credit to post-secondary students. It shall not provide remedial instruction. Additional requirements for eligibility may be established by the state board of education and the higher education coordinating board.~~

Sec. 12. Minnesota Statutes 1988, section 126.56, is amended by adding a subdivision to read:

Subd. 4a. [ELIGIBLE PROGRAMS.] A scholarship may be used only for an eligible program. To be eligible, a program must:

- (1) provide, as its primary purpose, academic instruction for student*

enrichment in curricular areas including, but not limited to, communications, humanities, social studies, social science, science, mathematics, art, or foreign languages;

(2) not be offered for credit to post-secondary students;

(3) not provide remedial instruction;

(4) meet any other program requirements established by the state board of education and the higher education coordinating board; and

(5) be approved by the state board of education.

Sec. 13. [129B.481] [TEACHER CENTER GRANTS.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "teacher" has the meaning given it in section 179A.03, subdivision 18.

Subd. 2. [ESTABLISHMENT.] A teacher center may be established by one or more school boards and the exclusive representatives of the teachers. The teacher center shall serve at least ten districts or 3,000 teachers.

Subd. 3. [POLICY BOARD MEMBERSHIP] Representatives of exclusive representatives and representatives of the school boards shall mutually determine the composition of the policy board according to the guidelines in this subdivision. A majority of the policy board must be teachers. The number of policy board members from each participating district must be in proportion to the number of teachers in each district. The board shall be composed of elementary teachers, secondary teachers, and other teachers, parents, and representatives of school boards, post-secondary education, business, and labor. At least one teacher from each participating district shall be a member of the board.

Subd. 4. [BOARD POWERS AND DUTIES.] The board shall develop policy, designate a fiscal agent, adopt a budget, expend funds to accomplish the purposes of the center, contract for technical and other assistance, and perform other managerial or supervisory activities consistent with the rules of the state board of education. The board may employ staff or contract with consultants for services.

Subd. 5. [CENTER FUNCTIONS.] A teacher center shall perform functions according to this subdivision. The center shall assist teachers, diagnose learning needs, experiment with the use of multiple instructional approaches, assess pupil outcomes, assess staff development needs and plans, and teach school personnel about effective pedagogical approaches. The center shall develop and produce curricula and curricular materials designed to meet the educational needs of pupils being served, by applying educational research and new and improved methods, practices, and techniques. The center shall provide programs to improve the skills of teachers to meet the special educational needs of pupils. The center shall provide programs to familiarize teachers with developments in curriculum formulation and educational research, including how research can be used to improve teaching skills. The center shall facilitate sharing of resources, ideas, methods, and approaches directly related to classroom instruction and improve teachers' familiarity with current teaching materials and products for use in their classrooms. The center shall provide in-service programs.

Subd. 6. [TASK FORCE.] An advisory task force is established to assist the board of teaching in various aspects of teacher centers. The advisory

task force consists of 14 persons appointed by the board of teaching as follows: (1) two elementary, two secondary, and one special area teacher recommended by the Minnesota federation of teachers; (2) two elementary, two secondary, and one special area teacher recommended by the Minnesota education association; (3) one member recommended by the Minnesota school boards association; (4) one member representing the faculty of post-secondary colleges of education recommended by the higher education coordinating board; (5) one member recommended by the commissioner of education; and (6) one member recommended by the state board of education.

Subd. 7. [GRANT APPLICATIONS AND AWARDS.] The board of teaching, through the advisory task force, shall prescribe the form and manner of applications for grants for teacher centers. Each application must include the approval of the teachers' exclusive representatives and the school boards of all participating districts.

Upon approval of an application by the advisory task force, the board of teaching shall award a planning grant of not more than \$75,000 for a teacher center. The grant shall be used to develop a final plan of operation for a teacher center. The advisory task force shall recommend the amount of a planning grant based on the number of teachers to be served by the center.

Each grant recipient shall provide information to the board of teaching about how the proceeds of the grant were used.

Sec. 14. [STUDY OF REGIONAL MANAGEMENT INFORMATION CENTERS.]

The legislative commission on public education may conduct a study of the current structure of regional management information centers for educational purposes. The commission may contract with a private organization for the study.

The following shall be included in the study:

(1) the current role of the centers with regard to data processing, providing servicing for hardware and software, and data editing and transmission to the department of education;

(2) evaluation of the current technological status of the regions' hardware and software;

(3) the cost effectiveness of the centers;

(4) the governance and internal management structure of the centers;

(5) the processing and servicing capacity of the centers for long-term transition to instructional computing;

(6) technological changes that would allow a district to process and report internal data required by the state on a stand-alone basis;

(7) the cost effectiveness of centralized data processing and the effect on data accuracy;

(8) the effect of competition on long-term maintenance of district software;

(9) the existence of centralized processing while maintaining regional centers directly responsible for providing services for districts;

(10) the relationship of the centers to ECSUs and other regional delivery

systems; and

(11) a review of the implementation of current data and technological standards.

The report shall include recommendations about an appropriate administrative structure for education computing. The information policy office may assist the commission and shall evaluate the recommendations of the report as to the compatibility with the statewide information architecture and strategic direction in information technology. The report shall also propose standards and a schedule to efficiently change from the current structure to a recommended structure.

Sec. 15. [NORTHEAST ECSU LEVY.]

The educational cooperative service unit in region three shall report to the department of education on the date determined by the department the total amount of its deficit as of June 30, 1989. The report shall include each participating school district's share of the deficit. In 1989 each participating school district shall levy its proportionate share of the deficit. The levy for each district may not exceed the amount raised by a gross tax capacity rate of .82 percent times the adjusted gross tax capacity of the district for taxes payable in 1990.

Sec. 16. [APPROPRIATIONS.]

Subdivision 1. [STATE AGENCIES.] The sums indicated in this section are appropriated from the general fund to the department of education, unless otherwise indicated, for the fiscal years designated.

Subd. 2. [TEACHER CENTER GRANTS.] To the board of teaching for grants to teacher centers according to section 13:

\$150,000 1990,

\$150,000 1991.

Subd. 3. [OFFICE ON TRANSITION SERVICES.] For the interagency office on transition services according to Minnesota Statutes, section 120.183:

\$80,000 1990,

\$80,000 1991.

Subd. 4. [AMERICAN INDIAN SCHOLARSHIPS.] For American Indian scholarships according to Minnesota Statutes, section 124.48:

\$1,582,000 1990,

\$1,582,000 1991.

Any unencumbered balance remaining in the first year does not cancel but is available for fiscal year 1991.

Subd. 5. [GED ON TV.] For statewide purchase of broadcast costs, publicity, and coordination of the GED on television series:

\$100,000 1990,

\$100,000 1991.

Subd. 6. [BASIC SKILLS EVALUATION.] To complete the development and testing of an adult basic skills evaluation system:

\$75,000 1990,

\$75,000 1991.

This appropriation is contingent upon the department's receipt of \$1 from private sources for each \$2 of this appropriation. The commissioner of education must certify receipt of the private matching funds.

The commissioner shall contract with an organization that is not connected with the delivery system.

Subd. 7. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] For educational cooperative service units:

\$749,000 1990,

\$749,000 1991.

The 1990 appropriation includes \$113,000 for 1989 and \$636,000 for 1990.

The 1991 appropriation includes \$113,000 for 1990 and \$636,000 for 1991.

Money from this appropriation may be transmitted to ECSU boards of directors for general operations in amounts of up to \$68,000 per ECSU for each fiscal year. The ECSU whose boundaries coincide with the boundaries of development region 11 and the ECSU whose boundaries encompass development regions six and eight may receive up to \$136,000 for each fiscal year.

Before releasing money to the ECSUs, the department of education shall assure that the annual plan of each ECSU explicitly addresses the specific educational services that can be better provided by an ECSU than by a member district. The annual plan must include methods to increase direct services to school districts in cooperation with the state department of education. The department may withhold all or a portion of the money for an ECSU if the department determines that the ECSU has not been providing services according to its annual plan.

Subd. 8. [DISTRICT DATA REPORTING GRANTS.] For grants to school districts for reporting data directly to the department of education or through regional management information centers:

\$3,411,000 1990,

\$3,411,000 1991.

These grants shall be allocated to school districts according to section 121.935, subdivision 5.

Subd. 9. [STATE PER ASSISTANCE.] For state assistance for planning, evaluating, and reporting:

\$601,000 1990,

\$601,000 1991.

At least \$45,000 each year shall be used for assisting districts with the assurance of mastery program.

Subd. 10. [EDUCATIONAL EFFECTIVENESS.] For educational effectiveness programs:

\$600,000 1990,

\$600,000 1991.

Subd. 11. [CURRICULUM AND TECHNOLOGY INTEGRATION.] For

curriculum and technology services:

\$600,000 1990,

\$600,000 1991.

Up to \$355,000 each year shall be used for courseware integration centers.

Up to \$215,000 each year shall be used for technology services.

Up to \$30,000 each year may be used for disseminating information about technology innovations identified in the technology demonstration sites.

Subd. 12. [ARTS PLANNING PROGRAM ASSISTANCE.] For technical assistance for the comprehensive arts planning program according to Minnesota Statutes, section 129B.21:

\$38,000 1990,

\$38,000 1991.

Subd. 13. [HEALTH AND WELLNESS CURRICULUM.] For the development and dissemination of the comprehensive health and wellness curriculum:

\$30,000 1990.

The appropriation is available until June 30, 1991.

Subd. 14. [ACADEMIC EXCELLENCE FOUNDATION.] For the academic excellence foundation according to Minnesota Statutes, section 121.612:

\$175,000 1990,

\$175,000 1991.

Up to \$50,000 each year is contingent upon the department's receipt of \$1 from private sources for each \$1 of the appropriation. The commissioner of education must certify receipt of the private matching funds.

The complement for the foundation is increased by .5.

Subd. 15. [SUMMER PROGRAM SCHOLARSHIPS.] To the higher education coordinating board, for scholarship awards for summer programs according to Minnesota Statutes, section 126.56:

\$214,000 1990,

\$214,000 1991.

Of this appropriation, any amount required by the higher education coordinating board may be used for the board's costs of administering the program.

Subd. 16. [STUDY OF REGIONAL MANAGEMENT INFORMATION CENTERS.] To the legislative commission on public education for a study of regional management information centers according to section 14:

\$150,000 1990.

Sec. 17. [REPEALER.]

Minnesota Statutes 1988, sections 125.231 and 126.81, are repealed. Laws 1988, chapter 718, article 5, section 4, is repealed.

Sec. 18. [EFFECTIVE DATE.]

Section 5 is effective the day following final enactment. The changes in

the composition of the ESV computer council shall occur as vacancies occur or the terms of members expire.

ARTICLE 12

STATE AGENCIES'

APPROPRIATIONS FOR EDUCATION

Section 1. Minnesota Statutes 1988, section 129C.10, is amended to read:

~~129C.10 [MINNESOTA SCHOOL AND RESOURCE CENTER FOR THE ARTS EDUCATION.]~~

Subdivision 1. [GOVERNANCE.] The board of the Minnesota ~~school and resource~~ center for the arts *education* shall consist of 15 persons. The members of the board shall be appointed by the governor with the advice and consent of the senate. At least one member must be appointed from each congressional district.

Subd. 2. [TERMS, COMPENSATION, AND OTHER.] The membership terms, compensation, removal of members, and filling of vacancies shall be as provided for in section 15.0575. A member may serve not more than two consecutive terms.

Subd. 3. [POWERS AND DUTIES OF BOARD.] (a) The board has the powers necessary for the care, management, and control of the Minnesota ~~school and resource~~ center for the arts *education* and all its real and personal property. The powers shall include, but are not limited to, those listed in this subdivision.

(b) The board may employ and discharge necessary employees, and contract for other services to ensure the efficient operation of the ~~school and resource~~ center *for arts education*.

(c) *The board may receive and award grants.* The board may establish a charitable foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for educational purposes and hold, manage, invest, and dispose of them and the proceeds and income of them according to the terms and conditions of the gift, grant, bequest, or devise and its acceptance.

(d) The board may establish or coordinate evening, continuing education, extension, and summer programs ~~through the resource center~~ for teachers and pupils.

(e) The board may identify pupils in grades 9 to 12 who have artistic talent, either demonstrated or potential, in dance, literary arts, media arts, music, theater, and visual arts, or in more than one art form.

(f) The board shall educate pupils with artistic talent by providing:

(1) a pilot interdisciplinary academic and arts program for pupils in the 11th and 12th grades, beginning with 135 pupils in the 11th grade in September 1989, and 135 pupils in the 11th grade and 135 pupils in the 12th grade in September 1990;

(2) intensive arts seminars for one or two weeks for ~~9th and 10th grade~~ pupils *in grades 9 to 12*;

(3) summer arts institutes for pupils in grades 9 to 12;

(4) artist mentor and extension programs in regional sites; and

(5) teacher education programs for indirect curriculum delivery.

(g) The board may determine the location for the Minnesota ~~school and resource~~ center for the arts *education* and any additional facilities related to the ~~school~~ center, including the authority to lease a temporary facility.

(h) The board must plan for the enrollment of pupils on an equal basis from each congressional district.

(i) The board may establish task forces as needed to advise the board on policies and issues. The task forces expire as provided in section 15.059, subdivision 6.

(j) The board may request the commissioner of education for assistance and services.

(k) The board may enter into contracts with other public and private agencies and institutions for residential and building maintenance services if it determines that these services could be provided more efficiently and less expensively by a contractor than by the board itself. The board may also enter into contracts with public or private agencies and institutions, school districts or combinations of school districts, or educational cooperative service units to provide supplemental educational instruction and services.

(l) The board may provide or contract for services and programs by and for the ~~arts high school~~ center for arts *education*, including a ~~school~~ store, operating in connection with the ~~school~~ center; theatrical events; and other programs and services that, in the determination of the board, serve the purposes of the ~~arts high school~~ center.

(m) The board may provide for transportation of pupils to and from the ~~school and resource~~ center for the arts *education* for all or part of the school year, as the board considers advisable and subject to its rules. Notwithstanding any other law to the contrary, the board may charge a reasonable fee for transportation of pupils. Every driver providing transportation of pupils under this paragraph must possess all qualifications required by the state board of education. The board may contract for furnishing authorized transportation under rules established by the commissioner of education and may purchase and furnish gasoline to a contract carrier for use in the performance of a contract with the board for transportation of pupils to and from the ~~school and resource~~ center for the arts *education*. When transportation is provided, scheduling of routes, establishment of the location of bus stops, the manner and method of transportation, the control and discipline of pupils, and any other related matter is within the sole discretion, control, and management of the board.

(n) The board may provide room and board for its pupils.

(o) The board may establish and set fees for services and programs without regard to chapter 14. If the board sets fees not authorized or prohibited by the Minnesota public school fee law, it may do so without complying with the requirements of section 120.75, subdivision 1.

Subd. 3a. [~~ARTS HIGH SCHOOL CENTER FUND APPROPRIATION.~~]
There is established in the state treasury ~~an a~~ center for arts ~~high school~~ *education* fund. All money collected by the board shall be deposited in the fund. Money in the fund, including interest earned, is annually appropriated to the board for the operation of its services and programs.

Subd. 4. [EMPLOYEES.] (a) (1) The board shall appoint a director of the ~~school and resource~~ center for the arts *education* who shall serve in the unclassified service.

(2) The board shall employ, upon recommendation of the director, a coordinator of the ~~resource center~~ *programs* who shall serve in the unclassified service.

(3) The board shall employ, upon recommendation of the director, up to six department chairs who shall serve in the unclassified service. The chairs shall be licensed teachers unless no licensure exists for the subject area or discipline for which the chair is hired.

(4) The board may employ other necessary employees, upon recommendation of the director.

(5) The board shall employ, upon recommendation of the director, an executive secretary for the director, who shall serve in the unclassified service.

(b) The employees hired under this subdivision and other necessary employees hired by the board shall be state employees in the executive branch.

Subd. 4a. [ADMISSION AND CURRICULUM REQUIREMENTS GENERALLY.] (a) The board may adopt rules for admission to and discharge from the ~~school~~ *full-time programs for talented pupils* and rules regarding the operation of the ~~school and resource~~ center, including transportation of its pupils. Rules covering admission and discharge are governed by chapter 14. *Rules covering discharge from the full-time program for talented pupils must be consistent with sections 127.26 to 127.39, the pupil fair dismissal act.* Rules regarding discharge and the operation of the ~~school center~~ are not governed by chapter 14.

(b) Proceedings concerning the *full-time program for talented pupils, including admission to or, discharge from the school, a pupil's program at the school, and a pupil's progress at the school,* are governed by the rules adopted by the board and are not contested cases governed by chapter 14.

Subd. 5. [RESOURCE CENTER PROGRAMS.] ~~The Resource center shall offer programs that are~~ *must be* directed at improving arts education in elementary and secondary schools throughout the state. The programs offered shall include at least summer institutes offered to pupils in various regions of the state, in-service workshops for teachers, and leadership development programs for teachers. The board shall establish a ~~resource center~~ *programs* advisory council composed of elementary and secondary arts educators, representatives from post-secondary educational institutions, department of education, state arts board, regional arts councils, educational cooperative service units, school district administrators, parents, and other organizations involved in arts education. The advisory council shall include representatives from a variety of arts disciplines and from various areas of the state. The advisory council shall advise the board about the ~~activities of the center~~ *resource programs.* ~~Programs offered through the Resource center programs shall promote and develop arts education programs offered by school districts and arts organizations and shall assist school districts and arts organizations in developing innovative programs programming.~~ The board may contract with arts organizations to provide *resource programs through the resource center.* The advisory council shall advise the board on contracts and ~~programs grants~~ related to the operation

of the resource center programs.

Subd. 6. [PUBLIC POST-SECONDARY INSTITUTIONS; PROVIDING SPACE.] Public post-secondary institutions shall provide space for programs offered by the Minnesota school and resource center for the arts education at no cost to the Minnesota school and resource center for the arts to the extent that space is available at the public post-secondary institutions.

Sec. 2. Minnesota Statutes 1988, section 141.25, subdivision 8, is amended to read:

Subd. 8. [FEES AND TERMS OF LICENSE.] (a) Applications for initial license under sections 141.21 to 141.36 shall be accompanied by \$440 \$510 as a nonrefundable application fee.

(b) All licenses shall expire on December 31 of each year. Each renewal application shall be accompanied by a nonrefundable renewal fee of \$330 \$380.

(c) Application for renewal of license shall be made on or before October 1 of each calendar year. Each renewal form shall be supplied by the commissioner. It shall not be necessary for an applicant to supply all information required in the initial application at the time of renewal unless requested by the commissioner.

Sec. 3. Minnesota Statutes 1988, section 141.26, subdivision 5, is amended to read:

Subd. 5. [FEE.] The initial and renewal application for each permit shall be accompanied by a nonrefundable fee of \$465 \$190.

Sec. 4. Minnesota Statutes 1988, section 297A.25, subdivision 11, is amended to read:

Subd. 11. [SALES TO GOVERNMENT.] The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities, the University of Minnesota, state universities, community colleges, technical institutes, state academies, the Minnesota center for arts education, and political subdivisions of the state are exempt. Sales exempted by this subdivision include sales under section 297A.01, subdivision 3, clause (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities.

Sec. 5. [INSTRUCTION TO REVISOR.]

The revisor of statutes is requested to change the name of Minnesota Statutes, chapter 129C, from "Minnesota School and Resource Center for the Arts" to "Minnesota Center for Arts Education."

Sec. 6. [MAGNET ARTS PROGRAMS.]

The center shall identify at least one school district in each congressional

district with the interest and potential to offer magnet arts programs using the curriculum developed by the Minnesota center for arts education. A report on legislative action needed to implement magnet arts programs shall be submitted to the education committees of the legislature by February 1, 1990.

Sec. 7. SUMMARY BY

AGENCY - ALL FUNDS

	1989	1990	1991
Department of Education	\$115,700	\$16,516,700	\$16,568,700
Faribault Academies		\$ 7,201,000	\$ 7,201,000
Minnesota Center for Arts Education		\$ 6,000,000	\$ 6,200,000

APPROPRIATIONS
Available for the Year
Ending June 30

	1989	1990	1991
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Sec. 8. DEPARTMENT OF
EDUCATION

Subdivision 1.

Total Appropriation	\$115,700	\$16,516,700	\$16,568,700
Approved Complement - 1990	1991		
General Fund -	256.8	256.8	
Other -	29.1	29.1	
Federal -	120.6	120.6	
Total -	406.5	406.5	

The sums indicated in this section are appropriated from the general fund, unless otherwise indicated, to the department of education for the fiscal years indicated.

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

The commissioner of education, with the approval of the commissioner of finance, may transfer unencumbered balances among the programs during the biennium. Transfers must be reported immediately to the senate and house of representatives education committees. During the biennium, the commissioner of education may transfer money among the various object of expenditure categories and activities within each program, unless restricted by executive order.

The commissioner of education, with the approval of the commissioner of finance, may transfer complement among funds if necessary. The commissioner must report material changes to the senate and house of representatives education committees.

Subd. 2. Educational Services

1990	1991
\$6,624,000	\$7,671,000

\$21,000 each year is from the trunk highway fund.

\$100,000 each year is from the alcohol-impaired driver education account in the special revenue fund.

The state complement of the community and adult education section is

increased by 2.5.

The base in the learner support section is reduced by \$691,000 each year.

The state complement in the institutional approval section is increased by 1.3.

The state complement in the equal opportunities section is increased by 1.0.

The state complement in the Indian education section is increased by 4.5.

The state complement in the assessment and program evaluation section is increased by 2.5.

One complement in the curriculum services section is transferred from the public health fund to the general fund.

\$450,000 each year may be used for the identification and integration of learner outcomes. Of these amounts, \$175,000 in fiscal year 1990 is for the identification of vocational career learner outcomes.

\$495,000 each year is for continued development of the assessment item bank and for technical assistance to districts in the use of assessment measures including the item bank.

Subd. 3. Educational Administration and Financial

1989	1990	1991
\$115,700	\$8,922,700	\$8,897,700

The commissioner of education shall maintain no more than six total complement in the categories of commissioner, deputy commissioner, assistant commissioner, assistant to the commissioner, or executive assistant.

The state complement of the education finance and analysis section is increased by 2.0 for processing pupil enrollment transfers.

The state complement in the district finance and administration section is increased by 1.0 for the purposes of coordinating and disseminating information about all education options programs.

The complement for the education data systems section is increased by 6.0. The commissioner shall develop an information management policy within the department of education to analyze the purpose and use of the integrated data base and other data gathered by the department from school districts. The policy shall consider uses of the information by the department of education, other state departments, the public, and the legislature. \$50,000 is available each year to contract with an independent consultant to design an information management policy.

The department shall develop systems to ensure the accuracy and timeliness of all data that are to become a part of the integrated data base.

The base in the child nutrition section is reduced by \$30,000 each year.

\$25,000 each year is for the development and distribution of training videos for school bus drivers.

\$43,000 each year is for the administration and operation of an on-line computer based library catalog system.

\$20,000 each year is to expand the collection of the department's library development and services library.

\$14,000 each year is for an internal audit of the department. The audit shall include analysis of the payment of credits and aids by the department to school districts.

The state complement for the administrative support section is increased by 3.5.

\$115,700 is appropriated for fiscal year 1989, \$179,700 for fiscal year 1990, and \$179,700 for fiscal year 1991 for expenses incurred for litigation of a challenge to the constitutionality of the education financing system. Any unencumbered balances must not be transferred to other programs.

Effective December 31, 1989, the total state approved complement in the department is reduced by 6.5. This reduction shall be allocated within the department by the commissioner of education.

Sec. 9. FARIBAUT RESIDENTIAL ACADEMIES AND RESOURCE CENTER

Total Appropriations		\$7,201,000	\$7,201,000
Approved Complement -	1990	1991	
State -	187.6	187.6	
Federal -	8.0	8.0	
Total -	195.6	195.6	

The state board of education, with the approval of the commissioner of finance, may transfer complement among funds if necessary. The state board must report material changes to the senate and house of representatives education committees.

\$155,000 each year and one complement are for an extended year program.

\$22,000 each year and one complement are for a security officer.

\$16,000 each year is for the resource center.

Any unexpended balance remaining from the appropriation in this section in 1990 shall not cancel but is available in 1991.

Sec. 10. MINNESOTA CENTER FOR ARTS EDUCATION

Total Appropriations		\$6,000,000	\$6,200,000
Approved Complement -	1990	1991	
State -	39.0	49.0	
Total -	39.0	49.0	

The state complement for the Minnesota center for arts education is increased by 18.0 for the first year and 28.0 the second year.

Any unexpended balance remaining from the appropriation in this section in 1990 shall not cancel but is available in 1991.

ARTICLE 13

TECHNICAL CHANGES

FOR SCHOOL DISTRICT PROPERTY TAXES

Section 1. Minnesota Statutes 1988, section 124.2131, subdivision 1, is amended to read:

Subdivision 1. [ADJUSTED GROSS TAX CAPACITY.] (a) [COMPUTATION.] The department of revenue shall annually conduct an assessment/sales ratio study of the taxable property in each school district in accordance with the procedures ~~referenced~~ in paragraphs (b) and (c). Based upon the results of this assessment/sales ratio study, the department of revenue shall determine an aggregate equalized gross tax capacity *and an aggregate equalized net tax capacity* for the various ~~strata classes~~ of taxable property in each school district, which tax capacity shall be designated as the adjusted gross tax capacity *and the adjusted net tax capacity, respectively*. The department of revenue ~~shall take such steps as are necessary in the performance of that duty and may incur such~~ the expense as is necessary ~~therefor to make the determinations~~. The commissioner of revenue is ~~authorized to~~ may reimburse any county or governmental official for requested services performed in ascertaining ~~such the~~ adjusted gross tax capacity *and the adjusted net tax capacity*. On or before March 15 annually, the department of revenue shall file with the chair of the tax committee of the house of representatives and the chair of the committee on taxes and tax laws of the senate a report of adjusted gross tax capacities *and adjusted net tax capacities*. On or before June 15, annually, the department of revenue shall file its final report on the *adjusted gross tax capacities and adjusted net tax capacities* established by the previous year's assessment with the commissioner of education and each county auditor for those school districts for which the auditor has the responsibility for determination of ~~mill tax~~ *capacity rates*. A copy of the ~~adjusted gross tax capacity report~~ so filed shall be ~~forthwith~~ mailed to the clerk of each district involved and to the county assessor or supervisor of assessments of the county or counties in which each district is located.

(b) [METHODOLOGY.] In making its annual assessment/sales ratio studies, the department of revenue shall use a methodology consistent with the most recent Standard on Assessment Ratio Studies published by the assessment standards committee of the International Association of Assessing Officers. The commissioner of revenue shall supplement this general methodology with specific procedures necessary for ~~proper~~ execution of the study in accordance with other Minnesota laws impacting the assessment/sales ratio study. The commissioner shall document these specific procedures in writing and shall publish the procedures in the State Register, but these procedures will not be considered "rules" pursuant to the Minnesota administrative procedure act. ~~By January 15, 1985, the commissioner shall report to the chairs of the house tax committee and the senate committee on taxes and tax laws the results of a study which the commissioner shall prepare comparing the 1983 sales ratio study based upon the original 1983 assessment/sales ratio study methodology with the new methodology as provided in clause (b). The 1984 adjusted assessed values which are certified to the commissioner of education shall be computed using the 1983 assessment/sales ratio study methodology unless the 1985 legislature directs otherwise.~~

(c) [AGRICULTURAL LANDS.] For purposes of determining the adjusted gross tax capacity *and adjusted net tax capacity* of agricultural lands for the calculation of ~~1987~~ adjusted gross tax capacities and ~~thereafter~~ *adjusted net tax capacities*, the market value of agricultural lands shall be the price for which the property would sell in an arms length transaction.

Sec. 2. Minnesota Statutes 1988, section 124.217, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] A district is eligible for exceptional need revenue if all of the following apply to the district:

(a) The ratio of the average daily membership of pupils enrolled in the district to the number of licensed staff, measured in full-time equivalents, is greater than 17.

(b) The ratio of the referendum levy certified according to section 124A.03 to the adjusted gross tax capacity is greater than ~~.006~~ .05 percent for taxes payable in 1990 or to the adjusted net tax capacity is greater than .07 percent for taxes payable in 1991 and thereafter.

(c) The ratio of the total levy certified by the district to the adjusted gross tax capacity is greater than ~~.05~~ .41 percent for taxes payable in 1990 or to the adjusted net tax capacity is greater than .51 percent for taxes payable in 1991 and thereafter.

(d) The ratio of the adjusted gross tax capacity to the actual pupil units is less than ~~\$38,500~~ \$4,710 for taxes payable in 1990 or the ratio of the adjusted net tax capacity to the actual pupil units is less than \$3,786 for taxes payable in 1991 and thereafter.

(e) The unappropriated operating fund balance is less than \$100 times the number of actual pupil units.

Before a school board certifies levies to the county auditor, the commissioner shall determine the district's eligibility for exceptional need revenue for the following school year. Eligibility must be based on pupil and staff data from the prior year, levies certified in the prior year, adjusted gross or net tax capacity in the prior year, and fund balances on June 30 of the same year.

Sec. 3. Minnesota Statutes 1988, section 124.38, subdivision 7, is amended to read:

Subd. 7. [MAXIMUM EFFORT DEBT SERVICE LEVY.] "Maximum effort debt service levy" means the lesser of:

(1) A levy in whichever of the following amounts is applicable:

(a) In any school district granted a debt service loan after July 31, 1981 or granted a capital loan which is approved after July 31, 1981, a levy in a total dollar amount computed as ~~46 mills~~ a gross tax capacity rate of 13.08 percent on the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of 16.27 percent on the adjusted net tax capacity for taxes payable in 1991 and thereafter;

(b) In any school district granted a debt service loan before August 1, 1981 or granted a capital loan which was approved before August 1, 1981, a levy in a total dollar amount computed as ~~45 mills~~ a gross tax capacity rate of 12.26 percent on the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of 15.26 percent on the net tax capacity for taxes payable in 1991 and thereafter, until and unless the district receives an additional loan; or

(2) A levy in whichever of the following amounts is applicable:

(a) In any school district which received a debt service or capital loan from the state before January 1, 1965, a levy in a total dollar amount computed as 4.10 mills on the market value in each year, unless the district applies or has applied for an additional loan subsequent to January 1, 1965,

or issues or has issued bonds on the public market, other than bonds refunding state loans, subsequent to January 1, 1967;

(b) In any school district granted a debt service or capital loan between January 1, 1965, and July 1, 1969, a levy in a total dollar amount computed as 5-1/2 mills on the market value in each year, until and unless the district receives an additional loan;

(c) In any school district granted a debt service or capital loan between July 1, 1969 and July 1, 1975, a levy in a total dollar amount computed as 6.3 mills on market value in each year until and unless the district has received an additional loan;

(d) In any school district for which a capital loan was approved prior to August 1, 1981, a levy in a total dollar amount equal to the sum of the amount of the required debt service levy and an amount which when levied annually will in the opinion of the commissioner be sufficient to retire the remaining interest and principal on any outstanding loans from the state within 30 years of the original date when the capital loan was granted; provided, that the school board in any district affected by the provisions of clause (2)(d) may elect instead to determine the amount of its levy according to the provisions of clause (1); provided further that if a district's capital loan is not paid within 30 years because it elects to determine the amount of its levy according to the provisions of clause (2)(d), the liability of the district for the amount of the difference between the amount it levied under clause (2)(d) and the amount it would have levied under clause (1), and for interest on the amount of that difference, shall not be satisfied and discharged pursuant to section 124.43, subdivision 4.

Sec. 4. Minnesota Statutes 1988, section 124.43, subdivision 1, is amended to read:

Subdivision 1. [REVIEW BY COMMISSIONER.] (a) The commissioner may, after review and a favorable recommendation by the state board of education, recommend to the legislature capital loans to school districts. Proceeds of the loans shall be used only for sites for school buildings and for acquiring, bettering, furnishing, or equipping school buildings under contracts to be entered into within 12 months from and after the date on which each loan is granted.

(b) Any school board that intends to submit an application for a capital loan shall submit a proposal to the commissioner for review and comment pursuant to section 121.15 by September 1 of any year, and the commissioner shall prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to construct the facility. The state board shall not make a favorable recommendation on an application for a capital loan for any facility unless:

(1) the facility receives a positive review and comment pursuant to section 121.15; and

(2) the state board determines that

(A) the facilities are needed to replace facilities dangerous to the health and safety of pupils, or to provide for pupils for whom no adequate facilities exist;

(B) the facilities could not be made available through dissolution and attachment of the district to another district or through pairing, interdistrict cooperation, or consolidation with another district, or through the purchase

or lease of facilities from existing institutions within the area. The preference of the school district regarding reorganization shall not be a criterion used by the state board in determining whether the facilities could be made available through reorganization;

(C) the facilities are comparable in size and quality to facilities recently constructed in other districts of similar enrollment; and

(D) the district's need for the facilities is comparable to needs that comparable districts are meeting through local bond issues.

The state board may recommend that the loan be approved in a reduced amount in order to meet the foregoing criteria. If the state board recommends that a loan not be approved, the commissioner shall not recommend approval of the loan. If the state board recommends that the loan be approved in a reduced amount, the commissioner shall not recommend approval of a loan larger than that recommended by the state board.

(c) As part of reviewing an application for a capital loan, the commissioner of education shall prepare estimated yearly repayments by the school district and the estimated amount of principal and interest that may be forgiven after the term of the loan. These estimates shall assume no growth in gross tax capacity over the term of the loan, shall assume a levy equal to ~~16 mills~~ *a gross tax capacity rate of 13.08 percent* times the adjusted gross tax capacity *for taxes payable in 1990 or a net tax capacity rate of 16.27 percent for taxes payable in 1991 and thereafter*, and shall be prepared using a methodology approved by the commissioner of finance. The commissioner of education shall use a discount factor provided by the commissioner of finance in determining the present value of the estimated amount of interest and principal which may be forgiven after the term of the loan.

(d) No loan shall be recommended for approval for any district exceeding an amount computed as follows:

(1) The amount requested by the district under subdivision 2;

(2) Plus the aggregate principal amount of general obligation bonds of the district outstanding on June 30 of the year following the year the application was received, not exceeding the limitation on net debt of the district in section 475.53, subdivision 4, or ~~24 percent of the adjusted gross tax capacity~~, *the following amount:*

(i) for the period October 1, 1988, to September 30, 1989, 197 percent of its adjusted gross tax capacity,

(ii) for any 12-month period beginning October 1 of any year after 1988, 245 percent of its adjusted net tax capacity as most recently determined, whichever is less;

(3) Less the maximum net debt permissible for the district on December 1 of the year the application is received, under the limitation in section 475.53, subdivision 4, or ~~24 percent of the most recent adjusted gross tax capacity available at the time of application~~, *the following amount:*

(i) for the period October 1, 1988, to September 30, 1989, 197 percent of its adjusted gross tax capacity,

(ii) for any 12-month period beginning October 1 of any year after 1988, 245 percent of its adjusted net tax capacity as most recently determined, whichever is less; and

(4) Less any amount by which the amount voted exceeds the total cost of the facilities for which the loan is granted, as estimated in accordance with subdivision 4, provided that the loan may be approved in an amount computed as provided in clauses (1) to (3), subject to subsequent reduction in accordance with this clause.

Sec. 5. Minnesota Statutes 1988, section 124.82, subdivision 3, is amended to read:

Subd. 3. [FACILITIES DOWN PAYMENT LEVY REFERENDUM.] A district may levy the tax capacity rate approved by a majority of the electors voting on the question to provide funds for a down payment for an approved project. The election must take place no more than five years before the estimated date of commencement of the project. The referendum must be held on a date set by the school board. A referendum for a project not receiving a positive review and comment by the commissioner under section 121.15 must be approved by at least 60 percent of the voters at the election. The referendum may be called by the school board and may be held:

(1) separately, before an election for the issuance of obligations for the project under chapter 475; or

(2) in conjunction with an election for the issuance of obligations for the project under chapter 475; or

(3) notwithstanding section 475.59, as a conjunctive question authorizing both the down payment levy and the issuance of obligations for the project under chapter 475. Any obligations authorized for a project may be issued within five years of the date of the election.

The ballot must provide a general description of the proposed project, state the estimated total cost of the project, state whether the project has received a positive or negative review and comment from the commissioner of education, state the maximum amount of the down payment levy ~~in mills~~ *as a percentage of net tax capacity*, state the amount that will be raised by that tax capacity rate in the first year it is to be levied, and state the maximum number of years that the levy authorization will apply.

The ballot must contain a textual portion with the information required in this section and a question stating substantially the following:

“Shall the down payment levy proposed by the board of School District No. be approved?”

If approved, the amount provided by the approved tax capacity rate applied to ~~each year's gross~~ *the net tax capacity for the year preceding the year the levy is certified* may be certified for the number of years approved.

In the event a conjunctive question proposes to authorize both the down payment levy and the issuance of obligations for the project, appropriate language authorizing the issuance of obligations must also be included in the question.

The district must notify the commissioner of education of the results of the referendum.

Sec. 6. Minnesota Statutes 1988, section 134.33, subdivision 1, is amended to read:

Subdivision 1. An establishment grant as described in section 134.32, subdivision 2, shall be made to any regional public library system for the

first two state fiscal years after a board of county commissioners has contracted to join that system and has agreed that the county will provide the levels of support for public library service specified in this section. In the first year of participation, the county shall provide an amount of support equivalent to ~~3 mill~~ *a gross tax capacity rate of .25 percent times the adjusted gross tax capacity for taxes payable in 1990, or a net tax capacity rate of .31 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter*, of the taxable property of the county as determined by the commissioner of revenue for the second year preceding that calendar year or two-thirds of the per capita amount established under the provisions of section 134.34, subdivision 1, whichever amount is less. In the second year of participation and in each year thereafter, the county shall provide an amount of support equivalent to ~~4 mill~~ *a gross tax capacity rate of .33 percent times the adjusted gross tax capacity for taxes payable in 1990, or a net tax capacity rate of .41 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter*, of the taxable property of the county as determined by the commissioner of revenue for the second year preceding that calendar year or the per capita amount established under the provisions of section 134.34, subdivision 1, whichever is less. The minimum level of support shall be certified annually to the county by the department of education. In no event shall the department of education require any county to provide a higher level of support than the level of support specified in this section in order for a system to qualify for an establishment grant. This section shall not be construed to prohibit any county from providing a higher level of support for public libraries than the level of support specified in this section.

Sec. 7. Minnesota Statutes 1988, section 134.34, subdivision 1, is amended to read:

Subdivision 1. A regional library basic system support grant shall be made to any regional public library system where there are at least three participating counties and where each participating city and county, except in the first year of participation as provided in section 134.33, is providing for public library service support the lesser of (a) an amount equivalent to ~~4 mill~~ *a gross tax capacity rate of .33 percent times the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of .41 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter* of the taxable property of that city or county, as determined by the commissioner of revenue for the second year preceding that calendar year or (b) a per capita amount calculated under the provisions of this subdivision. The per capita amount is established for calendar year 1980 as \$3. In succeeding calendar years, the per capita amount shall be increased by a percentage equal to one-half of the percentage by which the total state adjusted gross tax capacity of property as determined by the commissioner of revenue for the second year preceding that calendar year increases over that total adjusted gross tax capacity for the third year preceding that calendar year. The minimum level of support shall be certified annually to the participating cities and counties by the department of education. A city which is a part of a regional public library system shall not be required to provide this level of support if the property of that city is already taxable by the county for the support of that regional public library system. In no event shall the department of education require any city or county to provide a higher level of support than the level of support specified in this section in order for a system to qualify for a regional library basic system support grant. This section shall not be construed to prohibit a city or county from

providing a higher level of support for public libraries than the level of support specified in this section.

Sec. 8. Minnesota Statutes 1988, section 136D.27, subdivision 1, is amended to read:

Subdivision 1. [LEVIES FOR CERTAIN PROGRAMS.] Each year the joint school board may certify to each participating school district tax levies that shall not in any year exceed ~~6 mills on each dollar of a gross tax capacity rate of .50 percent times the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of .62 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter~~ for special education and ~~7 mills on each dollar of a gross tax capacity rate of .60 percent times the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of .74 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter~~ for expenses for secondary vocational education. Each participating school district shall include these tax levies in the next tax roll ~~which it shall certify~~ certifies to the county auditor or auditors, and shall remit the collections of ~~such the levies to the board promptly~~ when received. These levies shall not be included in computing the limitations upon the levy of any participating district. The board may, any time after these levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of ~~such the levies; but~~ in aggregate amounts ~~such as that~~ will not exceed the portion of the levies which is then not collected and not delinquent.

Sec. 9. Minnesota Statutes 1988, section 136D.74, subdivision 2, is amended to read:

Subd. 2. [TAX LEVY.] Each year the intermediate school board may certify to each county auditor of each county in which ~~said the~~ intermediate school district ~~shall lie lies~~, as a single taxing district, tax levies that shall not in any year exceed ~~6 mills on each dollar of a gross tax capacity rate of .50 percent times the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of .62 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter~~ for expenses for special education and ~~7 mills on each dollar of a gross tax capacity rate of .60 percent times the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of .74 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter~~ for expenses for secondary vocational education. ~~Said~~ The annual tax levies shall be certified pursuant to section 275.07. Upon ~~such~~ certification the county auditor or auditors and other appropriate county officials shall levy and collect ~~such the levies and remit the proceeds of collection thereof~~ to the intermediate school district as in the case with independent school districts. ~~Such~~ The levies shall not be included in computing the limitations upon the levy of any of the participating districts.

Sec. 10. Minnesota Statutes 1988, section 136D.87, subdivision 1, is amended to read:

Subdivision 1. [LEVIES FOR CERTAIN PROGRAMS.] Each year the joint school board may certify to each participating school district tax levies that shall not in any year exceed ~~6 mills on each dollar of a gross tax capacity rate of .50 percent times the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of .62 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter~~ for expenses for

special education and ~~7 mills on each dollar of a gross tax capacity rate of .60 percent times the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of .74 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter~~ for expenses for secondary vocational education. Each participating school district shall include these tax levies in the next tax roll ~~which it shall certify~~ certifies to the county auditor ~~or auditors~~ and shall remit the collections of these levies to the board promptly when received. These levies shall not be included in computing the limitations upon the levy of any participating district. The board may, any time after these levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of levies, ~~but~~ in aggregate amounts that will not exceed the portion of the levies which is then not collected and not delinquent.

Sec. 11. Minnesota Statutes 1988, section 273.1102, subdivision 3, is amended to read:

Subd. 3. [1988 ADJUSTMENT.] ~~For School districts~~ *district* levy limitations or authorities expressed in terms of mills and adjusted assessed value, ~~their levy limitations in any special law that is not codified in Minnesota Statutes shall be converted by the department of education to "equalized gross tax capacity rates" for taxes payable in 1989 and 1990 and equalized net tax capacity rates for taxes payable in 1991 and thereafter.~~ For purposes of this calculation, the 1987 adjusted assessed values of the district shall be converted to "adjusted gross tax capacities" by multiplying the equalized market values by class of property by the gross tax capacity rates provided in section 273.13. Each county assessor and the city assessors of Minneapolis, Duluth, and St. Cloud shall furnish the commissioner of revenue the 1987 market value for taxes payable in 1988 for any new classes of property established in this article. The commissioner shall use those values, and estimate values where needed, in developing the 1987 tax capacity for each school district under this section. The requirements of section 124.2131, subdivisions 1, paragraph (c), and 2 and 3, shall remain in effect.

Sec. 12. Minnesota Statutes 1988, section 275.011, subdivision 1, is amended to read:

Subdivision 1. The property tax levied for any purpose *under a special law that is not codified in Minnesota Statutes or a city charter provision, and that is* subject to a mill rate limitation imposed by ~~statute or the special law, excluding levies subject to mill rate limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131,~~ must not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of the applicable mill rate limitation imposed by statute or special law multiplied by the total assessed valuation of all taxable property subject to the tax as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, the product of (1) the property tax levy limitation for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property subject to the tax divided by the assessment year 1987 total market valuation of all taxable property subject to the tax; and

(c) for taxes payable in 1990 and subsequent years, the product of (1) the property tax levy limitation for the previous year determined pursuant to this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property subject to the tax for the current assessment year divided by the total market valuation of all taxable property subject to the tax for the previous assessment year.

For the purpose of determining the property tax levy limitation for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property subject to the tax without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

Sec. 13. Minnesota Statutes 1988, section 275.125, subdivision 6e, is amended to read:

Subd. 6e. [DESEGREGATION LEVY.] Each year, *independent* school district No. 625, St. Paul, may levy an amount not to exceed ~~one mill~~ a gross tax capacity rate of .80 percent times the adjusted gross tax capacity of the district for taxes payable in 1990 or a net tax capacity rate of 1.0 percent times the adjusted net tax capacity of the district for taxes payable in 1991 and thereafter. Notwithstanding section 121.904, the entire amount of this levy shall be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155.

Sec. 14. Minnesota Statutes 1988, section 275.125, subdivision 6h, is amended to read:

Subd. 6h. [MINNEAPOLIS HEALTH INSURANCE SUBSIDY LEVY.] Each year special school district No. 1, Minneapolis, may make an additional levy not to exceed the amount raised by ~~1 mill~~ a gross tax capacity rate of .09 percent times the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of .11 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter of the property in the district for the preceding year. ~~In addition, in 1987 the district may levy an amount not to exceed the amount raised by 1 mill times the adjusted gross tax capacity of the property in the district for the preceding year for health insurance subsidies for fiscal year 1988.~~ The proceeds may be used only to subsidize health insurance costs for eligible teachers as provided in this section.

"Eligible teacher" means a retired teacher who was a basic member of the Minneapolis teachers retirement fund association, who retired before May 1, 1974, and who is not eligible to receive the hospital insurance benefits of the federal Medicare program of the Social Security Act without payment of a monthly premium. The district shall notify eligible teachers that a subsidy is available. An eligible teacher may submit to the school district a copy of receipts for health insurance premiums paid during the previous 12-month period. The school district shall disburse the health insurance premium subsidy to each eligible teacher in a timely and efficient manner. An eligible teacher may receive a subsidy up to an amount equal to the lesser of 90 percent of the cost of the eligible teacher's health insurance or up to 90 percent of the cost of the number two qualified plan of health coverage for individual policies made available by the Minnesota comprehensive health association under chapter 62E.

If funds remaining from the previous year's health insurance subsidy levy, minus the previous year's required subsidy amount, are sufficient to pay the estimated current year subsidy, the levy must be discontinued until the remaining funds are estimated by the school board to be insufficient to pay the subsidy.

Sec. 15. Minnesota Statutes 1988, section 275.125, subdivision 6i, is amended to read:

Subd. 6i. [RULE COMPLIANCE LEVY.] Each year a district that is required to implement a plan according to the requirements of Minnesota Rules, parts 3535.0200 to 3535.2200, may levy an amount not to exceed ~~one mill~~ *a gross tax capacity rate of .80 percent times the adjusted gross tax capacity of the district for taxes payable in 1990 or a net tax capacity rate of 1.0 percent times the adjusted net tax capacity of the district for taxes payable in 1991 and thereafter.* Independent school district No. 625, St. Paul, may levy according to this subdivision and subdivision 6e. Notwithstanding section 121.904, the entire amount of this levy shall be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155.

Sec. 16. Minnesota Statutes 1988, section 275.125, subdivision 8b, is amended to read:

Subd. 8b. [EARLY CHILDHOOD FAMILY EDUCATION LEVY.] A district may levy for its early childhood family education program. The amount levied shall not exceed the lesser of:

(a) ~~5 mill~~ *a gross tax capacity rate of .4 percent times the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of .49 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter* of the district for the year preceding the year the levy is certified, or

(b) the maximum revenue as defined in section 124.2711, subdivision 1, for the school year for which the levy is attributable.

Sec. 17. Minnesota Statutes 1988, section 275.125, subdivision 9, is amended to read:

Subd. 9. [LEVY REDUCTIONS; TACONITE.] (1) Reductions in levies pursuant to subdivision 10, and section 273.138, shall be made prior to the reductions in clause (2).

(2) Notwithstanding any other law to the contrary, districts which received payments pursuant to sections 298.018; 298.23 to 298.28, except an amount distributed under section 298.28, subdivision 4, paragraph (c), clause (ii); 298.34 to 298.39; 298.391 to 298.396; 298.405; and any law imposing a tax upon severed mineral values, or recognized revenue pursuant to section 477A.15; shall not include a portion of these aids in their permissible levies pursuant to those sections, but instead shall reduce the permissible levies authorized by this section and chapters 124 and 124A by the greater of the following:

(a) an amount equal to 50 percent of the total dollar amount of the payments received pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year; or

(b) an amount equal to the total dollar amount of the payments received

pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year less the product of the same dollar amount of payments or revenue times the ratio of the maximum levy allowed the district under Minnesota Statutes 1986, sections 124A.03, subdivision 2, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, and 124A.14, subdivision 5a, to the total levy allowed the district under this section and Minnesota Statutes 1986, sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 124A.20, subdivision 2, for levies certified in 1986.

(3) No reduction pursuant to this subdivision shall reduce the levy made by the district pursuant to section 124A.23, to an amount less than the amount raised by a levy of ~~12.5 mills~~ *a gross tax capacity rate of 10.22 percent times the adjusted gross tax capacity for taxes payable in 1990, or a net tax capacity rate of 12.71 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter*, of that district for the preceding year as determined by the commissioner. The amount of any increased levy authorized by referendum pursuant to section 124A.03, subdivision 2, shall not be reduced pursuant to this subdivision. The amount of any levy authorized by subdivision 4, to make payments for bonds issued and for interest thereon, shall not be reduced pursuant to this subdivision.

(4) Before computing the reduction pursuant to this subdivision of the capital expenditure levy authorized by section 124.244, subdivision 2, and subdivisions 11c, 12, and 12a, and the community education levy authorized by subdivisions 8 and 8b, the commissioner shall ascertain from each affected school district the amount it proposes to levy for capital expenditures pursuant to section 124.244, subdivision 2, and subdivisions 11c, 12, and 12a, and for community education pursuant to subdivisions 8 and 8b. The reduction of the capital expenditure levy and the community education levy shall be computed on the basis of the amount so ascertained.

(5) Notwithstanding any law to the contrary, any amounts received by districts in any fiscal year pursuant to sections 298.018; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values; and not deducted from general education aid pursuant to section 124A.035, subdivision 5, clause (2), and not applied to reduce levies pursuant to this subdivision shall be paid by the district to the St. Louis county auditor in the following amount by March 15 of each year, the amount required to be subtracted from the previous fiscal year's general education aid pursuant to section 124A.035, subdivision 5, which is in excess of the general education aid earned for that fiscal year. The county auditor shall deposit any amounts received pursuant to this clause in the St. Louis county treasury for purposes of paying the taconite homestead credit as provided in section 273.135.

Sec. 18. Minnesota Statutes 1988, section 275.125, subdivision 9a, is amended to read:

Subd. 9a. [STATUTORY OPERATING DEBT LEVY.] (1) In 1978 and each year thereafter in which so required by this subdivision, a district shall make an additional levy to eliminate its statutory operating debt, determined as of June 30, 1977 and certified and adjusted by the commissioner. This levy shall not be made in more than 20 successive years and each year before it is made, it must be approved by the commissioner and the approval shall specify its amount. This levy shall ~~in each year~~ be

an amount which is equal to the amount raised by a levy of ~~1.5 mills~~ a gross tax capacity rate of 1.20 percent times the adjusted gross tax capacity of the district for the preceding year for taxes payable in 1990 or a net tax capacity rate of 1.49 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 1991 and thereafter; provided that in the last year in which the district is required to make this levy, it shall levy an amount not to exceed the amount raised by a levy of ~~1.5 mills~~ a gross tax capacity rate of 1.20 percent times the adjusted gross tax capacity of the district for the preceding year for taxes payable in 1990 or a net tax capacity rate of 1.49 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 1991 and thereafter. When the sum of the cumulative levies made pursuant to this subdivision and transfers made according to section 121.912, subdivision 4 equals an amount equal to the statutory operating debt of the district, the levy shall be discontinued.

(2) The district shall establish a special account in the general fund which shall be designated "appropriated fund balance reserve account for purposes of reducing statutory operating debt" on its books and records. This account shall reflect the levy authorized pursuant to this subdivision. The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(3) Any district which is required to levy pursuant to this subdivision shall certify the maximum levy allowable under section 124A.23, subdivision 2 in that same year.

(4) Each district shall make permanent fund balance transfers so that the total statutory operating debt of the district is reflected in the general fund as of June 30, 1977.

Sec. 19. Minnesota Statutes 1988, section 275.125, subdivision 9b, is amended to read:

Subd. 9b. [OPERATING DEBT LEVY.] (1) Each year, a district may make an additional levy to eliminate a deficit in the net unappropriated operating funds of the district, determined as of June 30, 1983, and certified and adjusted by the commissioner. This levy may in each year be an amount not to exceed the amount raised by a levy of ~~1.5 mills~~ a gross tax capacity rate of 1.20 percent times the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of 1.49 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter of the district for the preceding year as determined by the commissioner. However, the total amount of this levy for all years it is made shall not exceed the lesser of (a) the amount of the deficit in the net unappropriated operating funds of the district as of June 30, 1983, or (b) the amount of the aid reduction, according to Laws 1981, Third Special Session chapter 2, article 2, section 2, but excluding clauses (l), (m), (n), (o), and (p), and Laws 1982, Third Special Session chapter 1, article 3, section 6, to the district in fiscal year 1983. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy shall be discontinued.

(2) The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(3) Any district that levies pursuant to this subdivision shall certify the

maximum levy allowable under section 124A.23, subdivisions 2 and 2a, in that same year.

Sec. 20. Minnesota Statutes 1988, section 275.125, subdivision 9c, is amended to read:

Subd. 9c. [1985 OPERATING DEBT LEVY.] (1) Each year, a district may levy to eliminate a deficit in the net unappropriated balance in the general fund of the district, determined as of June 30, 1985, and certified and adjusted by the commissioner. Each year this levy may be an amount not to exceed the amount raised by a levy of ~~1.5 mills~~ *a gross tax capacity rate of 1.20 percent times the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of 1.49 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter* of the district for the preceding year. However, the total amount of this levy for all years it is made shall not exceed the amount of the deficit in the net unappropriated balance in the general fund of the district as of June 30, 1985. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy shall be discontinued.

(2) A district, if eligible, may levy under this subdivision or subdivision 9b but not both.

(3) The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(4) Any district that levies pursuant to this subdivision shall certify the maximum levy allowable under section 124A.23, subdivision 2 in that same year.

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.

(b) A district maintaining a technical institute may levy for its local share of the cost of construction of 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 part of the cost of construction for post-secondary vocational purposes shall be financed by the state and that 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 construction for post-secondary vocational purposes, minus the amount of any unappropriated net balance in the district's post-secondary vocational technical 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 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 of the proposed levy, the duration of the proposed levy and the amount of the proposed levy in dollars and ~~mills~~ *in terms of the tax capacity rate*. 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 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 terms~~ *of the tax capacity rate* 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. Laws 1965, chapter 705, as amended by Laws 1975, chapter 261, section 4, and Laws 1980, chapter 609, article 6, section 37, is amended to read:

Sec. 6. The school board, for the purpose of providing moneys for the payment of its severance pay obligations under a plan approved by resolution of the district, in addition to all other powers possessed by the school district and in addition to and in excess of any existing limitation upon the amount it is otherwise authorized by law to levy as taxes, is authorized to levy taxes annually not exceeding in any one year an amount equal to ~~two tenths of one mill upon each dollar of the assessed valuation thereof~~ *a gross tax capacity rate of .17 percent for taxes payable in 1990, or a net tax capacity rate of .21 percent for taxes payable in 1991 and thereafter*, upon all taxable property within the school district which taxes as levied shall be spread upon the tax rolls, and all corrections thereof shall be held by the school district, and allocated therefor to be disbursed and expended by the school district in payment of any public school severance pay obligations and for no other purpose. Disbursements and expenditures previously authorized on behalf of the school district for payment of severance pay obligations shall not be deemed to constitute any part of the cost of the operation and maintenance of the school district within the meaning of any statutory limitation of any school district expenditures.

The amount of such severance pay allowable or to become payable in respect of any such employment or to any such employee shall not exceed the amount permitted by Minnesota Statutes, Section 465.72.

Sec. 23. Laws 1976, chapter 20, section 4, is amended to read:

Sec. 4. [EXCESS LEVY.] In addition to all other levies permitted by law, in 1976 and each year thereafter, Independent School District No. 625 shall make an additional levy to eliminate its statutory operating debt for the school year ending June 30, 1976 as certified by the legislative auditor pursuant to section 3. Each year the commissioner of education shall certify to the county auditor and Independent School District No. 625 the correct amount of this levy. This levy shall in each year be an amount which is equal to the amount raised by a levy of ~~1.5 mills~~ *a gross tax capacity rate of 1.20 percent times the adjusted assessed valuation gross tax capacity for taxes payable in 1990 or a net tax capacity rate of 1.49 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter* of

the district for the preceding year as determined by the equalization aid review committee, less any amount necessary for the payment of principal and interest on bonds sold pursuant to section 1. When the cumulative receipts from the levies made pursuant to this section and the earnings in the reserve account established under section 5 equal an amount equal to the statutory operating debt, the levy shall be discontinued.

Sec. 24. Laws 1988, chapter 719, article 5, section 84, is amended to read:

Sec. 84. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change the words "assessed value" or "assessed valuation" wherever they appear in Minnesota Statutes to "gross tax capacity" in Minnesota Statutes 1988 and "net tax capacity" in Minnesota Statutes 1989 Supplement and subsequent editions of the statutes except section 275.011, and except in sections of Minnesota Statutes amended in this act. The revisor of statutes shall change the words "mill rate" wherever they appear in Minnesota Statutes to "tax capacity rate" in Minnesota Statutes 1988 and subsequent editions of the statutes except section 275.011.

Sec. 25. [EFFECTIVE DATE.]

Sections 1 to 24 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; modifying certain aids for school districts; modifying certain levies for school districts; providing revenue to assure pupil mastery of certain subjects; expanding health and developmental screening; modifying certain provisions concerning capital facilities; modifying regional management information centers; providing money for libraries, department of education, Faribault academies, center for arts education, and other state, regional, and school district functions; providing procedures and revenue for school districts to cooperate and combine; clarifying and adding duties relating to state determined goals for pupils; appropriating money; amending Minnesota Statutes 1988, sections 120.17, subdivisions 3, 3b, and 11a; 121.11, subdivisions 7, 14, and by adding a subdivision; 121.612; 121.88, subdivisions 8, 9, and 10; 121.882, subdivision 4; 121.904, subdivision 4a, and by adding a subdivision; 121.912, subdivision 1, and by adding a subdivision; 121.931, subdivisions 3, 4, and 7; 121.934, subdivision 2; 121.935, subdivisions 5 and 6; 121.936, subdivisions 1, 4a, and by adding a subdivision; 122.41; 122.43, subdivision 1; 122.541; 122.91, subdivision 3; 123.36, subdivisions 1 and 13; 123.39, by adding a subdivision; 123.58, subdivision 4; 124.155, subdivisions 1 and 2; 124.19, by adding a subdivision; 124.195, subdivision 8; 124.2131, subdivision 1; 124.217, subdivision 1; 124.223; 124.225, subdivisions 1 and 7b; 124.243, subdivisions 2 and 3; 124.244, subdivisions 1 and 2; 124.245, subdivision 3b; 124.252, subdivision 3; 124.26, subdivisions 1c, 7, and by adding a subdivision; 124.271, subdivision 4; 124.2721, subdivisions 2, 3, and by adding a subdivision; 124.273, subdivisions 4 and 5; 124.32, subdivision 1b; 124.38, subdivision 7; 124.43, subdivision 1; 124.494, subdivision 2; 124.574, subdivisions 2b and 5; 124.575, subdivisions 2, 3, and by adding a subdivision; 124.82, subdivision 3; 124.83, subdivisions 3, 4, and 6; 124A.03, subdivision 2; 124A.22, subdivisions 2, 5, 9, and by adding a subdivision; 124A.23, subdivision 1; 124A.26, subdivision 1; 124A.28, subdivision 1; 125.12, subdivision 8; 125.17, subdivision 4; 126.151, subdivision 2; 126.22, subdivision 3;

126.23; 126.56, subdivision 4, and by adding a subdivision; 126.661, by adding a subdivision; 126.663, subdivisions 2 and 3; 126.666, subdivision 4; 126.67, subdivision 5; 129.121, by adding a subdivision; 129B.41; 129B.42; 129B.44; 129B.45; 129B.46; 129C.10; 134.31, by adding a subdivision; 134.33, subdivision 1; 134.34, subdivisions 1 and 2; 136D.22, subdivision 1; 136D.27, subdivision 1; 136D.72, subdivision 1; 136D.74, subdivision 2; 136D.82, subdivision 1; 136D.87, subdivision 1; 141.25, subdivision 8; 141.26, subdivision 5; 171.29, subdivision 2; 273.1102, subdivision 3; 273.1398, subdivision 6; 275.011, subdivision 1; 275.125, subdivisions 5, 5c, 6e, 6h, 6i, 8b, 8e, 9, 9a, 9b, 9c, 11d, and 14a; 275.14; 297A.25, subdivision 11; 422A.101, subdivision 2; 465.71; Laws 1959, chapter 462, section 3, subdivision 10, as amended; Laws 1965, chapter 705, as amended; Laws 1976, chapter 20, section 4; Laws 1984, chapter 463, article 6, section 15, subdivision 1, as amended; Laws 1988, chapters 718, article 7, section 61, subdivisions 1, 6, and 7; and 719, article 5, section 84; proposing coding for new law in Minnesota Statutes, chapters 121; 122; 123; 124; 129B; repealing Minnesota Statutes 1988, sections 120.05, subdivision 1; 120.13; 120.15; 120.16; 120.77; 121.09; 121.11; 121.12; 121.151; 121.19; 121.35, subdivision 5; 121.49, subdivision 1; 121.496, subdivision 1; 121.83; 121.84; 121.843; 121.844; 121.845; 121.85; 121.86; 121.882, subdivisions 6 and 10; 121.902, subdivision 2; 121.9121, subdivision 6; 121.914, subdivisions 9 and 10; 122.86; 122.87; 122.88; 122.96; 123.3511; 123.3512; 123.581, subdivisions 1 and 6; 123.60; 123.601; 123.68; 123.701; 123.702; 123.703; 123.704; 123.705; 124.12, subdivision 1; 124.2138, subdivisions 3 and 4; 124.243, subdivision 4; 124.271, subdivisions 2b, 3, 4, and 7; 124.496; 124.573, subdivision 2; 124A.27, subdivision 7; 125.02; 125.231; 125.241, subdivision 3; 125.60, subdivision 7; 126.02; 126.025; 126.03; 126.05; 126.07; 126.10; 126.11; 126.39, subdivision 11; 126.52, subdivision 11; 126.70, subdivision 3; 126.80; 126.81; 127.08; 129B.48; 129B.71; 129B.72; 129B.73; 275.125, subdivision 8; and 275.128; and Laws 1988, chapter 718, article 5, section 4."

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

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 60, upon the request of three members, a roll call was taken on the first Knaak amendment to S.F. No. 1480.

There were yeas 7 and nays 14, as follows:

Those who voted in the affirmative were:

Messrs. Decker, Knaak, Knutson, Larson, Mehrkens, Ms. Olson and Mr. Ramstad.

Those who voted in the negative were:

Messrs. Beckman; Dahl; DeCramer; Frederickson, D.J.; Hughes; Langseth; Morse; Pehler; Ms. Peterson, D.C.; Messrs. Peterson, R.W.; Pogemiller; Ms. Reichgott and Mr. Stumpf.

The amendment was not adopted.

Mr. Mehrkens withdrew his amendment, after the following action:

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 60, upon the request of three members, a roll call was taken on the first portion of the Mehrkens amendment, as amended, to S.F.

No. 1480.

There were yeas 7 and nays 12, as follows:

Those who voted in the affirmative were:

Messrs. Dahl, Decker, Knaak, Larson, Mehrkens, Ms. Olson and Mr. Ramstad.

Those who voted in the negative were:

Messrs. Beckman; DeCramer; Dicklich; Frederickson, D.J.; Langseth; Morse; Pehler; Ms. Peterson, D.C.; Messrs. Peterson, R.W.; Pogemiller; Ms. Reichgott and Mr. Stumpf.

The first portion of the Mehrkens amendment, as amended, 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 Mehrkens amendment to S.F. No. 1480.

There were yeas 7 and nays 13, as follows:

Those who voted in the affirmative were:

Messrs. Beckman, Decker, Knaak, Larson, Mehrkens, Ms. Olson and Mr. Ramstad.

Those who voted in the negative were:

Messrs. Dahl; DeCramer; Dicklich; Frederickson, D.J.; Hughes; Langseth; Morse; Pehler; Ms. Peterson, D.C.; Messrs. Peterson, R.W.; Pogemiller; Ms. Reichgott and Mr. Stumpf.

The second portion of the Mehrkens 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 Knutson amendment to S.F. No. 1480.

There were yeas 11 and nays 10, as follows:

Those who voted in the affirmative were:

Messrs. Beckman, Dahl, Decker, Hughes, Knaak, Knutson, Larson, Mehrkens, Ms. Olson, Mr. Ramstad, and Ms. Reichgott.

Those who voted in the negative were:

Messrs. DeCramer; Dicklich; Frederickson, D.J.; Langseth; Morse; Pehler; Ms. Peterson, D.C.; Messrs. Peterson, R.W.; Pogemiller and Stumpf.

The amendment was adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1016 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.
1016	1266				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1016 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1016 and insert the language after the enacting clause of S.F. No. 1266, the first engrossment; further, delete the title of H.F. No. 1016 and insert the title of S.F. No. 1266, the first engrossment.

And when so amended H.F. No. 1016 will be identical to S.F. No. 1266, and further recommends that H.F. No. 1016 be given its second reading and substituted for S.F. No. 1266, 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. 333 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.
333	124				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 333 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 333 and insert the language after the enacting clause of S.F. No. 124, the second engrossment; further, delete the title of H.F. No. 333 and insert the title of S.F. No. 124, the second engrossment.

And when so amended H.F. No. 333 will be identical to S.F. No. 124, and further recommends that H.F. No. 333 be given its second reading and substituted for S.F. No. 124, 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. 1150 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.
1150	974				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1150 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1150 and insert the language after the enacting clause of S.F. No. 974, the first engrossment; further, delete the title of H.F. No. 1150 and insert the title of S.F. No. 974, the first engrossment.

And when so amended H.F. No. 1150 will be identical to S.F. No. 974, and further recommends that H.F. No. 1150 be given its second reading and substituted for S.F. No. 974, 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. 139, 736, 232, 852 and 473 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1016, 333 and 1150 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Taylor introduced—

S.F. No. 1615: A bill for an act relating to education; appropriating money for track improvements at Mankato State University.

Referred to the Committee on Finance.

Messrs. Belanger and McGowan introduced—

S.F. No. 1616: A bill for an act relating to commerce; requiring persons selling wire and cable to provide identification and sign a receipt; amending Minnesota Statutes 1988, section 325E.21, subdivision 1.

Referred to the Committee on Commerce.

Mr. Frank introduced—

S.F. No. 1617: A bill for an act relating to human services; requiring a study on methods of providing state assistance for persons with high out-of-pocket expenses for certain prescription drugs; appropriating money.

Referred to the Committee on Health and Human Services.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 1618: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; requiring studies and reports; fixing and limiting fees; amending Minnesota Statutes 1988, sections 12.14; 41A.09; 43A.08, subdivision 1; 237.30; 341.10; and 473.386, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299C.

Under the rules of the Senate, laid over one day.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Waldorf moved that S.F. No. 1261, No. 62 on General Orders, be stricken and returned to its author. The motion prevailed.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:45 a.m., Wednesday, May 3, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-FOURTH DAY

St. Paul, Minnesota, Wednesday, May 3, 1989

The Senate met at 11:45 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.

RECESS

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

The Senate reconvened at the appointed time.

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.

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

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	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	

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.

May 1, 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
69		60	0828 hours May 1	May 1
936		61	0829 hours May 1	May 1
1241		62	0830 hours May 1	May 1
	695	63	0831 hours May 1	May 1
264		64	0827 hours May 1	May 1

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. 1734.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 2, 1989

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 1734: A bill for an act relating to the financing of government in Minnesota; changing tax rates and bases; modifying the administration, collection, and enforcement of taxes; imposing taxes; creating tax exemptions; changing the computation, administration, and payment of aids, credits, and refunds; providing new aids and credits; making technical corrections and clarifications; changing proposed property tax notice provisions; changing levy limits and other local government powers and duties; providing for subordinate service districts; providing for accreditation of assessors; changing tax increment financing provisions; providing for payment of deferred taxes on sale of railroad operating property; extending valuation and deferral of agricultural property taxes in certain instances; authorizing the cities of Mankato and Hopkins to establish special service districts; authorizing establishment of an economic development authority in the city of Otsego and in Kandiyohi county; exempting Itasca county from a levy limit penalty; providing for payment of certain aid to the cities of Falcon Heights and Lauderdale; extending the duration of a tax increment financing district in the city of Moorhead; granting certain powers to towns;

appropriating money; amending Minnesota Statutes 1988, sections 38.27, subdivision 1; 60A.15, subdivision 1; 93.55, subdivision 4; 124A.03, subdivision 2; 256.018; 256.82, subdivision 1; 256.871, subdivision 6; 256B.041, subdivision 5; 270.052; 270.067, subdivisions 1 and 2; 270.071, subdivision 6; 270.072, subdivisions 2 and 3; 270.075, subdivision 2; 270.12, subdivision 2, and by adding a subdivision; 270.485; 270.80, subdivision 1; 272.01, subdivision 2; 272.02, subdivision 1, and by adding a subdivision; 273.01; 273.061, subdivisions 1 and 2; 273.11, by adding a subdivision; 273.111, subdivision 3; 273.112, subdivision 3, and by adding a subdivision; 273.119, subdivision 2; 273.123, subdivisions 4 and 5; 273.124, subdivisions 6, 8, 9, 12, 13, and by adding a subdivision; 273.13, subdivisions 22, 23, 24, 25, 31, and by adding a subdivision; 273.135, subdivisions 2 and 2a; 273.1391, subdivisions 2 and 2a; 273.1392; 273.1393; 273.1398, subdivisions 1, 2, 3, 4, and by adding a subdivision; 275.07, subdivision 1; 275.08, subdivision 1c; 275.28, subdivision 1; 275.50, subdivisions 2, 5, and by adding a subdivision; 275.51, subdivisions 3f, 3g, 3h, 3i, 3j, 4, and 6; 275.58, subdivision 1; 276.04; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivisions 1 and 3; 279.37, subdivision 7; 290.015, subdivisions 3 and 4; 290.05, subdivision 3; 290.06, subdivisions 1 and 21; 290.067, subdivision 2, and by adding a subdivision; 290.0802, subdivision 1; 290.091, subdivision 2; and by adding a subdivision; 290.17, by adding a subdivision; 290.21, subdivision 4; 290.37, subdivision 1; 290.38; 290.92, subdivision 4b, as added; 290.934, subdivision 3a; 290A.03, subdivision 12; 290A.04, subdivisions 2, 2h, and by adding a subdivision; 295.34, subdivision 1; 297.01, subdivision 13, and by adding a subdivision; 297.03, subdivision 6; 297.04, subdivisions 4, 5, and 6; 297.041, subdivision 1; 297.08, subdivision 1; 297.31, by adding a subdivision; 297.33, subdivisions 4, 5, 6, 7, and 8; 297A.01, subdivision 3; 297A.15, by adding a subdivision; 297A.25, subdivision 3, and by adding subdivisions; 297A.257, by adding a subdivision; 297B.03; 297C.03, subdivision 1; 297C.09; 349.12, subdivisions 11, 13, and by adding subdivisions; 349.15; 349.16, by adding a subdivision; 349.212, subdivision 4, and by adding a subdivision; 349.214, subdivision 4; 373.40, subdivisions 1, 2, 4, and 6; 375.192, subdivision 2; 444.075, subdivision 1; 444.16; 444.17; 444.18; 444.19; 444.20; 459.14, by adding a subdivision; 469.012, by adding a subdivision; 469.040, subdivision 2; 469.171, by adding a subdivision; 469.174, subdivision 10, and by adding a subdivision; 469.175, subdivisions 3, 7, and by adding a subdivision; 469.176, subdivisions 1, 4c, 6, and by adding a subdivision; 469.177, subdivision 10; 473.167, subdivisions 3 and 5; 473.249, subdivision 1; 473F08, subdivision 3; 473H.10, subdivision 3; 477A.011, subdivisions 1a and 15; and 477A.013, subdivisions 1, 3, and 4; Laws 1988, chapter 719, articles 1, section 22; 7, section 9; 8, section 37; and 12, sections 29 and 30, as amended; proposing coding for new law in Minnesota Statutes, chapters 273; 275; 276; 297A; 365B; and 469; proposing coding for new law as Minnesota Statutes, chapter 365B; repealing Minnesota Statutes 1988, sections 38.17; 38.27, subdivision 3; 38.28; 60A.151; 271.061; 275.065; 275.57; 275.58, subdivision 4; 276.13; 276.14; 297.01, subdivision 15; 297.03, subdivision 12; 297.04, subdivision 10; 297.33, subdivision 13; 297C.03, subdivisions 4 and 4a; and 473.249, subdivision 3; Laws 1988, chapter 719, article 8, section 35; and Laws 1989, chapter 27, article 2, sections 2 and 3.

Mr. Moe, R.D. moved that H.F. No. 1734 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1423 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.
				1423	1196

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1423 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1423 and insert the language after the enacting clause of S.F. No. 1196, the second engrossment; further, delete the title of H.F. No. 1423 and insert the title of S.F. No. 1196, the second engrossment.

And when so amended H.F. No. 1423 will be identical to S.F. No. 1196, and further recommends that H.F. No. 1423 be given its second reading and substituted for S.F. No. 1196, 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. 186 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.
186	55				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 186 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 186 and insert the language after the enacting clause of S.F. No. 55, the first engrossment; further, delete the title of H.F. No. 186 and insert the title of S.F. No. 55, the first engrossment.

And when so amended H.F. No. 186 will be identical to S.F. No. 55, and further recommends that H.F. No. 186 be given its second reading and substituted for S.F. No. 55, 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. 1221 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.
1221	1075				

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. 30 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.
30	109				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 30 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 30 and insert the language after the enacting clause of S.F. No. 109, the second engrossment; further, delete the title of H.F. No. 30 and insert the title of S.F. No. 109, the second engrossment.

And when so amended H.F. No. 30 will be identical to S.F. No. 109, and further recommends that H.F. No. 30 be given its second reading and substituted for S.F. No. 109, 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. 1560 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.
1560	1289				

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. 1121 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.
1121	1037				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1121 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1121 and insert the language after the enacting clause of S.F. No. 1037, the first engrossment; further, delete the title of H.F. No. 1121 and insert the title of S.F. No. 1037, the first engrossment.

And when so amended H.F. No. 1121 will be identical to S.F. No. 1037, and further recommends that H.F. No. 1121 be given its second reading and substituted for S.F. No. 1037, 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. 260 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.
260	312				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 260 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 260 and insert the language after the enacting clause of S.F. No. 312, the second engrossment; further, delete the title of H.F. No. 260 and insert the title of S.F. No. 312, the second engrossment.

And when so amended H.F. No. 260 will be identical to S.F. No. 312, and further recommends that H.F. No. 260 be given its second reading and substituted for S.F. No. 312, 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. 1432 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.
1432	1303				

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. 1425 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.
1425	1237				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1425 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1425 and insert the language after the enacting clause of S.F. No. 1237, the first engrossment; further, delete the title of H.F. No. 1425 and insert the title of S.F. No. 1237, the first engrossment.

And when so amended H.F. No. 1425 will be identical to S.F. No. 1237, and further recommends that H.F. No. 1425 be given its second reading and substituted for S.F. No. 1237, 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. 1207 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.
1207	1195				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1589 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1589				1494	

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1589 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1589 and insert the language after the enacting clause of S.F. No. 1494, the first engrossment; further, delete the title of H.F. No. 1589 and insert the title of S.F. No. 1494, the first engrossment.

And when so amended H.F. No. 1589 will be identical to S.F. No. 1494, and further recommends that H.F. No. 1589 be given its second reading and substituted for S.F. No. 1494, 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. 1387 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.
1387				796	

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1387 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1387 and insert the language after the enacting clause of S.F. No. 796, the first engrossment; further, delete the title of H.F. No. 1387 and insert the title of S.F. No. 796, the first engrossment.

And when so amended H.F. No. 1387 will be identical to S.F. No. 796, and further recommends that H.F. No. 1387 be given its second reading and substituted for S.F. No. 796, 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. 1697 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.
1697	1248				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1697 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1697 and insert the language after the enacting clause of S.F. No. 1248, the first engrossment; further, delete the title of H.F. No. 1697 and insert the title of S.F. No. 1248, the first engrossment.

And when so amended H.F. No. 1697 will be identical to S.F. No. 1248, and further recommends that H.F. No. 1697 be given its second reading and substituted for S.F. No. 1248, 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. 13 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.
13	830				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 13 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 13 and insert the language after the enacting clause of S.F. No. 830, the first engrossment; further, delete the title of H.F. No. 13 and insert the title of S.F. No. 830, the first engrossment.

And when so amended H.F. No. 13 will be identical to S.F. No. 830, and further recommends that H.F. No. 13 be given its second reading and substituted for S.F. No. 830, 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. 162 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.
162	94				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 162 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 162 and insert the language after the enacting clause of S.F. No. 94, the first engrossment; further, delete the title of H.F. No. 162 and insert the title of S.F. No. 94, the first engrossment.

And when so amended H.F. No. 162 will be identical to S.F. No. 94, and further recommends that H.F. No. 162 be given its second reading and substituted for S.F. No. 94, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

S.F. No. 1480: A bill for an act relating to education; modifying certain aids for school districts; modifying certain levies for school districts; providing revenue to assure pupil mastery of certain subjects; expanding health and developmental screening; modifying certain provisions concerning capital facilities; modifying regional management information centers; providing money for libraries, department of education, Faribault academies, center for arts education, and other state, regional, and school district functions; providing procedures and revenue for school districts to cooperate and combine; clarifying and adding duties relating to state determined goals for pupils; appropriating money; amending Minnesota Statutes 1988, sections 120.17, subdivisions 3, 3b, and 11a; 121.11, subdivisions 7, 14, and by adding a subdivision; 121.612; 121.88, subdivisions 8, 9, and 10; 121.882, subdivision 4; 121.904, subdivision 4a, and by adding a subdivision; 121.912, subdivision 1, and by adding a subdivision; 121.931, subdivisions 3, 4, and 7; 121.934, subdivision 2; 121.935, subdivisions 5 and 6; 121.936, subdivisions 1, 4a, and by adding a subdivision; 122.41; 122.43, subdivision 1; 122.541; 122.91, subdivision 3; 123.36, subdivisions 1 and 13; 123.39, by adding a subdivision; 123.58, subdivision 4; 124.155, subdivisions 1 and 2; 124.19, by adding a subdivision; 124.195, subdivision 8; 124.2131, subdivision 1; 124.217, subdivision 1; 124.223; 124.225, subdivisions 1 and 7b; 124.243, subdivisions 2 and 3; 124.244, subdivisions 1 and 2; 124.245, subdivision 3b; 124.252, subdivision 3; 124.26, subdivisions 1c, 7, and by adding a subdivision; 124.271, subdivision 4; 124.2721, subdivisions 2, 3, and by adding a subdivision; 124.273, subdivisions 4 and 5; 124.32, subdivision 1b; 124.38, subdivision 7; 124.43, subdivision 1; 124.494, subdivision 2; 124.574, subdivisions 2b and 5; 124.575, subdivisions 2, 3, and by adding a subdivision; 124.82, subdivision 3; 124.83, subdivisions 3, 4, and 6; 124A.03, subdivision 2; 124A.22, subdivisions 2, 5, 9, and by adding a subdivision; 124A.23, subdivision 1; 124A.26, subdivision 1; 124A.28, subdivision 1; 125.12, subdivision 8; 125.17, subdivision 4; 126.151, subdivision 2; 126.22, subdivision 3; 126.23; 126.56, subdivision 4, and by adding a subdivision;

126.661, by adding a subdivision; 126.663, subdivisions 2 and 3; 126.666, subdivision 4; 126.67, subdivision 5; 129.121, by adding a subdivision; 129B.41; 129B.42; 129B.44; 129B.45; 129B.46; 129C.10; 134.31, by adding a subdivision; 134.33, subdivision 1; 134.34, subdivisions 1 and 2; 136D.22, subdivision 1; 136D.27, subdivision 1; 136D.72, subdivision 1; 136D.74, subdivision 2; 136D.82, subdivision 1; 136D.87, subdivision 1; 141.25, subdivision 8; 141.26, subdivision 5; 171.29, subdivision 2; 273.1102, subdivision 3; 273.1398, subdivision 6; 275.011, subdivision 1; 275.125, subdivisions 5, 5c, 6e, 6h, 6i, 8b, 8e, 9, 9a, 9b, 9c, 11d, and 14a; 275.14; 297A.25, subdivision 11; 422A.101, subdivision 2; 465.71; Laws 1959, chapter 462, section 3, subdivision 10, as amended; Laws 1965, chapter 705, as amended; Laws 1976, chapter 20, section 4; Laws 1984, chapter 463, article 6, section 15, subdivision 1, as amended; Laws 1988, chapters 718, article 7, section 61, subdivisions 1, 6, and 7; and 719, article 5, section 84; proposing coding for new law in Minnesota Statutes, chapters 121; 122; 123; 124; 129B; repealing Minnesota Statutes 1988, sections 120.05, subdivision 1; 120.13; 120.15; 120.16; 120.77; 121.09; 121.11; 121.12; 121.151; 121.19; 121.35, subdivision 5; 121.49, subdivision 1; 121.496, subdivision 1; 121.83; 121.84; 121.843; 121.844; 121.845; 121.85; 121.86; 121.882, subdivisions 6 and 10; 121.902, subdivision 2; 121.9121, subdivision 6; 121.914, subdivisions 9 and 10; 122.86; 122.87; 122.88; 122.96; 123.3511; 123.3512; 123.581, subdivisions 1 and 6; 123.60; 123.601; 123.68; 123.701; 123.702; 123.703; 123.704; 123.705; 124.12, subdivision 1; 124.2138, subdivisions 3 and 4; 124.243, subdivision 4; 124.271, subdivisions 2b, 3, 4, and 7; 124.496; 124.573, subdivision 2; 124A.27, subdivision 7; 125.02; 125.231; 125.241, subdivision 3; 125.60, subdivision 7; 126.02; 126.025; 126.03; 126.05; 126.07; 126.10; 126.11; 126.39, subdivision 11; 126.52, subdivision 11; 126.70, subdivision 3; 126.80; 126.81; 127.08; 129B.48; 129B.71; 129B.72; 129B.73; 275.125, subdivision 8; and 275.128; and Laws 1988, chapter 718, article 5, section 4.

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

Page 4, line 8, before the period, insert "*, provided that no referendum may be held during any regular session of the legislature*"

Page 5, line 15, before the period, insert "*, except that if that period would expire during a regular session of the legislature, it shall be held no earlier than the date set for adjournment in the Minnesota Constitution during an odd-year session or 90 days after the first day of session in an even-year session*"

Page 5, after line 15, insert:

"(d) The total amount that may be levied under this subdivision may not exceed the greater of:

(1) 15 percent of the formula allowance times the number of actual pupil units for the year to which the proceeds of the levy is attributable; or

(2) the amount authorized by the voters at an election conducted before June 1, 1989.

A district that is subject to clause (2), upon expiration of the authorization granted before June 1, 1989, may submit to the voters for approval a levy increase up to the amount authorized by the voters at an election conducted before June 1, 1989. If the voters do not approve the levy

increase, the district is subject to clause (1).

If the levy authority granted to a district before June 1, 1989, is exclusively for a tax capacity rate and not a dollar amount, the amount, for the purposes of this paragraph, means the tax capacity rate."

Reletter the paragraphs in sequence

Page 57, line 18, delete "Minnesota Statutes" and delete "124.271" and insert "8"

Page 57, line 25, delete "Minnesota Statutes" and delete "124.271" and insert "6"

Page 58, line 6, before the colon, insert "according to section 12"

Page 67, after line 12, insert:

"Sec. 14. [CAPITAL LOANS.]

Subdivision 1. [FOLEY SCHOOL DISTRICT.] A capital loan in an amount not to exceed \$4,853,000 to independent school district No. 51, Foley, is approved.

Subd. 2. [OGILVIE SCHOOL DISTRICT.] A capital loan in an amount not to exceed \$11,341,048 to independent school district No. 333, Ogilvie, is approved."

Page 67, line 17, delete "2, 3, 4, 5, and 8" and insert "3, 4, 5, 6, and 9"

Page 70, after line 24, insert:

"Subd. 8. [MAXIMUM EFFORT SCHOOL LOAN FUND.] For the maximum effort school loan fund:

\$855,500 1990,

\$1,999,700 1991.

These appropriations shall be placed in the loan repayment account of the maximum effort school loan fund for the payment of the principal and interest on school loan bonds, as provided in Minnesota Statutes, section 124.46, to the extent that money in the fund is not sufficient to pay when due the full amount of principal and interest due on school loan bonds. The purpose of these appropriations is to ensure that sufficient money is available in the fund to prevent a statewide property tax levy as would otherwise be required pursuant to Minnesota Statutes, section 124.46, subdivision 3. Notwithstanding the provisions of Minnesota Statutes, section 124.39, subdivision 5, any amount of the appropriation made in this section which is not needed to pay when due the principal and interest due on school loan bonds shall not be transferred to the debt service loan account of the maximum effort school loan fund but instead shall cancel and revert to the general fund.

The 1990 appropriation does not cancel and is available until July 1, 1991."

Page 70, line 29, delete "Section 7 is" and insert "Sections 7 and 14, subdivision 1, are"

Reorder the sections of article 5 in sequence

Page 87, after line 25, insert:

“Sec. 18. Minnesota Statutes 1988, section 122.23, is amended by adding a subdivision to read:

Subd. 13a. [EXCEPTION TO CONSOLIDATION TIMELINES.] Notwithstanding subdivision 13, the consolidation of school districts may take effect July 1 of an even-numbered year if all of the school boards and all of the exclusive representatives of the teachers agree to the effective date. The agreement must be in writing and submitted to the commissioner of education.”

Page 92, after line 27, insert:

“Sec. 29. Minnesota Statutes 1988, section 129B.11, subdivision 1, is amended to read:

Subdivision 1. [PLANS; GRANT AWARDS.] The state board of education shall make grants to groups of school districts to implement plans to improve education. The board shall consult with the state curriculum advisory committee and other appropriate groups. The board may award grants to groups of districts which submit plans that include at least the following:

- (1) program and curriculum changes which provide more learning opportunities for students;
- (2) demonstration of a local commitment to the plan and, ~~in the case of plans utilizing technology,~~ local financial support including public and private partnerships;
- (3) involvement of school district teaching staff in development of the plan;
- (4) demonstration that the plan is consistent with school district goals established under section 126.666; and
- (5) the structural criteria established in subdivision 2.

The board may establish additional criteria and shall establish time lines and the grant application procedure for making grants.

Sec. 30. Minnesota Statutes 1988, section 129B.11, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] To be eligible for a grant, a group of districts must meet one of the following criteria:

- (1) create a consolidated district according to section 122.23, with the consolidated school district having at least 600 pupils in average daily membership;
- (2) establish an education district according to section 122.91;
- (3) form a group of districts that has an agreement under section 122.535 or 122.541 for discontinuing grades when the districts entering into the agreement have a total of at least 240 pupils in average daily membership in grades 10, 11, and 12; or
- (4) enter into a joint powers agreement for a technology cooperative. The school districts in the cooperative must be contiguous and either of the following:
 - (i) there is a significant distance between buildings in the district so that other forms of cooperation are not practical, or
 - (ii) the districts have a combined area of at least 500 square miles.

The grant proceeds may be used to retire operating debt if the plan meets the criteria of subdivision 1."

Page 94, after line 5, insert:

"Sec. 33. Minnesota Statutes 1988, section 275.125, is amended by adding a subdivision to read:

Subd. 11e. [EXTRA CAPITAL EXPENDITURE LEVY FOR COOPERATING DISTRICTS.] A district that has an agreement according to section 122.535 or 122.541 may levy for the repair costs, as approved by the department of education, of a building located in another district that is a party to the agreement."

Re-number the sections of article 6 in sequence

Amend the title as follows:

Page 1, line 24, after the first semicolon, insert "122.23, by adding a subdivision;"

Page 2, line 3, after the first semicolon, insert "129B.11, subdivisions 1 and 2;"

Page 2, line 13, delete "and" and after "14a" insert ", and by adding a subdivision"

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

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 60, upon the request of three members, a roll call was taken on the Knaak amendment to S.F. No. 1480.

There were yeas 7 and nays 15, as follows:

Those who voted in the affirmative were:

Messrs. Anderson, Belanger, Benson, Bernhagen, Knaak, Laidig and Larson.

Those who voted in the negative were:

Messrs. Bertram; Brandl; Chmielewski; Cohen; Davis; Diessner; Gustafson; Johnson, D.J.; Pehler; Ms. Peterson, D.C.; Messrs. Peterson, R.W.; Pogemiller; Ms. Reichgott, Messrs. Schmitz 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 S.F. No. 1480.

There were yeas 14 and nays 9, as follows:

Those who voted in the affirmative were:

Messrs. Bertram; Brandl; Chmielewski; Cohen; Davis; Diessner; Johnson, D.J.; Pehler; Ms. Peterson, D.C.; Messrs. Peterson, R.W.; Pogemiller; Ms. Reichgott, Messrs. Schmitz and Stumpf.

Those who voted in the negative were:

Messrs. Anderson, Belanger, Benson, Bernhagen, Gustafson, Knaak, Laidig, Larson and Novak.

The bill was recommended to pass.

SECOND READING OF SENATE BILLS

S.F. No. 1618 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1423, 186, 1221, 30, 1560, 1121, 260, 1432, 1425, 1207, 1589, 1387, 1697, 13 and 162 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Bertram introduced—

Senate Resolution No. 118: A Senate resolution commending the servicemen who died in the USS Iowa tragedy and the heroism of the servicemen who risked their lives to save their fellow crewmen and their ship.

Referred to the Committee on Rules and Administration.

Mr. Waldorf introduced—

Senate Resolution No. 119: A Senate resolution commending the Latin Liturgy Association for its support of cultural rights.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 120: A Senate resolution commending the efforts of Sue Wocken, coordinator of the May 13 Bike-A-Thon in Cold Spring for the St. Jude Children's Research Hospital "Wheels for Life" Bike-A-Thon.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 121: A Senate resolution congratulating Columbia Gear on its successful operation since 1981.

Referred to the Committee on Rules and Administration.

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

H.F. No. 1423: 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, chapters 144 and 256B.

Mrs. Lantry moved that H.F. No. 1423 be stricken from the Calendar and placed at the top of General Orders. The motion prevailed.

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.

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

So the bill passed and its title was agreed to.

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; amending Minnesota Statutes 1988, sections 246.50, subdivisions 3, 4, and 5; 246.51, by adding a subdivision; and 246.54; repealing Minnesota Statutes 1988, section 246.50, subdivisions 3a, 4a, and 9.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 647: 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.

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

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	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	Morse	Solon
Bernhagen	Frederick	Lantry	Novak	Storm
Bertram	Frederickson, D.J.	Larson	Olson	Stumpf
Brandl	Frederickson, D.R.	Lessard	Pariseau	Taylor
Brataas	Freeman	Luther	Pehler	Vickerman
Chmielewski	Gustafson	Marty	Peterson, D.C.	Waldorf
Cohen	Hughes	McGowan	Piper	

Messrs. Peterson, R.W. and Spear voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 770: A bill for an act relating to state lands; directing conveyance of a certain tract in Beltrami county.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

H.F. No. 1027: 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.

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

So the bill passed and its title was agreed to.

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.

Was read the third time 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.	Mehrrens	Purfeerst
Anderson	Davis	Knaak	Metzen	Rarnstad
Beckman	Decker	Knutson	Moe, D.M.	Reichgott
Belanger	DeCramer	Kroening	Moe, R.D.	Renneke
Benson	Diessner	Laidig	Morse	Schmitz
Berg	Frank	Langseth	Novak	Solon
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	Marty	Peterson, R.W.	Vickerman
Chmielewski	Hughes	McGowan	Piper	Waldorf
Cohen	Johnson, D.E.	McQuaid	Pogemiller	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 61 and nays 4, as follows:

Those who voted in the affirmative were:

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

Messrs. Berg, Brandl, Kroening and Waldorf voted in the negative.

So the resolution passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

H.F. No. 930: 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.

Was read the third time 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:

Belanger	DeCramer	Knutson	Mehrkens	Purfeerst
Berglin	Diessner	Kroening	Merriam	Ramstad
Bernhagen	Frank	Laidig	Metzen	Solon
Bertram	Frederickson, D.J.	Langseth	Moe, R.D.	Spear
Brataas	Frederickson, D.R.	Lantry	Morse	Stumpf
Chmielewski	Freeman	Lessard	Pariseau	Taylor
Cohen	Gustafson	Luther	Peterson, D.C.	Waldorf
Dahl	Hughes	Marty	Peterson, R.W.	
Davis	Johnson, D.E.	McGowan	Piper	
Decker	Knaak	McQuaid	Pogemiller	

Those who voted in the negative were:

Adkins	Berg	Johnson, D.J.	Olson	Schmitz
Anderson	Brandl	Larson	Pehler	Storm
Beckman	Dicklich	Moe, D.M.	Reichgott	Vickerman
Benson	Frederick	Novak	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 1389: A bill for an act relating to Goodhue county; permitting the county 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 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

H.F. No. 1282: 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, 2, 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	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Schmitz
Belanger	Dicklich	Laidig	Morse	Solon
Benson	Diessner	Langseth	Novak	Spear
Berg	Frank	Lantry	Olson	Storm
Berglin	Frederick	Larson	Pariseau	Stumpf
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Taylor
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Vickerman
Brandl	Freeman	Marty	Peterson, R.W.	Waldorf
Brataas	Gustafson	McGowan	Piper	
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

H.F. No. 1339: A bill for an act relating to agricultural societies; permitting certain officials to serve on societies; limiting the tort liability of certain board members; amending Minnesota Statutes 1988, sections 38.013; and 38.04.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 2, as follows:

Those who voted in the affirmative were:

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	Dicklich	Langseth	Morse	Samuelson
Berg	Diessner	Lantry	Novak	Schmitz
Berglin	Frederickson, D.J.	Larson	Olson	Solon
Bernhagen	Frederickson, D.R.	Lessard	Pariseau	Spear
Bertram	Freeman	Luther	Pehler	Storm
Brandl	Gustafson	Marty	Peterson, D.C.	Stumpf
Brataas	Hughes	McGowan	Peterson, R.W.	Taylor
Chmielewski	Johnson, D.E.	McQuaid	Piper	Vickerman
Cohen	Johnson, D.J.	Mehrkens	Pogemiller	Waldorf

Messrs. Frank and Frederick voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 1506: 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 82A.02, by adding a subdivision; 82A.04, subdivision 2; 82A.13, subdivision 2; 83.20, by adding a subdivision; and 83.30, subdivision 1.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

H.F. No. 1323: 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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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; proposing coding for new law in Minnesota Statutes, chapter 84; repealing Minnesota Statutes 1988, section 86.33, 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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Mehrkens	Ramstad
Beckman	Decker	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, R.W.	Taylor
Chmielewski	Gustafson	Marty	Piper	Vickerman
Cohen	Hughes	McGowan	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

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.

Was read the third time 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	Metzen	Reichgott
Anderson	Decker	Knutson	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
Berglin	Frederick	Larson	Pariseau	Stumpf
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Taylor
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Vickerman
Brandl	Freeman	Marty	Peterson, R.W.	Waldorf
Brataas	Gustafson	McGowan	Piper	
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

H.F No. 1131: A bill for an act relating to Olmsted county; authorizing certain appropriations for economic and agricultural development.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mrs. Brataas voted in the negative.

So the bill passed and its title was agreed to.

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; 209.02, subdivision 1; 209.021, subdivision 1; 209.03; 209.09, subdivision 1; and 211A.01, 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 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

H.F. No. 1540: 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.

Was read the third time 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	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	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	Hughes	McGowan	Peterson, R.W.	Vickerman
Cohen	Johnson, D.E.	McQuaid	Piper	Waldorf

So the bill passed and its title was agreed to.

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.

Was read the third time 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	Dahl	Johnson, D.E.	Mehrkens	Purfeerst
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	Langseth	Olson	Solon
Bernhagen	Frederick	Lantry	Pariseau	Spear
Bertram	Frederickson, D.J.	Larson	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

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Berg, Merriam and Peterson, R.W. voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

Was read the third time 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	Metzen	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.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

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.

Was read the third time 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 7, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Frank	McGowan	Olson	Pariseau	Ramstad
Knaak	Novak			

So the bill passed and its title was agreed to.

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 exchange of certain land in Benton county; 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, Warroad, and Ortonville, and Anoka county; authorizing the sale of a certain gifted city lot in the city of Brainerd; authorizing the private sale of certain land in Goodhue and Otter Tail counties to resolve an inadvertent trespass; 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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Chmielewski voted in the negative.

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 1416: A bill for an act relating to state lands; authorizing private conveyance of certain tax-forfeited land in Benton county.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 30 and nays 37, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Metzen	Pogemiller
Anderson	Decker	Knaak	Moe, R.D.	Samuelson
Beckman	DeCramer	Knutson	Morse	Schmitz
Berglin	Dicklich	Laidig	Novak	Solon
Bertram	Frederickson, D.J.	Lessard	Peterson, D.C.	Stumpf
Cohen	Gustafson	McQuaid	Piper	Vickerman

Those who voted in the negative were:

Belanger	Diessner	Langseth	Moe, D.M.	Renneke
Benson	Frank	Lantry	Olson	Spear
Berg	Frederick	Larson	Pariseau	Storm
Bernhagen	Frederickson, D.R.	Luther	Pehler	Taylor
Brandl	Freeman	Marty	Peterson, R.W.	Waldorf
Brataas	Hughes	McGowan	Purfeerst	
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Kroening	Merriam	Reichgott	

So the bill failed to pass.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

H.F. No. 831: A bill for an act relating to game and fish; Mom Fishing Weekend; season opening date for certain game fish; amending Minnesota Statutes 1988, sections 97A.445, by adding a subdivision; and 97C.395, 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 60 and nays 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Brataas	Frederick	Knutson	Renneke
Benson				

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

Was read the third time 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	Piper
Anderson	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	Spear
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

So the bill passed and its title was agreed to.

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.

Was read the third time 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	Piper
Anderson	Davis	Johnson, D.J.	Mehrrens	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	Spear
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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Pehler moved that S.F. No. 695 be taken from the table. The motion prevailed.

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.

CONCURRENCE AND REPASSAGE

Mr. Pehler moved that the Senate concur in the amendments by the House to S.F. No. 695 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 695 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of Senate Bills.

REPORTS OF COMMITTEES

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 353: 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.

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

Page 1, line 21, after the period, insert "*A person may operate currency exchanges at more than one location with one license.*"

Page 2, line 23, after the period, insert "*Fees must be deposited in the state treasury and credited to the general fund.*"

Page 5, after line 33, insert:

"Sec. 15. [APPROPRIATION.]

\$164,000 is appropriated from the general fund to the commissioner of commerce to license currency exchanges as provided in this act.

\$90,000 is for fiscal year 1990 and \$74,000 is for fiscal year 1991."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "appropriating money;"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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. Merriam from the Committee on Finance, 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 22, lines 2 and 3, reinstate the stricken language

Page 22, line 4, reinstate the stricken "the plan with the commissioner of"

Page 22, line 5, after the stricken "development" insert "*revenue*" and reinstate the stricken ". The authority must also file with the commissioner"

Page 22, line 6, reinstate the stricken language

Page 22, after line 6, insert:

"Sec. 29. Minnesota Statutes 1988, section 469.175, subdivision 5, is amended to read:

Subd. 5. [ANNUAL DISCLOSURE.] For all tax increment financing districts, whether created prior or subsequent to August 1, 1979, on or before July 1 of each year, the authority shall submit to the county board, the school board, the commissioner of ~~trade and economic development~~ *revenue* and, if the authority is other than the municipality, the governing body of the municipality, a report of the status of the district. The report shall include the following information: the amount and the source of revenue in the account, the amount and purpose of expenditures from the account, the amount of any pledge of revenues, including principal and interest on any outstanding bonded indebtedness, the original gross tax capacity of the district, the captured gross tax capacity retained by the authority, the captured gross tax capacity shared with other taxing districts, the tax increment received, and any additional information necessary to demonstrate compliance with any applicable tax increment financing plan. An annual statement showing the tax increment received and expended in that year, the original gross tax capacity, captured gross tax capacity, amount of outstanding bonded indebtedness, and any additional information the authority deems necessary shall be published in a newspaper of general circulation in the municipality."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "transferring tax increment financing reporting requirements;"

Page 1, line 16, delete "subdivision 2" and insert "subdivisions 2 and 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. 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.

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

Page 3, line 6, delete "funds" and insert "fund"

Pages 3 to 5, delete section 7 and insert:

"Sec. 7. Minnesota Statutes 1988, section 16A.85, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] The commissioner of administration may determine, in conjunction with the commissioner of finance, the personal property needs of the various state departments, agencies, boards, and commissions *of the kinds identified in this subdivision* that may be economically funded through a master lease program and request the commissioner of finance to execute a master lease ~~and to~~. *The master lease may be used only to finance the following kinds of purchases:*

(a) *The master lease may be used to finance purchases by the commissioner of administration with money from an internal services fund.*

(b) *The master lease may be used to refinance a purchase of equipment already purchased under a lease-purchase agreement.*

(c) *The master lease may be used to finance purchases of large equipment with a capital value of more than \$100,000 and a useful life of more than ten years.*

(d) *The legislature may specifically authorize a particular purchase to be financed using the master lease. The legislature anticipates that this authorization will be given only to finance the purchase of major pieces of equipment with a capital value of more than \$10,000.*

The commissioner of finance may authorize the sale and issuance of certificates of participation relative to ~~a~~ a master lease in an amount sufficient to fund these personal property needs. The term of the certificates must be less than the expected useful life of the equipment whose purchase is financed by the certificates. The commissioner of administration may use the proceeds from the master lease or the sale of the certificates of participation to acquire the personal property through the appropriate procurement procedure in chapter 16B. Money appropriated for the lease or acquisition of this personal property is appropriated to the commissioner of finance to ~~pay principal and interest coming due on the certificates of participation~~ make master lease payments.

Sec. 8. Minnesota Statutes 1988, section 16A.85, subdivision 3, is amended to read:

Subd. 3. [MASTER LEASES NOT DEBT.] The commissioner of finance may not enter into a master lease unless the commissioner of finance *has conducted a demand survey of the amount of projected rentals and determines that money has been appropriated and allotted for the payment of*

the maximum amount of rentals that are *projected to be* payable from state money and that are *projected to be* due or to become due during the appropriation period in which the lease contract is entered into. A master lease does not constitute or create a general or moral obligation or indebtedness of the state in excess of the money from time to time appropriated or otherwise available for the payment of rent coming due under the lease, and the state has no continuing obligation to appropriate money for the payment of rent or other obligations under the lease. Rent due under a master lease during a current lease term for which money has been appropriated is a current expense of the state."

Page 18, line 1, delete "*principle*" and insert "*principal*"

Pages 20 to 22, delete sections 33 and 34

Pages 22 and 23, delete section 38 and insert:

"Sec. 35. [EFFECTIVE DATE.]

This act is effective July 1, 1989, except that section 34 is effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "16A.85" insert ", subdivisions 1 and 3"

Page 1, line 14, delete everything after the first semicolon

Page 1, line 15, delete "subdivision 9;"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 353, 775, 957 and 481 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Merriam 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. 1618 and that the rules of the Senate be so far suspended as to give S.F. No. 1618, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

S.F. No. 1618: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; requiring studies and reports; fixing and limiting fees; amending Minnesota Statutes 1988, sections 12.14; 41A.09; 43A.08, subdivision 1; 237.30; 341.10; and 473.386, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299C.

Mr. Frederick moved to amend S.F. No. 1618 as follows:

Page 30, after line 14, insert:

"Sec. 36. Minnesota Statutes 1988, section 473.384, subdivision 7, is

amended to read:

Subd. 7. [MTC IMPACT ASSESSMENT.] Prior to entering into a contract for operating assistance with a recipient other than the transit commission the board shall evaluate the effect, if any, of the contract on the ridership, routes, schedules, fares, and staffing levels of the existing and proposed service provided by the commission. A copy of the assessment must be provided to the commission. The board may enter into the contract only if it determines that the service to be assisted under the contract will not impose an undue hardship on the ridership or financial condition of the commission, ~~or cause the dismissal of persons that are employed by the commission.~~

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 9, after "341.10;" insert "473.384, subdivision 7;"

The motion prevailed. So the amendment was adopted.

Mr. Laidig moved to amend S.F. No. 1618 as follows:

Page 11, delete line 14 and insert:

"Appropriation	95,015,000	91,383,000"
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Page 11, delete lines 16 and 17 and insert:

"Approved Complement -	1,733.5	1,742.5
General -	398.2	401.2"

Page 11, after line 33, insert:

"The above approved complement includes four additional narcotics investigators in the bureau of criminal apprehension."

Page 11, delete line 35 and insert:

"General	\$ 26,756,000	\$ 23,494,000"
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Page 12, delete line 34 and insert:

"\$ 16,076,000	\$ 13,083,000"
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Page 12, delete line 36 and insert:

"General	\$ 14,627,000	\$ 11,634,000"
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Page 13, after line 24, insert:

"\$481,000 the first year and \$339,000 the second year are for eight new narcotics investigator positions. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium."

Correct the subdivision and section totals and the summaries by fund accordingly

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on S.F. No. 1618. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 34, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Gustafson	Lessard	Ramstad
Anderson	Decker	Johnson, D.E.	McGowan	Renneke
Beckman	Diessner	Knaak	McQuaid	Storm
Belanger	Frank	Knutson	Mehrkens	Vickerman
Benson	Frederickson, D.J.	Laidig	Olson	
Bernhagen	Frederickson, D.R.	Larson	Pariseau	

Those who voted in the negative were:

Berg	DeCramer	Lantry	Morse	Samuelson
Berglin	Dicklich	Luther	Pehler	Schmitz
Brandl	Freeman	Marty	Peterson, D.C.	Solon
Chmielewski	Hughes	Merriam	Peterson, R.W.	Spear
Cohen	Johnson, D.J.	Metzen	Piper	Stumpf
Dahl	Kroening	Moe, D.M.	Pogemiller	Waldorf
Davis	Langseth	Moe, R.D.	Reichgott	

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

S.F. No. 1618 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:

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

So the bill, as amended, was 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.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of today's proceedings. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Johnson, D.J. moved that H.F. No. 1734 be taken from the table. The motion prevailed.

H.F. No. 1734: A bill for an act relating to the financing of government in Minnesota; changing tax rates and bases; modifying the administration, collection, and enforcement of taxes; imposing taxes; creating tax exemptions; changing the computation, administration, and payment of aids, credits, and refunds; providing new aids and credits; making technical corrections and clarifications; changing proposed property tax notice provisions; changing levy limits and other local government powers and duties; providing for subordinate service districts; providing for accreditation of assessors; changing tax increment financing provisions; providing for payment of deferred taxes on sale of railroad operating property; extending valuation and deferment of agricultural property taxes in certain instances; authorizing the cities of Mankato and Hopkins to establish special service districts; authorizing establishment of an economic development authority in the city of Otsego and in Kandiyohi county; exempting Itasca county from a levy limit penalty; providing for payment of certain aid to the cities of Falcon Heights and Lauderdale; extending the duration of a tax increment financing district in the city of Moorhead; granting certain powers to towns; appropriating money; amending Minnesota Statutes 1988, sections 38.27, subdivision 1; 60A.15, subdivision 1; 93.55, subdivision 4; 124A.03, subdivision 2; 256.018; 256.82, subdivision 1; 256.871, subdivision 6; 256B.041, subdivision 5; 270.052; 270.067, subdivisions 1 and 2; 270.071, subdivision 6; 270.072, subdivisions 2 and 3; 270.075, subdivision 2; 270.12, subdivision 2, and by adding a subdivision; 270.485; 270.80, subdivision 1; 272.01, subdivision 2; 272.02, subdivision 1, and by adding a subdivision; 273.01; 273.061, subdivisions 1 and 2; 273.11, by adding a subdivision; 273.111, subdivision 3; 273.112, subdivision 3, and by adding a subdivision; 273.119, subdivision 2; 273.123, subdivisions 4 and 5; 273.124, subdivisions 6, 8, 9, 12, 13, and by adding a subdivision; 273.13, subdivisions 22, 23, 24, 25, 31, and by adding a subdivision; 273.135, subdivisions 2 and 2a; 273.1391, subdivisions 2 and 2a; 273.1392; 273.1393; 273.1398, subdivisions 1, 2, 3, 4, and by adding a subdivision; 275.07, subdivision 1; 275.08, subdivision 1c; 275.28, subdivision 1; 275.50, subdivisions 2, 5, and by adding a subdivision; 275.51, subdivisions 3f, 3g, 3h, 3i, 3j, 4, and 6; 275.58, subdivision 1; 276.04; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivisions 1 and 3; 279.37, subdivision 7; 290.015, subdivisions 3 and 4; 290.05, subdivision 3; 290.06, subdivisions 1 and 21; 290.067, subdivision 2, and by adding a subdivision; 290.0802, subdivision 1; 290.091, subdivision 2; and by adding a subdivision; 290.17, by adding a subdivision; 290.21, subdivision 4; 290.37, subdivision 1; 290.38; 290.92, subdivision 4b, as added; 290.934, subdivision 3a; 290A.03, subdivision 12; 290A.04, subdivisions 2, 2h, and by adding a subdivision; 295.34, subdivision 1; 297.01, subdivision 13, and by adding a subdivision; 297.03, subdivision 6; 297.04, subdivisions 4, 5, and 6; 297.041, subdivision 1; 297.08, subdivision 1; 297.31, by adding a subdivision; 297.33, subdivisions 4, 5, 6, 7, and 8; 297A.01, subdivision 3; 297A.15, by adding a subdivision; 297A.25, subdivision 3, and by adding subdivisions; 297A.257, by adding a subdivision; 297B.03; 297C.03, subdivision 1; 297C.09; 349.12, subdivisions 11, 13, and by adding subdivisions; 349.15; 349.16, by adding a subdivision; 349.212, subdivision 4, and by adding a subdivision; 349.214, subdivision 4; 373.40, subdivisions 1, 2, 4, and 6; 375.192, subdivision 2; 444.075, subdivision 1; 444.16; 444.17; 444.18; 444.19; 444.20; 459.14,

by adding a subdivision; 469.012, by adding a subdivision; 469.040, subdivision 2; 469.171, by adding a subdivision; 469.174, subdivision 10, and by adding a subdivision; 469.175, subdivisions 3, 7, and by adding a subdivision; 469.176, subdivisions 1, 4c, 6, and by adding a subdivision; 469.177, subdivision 10; 473.167, subdivisions 3 and 5; 473.249, subdivision 1; 473F08, subdivision 3; 473H.10, subdivision 3; 477A.011, subdivisions 1a and 15; and 477A.013, subdivisions 1, 3, and 4; Laws 1988, chapter 719, articles 1, section 22; 7, section 9; 8, section 37; and 12, sections 29 and 30, as amended; proposing coding for new law in Minnesota Statutes, chapters 273; 275; 276; 297A; 365B; and 469; proposing coding for new law as Minnesota Statutes, chapter 365B; repealing Minnesota Statutes 1988, sections 38.17; 38.27, subdivision 3; 38.28; 60A.151; 271.061; 275.065; 275.57; 275.58, subdivision 4; 276.13; 276.14; 297.01, subdivision 15; 297.03, subdivision 12; 297.04, subdivision 10; 297.33, subdivision 13; 297C.03, subdivisions 4 and 4a; and 473.249, subdivision 3; Laws 1988, chapter 719, article 8, section 35; and Laws 1989, chapter 27, article 2, sections 2 and 3.

SUSPENSION OF RULES

Mr. Johnson, D.J. 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. 1734 and that the rules of the Senate be so far suspended as to give H.F. No. 1734 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1734 was read the second time.

Mr. Johnson, D.J. moved to amend H.F. No. 1734 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1734, and insert the language after the enacting clause, and the title, of S.F. No. 473, the first engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.J. then moved to amend H.F. No. 1734, as amended by the Senate May 3, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 473.)

Page 8, line 31, delete "alternative"

Page 11, after line 25, insert:

"Section 1 is effective May 15, 1989, for returns filed after December 31, 1988."

Page 18, line 2, after "Code" insert ", provided that the tax will not be imposed on advertising revenues from a newspaper published by an organization described in section 501(c)(4) of the Internal Revenue Code"

Page 39, line 32, after "charges" insert "under section 295.34, subdivision 1"

Page 80, line 3, after the period, insert "Gross taxes are before any reduction for disparity reduction aid."

Page 80, line 23, delete "the ratio of (1) the greater"

Page 80, delete lines 24 to 33

Page 80, line 34, delete "unique taxing jurisdiction" and insert "one plus the greater of the percentage change in (1) the ratio of estimated market value of the first \$68,000 residential homesteads to the estimated market value of all taxable property within the unique taxing jurisdiction based on the assessment one year prior to the year in which the aid is payable when compared to the same ratio based on the 1988 assessment or (2) the ratio of the estimated market value of farm homesteads to the estimated market value of all taxable property within the unique taxing jurisdiction based on the assessment one year prior to the year in which the aid is payable when compared to the same ratio based on the 1988 assessment"

Page 81, line 34, delete "the prior year" and insert "1990"

Page 84, line 36, after "477A.0132" insert ", regardless of the size of the town"

Page 90, line 1, delete "275.50" and insert "275.51"

Page 138, line 16, after "of" insert "section"

Page 194, line 15, delete "described in section 368.01,"

Page 194, line 16, delete the new language and insert "that has a population of 5,000 or more"

Page 201, after line 32, insert:

"Sec. 13. Minnesota Statutes 1988, section 373.40, subdivision 2, is amended to read:

Subd. 2. [APPLICATION OF ELECTION REQUIREMENT COUNTY BOARD APPROVAL.] (a) ~~Bonds issued by a county to finance capital improvements under an approved capital improvement plan are not subject to the election requirements of section 375.18 or 475.58. The bonds must be approved by vote of at least three-fifths of the members of the county board. In the case of a metropolitan county, the bonds must be approved by vote of at least two-thirds of the members of the county board.~~

(b) ~~Before each issuance of bonds qualifying under this section, the county must publish a notice of its intention to issue the bonds and the date and time of a hearing to obtain public comment on the matter. The notice must be published in the official newspaper of the county or in a newspaper of general circulation in the county. The notice must be published at least 14, but not more than 28, days before the date of the hearing.~~

(e) ~~A county may issue the bonds only upon obtaining the approval of a majority of the voters voting on the question of issuing the obligations, if a petition requesting a vote on the issuance is signed by voters equal to five percent of the votes cast in the county in the last general election and is filed with the county auditor within 30 days after the public hearing. The commissioner of revenue shall prepare a suggested form of the question to be presented at the election.~~

Sec. 14. Minnesota Statutes 1988, section 375.18, subdivision 3, is amended to read:

Subd. 3. [COURTHOUSE.] Each county board may erect, furnish, and maintain a suitable courthouse. ~~No indebtedness shall be created for a courthouse in excess of 1-2/3 mills on each dollar of gross tax capacity without the approval of a majority of the voters of the county voting on~~

the question of issuing the obligation at an election.”

Page 202, line 27, strike “under a capital”

Page 202, line 28, strike “improvement plan under section 373.40”

Page 202, line 32, delete “Section 13 is” and insert “Sections 13 to 15 are”

Renumber the sections of article 7 in sequence and correct the internal references

Page 231, after line 16, insert:

“Sec. 43. Minnesota Statutes 1988, section 275.14, is amended to read:
275.14 [CENSUS.]

For the purposes of sections 275.11 to 275.16, the population of a city shall be that established by the last federal census, by a special census taken by the United States Bureau of the Census, by an estimate made by the metropolitan council, or by the state demographer made according to section 116K.04, subdivision 4, whichever has the latest stated date of count or estimate, before July 2 of the current levy year. The population of a school district must be determined by the most recent federal census.

In any year in which no federal census is taken pursuant to law in any school district affected by sections 275.11 to 275.16 a population estimate may be made and submitted to the state demographer for approval as hereinafter provided. The school board of a school district, in case it desires a population estimate, shall pass a resolution by ~~September~~ July 1 containing a current estimate of the population of the school district and shall submit the resolution to the state demographer. The resolution shall describe the criteria on which the estimate is based and shall be in a form and accompanied by the data prescribed by the state demographer. The state demographer shall determine whether or not the criteria and process described in the resolution provide a reasonable basis for the population estimate and shall inform the school district of that determination within 30 days of receipt of the resolution. If the state demographer determines that the criteria and process described in the resolution do not provide a reasonable basis for the population estimate, the resolution shall be of no effect. If the state demographer determines that the criteria and process do provide a reasonable basis for the population estimate, the estimate shall be treated as the population of the school district for the purposes of sections 275.11 to 275.16 until the population of the school district has been established by the next federal census or until a more current population estimate is prepared and approved as provided herein, whichever occurs first. The state demographer shall establish guidelines for acceptable population estimation criteria and processes. The state demographer shall issue advisory opinions upon request in writing to cities or school districts as to proposed criteria and processes prior to their implementation in an estimation. The advisory opinion shall be final and binding upon the demographer unless the demographer can show cause why it should not be final and binding.

In the event that a census tract employed in taking a federal or local census overlaps two or more school districts, the county auditor shall, on the basis of the best information available, allocate the population of said census tract to the school districts involved.

The term “council,” as used in sections 275.11 to 275.16, means any

board or body, whether composed of one or more branches, authorized to make ordinances for the government of a city within this state."

Page 253, line 6, delete "60, 62 to 65" and insert "61, 63 to 66"

Page 253, line 7, delete "80" and insert "81"

Page 253, line 9, delete "66 to 73" and insert "67 to 74"

Page 253, line 15, delete "61, 77, 78, and 79" and insert "62, and 78 to 80"

Renumber the sections of article 8 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Freeman moved that the following members be excused for a Conference Committee on H.F. No. 46 at 6:00 p.m.:

Messrs. Morse, Samuelson, Waldorf, Freeman and Johnson, D.E. The motion prevailed.

Mr. Stumpf moved to amend H.F. No. 1734, as amended by the Senate May 3, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 473.)

Page 261, lines 33 and 34, delete the new language

Pages 264 to 266, delete sections 2 to 4

Page 267, delete sections 6 to 8

Renumber the sections of article 10 in sequence and correct the internal references

Amend the title accordingly

Mr. Bernhagen moved to amend the Stumpf amendment to H.F. No. 1734 as follows:

Page 1, line 6, delete "266" and insert "267" and delete "4" and insert "5"

The question was taken on the adoption of the Bernhagen amendment to the Stumpf amendment.

The roll was called, and there were yeas 26 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Chmielewski	Knaak	McQuaid	Storm
Belanger	Cohen	Knutson	Mehrkens	Taylor
Benson	Decker	Laidig	Olson	
Berg	Frederick	Larson	Pariseau	
Bernhagen	Frederickson, D.R.	Lessard	Ramstad	
Brataas	Gustafson	McGowan	Renneke	

Those who voted in the negative were:

Adkins	DeCramer	Langseth	Novak	Schmitz
Beckman	Dicklich	Lantry	Pehler	Solon
Berglin	Diessner	Luther	Peterson, D.C.	Spear
Bertram	Frank	Marty	Peterson, R. W.	Stumpf
Brandl	Frederickson, D.J.	Merriam	Piper	Vickerman
Dahl	Johnson, D.J.	Metzen	Pogemiller	
Davis	Kroening	Moe, R.D.	Reichgott	

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the adoption of the Stumpf amendment.

The roll was called, and there were yeas 47 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Freeman	Mehrrens	Renneke
Anderson	Dahl	Johnson, D.E.	Metzen	Samuelson
Beckman	Davis	Knaak	Morse	Solon
Belanger	Decker	Knutson	Novak	Storm
Benson	DeCramer	Langseth	Olson	Stumpf
Berg	Diessner	Lantry	Pariseau	Taylor
Bernhagen	Frank	Larson	Pehler	Vickerman
Bertram	Frederick	Lessard	Piper	
Brataas	Frederickson, D.J.	McGowan	Ramstad	
Chmielewski	Frederickson, D.R.	McQuaid	Reichgott	

Those who voted in the negative were:

Berglin	Johnson, D.J.	Marty	Peterson, D.C.	Schmitz
Brandl	Kroening	Merriam	Peterson, R. W.	Spear
Dicklich	Luther	Moe, R.D.	Pogemiller	Waldorf
Gustafson				

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend H.F. No. 1734, as amended by the Senate May 3, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 473.)

Page 188, after line 24, insert:

“Sec. 80. [CITY OF WHITE BEAR LAKE; LEVY LIMIT PENALTY EXEMPTION.]

The amount of any tax levied by the city of White Bear Lake under authority provided in Laws 1988, chapter 419, is not subject to a penalty imposed under Minnesota Statutes, section 275.51, subdivision 4, for exceeding levy limits under Minnesota Statutes, sections 275.50 to 275.56, but may not exceed \$150,000 in any year.”

Page 188, line 34, after the period, insert “Section 80 is effective upon approval by the White Bear Lake city council for taxes levied in 1989, 1990, and 1991, payable in 1990, 1991, and 1992 only.”

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

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

Mr. Larson moved to amend H.F. No. 1734, as amended by the Senate May 3, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 473.)

Page 196, line 36, delete "and"

Page 197, line 9, delete the period and insert " ; and

(m) the amount of a levy for the support of libraries under section 134.34."

Page 198, delete lines 17 and 18

Page 199, line 3, after the semicolon, insert "and"

Page 199, line 22, delete " ; and" and insert a period

Page 199, delete lines 23 to 27

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

Mr. Ramstad moved to amend H.F. No. 1734, as amended by the Senate May 3, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 473.)

Page 56, after line 9, insert:

"Sec. 7. Minnesota Statutes 1988, section 273.112, subdivision 3, is amended to read:

Subd. 3. Real estate shall be entitled to valuation and tax deferment under this section only if it is:

(a) actively and exclusively devoted to *baseball, softball, soccer*, golf, skiing or archery or firearms range recreational use or uses and other recreational uses carried on at the establishment;

(b) five acres in size or more, except in the case of an archery or firearms range;

(c)(1) operated by private individuals and open to the public; or

(2) operated by firms or corporations for the benefit of employees or guests; or

(3) operated by private clubs having a membership of 50 or more, provided that the club does not discriminate in membership requirements or selection on the basis of sex; and

(d) made available, in the case of real estate devoted to golf, for use without discrimination on the basis of sex during the time when the facility is open to use by the public or by members, except that use for golf may be restricted on the basis of sex no more frequently than one, or part of one, weekend each calendar month for each sex and no more than two, or part of two, weekdays each week for each sex.

If a golf club membership allows use of golf course facilities by more than one adult per membership, the use must be equally available to all adults entitled to use of the golf course under the membership, except that use may be restricted on the basis of sex as permitted in this section. Memberships that permit play during restricted times may be allowed only if the restricted times apply to all adults using the membership.

A golf club may have or create an individual membership category which entitles a member for a reduced rate to play during restricted hours as established by the club. The club must have on record a written request by the member for such membership.

For purposes of this subdivision and subdivision 7a, discrimination means a pattern or course of conduct and not linked to an isolated incident.”

Page 90, line 16, delete “20” and insert “21”

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title as follows:

Page 1, line 39, after “3;” insert “273.112, subdivision 3;”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Knaak	McQuaid	Renneke
Belanger	Decker	Knutson	Mehrkens	Storm
Benson	Frederick	Laidig	Olson	Taylor
Bernhagen	Frederickson, D.R.	Larson	Pariseau	Vickerman
Bertram	Gustafson	McGowan	Ramstad	

Those who voted in the negative were:

Adkins	Dahl	Johnson, D.J.	Metzen	Pogemiller
Beckman	Davis	Kroening	Moe, R.D.	Reichgott
Berg	DeCramer	Lantry	Novak	Schmitz
Berglin	Dicklich	Lessard	Pehler	Spear
Brandl	Diessner	Luther	Peterson, D.C.	Stumpf
Chmielewski	Frank	Marty	Peterson, R.W.	
Cohen	Frederickson, D.J.	Merriam	Piper	

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

Mr. Taylor moved to amend H.F. No. 1734, as amended by the Senate May 3, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 473.)

Page 19, after line 20, insert:

“Sec. 8. Minnesota Statutes 1988, section 290.06, is amended by adding a subdivision to read:

Subd. 23. [CONTINUING EDUCATION FOR DAY CARE PROVIDERS.] A credit may be taken against the tax due under this chapter equal to 50 percent of the cost incurred by a taxpayer for tuition and required fees, books, and supplies for a course of study to improve skills as a day care operator. The credit provided in this subdivision is available to an employee of a child day care or residential facility that is licensed under chapter 245A or to an owner or operator of a facility who pays for courses taken by persons employed at the facility. The commissioner of human services shall certify courses that qualify for the credit provided in this subdivision. To be certified, a course must provide information or training that is directly related to knowledge and skills necessary to provide day care services.

Sec. 9. Minnesota Statutes 1988, section 290.06, is amended by adding a subdivision to read:

Subd. 24. [EMPLOYER'S DAY CARE FACILITIES.] (a) A taxpayer may take a credit against the tax due under this chapter equal to 50 percent of amounts paid by the taxpayer for qualified employer day care facility costs during the first taxable year. The credit shall be reduced in the

following tax years to 40 percent in the second year; 30 percent in the third year; 20 percent in the fourth year; and 10 percent in the fifth year. For purposes of this subdivision, "qualified employer day care facility costs" means the following expenditures made in connection with an employer-provided day care facility:

- (1) the cost of construction, renovation, or remodeling of the facility;
- (2) the cost of furniture, equipment, materials, and supplies used to provide day care services at the facility; and
- (3) amounts expended for salaries paid and benefits provided to employees whose primary function is providing day care services at the facility.

(b) For purposes of this subdivision, "employer-provided day care facility" means a child day care facility that:

- (1) is licensed under chapter 245A;
- (2) is located either at the site of the employer's business operation or within two miles of that site; and
- (3) is owned by the employer or receives over 75 percent of its annual gross revenues as payments from the employer. A taxpayer may take the credit provided under this subdivision for no more than five taxable years.

Sec. 10. Minnesota Statutes 1988, section 290.06, is amended by adding a subdivision to read:

Subd. 25. [EMPLOYER'S DAY CARE SUBSIDY.] A taxpayer may take a credit against the tax due under this chapter equal to 50 percent of amounts paid by the taxpayer for direct subsidy of individual employees' costs for day care at a home or facility licensed under chapter 245A during the taxable year. The credit shall be reduced in the following tax years to 40 percent in the second year; 30 percent in the third year; 20 percent in the fourth year; and 10 percent in the fifth year. A taxpayer may take a credit under this subdivision for no more than five taxable years."

Page 40, line 18, after the period, insert "Sections 8 to 10 are effective for taxable years beginning after December 31, 1988."

Renumber the sections of article 2 in sequence and correct the internal references

Page 259, after line 32, insert:

"Sec. 5. Minnesota Statutes 1988, section 297A.25, is amended by adding a subdivision to read:

Subd. 42. [DAY CARE CENTER MATERIALS AND EQUIPMENT.] (a) The gross receipts from the sale or use of all materials and supplies or equipment used or consumed in constructing or incorporated into the construction of a child day care facility licensed under chapter 245A, are exempt, as are other educational facilities. In the case of a day care facility that is located in a private residence, the exemption shall apply to materials, supplies, and equipment purchased for construction of improvements to the residence that are required to meet the state day care facility licensing standards and are used exclusively for the purpose of providing day care services.

(b) The gross receipts from the sale or use of all materials or supplies used or consumed in the process of providing child day care services

licensed under chapter 245A are exempt.”

Renumber the sections of article 9 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 36 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Hughes	Mehrkens	Spear
Beckman	Dahl	Johnson, D.E.	Morse	Storm
Belanger	Decker	Knaak	Olson	Taylor
Benson	DeCramer	Knutson	Pariseau	Vickerman
Berg	Frank	Laidig	Peterson, D.C.	
Berglin	Frederick	Larson	Ramstad	
Bernhagen	Frederickson, D.R.	McGowan	Reichgott	
Brataas	Gustafson	McQuaid	Renneke	

Those who voted in the negative were:

Adkins	Diessner	Lantry	Novak	Schmitz
Bertram	Frederickson, D.J.	Lessard	Pehler	Solon
Brandl	Freeman	Luther	Peterson, R.W.	Stumpf
Chmielewski	Johnson, D.J.	Merriam	Piper	Waldorf
Davis	Kroening	Metzen	Pogemiller	
Dicklich	Langseth	Moe, R.D.	Samuelson	

The motion prevailed. So the amendment was adopted.

Mr. Bernhagen moved to amend H.F. No. 1734, as amended by the Senate May 3, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 473.)

Page 6, after line 19, insert:

“Sec. 2. Minnesota Statutes 1988, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to 6 and \$1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated

for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code of 1986, as amended through December 31, 1987;

(4) to the extent included in federal taxable income, distributions from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income as provided under section 290.0802; **and**

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g-; **and**

(7) the first \$3,000 of compensation for personal services in the armed forces of the United States or the United Nations, and the next \$2,000 of compensation for personal services in the armed forces of the United States or the United Nations wholly performed outside of Minnesota. This subtraction does not apply to pension or disability income."

Page 7, after line 11, insert:

"Sec. 5. Minnesota Statutes 1988, section 290.0802, subdivision 2, is amended to read:

Subd. 2. [SUBTRACTION.] (a) A qualified individual is allowed a subtraction from federal taxable income equal to the lesser of federal taxable income or the individual's subtraction base amount. The excess of the subtraction base amount over federal taxable income may be used to reduce the amount of a lump sum distribution subject to tax under section 290.032.

(b)(1) The initial subtraction base amount equals

(i) ~~\$10,000~~ \$12,000 for a married taxpayer filing a joint return if a spouse is a qualified individual,

(ii) ~~\$8,000~~ \$10,000 for a single taxpayer, and

(iii) ~~\$5,000~~ \$6,000 for a married taxpayer filing a separate federal return.

(2) The qualified individual's initial subtraction base amount, then, must be reduced by the sum of nontaxable retirement and disability benefits and one-half of the amount of adjusted gross income in excess of the following thresholds:

(i) \$15,000 for a married taxpayer filing a joint return if both spouses are qualified individuals,

(ii) \$12,000 for a single taxpayer or for a married couple filing a joint return if only one spouse is a qualified individual, and

(iii) \$7,500 for a married taxpayer filing a separate federal return.

(3) In the case of a qualified individual who is under the age of 65, the maximum amount of the subtraction base may not exceed the taxpayer's disability income.

(4) The resulting amount is the subtraction base amount."

Page 11, line 26, delete "*Section 2 is*" and insert "*Sections 2, 3, and 5 are*"

Renumber the sections of article 1 in sequence and correct the internal references

Page 19, lines 13 and 18, strike "five" and insert "15"

Page 45, line 17, strike "75 percent of"

Page 64, line 27, after "\$100,000" insert "*for taxes payable in 1990 and 4.95 percent of the market value over \$100,000 for taxes payable in 1991 and thereafter*"

Page 258, line 36, after "*equipment*" insert "*sold before July 1, 1990,*"

Page 259, after line 32, insert:

"Sec. 5. Minnesota Statutes 1988, section 297A.25, is amended by adding a subdivision to read:

Subd. 42. [CAPITAL EQUIPMENT.] The gross receipts from the sale of capital equipment are exempt.

Sec. 6. Minnesota Statutes 1988, section 297A.275, is amended to read:

297A.275 [ACCELERATED PAYMENT OF JUNE LIABILITY.]

(a) Every vendor having a liability of \$1,500 or more in May ~~1988 or in 1989~~, May of ~~each subsequent year~~ 1990, or May 1991, shall remit the June liability in the manner required by this ~~section~~ paragraph.

On or before June 20, ~~1988 or 1989~~, June 20, 1990, or June 20, 1991 of ~~each subsequent year~~, the vendor shall remit the actual May liability and one-half of the estimated June liability to the commissioner and file the return on a form prescribed by the commissioner.

(b) Every vendor having a liability of \$5,000 or more in May 1992, shall remit the June liability in the manner required by this paragraph.

On or before June 20, 1992, the vendor shall remit the actual May liability and one-half of the estimated June liability to the commissioner and file the return on a form prescribed by the commissioner.

(c) Every vendor having a liability of \$15,000 or more in May 1993, shall remit the June liability in the manner required by this paragraph.

On or before June 20, 1993, the vendor shall remit the actual May liability and one-half of the estimated June liability to the commissioner and file the return on a form prescribed by the commissioner.

(d) Every vendor having a liability of \$50,000 or more in May 1994,

shall remit the June liability in the manner required by this paragraph.

On or before June 20, 1994, the vendor shall remit the actual May liability and one-half of the estimated June liability to the commissioner and file the return on a form prescribed by the commissioner.

(e) On or before August 20, ~~1988~~ 1989, or August 20 of each subsequent year, the vendor shall submit a return showing the actual June liability and paying any additional amount of tax not remitted in June. A penalty is hereby imposed equal to ten percent of the amount of June liability required to be paid in June less the amount remitted in June. However, the penalty shall not be imposed if the amount remitted in June equals the lesser of (a) 45 percent of the actual June liability, or (b) 50 percent of the preceding May's liability."

Page 260, after line 9, insert:

"Sec. 8. [REPEALER.]

Minnesota Statutes 1988, section 297A.275, is repealed."

Page 260, line 15, after the period, insert "*Section 5 is effective July 1, 1990. Section 8 is effective January 1, 1995.*"

Renumber the sections of article 9 in sequence and correct the internal references

Pages 260 to 264, delete section 1

Renumber the sections of article 10 in sequence and correct the internal references

Amend the title accordingly

Pursuant to Rule 22, Mr. Johnson, D.E. moved to be excused from voting on the Bernhagen amendment to H.F. No. 1734. The motion prevailed.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Gustafson	McGowan	Ramstad
Beckman	Decker	Knaak	McQuaid	Renneke
Belanger	Frank	Knutson	Mehrkens	Storm
Benson	Frederick	Laidig	Olson	Taylor
Bernhagen	Frederickson, D.R.	Larson	Pariseau	Vickerman

Those who voted in the negative were:

Adkins	DeCramer	Lantry	Morse	Schmitz
Berglin	Diessner	Lessard	Novak	Spear
Bertram	Frederickson, D.J.	Luther	Peterson, D.C.	Stumpf
Brandl	Freeman	Marty	Peterson, R.W.	Waldorf
Chmielewski	Hughes	Merriam	Piper	
Cohen	Johnson, D.J.	Metzen	Pogemiller	
Dahl	Kroening	Moe, D.M.	Reichgott	
Davis	Langseth	Moe, R.D.	Samuelson	

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

H.F. No. 1734 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 41 and nays 25, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Lantry	Novak	Solon
Beckman	DeCramer	Lessard	Pehler	Spear
Berg	Dicklich	Luther	Peterson, D.C.	Stumpf
Berglin	Diessner	Marty	Peterson, R.W.	Taylor
Bertram	Frederickson, D.J.	Merriam	Piper	Vickerman
Brandl	Freeman	Metzen	Pogemiller	
Brataas	Hughes	Moe, D.M.	Reichgott	
Chmielewski	Johnson, D.J.	Moe, R.D.	Samuelson	
Cohen	Langseth	Morse	Schmitz	

Those who voted in the negative were:

Anderson	Decker	Johnson, D.E.	Larson	Pariseau
Belanger	Frank	Knaak	McGowan	Ramstad
Benson	Frederick	Knutson	McQuaid	Renneke
Bernhagen	Frederickson, D.R.	Kroening	Mehrkens	Storm
Dahl	Gustafson	Laidig	Olson	Waldorf

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Johnson, D.J. moved that S.F. No. 473, No. 141 on General Orders, be stricken and laid on the table. The motion prevailed.

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. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

H.F. No. 557: A bill for an act relating to retirement; providing additional resources for the public employees insurance plan; amending Minnesota Statutes 1988, sections 43A.316, subdivision 9; 69.031, subdivision 5; and 353.65, subdivisions 1 and 6, 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:

"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 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 shall serve upon that person a written notice. The notice must contain:

(1) the reasons for the termination 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

subdivision 2 and regarding whom a benefit has been terminated 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 shall 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, the executive director shall deliver a copy of the relevant documentation to each board member personally or by mail. Each board member who participates in the decision on the petition must be familiar with all relevant documentation.

Subd. 5. [HEARING.] The board shall hold a timely hearing on a petition for review. 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, in addition to the other procedures prescribed in this section, shall 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 to explain, orally or in writing, 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, 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 shall 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 of certiorari to the court of appeals. Failure to appeal within 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.

Subd. 11. [PETITIONS WITHOUT NOTICE.] A person who is not entitled to a review under this section may nevertheless receive review of the decision of the executive director that affects the person's rights by petitioning the board under this section within 60 days of the time the person knew or should have known of the disputed decision.

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 must be paid until the end of the month in which the retired employee reaches age 62, at which time the annuity must 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. 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		Years and complete
contributed as a		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. 10. 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. 11. Minnesota Statutes 1988, section 352B.10, subdivision 5, is amended to read:

Subd. 5. [OPTIONAL ANNUITY.] A disabled member ~~not eligible for~~ may, instead 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. 12. 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. 13. Minnesota Statutes 1988, section 352D.04, subdivision 1, is amended to read:

Subdivision 1. (a) An employee exercising an option to participate in the retirement program provided by this chapter may elect to purchase shares in one or a combination of the income share account, the growth share account, the money market account, the bond market account, the guaranteed return account, or the common stock index account established in section 11A.17. The employee may elect to participate in one or more of the investment accounts in the fund by specifying, on a form provided by the executive director, the percentage of the employee's contributions provided in subdivision 2 to be used to purchase shares in each of the accounts.

(b) Twice in any calendar year, a participant may indicate in writing on forms provided by the Minnesota state retirement system a choice of options for subsequent purchases of shares. Until a different written indication is made by the participant, the executive director shall purchase shares in the supplemental fund as selected by the participant. If no initial option is chosen, 100 percent income shares must be purchased for a participant. A change in choice of investment option is effective no later than the first pay date first occurring after 30 days following the receipt of the request for a change.

(c) One month before the start of a new guaranteed investment contract, a participant or former participant may elect to transfer all or a portion of the participant's shares previously purchased in the income share, growth share, common stock index, bond market, or money market accounts to the new guaranteed investment contract in the guaranteed return account. ~~If a partial transfer is made, a minimum of \$1,000 must be transferred and a minimum balance of \$1,000 must remain in the previously selected investment options.~~ Upon expiration of a guaranteed investment contract, the participant's shares attributable to that contract must be transferred to a new guaranteed investment contract unless the executive director is otherwise directed by the participant. Shares in the guaranteed return account may not be withdrawn from the fund or transferred to another account until the guaranteed investment contract has expired, unless the participant qualifies for withdrawal under section 352D.05 or for benefit payments under sections 352D.06 to 352D.075.

(d) Twice in any calendar year a participant or former participant may also change the investment options selected for all or a portion of the participant's shares previously purchased in accounts other than the guaranteed return account. ~~However, if a partial transfer is made a minimum of \$1,000 must be transferred and a minimum balance of \$1,000 must remain in the previously selected investment option.~~ Changes in investment

options for the participant's shares must be effected as soon as cash flow to an account practically permits, but not later than six months after the requested change.

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, 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; *but not employees serving probationary periods for permanent 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;

(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;

(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. 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.

(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. Membership eligibility of an employee who holds concurrent part-time positions under paragraph (a), clause (6), must be determined by the total salary of all the positions in one governmental subdivision. If compensation from one governmental subdivision to an employee covered by this paragraph exceeds \$5,100 in a 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.*

(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 may 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 disability 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. 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. 19. 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. 20. 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. 21. [REPEALER.]

Minnesota Statutes 1988, sections 353.01, subdivision 2c; 353.661; and 353.662, are repealed.

Sec. 22. [EFFECTIVE DATE.]

(a) Sections 1; 2, other than clause (18); 4; and 6 to 21 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. [LEGAL ADVISOR; LAWSUITS; VENUE.] 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 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 shall serve upon that person a written notice. The notice must contain:

(1) the reasons for the termination 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 whose benefit has been terminated or whose 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 shall 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 shall deliver a copy of the relevant documentation to each board member personally or by mail. Each board member who participates in the decision on the petition must be familiar with all relevant documentation.

Subd. 5. [HEARING.] The board shall hold a timely hearing on a petition for review. 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, in addition to the other procedures prescribed in this section, shall 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 to explain, orally or in writing, 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 shall 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 of certiorari to the court of appeals. Failure to appeal within 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.

Subd. 11. [PETITION WITHOUT NOTICE.] A person who is not entitled to notice of a right of review under this section may nevertheless receive review of a decision of the executive director that affects the person's rights by petitioning the board under this section within 60 days of the time the person knew or should have known of the disputed decision.

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 approval of the commission-retained actuary. The recommendations shall written approval 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.] (4) (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 must be refunded to the member with interest computed in accordance with 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~~ *is 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~~ 18-month period following the termination of teaching service ~~but not thereafter~~. 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 354.65, 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. 20. [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. 21. 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~~ *is* 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. 22. 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 the fund to which the refund is repaid, whichever is earlier.

Sec. 23. 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 shall send another copy of the completed retirement annuity application and retirement annuity beneficiary form to the spouse by certified mail.

Sec. 24. 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. 25. 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. 26. [356.81] [QUALIFIED ROLLOVERS.]

Repayment of a refund and interest on that refund permitted under laws governing any public pension plan in Minnesota 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 member contributions not previously taxed. Before accepting any transfers to which this subdivision applies, the executive director must require the

member to provide written documentation 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. 27. [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. 28. [EFFECTIVE DATE.]

Sections 2 to 13 and 15 to 27 are effective the day following final enactment. Section 1 is effective July 1, 1989. Section 14 is effective January 1, 1989.

ARTICLE 4

STATE UNIVERSITY AND COMMUNITY COLLEGE
INDIVIDUAL RETIREMENT ACCOUNT PLAN AND
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 \$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. *If an agreement under section 13 provides for additional employer contributions, an amount equal to the additional employer contribution must be deducted from the person's salary in excess of \$15,000 as specified in this subdivision. Employer contributions may not exceed \$2,000 a year. 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 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. 4. 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 or 3, who elects to participate in the individual retirement account plan under chapter 354B.*

Sec. 5. 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. 6. [354B.015] [SOCIAL SECURITY COVERAGE.]

Plan participants under section 354B.02, subdivision 1, and persons electing participation under section 354B.02, subdivision 2 or 3, 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. 7. 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 elect to participate in the plan within 60 days after the start of covered employment.*

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 on a form provided by the executive director to transfer retirement coverage to the plan under section 8. 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.*

Sec. 8. [354B.03] [COVERAGE TRANSFER.]

Subdivision 1. [PROCEDURE.] *If a person elects a transfer to the plan under section 7, 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. 9. 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.

Sec. 10. 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. 11. 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. 12. [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 or 3, 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. 13. 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. 14. [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, notwithstanding section 7, subdivision 3, shall participate in the plan as of July 1, 1989. The association shall transfer coverage for persons governed by this section in accordance with section 8.

Sec. 15. [REPEALER.]

Section 8 is repealed October 1, 1992.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 13 are effective July 1, 1989. Section 14 is effective the day following final enactment.

ARTICLE 5

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 6

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 7

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 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 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 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 8

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 7, 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 7 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 7.*

(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 7*, 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 7.*

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 7, 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 7, 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 7, 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 7, 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 7.

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 7.*

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 7.* 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 7.*

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 7.*

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 7.*

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 7.~~

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 7.

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 7. 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 7.

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 7, 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 7 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 7* 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 7.*

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 7.*

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 7.* 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 7* 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 7.*

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 7.* 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 7.~~

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 7.

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 7.*

Sec. 30. [EFFECTIVE DATE.]

Sections 1 to 29 are effective the day following final enactment.

ARTICLE 9

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.

ARTICLE 10

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 may 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 Minnesota Statutes, section 424A.02, subdivision 9, or any other law, 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 may 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 ~~members~~ *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 child or children until they reach* 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 Minnesota Statutes, section 424A.02, subdivision 2, 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 11

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 incor-
poration or bylaws of the associations so provide, a volunteer firefighter
with total service credit of ten years or more, *if every affected relief asso-*
ciation 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 asso-
ciations 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 mem-
bership 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 pay-
ment 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 ~~invol-~~
~~untary~~ *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 subdivi-
sion 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 12

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.~~

(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~~ *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 13

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. 36. [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 continues 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 is considered salary.

Subd. 2. [OPTION.] A volunteer firefighter to whom subdivision 1 applies has 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 may be required to make back contributions to the public employees retirement association for past volunteer firefighter services rendered before July 1, 1989, notwithstanding 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 must 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, has 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 14

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 public pension plans, various local police and fire relief associations, the police state aid program, and the public employees retirement association; 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; modifying the state university and community college supplemental retirement plan; modifying the individual retirement account plan; 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 non-forfeitable short-service 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 11A.01; 11A.04; 11A.07, subdivision 4; 11A.09; 11A.13, subdivision 1; 43A.316, subdivision 9; 43A.44, subdivision 2; 69.031, subdivision 5; 69.77, subdivision 2g; 69.775; 136.80, subdivision 1; 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.04, 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 1, 2, and 3; 353.65, subdivisions 1, 6, and by adding a subdivision; 353.656, subdivision 4; 354.05, subdivisions 2a, 5, 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; 354.65; 354.66, subdivision 2; 354A.021, subdivision 6; 354A.31, subdivision 3; 354B.02; 354B.04, subdivision 2; 354B.05, subdivisions 3 and 4; 355.90, subdivisions 3 and 4; 356.001, by adding a subdivision; 356.24; 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.01, subdivision 2; 423A.21, subdivision 4; 424.06; 424A.001, subdivision 7; 424A.01, subdivision 2; 424A.02, subdivisions 1, 2, 7, and 13; 424A.04, subdivision 2; 424A.10; 490.122; and 490.124, subdivision 12; Laws 1955, chapter 151, section 13, as amended; Laws 1965, chapter 446, sections 2 and 3; Laws 1980, chapter 595, section 2, subdivision 4; Laws 1982, chapter 574, section 5, as amended; 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; 354B; 355; 356; 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; 354.56; and 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 and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Peterson, R. W. moved that S.F. No. 1238, No. 46 on General Orders, be stricken and re-referred to the Committee on Local and Urban Government. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Solon, Mehrkens, Gustafson, Metzen and Kroening introduced—

S.F. No. 1619: A bill for an act relating to transportation; establishing port improvement assistance program; proposing coding for new law as Minnesota Statutes, chapter 457A.

Referred to the Committee on Transportation.

Mr. Cohen introduced—

S.F. No. 1620: A bill for an act relating to insurance; regulating surplus lines insurance; amending Minnesota Statutes 1988, sections 60A.17, subdivision 12; 60A.198, subdivision 1; and 60A.205, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Benson; Larson; Peterson, R. W. and Mrs. Adkins introduced—

S.F. No. 1621: A bill for an act relating to wastewater treatment funding; amending the state independent grants program; amending Minnesota Statutes 1988, section 116.18, subdivision 3a; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Messrs. Merriam; Moe, R.D.; Novak; Knaak and Lessard introduced—

S.F. No. 1622: A bill for an act relating to drainage; changing and clarifying certain provisions related to drainage proceedings; enacting a landowners' bill of rights for drainage proceedings; amending Minnesota Statutes 1988, sections 106A.005, subdivision 9, and by adding subdivisions; 106A.202, subdivision 3; 106A.215, subdivision 5, and by adding a subdivision; 106A.241, subdivision 1; 106A.261, subdivisions 3 and 4; 106A.305, subdivision 1; 106A.315, subdivisions 3, 5, and 8; 106A.323, subdivision 2, and by adding a subdivision; 106A.341, subdivisions 1 and 2; 106A.525, subdivision 2; 106A.701, by adding a subdivision; 106A.705; 106A.745; and 106A.811, subdivisions 3, 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 106A; repealing Minnesota Statutes 1988, sections 106A.525, subdivisions 4 and 5; 106A.701, subdivision 1; and 106A.715.

Referred to the Committee on Environment and Natural Resources.

MEMBERS EXCUSED

Mr. Purfeerst was excused from the Session of today at 4:30 p.m. Mr. Samuelson was excused from the Session of today from 2:30 to 3:00 p.m. Mr. Hughes was excused from the Session of today from 6:15 to 7:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Thursday, May 4, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-FIFTH DAY

St. Paul, Minnesota, Thursday, May 4, 1989

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

CALL OF THE SENATE

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

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

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

Adkins	Decker	Knutson	Moe, D.M.	Renneke
Anderson	DeCramer	Kroening	Moe, R. D.	Samuelson
Beckman	Dicklich	Laidig	Morse	Schmitz
Belanger	Diessner	Langseth	Novak	Solon
Benson	Frank	Lantry	Olson	Spear
Berg	Frederick	Larson	Pariseau	Storm
Berglin	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Bertram	Freeman	Marty	Peterson, R.W.	Vickerman
Brandl	Gustafson	McGowan	Piper	Waldorf
Brataas	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.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 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. 123, 671, 701, 1270 and 1488.

Sincerely,
Rudy Perpich, Governor

CERTIFICATION

May 3, 1989

To the Governor
State of Minnesota

To the Senate
State of Minnesota

To the House of Representatives
State of Minnesota

This is to certify that the House of Representatives and the Senate in Joint Convention on Wednesday, May 3, 1989, have elected as members of the Board of Regents of the University of Minnesota the following members each to hold his or her respective office for the term specified from the first Monday of February, 1989:

Jean B. Keffeler, Fifth Congressional District, Six Years

Darrin M. Rosha, At-Large Student, Six Years

Alan C. Page, At-Large, Six Years

Mary J. Page, At-Large, Six Years

Jerome M. Hughes
President of the Senate

Robert E. Vanasek
Speaker of the House
of Representatives

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 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. Report adopted.

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

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.

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

Page 12, after line 35, insert:

"Sec. 16. Minnesota Statutes 1988, section 115A.919, is amended to read:

115A.919 [COUNTY FEE AUTHORITY.]

A county may impose a fee, by cubic yard of waste or its equivalent, on operators of facilities for the disposal of mixed municipal solid waste located within the county. The revenue from the fees shall be credited to the county general fund and shall be used only for landfill abatement purposes, or costs of closure, postclosure care, and response actions or for purposes of mitigating and compensating for the local risks, costs, and other adverse effects of facilities.

Waste residue *from recycling facilities at which recyclable materials are separated or processed for the purpose 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 shall be exempt from one-half the amount of the fee imposed by a county under this section if there is at least an 85 percent volume reduction in the solid waste processed. Before any fee is reduced, the verification procedures of section 473.843, subdivision 1, paragraph (c), must be followed and submitted to the appropriate county."*

Page 13, line 13, after "residue" insert "*from recycling facilities at which recyclable materials are separated or processed for the purpose of recycling, or*"

Page 13, line 16, strike "one-half"

Page 13, line 17, strike "the amount of"

Page 13, line 25, delete "17 to 22" and insert "18 to 23"

Page 14, line 29, after "residue" insert "*from recycling facilities at which recyclable materials are separated or processed for the purpose of recycling, or*"

Page 16, line 7, delete "18" and insert "19"

Page 17, line 6, delete "18" and insert "19"

Page 17, line 31, delete "17 to 22" and insert "18 to 23"

Page 18, line 3, delete "17 to 22" and insert "18 to 23"

Page 19, line 3, delete "20" and insert "21"

Page 23, line 21, delete "27" and insert "28"

Page 23, line 29, delete "26" and insert "27"

Page 25, line 30, delete "44" and insert "45"

Page 29, line 12, delete "37" and insert "38" and delete "44" and insert "45"

Page 29, line 18, delete "37" and insert "38"

Page 47, line 30, delete "Section 6 is" and insert "Sections 6 and 18 to 23 are"

Page 47, line 31, delete "25" and insert "26"

Page 47, line 32, delete "26 and 46" and insert "27 and 47"

Page 47, lines 35 and 36, delete "28" and insert "29"

Page 48, delete lines 2 to 4 and insert:

"Sections 48 to 65 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington and are effective August 1, 1989; except sections 52, 53, 55, and 58 are effective July 1, 1989; sections 59, 60, 61, and 62 are effective January 1, 1990; and section 57 is effective the day following final enactment.

Section 68 is effective the day following final enactment."

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 30, after the second semicolon, insert "115A.919;"

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. 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, line 12, delete "*adopt*"

Page 2, line 13, delete "*ordinances establishing*" and insert "*establish one*" and delete "*districts*" and insert "*district*" and after "*city*" insert "*by ordinance; a second special service district may be established by ordinance only if the second district is established and operated jointly with another city*"

Page 2, line 18, after "*charges*" insert "*, including service charges based on net tax capacity,*"

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. 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 "*16*" and insert "*15*"

Page 3, line 7, delete "*16*" and insert "*15*"

Page 5, line 17, delete "*16*" and insert "*15*"

Page 8, line 27, delete "*16*" and insert "*15*"

Page 9, line 24, delete "*16*" and insert "*15*"

Pages 11 and 12, delete section 10

Page 12, line 11, delete "*462.409*" and insert "*462.408*"

Page 13, line 5, delete "*462.410*" and insert "*462.409*"

Page 13, line 16, delete "*462.411*" and insert "*462.410*"

Page 13, lines 18, 26, and 30, delete "*16*" and insert "*15*"

Page 13, line 23, delete "*462.412*" and insert "*462.411*"

Page 14, line 11, delete "*gross*" and insert "*net*"

Page 14, line 12, delete "*gross*" and insert "*net*" and after "*area*" insert "*; provided that no tax may be imposed under this subdivision on any property that is subject to taxation by a regional development commission*"

Page 14, line 13, delete "*16*" and insert "*15*"

Page 14, line 14, delete "*one-sixth of one mill on each dollar of gross*" and insert "*the net*"

Page 14, line 15, after "*capacity*" insert "*rate of .17 percent*" and after "*area*" insert "*that is subject to taxation under this subdivision*"

Page 14, line 22, delete everything after the period

Page 14, delete line 23

Page 15, delete lines 33 to 35 and insert "*least the net tax capacity rate of .17 percent of all taxable property in the area. If an alliance levies the net tax capacity rate of .17 percent*"

Page 15, line 36, delete "*the area*"

Page 16, line 1, delete "*the sum of*" and insert "(1)" and after "*minus*" insert "*the sum of (i)*"

Page 16, line 2, delete "*and .50*" and insert ", (ii) 50 cents" and after "*100,000*" insert a comma and after "*and*" insert "(iii)"

Page 16, line 3, delete ".30" and insert "30 cents" and after "*100,000*" insert a comma

Page 16, line 4, before "\$40,000" insert "(2)"

Page 16, line 8, delete "16" and insert "15"

Page 16, line 9, delete "462.413" and insert "462.412"

Page 17, line 13, delete "462.414" and insert "462.413"

Page 18, delete section 17

Page 18, line 21, delete "14" and insert "13"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "requiring"

Page 1, delete lines 4 and 5

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. 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, delete line 12

Page 4, line 13, delete "*district*" and insert "*owners of 25 percent or more of the land area of the proposed special service district, owners of 25 percent or more of the net tax capacity of the proposed district, or 25 percent of either the business owners or business organizations located in the proposed area*"

Page 4, line 15, delete "*the*"

Page 4, delete line 16

Page 4, line 17, delete "district" and insert "owners of 25 percent or more of the land area of the proposed special service district, owners of 25 percent or more of the net tax capacity of the proposed district, or 25 percent of either the business owners or business organizations located in the proposed area"

Page 5, line 35, after "enactment" insert ", and applies to special service districts created after that date"

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. 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 be amended as follows:

Page 1, line 25, after the period, insert "General obligation bonds may be issued and a tax imposed to pay the principal and interest on the bonds only if the issuance and the tax are approved by a vote of the electors of the town at a regular town meeting. A tax may be levied under Minnesota Statutes, section 469.107, only if approved by a vote of the electors of the town at a regular town meeting."

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

MINNESOTA RACING COMMISSION

Dan 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.

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred the following appointment as reported in the Journal for January 12, 1989:

BOARD OF THE ARTS

Richard Faricy

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

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

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred the following appointment as reported in the Journal for February 20, 1989:

MINNESOTA RACING COMMISSION

Ralph Strangis

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

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

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which were referred the following appointments as reported in the Journal for March 20, 1989:

BOARD OF THE ARTS

Leonard Nadasdy

James Nardone

Bunny (Isabelle) Robinson

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

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

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred the following appointment as reported in the Journal for April 3, 1989:

MINNESOTA RACING COMMISSION

Marilyn Rose

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

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

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred the following appointment as reported in the Journal for April 18, 1989:

MINNESOTA RACING COMMISSION

Thomas Metzen

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

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

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred the following appointment as reported in the Journal for March 2, 1989:

MINNESOTA RURAL FINANCE AUTHORITY

Andrew Walters

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

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

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred the following appointment as reported in the Journal for February 27, 1989:

BOARD OF ANIMAL HEALTH

Henry Banal

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

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

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred the following appointment as reported in the Journal for January 12, 1989:

BOARD OF ANIMAL HEALTH

Allan Routh

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. Merriam from the Committee on Finance, 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; imposing penalties; 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 21, after line 18, insert:

“Sec. 25. [APPROPRIATION.]

\$435,000 is appropriated from the water recreation account to the commissioner of natural resources to record and issue titles to watercraft as provided in this act. \$185,000 is for fiscal year 1990 and \$250,000 is for fiscal year 1991. The approved complement of the department of natural resources is increased by five positions until June 30, 1993, when the complement is reduced to two positions.”

Amend the title as follows:

Page 1, line 4, after the second semicolon, insert "appropriating money;"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1221, 54, 764, 989 and 84 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Stumpf moved that the name of Mr. Storm be added as a co-author to S.F. No. 1271. The motion prevailed.

Mr. Marty moved that the name of Mr. Laidig be added as a co-author to S.F. No. 1572. The motion prevailed.

Messrs. Knaak, Luther, Ms. Piper, Messrs. McGowan and Ramstad introduced—

Senate Resolution No. 122: A Senate resolution designating September 24, 1989, as United States Marshals Bicentennial Day.

Referred to the Committee on Rules and Administration.

Mr. Marty moved that S.F. No. 1060, No. 15 on General Orders, be stricken and re-referred to the Committee on Public Utilities and Energy. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 852 a Special Order to be heard immediately.

SPECIAL ORDER

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; appropriating money; amending Minnesota Statutes 1988, sections 161.081; 161.082, subdivision 2a; 162.06, subdivision 5; 162.081, subdivision 1; and 168.013, subdivision 1a.

Mr. Frederick moved to amend S.F. No. 852 as follows:

Pages 3 to 5, delete section 5 and insert:

"Sec. 5. Minnesota Statutes 1988, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [GENERAL FUND SHARE.] (a) Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund. The amounts collected and received shall be credited as provided in this subdivision, and transferred from the general fund on July 15 and January 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly

or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund.

(b) ~~Thirty~~ *Forty* percent of the money collected and received under this chapter after June 30, 1988, ~~and before July 1, 1991,~~ must be deposited ~~in~~ *transferred to* the highway user tax distribution fund and the transit assistance fund for apportionment as follows: 75 percent must be ~~credited~~ *transferred to* the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent of the money must be ~~credited~~ *transferred to* the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board.

(c) ~~Thirty percent of the money collected and received under this chapter after June 30, 1991, must be deposited in the trunk highway fund and the transit assistance fund for apportionment as follows: 75 percent must be credited to the trunk highway fund and the remaining 25 percent must be credited to the transit assistance fund.~~

(d) The distributions under this subdivision to the highway user tax distribution fund ~~until June 30, 1991, and to the trunk highway fund thereafter,~~ must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. ~~For the fiscal years ending June 30, 1988, and June 30, 1989.~~ The commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred ~~to the highway user tax distribution fund~~ by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in ~~these a fiscal years~~ *year*, the amount of reduction in the transfer ~~to the highway user tax distribution fund~~ is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period."

Page 5, line 35, delete "\$52,300,000" and insert "\$37,710,000"

Page 6, line 4, delete "\$6,400,000" and insert "\$7,570,000" and delete "\$18,000,000" and insert "\$7,810,000"

Page 6, line 7, delete "8,900,000" and insert "9,410,000" and delete "14,300,000" and insert "9,525,000"

Page 6, line 11, delete "1,500,000" and insert "1,680,000" and delete "3,200,000" and insert "1,715,000"

Page 6, delete lines 15 to 38 and insert:

"Subd. 2. [PUBLIC TRANSIT ASSISTANCE.] (a) \$2,515,000 is appropriated from the transit assistance fund to the commissioner of transportation for greater Minnesota transit assistance to be available for the fiscal year ending June 30 in the years indicated.

1990	1991
\$1,245,000	\$1,270,000

(b) \$10,055,000 is appropriated from the transit assistance fund to the regional transit board for transit assistance programs to be available for the fiscal year ending June 30 in the years indicated.

1990	1991
\$4,975,000	\$5,080,000"

Page 7, delete lines 1 and 2

Amend the title as follows:

Page 1, line 6, delete everything after the semicolon and insert "increasing percentage of motor vehicle excise tax revenues transferred to the highway user tax distribution fund;"

Page 1, line 7, delete "older vehicles;"

Page 1, line 10, delete everything after "and" and insert "297B.09, subdivision 1."

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on S.F No. 852. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Knaak	McQuaid	Renneke
Belanger	Frank	Knutson	Mehrkens	Storm
Benson	Frederick	Laidig	Olson	Taylor
Bernhagen	Frederickson, D.R.	Larson	Pariseau	Vickerman
Bertram	Gustafson	Lessard	Purfeerst	
Brataas	Johnson, D.E.	McGowan	Ramstad	

Those who voted in the negative were:

Adkins	Dicklich	Langseth	Moe, R.D.	Samuelson
Beckman	Diessner	Lantry	Morse	Schmitz
Berglin	Frederickson, D.J.	Luther	Pehler	Solon
Brandl	Freeman	Marty	Peterson, D.C.	Spear
Cohen	Hughes	Merriam	Peterson, R.W.	Stumpf
Davis	Johnson, D.J.	Metzen	Piper	Waldorf
DeCramer	Kroening	Moe, D.M.	Pogemiller	

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

Mr. Knaak moved to amend S.F No. 852 as follows:

Page 5, after line 33, insert:

"Sec. 6. [REPORT.]

The Minnesota department of transportation shall report to the legislature by July 1, 1989, the reasons, notwithstanding promises to the contrary, for the failure of the governor to recommend the transfer of all of the motor vehicle excise tax. The report shall be made available to the public. The department may not spend trunk highway dollars appropriated in this act until it issues the report."

Page 7, delete line 4 and insert:

"Sections 1 to 5 and 7 are effective July 1, 1989. Section 6 is effective the day following final enactment."

Renumber the sections in sequence

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 41, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Knaak	McQuaid	Renneke
Belanger	Frederick	Knutson	Mehrkens	Storm
Benson	Frederickson, D.R.	Laidig	Olson	Taylor
Bernhagen	Gustafson	Larson	Pariseau	
Brataas	Johnson, D.E.	McGowan	Ramstad	

Those who voted in the negative were:

Adkins	Dicklich	Lantry	Novak	Samuelson
Beckman	Diessner	Lessard	Pehler	Schmitz
Berglin	Frank	Luther	Peterson, D.C.	Solon
Bertram	Frederickson, D.J.	Marty	Peterson, R.W.	Spear
Brandl	Freeman	Merriam	Piper	Stumpf
Cohen	Hughes	Metzen	Pogemiller	Vickerman
Dahl	Johnson, D.J.	Moe, D.M.	Purfeerst	Waldorf
Davis	Kroening	Moe, R.D.		
DeCramer	Langseth	Morse		

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

S.F. No. 852 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 38 and nays 27, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Larson	Morse	Samuelson
Beckman	Frederickson, D.J.	Lessard	Novak	Schmitz
Berglin	Frederickson, D.R.	Luther	Pehler	Solon
Brandl	Freeman	Marty	Peterson, D.C.	Spear
Cohen	Hughes	Merriam	Peterson, R.W.	Vickerman
Davis	Kroening	Metzen	Piper	Waldorf
Decker	Langseth	Moe, D.M.	Purfeerst	
DeCramer	Lantry	Moe, R.D.	Reichgott	

Those who voted in the negative were:

Anderson	Dahl	Johnson, D.J.	Mehrkens	Storm
Belanger	Dicklich	Knaak	Olson	Stumpf
Benson	Frank	Knutson	Pariseau	Taylor
Bernhagen	Frederick	Laidig	Pogemiller	
Bertram	Gustafson	McGowan	Ramstad	
Brataas	Johnson, D.E.	McQuaid	Renneke	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 477, 613, 1374, H.F. Nos. 30, 966, 811, 1454, 729 and 1581, which the committee recommends to pass.

H.F. No. 1121, which the committee recommends be re-referred to the Committee on General Legislation and Public Gaming.

H.F. No. 1387, which the committee recommends to pass, subject to the following motion:

Mr. Laidig moved that the amendment made to H.F. No. 1387 by the Committee on Rules and Administration in the report adopted May 3, 1989, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 1423, which the committee recommends to pass with the following amendment offered by Mrs. Lantry:

Amend H.F. No. 1423, as amended pursuant to Rule 49, adopted by the Senate May 3, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1196.)

Page 5, line 4, delete "*may*" and insert "*will*"

Page 5, line 8, delete "*A facility need not*"

Page 5, delete lines 9 and 10

Page 5, line 13, delete everything after "*facility*" and insert "*or subsequent days.*"

Page 5, delete lines 14 and 15

Page 6, after line 19, insert:

"Sec. 3. Minnesota Statutes 1988, section 150A.06, subdivision 2a, is amended to read:

Subd. 2a. [REGISTERED DENTAL ASSISTANT.] A person of good moral character, who has submitted an application and fee as prescribed by the board and the diploma or equivalent awarded to the person by a training school for dental assistants or its equivalent approved by the board, may be examined by the board or by an agency pursuant to section 150A.03, subdivision 1, in a manner to test the applicant's fitness to perform as a registered dental assistant. ~~The diploma or its equivalent must evidence compliance with the time limit requirement of subdivision 7.~~ In the case of examinations conducted pursuant to section 150A.03, subdivision 1, applicants may take the examination before applying to the board for registration. The examination shall include an examination of the applicant's

knowledge of the laws of Minnesota relating to dentistry and the rules of the board. An applicant is ineligible to retake the clinical examination required by the board after failing it twice until further education and training are obtained as specified by the board by rule. A separate, non-refundable fee may be charged for each time a person applies. An applicant who passes the examination in compliance with subdivision 2b and meets all the other requirements of the board shall be registered as a dental assistant. The examination fee set by the board in rule is the application fee until the board amends, repeals, or otherwise changes the rules pursuant to chapter 14."

Page 6, after line 30, insert:

"Sec. 5. [REPEALER.]

Minnesota Statutes 1988, section 150A.06, subdivision 7, is repealed."

Re-number the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 13, after the first semicolon, insert "changing licensure requirements for dental assistants;"

Page 1, line 14, delete "section" and insert "sections"

Page 1, line 15, after the semicolon, insert "and 150A.06, subdivision 2a;"

Page 1, line 16, after "256B" insert "; repealing Minnesota Statutes 1988, section 150A.06, subdivision 7"

The motion prevailed. So the amendment was adopted.

H.F. No. 245, which the committee reports progress, subject to the following motion:

Mr. Merriam moved to amend H.F. No. 245 as follows:

Page 4, line 11, delete "*A political*"

Page 4, delete lines 12 to 14

The motion prevailed. So the amendment was adopted.

H.F. No. 245 was then progressed.

H.F. No. 146, which the committee reports progress, subject to the following motion:

Mr. Peterson, R.W. moved to amend H.F. No. 146 as follows:

Page 12, line 23, after "*decided*" insert "*by the individual education planning team*"

Page 12, line 27, after "*decided*" insert "*by the individual education planning team*" and delete "*is*" and insert "*provides the most appropriate placement within*"

The motion prevailed. So the amendment was adopted.

H.F. No. 146 was then progressed.

H.F. No. 1354, which the committee recommends to pass with the following amendment offered by Mr. Luther:

Amend H.F. No. 1354, as amended pursuant to Rule 49, adopted by the

Senate April 28, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1169.)

Page 2, line 1, after "company" insert "*or any or all of its subsidiaries,*"

Page 2, line 2, delete the new language

Page 2, line 16, delete "*Section 3 is*" and insert "*Sections 1, 2, and 3 are*"

The motion prevailed. So the amendment was adopted.

H.F. No. 1589, which the committee recommends to pass, subject to the following motion:

Ms. Peterson, D.C. moved that the amendment made to H.F. No. 1589 by the Committee on Rules and Administration in the report adopted May 3, 1989, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 1160, which the committee reports progress, subject to the following motion:

Mr. Frederickson, D.J. moved to amend H.F. No. 1160, as amended pursuant to Rule 49, adopted by the Senate April 20, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1102.)

Page 1, after line 19, insert:

"A qualified provider to whom the contract is awarded shall give a sufficient bond to the school district for its faithful performance."

The motion prevailed. So the amendment was adopted.

H.F. No. 1160 was then progressed.

H.F. No. 186, which the committee recommends to pass with the following amendment offered by Mr. Pogemiller:

Amend H.F. No. 186, as amended pursuant to Rule 49, adopted by the Senate May 3, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 55.)

Page 4, after line 7, insert:

"Sec. 6. Minnesota Statutes 1988, section 326.3384, is amended by adding a subdivision to read:

Subd. 1a. [LABOR DISPUTES.] No license holder, in the course of providing protective agent services, may provide armed protective personnel to labor disputes or strike locations. This subdivision does not apply to the use of armed security personnel services utilized in the usual course of business for the protection of persons, property, and payroll.

Sec. 7. Minnesota Statutes 1988, section 326.3384, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] A license holder violating subdivision 1 or 1a is guilty of a gross misdemeanor."

Page 4, line 25, delete "7" and insert "9"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "prohibiting the use of armed protective agents in connection with labor disputes in certain circumstances;"

Page 1, line 10, after the semicolon, insert "326.3384, subdivision 2, and by adding a subdivision;"

The motion prevailed. So the amendment was adopted.

H.F. No. 1574, which the committee recommends to pass, subject to the following motions:

Mr. Luther moved that the amendment made to H.F. No. 1574 by the Committee on Rules and Administration in the report adopted May 1, 1989, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Luther then moved to amend H.F. No. 1574 as follows:

Page 11, line 33, after "of" insert "*Minnesota Statutes*."

Page 11, line 34, after "302A.243" insert a comma

The motion prevailed. So the amendment was adopted.

H.F. No. 268, which the committee recommends to pass with the following amendment offered by Mr. Solon:

Amend H.F. No. 268, the unofficial engrossment, as follows:

Page 1, line 21, delete ", and" and insert a period

Page 1, line 22, before the period, insert "*by a person who is required to register under section 80C.02, but who fails to do so*"

Page 2, line 6, after "person" insert "*who, at the time of acquiring a franchise is a resident of this state, or, in the case of a partnership or corporation, organized or incorporated under the laws of this state, or purporting to bind a person*"

Page 2, line 7, after "franchise" insert "*to be operated in this state*"

The motion prevailed. So the amendment was adopted.

H.F. No. 1447, which the committee recommends to pass with the following amendment offered by Mr. Solon:

Amend H.F. No. 1447, the unofficial engrossment, as follows:

Page 1, line 16, delete "*there is clear and convincing*" and insert "*it can be shown by a preponderance of the*"

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 Reports of Committees 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. Moe, R.D. from the Committee on Rules and Administration, to which was re-referred

S.F. No. 575: A bill for an act relating to resource development; establishing a legislative task force on minerals; appropriating money.

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was re-referred

S.F. No. 272: A bill for an act relating to veterans; providing for the establishment of a veterans home in Luverne; authorizing the commissioner of administration to conduct a study of the need for additional veterans homes in the state; appropriating money; 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, after line 20, insert:

"Sec. 2. Minnesota Statutes 1988, section 256B.056, is amended by adding a subdivision to read:

Subd. 3a. [ASSET LIMITATIONS FOR VETERANS.] (a) Notwithstanding subdivision 3, the income and asset limitations for a veteran who is otherwise eligible for medical assistance are the income and asset limitations established by the board of directors of the Minnesota nursing homes for veterans applying for admission to a veterans home. The provisions concerning transfers of property in section 256B.17 do not apply to a veteran. For purposes of this subdivision, "veteran" has the meaning given in section 197.447.

(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)."

Page 3, line 14, delete "2" and insert "3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "changing medical assistance income and asset limitations for veterans in community nursing homes to conform with those used for the veterans nursing homes;"

Page 1, line 6, after the semicolon, insert "amending Minnesota Statutes 1988, section 256B.056, by adding a subdivision;"

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was re-referred

H.F. No. 557: A bill for an act relating to retirement; providing additional resources for the public employees insurance plan; amending Minnesota Statutes 1988, sections 43A.316, subdivision 9; 69.031, subdivision 5; and 353.65, subdivisions 1 and 6, and by adding a subdivision.

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 under Rule 35, together with the committee report thereon.

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 employer who engages in a plant closing or mass layoff to pay community benefits, severance pay, and health benefits; establishing a community response committee; requiring repayment of certain financial assistance to businesses; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268.

Reports the same back with the recommendation that the report from the Committee on Employment, shown in the Journal for April 21, 1989, be amended to read:

“the bill do pass and be re-referred to the Committee on Governmental Operations”. 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. 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.

Reports the same back with the recommendation that the report from the Committee on Transportation, shown in the Journal for April 27, 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 Rules and Administration”. 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. 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.

Reports the same back with the recommendation that the report from the Committee on Elections and Ethics, shown in the Journal for May 2, 1989, be amended to read:

“the bill be amended and when so amended the bill do pass and be 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 under Rule 35, together with the committee report thereon,

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.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for May 1, 1989, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass”. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. Nos. 557 and 837 were read the second time.

MOTIONS AND RESOLUTIONS

Ms. Reichgott introduced—

Senate Resolution No. 123: A Senate resolution commending the rescue efforts of Northtown Mall security personnel and Blaine police officers in saving the life of Norbert Reichgott.

Referred to the Committee on Rules and Administration.

Mr. Ramstad introduced—

Senate Resolution No. 124: A Senate resolution congratulating the Courage Rolling Gophers Women's Wheelchair Basketball Team for winning the national championship.

Referred to the Committee on Rules and Administration.

Without objection, remaining on the Order of Business of Motions and Resolutions, 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 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. 1618: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; requiring studies and reports; fixing and limiting fees; amending Minnesota Statutes 1988, sections 12.14; 41A.09; 43A.08, subdivision 1; 237.30; 341.10; 473.384, subdivision 7; and 473.386, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299C.

Senate File No. 1618 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 4, 1989

Mr. Merriam moved that the Senate do not concur in the amendments by the House to S.F. No. 1618, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Ms. Piper introduced—

S.F. No. 1623: A bill for an act relating to appropriations; appropriating money for a developmental disabilities community outreach program.

Referred to the Committee on Finance.

Messrs. Solon, Lessard, Purfeerst, Metzen and Samuelson introduced—

S.F. No. 1624: A bill for an act relating to taxation; income; repealing the subtraction for elderly and disabled and reinstating the pension exclusion; removing age limitations; 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. Merriam, for the Committee on Finance, introduced—

S.F. No. 1625: A bill for an act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of vocational technical education, state

board for community colleges, state university board, University of Minnesota, and the Mayo medical foundation, with certain conditions; amending Minnesota Statutes 1988, sections 121.93, subdivisions 2, 3, and 4; 136.31, subdivisions 3 and 5; 136A.04; 136A.05; 136A.08; 136A.095; 136A.101, subdivisions 1 and 7; 136A.121; 136A.131; 136A.132; 136A.134, subdivision 4; 136A.15, subdivision 1; 136A.16, subdivisions 1, 2, 5, 8, 9, and 10; 136A.17, subdivision 1; 136A.1701, subdivisions 1, 2, and 5; 136A.172; 136A.173, subdivision 1; 136A.174; 136A.175, subdivision 4; 136A.176; 136A.177; 136A.178; 136A.179; 136A.29, subdivision 9; 136C.04, subdivisions 1, 2, 6, 10, and 18; 136C.042, subdivision 2; 136C.05, by adding a subdivision; 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; 355.46, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 135A and 136A; repealing Minnesota Statutes 1988, sections 121.936, subdivision 1a; 136A.042; 136A.09; 136A.101, subdivision 6; 136A.111; 136A.121, subdivisions 1, 4, and 15; 136A.14; 136A.141; 136A.142; 136A.51; 136A.52; 136A.53; 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.

Mr. Moe, R.D. moved that S.F. No. 1625 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Merriam moved that S.F. No. 1625 be taken from the table. The motion prevailed.

SUSPENSION OF RULES

Mr. Merriam 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. 1625 and that the rules of the Senate be so far suspended as to give S.F. No. 1625 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 1625 was read the second time.

Mr. Waldorf moved that S.F. No. 1625 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

CONFIRMATION

Mr. Luther moved that the report from the Committee on Elections and Ethics, reported March 20, 1989, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Luther moved that the foregoing report be now adopted. The motion prevailed.

Mr. Luther moved that in accordance with the report from the Committee on Elections and Ethics, reported March 20, 1989, the Senate, having given

its advice, do now consent to and confirm the appointment of:

STATE ETHICAL PRACTICES BOARD

William Heaney, 414 Nicollet Mall, Minneapolis, Hennepin County, effective January 30, 1989, for a term expiring the first Monday in January, 1993.

The motion prevailed. So the appointment was confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Waldorf moved that S.F. No. 1625 be taken from the table. The motion prevailed.

S.F. No. 1625: A bill for an act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, University of Minnesota, and the Mayo medical foundation, with certain conditions; amending Minnesota Statutes 1988, sections 121.93, subdivisions 2, 3, and 4; 136.31, subdivisions 3 and 5; 136A.04; 136A.05; 136A.08; 136A.095; 136A.101, subdivisions 1 and 7; 136A.121; 136A.131; 136A.132; 136A.134, subdivision 4; 136A.15, subdivision 1; 136A.16, subdivisions 1, 2, 5, 8, 9, and 10; 136A.17, subdivision 1; 136A.1701, subdivisions 1, 2, and 5; 136A.172; 136A.173, subdivision 1; 136A.174; 136A.175, subdivision 4; 136A.176; 136A.177; 136A.178; 136A.179; 136A.29, subdivision 9; 136C.04, subdivisions 1, 2, 6, 10, and 18; 136C.042, subdivision 2; 136C.05, by adding a subdivision; 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; 355.46, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 135A and 136A; repealing Minnesota Statutes 1988, sections 121.936, subdivision 1a; 136A.042; 136A.09; 136A.101, subdivision 6; 136A.111; 136A.121, subdivisions 1, 4, and 15; 136A.14; 136A.141; 136A.142; 136A.51; 136A.52; 136A.53; 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.

Mr. Storm moved to amend S.F. No. 1625 as follows:

Page 10, line 24, after the period, insert "No state money appropriated for Southwest State University nor student tuition fees may be used to support the operation of the science and technology resource center."

CALL OF THE SENATE

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

The question was taken on the adoption of the Storm amendment.

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

Mr. Knaak moved to amend S.F. No. 1625 as follows:

Page 21, after line 8, insert:

"Sec. 10. 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."

Renumber the sections of article 2 in sequence

Amend the title as follows:

Page 1, line 19, delete "a"

Page 1, line 20, delete the first "subdivision" and insert "subdivisions"

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

Mr. Knaak then moved to amend S.F. No. 1625 as follows:

Page 5, after line 31, insert:

"The HECB shall conduct a study on the feasibility of establishing a statewide intermediate school district system and report to the legislature by January 15, 1990, on the results of the study. The study must consider: (1) the means of improved relationships between post-secondary technical education and secondary education; and (2) the benefits of a regional governing structure in responding to the need to provide greater opportunities for students."

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

S.F. No. 1625 was read the third time 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	Merriam	Purfeerst
Anderson	Decker	Knutson	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	Stumpf
Brandt	Freeman	Marty	Peterson, D.C.	Taylor
Brataas	Gustafson	McGowan	Peterson, R.W.	Vickerman
Cohen	Johnson, D.E.	McQuaid	Piper	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Pogemiller	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. DeCramer moved that S.F. No. 1175, No. 37 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. 1618: Messrs. Langseth, Purfeerst, Metzen, Mehrkens and Berg.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mr. Chmielewski was excused from the Session of today. Mr. Storm was excused from the Session of today at 6:00 p.m. Mr. Novak was excused from the Session of today from 1:45 to 4:15 p.m. Mr. Hughes was excused from the Session of today at 5:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Friday, May 5, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-SIXTH DAY

St. Paul, Minnesota, Friday, May 5, 1989

The Senate met at 12:00 noon 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 the Chaplain, Rev. Paul Romstad.

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

Adkins	Decker	Knutson	Moe, D.M.	Renneke
Anderson	DeCramer	Kroening	Moe, R.D.	Samuelson
Beckman	Dicklich	Laidig	Morse	Schmitz
Belanger	Diessner	Langseth	Novak	Solon
Benson	Frank	Lantry	Olson	Spear
Berg	Frederick	Larson	Pariseau	Storm
Berglin	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Bertram	Freeman	Marty	Peterson, R.W.	Vickerman
Brandl	Gustafson	McGowan	Piper	Waldorf
Brataas	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.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 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
1270	501	65	1509 hours May 3	May 3
		66	1510 hours May 3	May 3
123		67	1512 hours May 3	May 3
671		68	1507 hours May 3	May 3
701		69	1513 hours May 3	May 3

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 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.

There has been appointed as such committee on the part of the House: Hartle, Beard and Lasley.

Senate File No. 169 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 4, 1989

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 826:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Weaver, Kelly and Pappas have been appointed as such committee on the part of the House.

House File No. 826 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 May 4, 1989

Mr. Merriam moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 826, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 65:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Otis, Cooper and Himle have been appointed as such committee on the part of the House.

House File No. 65 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 May 4, 1989

Mr. Dahl moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 65, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1734:

H.F. No. 1734: A bill for an act relating to the financing of government in Minnesota; changing tax rates and bases; modifying the administration, collection, and enforcement of taxes; imposing taxes; creating tax exemptions; changing the computation, administration, and payment of aids, credits, and refunds; providing new aids and credits; making technical corrections and clarifications; changing proposed property tax notice provisions; changing levy limits and other local government powers and duties; providing for subordinate service districts; providing for accreditation of assessors; changing tax increment financing provisions; providing for payment of deferred taxes on sale of railroad operating property; extending valuation and deferment of agricultural property taxes in certain instances; authorizing the cities of Mankato and Hopkins to establish special service districts; authorizing establishment of an economic development authority in the city of Otsego and in Kandiyohi county; exempting Itasca county from a levy limit penalty; providing for payment of certain aid to the cities of Falcon Heights and Lauderdale; extending the duration of a tax increment financing district in the city of Moorhead; granting certain powers to towns; appropriating money; amending Minnesota Statutes 1988, sections 38.27,

subdivision 1; 60A.15, subdivision 1; 93.55, subdivision 4; 124A.03, subdivision 2; 256.018; 256.82, subdivision 1; 256.871, subdivision 6; 256B.041, subdivision 5; 270.052; 270.067, subdivisions 1 and 2; 270.071, subdivision 6; 270.072, subdivisions 2 and 3; 270.075, subdivision 2; 270.12, subdivision 2, and by adding a subdivision; 270.485; 270.80, subdivision 1; 272.01, subdivision 2; 272.02, subdivision 1, and by adding a subdivision; 273.01; 273.061, subdivisions 1 and 2; 273.11, by adding a subdivision; 273.111, subdivision 3; 273.112, subdivision 3, and by adding a subdivision; 273.119, subdivision 2; 273.123, subdivisions 4 and 5; 273.124, subdivisions 6, 8, 9, 12, 13, and by adding a subdivision; 273.13, subdivisions 22, 23, 24, 25, 31, and by adding a subdivision; 273.135, subdivisions 2 and 2a; 273.1391, subdivisions 2 and 2a; 273.1392; 273.1393; 273.1398, subdivisions 1, 2, 3, 4, and by adding a subdivision; 275.07, subdivision 1; 275.08, subdivision 1c; 275.28, subdivision 1; 275.50, subdivisions 2, 5, and by adding a subdivision; 275.51, subdivisions 3f, 3g, 3h, 3i, 3j, 4, and 6; 275.58, subdivision 1; 276.04; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivisions 1 and 3; 279.37, subdivision 7; 290.015, subdivisions 3 and 4; 290.05, subdivision 3; 290.06, subdivisions 1 and 21; 290.067, subdivision 2, and by adding a subdivision; 290.0802, subdivision 1; 290.091, subdivision 2; and by adding a subdivision; 290.17, by adding a subdivision; 290.21, subdivision 4; 290.37, subdivision 1; 290.38; 290.92, subdivision 4b, as added; 290.934, subdivision 3a; 290A.03, subdivision 12; 290A.04, subdivisions 2, 2h, and by adding a subdivision; 295.34, subdivision 1; 297.01, subdivision 13, and by adding a subdivision; 297.03, subdivision 6; 297.04, subdivisions 4, 5, and 6; 297.041, subdivision 1; 297.08, subdivision 1; 297.31, by adding a subdivision; 297.33, subdivisions 4, 5, 6, 7, and 8; 297A.01, subdivision 3; 297A.15, by adding a subdivision; 297A.25, subdivision 3, and by adding subdivisions; 297A.257, by adding a subdivision; 297B.03; 297C.03, subdivision 1; 297C.09; 349.12, subdivisions 11, 13, and by adding subdivisions; 349.15; 349.16, by adding a subdivision; 349.212, subdivision 4, and by adding a subdivision; 349.214, subdivision 4; 373.40, subdivisions 1, 2, 4, and 6; 375.192, subdivision 2; 444.075, subdivision 1; 444.16; 444.17; 444.18; 444.19; 444.20; 459.14, by adding a subdivision; 469.012, by adding a subdivision; 469.040, subdivision 2; 469.171, by adding a subdivision; 469.174, subdivision 10, and by adding a subdivision; 469.175, subdivisions 3, 7, and by adding a subdivision; 469.176, subdivisions 1, 4c, 6, and by adding a subdivision; 469.177, subdivision 10; 473.167, subdivisions 3 and 5; 473.249, subdivision 1; 473E08, subdivision 3; 473H.10, subdivision 3; 477A.011, subdivisions 1a and 15; and 477A.013, subdivisions 1, 3, and 4; Laws 1988, chapter 719, articles 1, section 22; 7, section 9; 8, section 37; and 12, sections 29 and 30, as amended; proposing coding for new law in Minnesota Statutes, chapters 273; 275; 276; 297A; 365B; and 469; proposing coding for new law as Minnesota Statutes, chapter 365B; repealing Minnesota Statutes 1988, sections 38.17; 38.27, subdivision 3; 38.28; 60A.151; 271.061; 275.065; 275.57; 275.58, subdivision 4; 276.13; 276.14; 297.01, subdivision 15; 297.03, subdivision 12; 297.04, subdivision 10; 297.33, subdivision 13; 297C.03, subdivisions 4 and 4a; and 473.249, subdivision 3; Laws 1988, chapter 719, article 8, section 35; and Laws 1989, chapter 27, article 2, sections 2 and 3.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Long; Wynia; Welle; Olson, E. and Rest have been appointed as such committee on the part of the House.

House File No. 1734 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 May 4, 1989

Mr. Johnson, D.J. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1734, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1759.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 4, 1989

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 1759: A bill for an act relating to the organization and operation of state government; appropriating money for human services, jobs and training, corrections, health, veterans nursing homes, and other purposes with certain conditions; amending Minnesota Statutes 1988, sections 13.46, subdivision 2; 43A.27, subdivision 2; 62A.045; 62A.046; 62D.041, subdivision 1, and by adding a subdivision; 62D.042, subdivision 1; 62D.05, subdivision 6; 144.50, subdivision 6, and by adding a subdivision; 144.562, subdivisions 2 and 3; 144.651, subdivision 2; 144.698, subdivision 1; 144.701; 144.702, subdivision 2, and by adding subdivisions; 144A.01, subdivision 5, and 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.45, subdivision 2; 144A.46; 144A.61; 144A.611; 145.38, subdivision 1; 145.39, subdivision 1; 145.61, subdivision 5; 145.63; 145.882, subdivisions 1 and 7; 146.13; 147.02, subdivision 1; 148B.23, subdivision 1; 148B.27, subdivision 2; 148B.32, subdivision 2; 148B.40, subdivision 3; 148B.42, by adding a subdivision; 149.02; 149.06; 150A.06, subdivision 2a; 153A.13, subdivision 4; 153A.15, subdivision 3; 153A.16; 176.136, subdivisions 1 and 5; 214.04, subdivision 3; 214.06, subdivision 1; 237.70, subdivision 7; 237.701, subdivision 1; 245.461; 245.462; 245.463, subdivision 2, and by adding subdivisions; 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, 3, and by adding subdivisions; 245.477; 245.478, subdivisions 2 and 3; 245.479; 245.48; 245.482; 245.483; 245.484; 245.485; 245.486; 245.62, subdivision 3; 245.696, subdivision 2; 245.697, subdivisions 1, 2, and 2a; 245.713, subdivision 2; 245.73, subdivisions 1, 2,

and 4; 245.771, subdivision 3; 245.91, by adding a subdivision; 245.94, subdivision 1, and by adding a subdivision; 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.095; 245A.12; 245A.13; 245A.14, subdivision 3, and by adding subdivisions; 245A.16, subdivision 1; 246.015; 246.18, subdivision 4; 246.36; 246.50, subdivisions 3, 4, and 5; 246.54; 246.57, subdivision 1; 251.011, subdivision 4, and by adding a subdivision; 252.27, subdivision 1; 252.291, subdivision 2; 252.31; 252.41, subdivision 9; 252.46, subdivisions 1, 2, 3, 4, 6, and 12; 252.47; 252.50; 253.015; 254A.08, subdivision 2; 254B.02, subdivision 1; 254B.03, subdivisions 1 and 4; 254B.04, subdivision 2; 254B.06, subdivision 1; 254B.09, subdivisions 1, 4, and 5; 256.01, subdivision 2, and by adding a subdivision; 256.014, subdivision 1; 256.045, subdivisions 1, 3, 4, 4a, 5, 6, 7, 10, and by adding a subdivision; 256.12, subdivision 14; 256.73, subdivision 3a; 256.736, subdivisions 3, 3b, 4, 10, 11, 14, 16, and by adding subdivisions; 256.737; 256.74, subdivisions 1, 1a, and by adding a subdivision; 256.85; 256.87, subdivision 1a; 256.936, subdivisions 1, 2, and 4; 256.969; 256.974; 256.9741, subdivisions 3, 5, and by adding a subdivision; 256.9742; 256.9744, subdivision 1; 256.975, subdivision 2; 256B.031, subdivision 5; 256B.04, subdivision 14, and by adding a subdivision; 256B.055, subdivisions 7 and 8; 256B.056, subdivisions 3, 4, and 5; 256B.062; 256B.0625, subdivisions 2, 13, 17, and by adding subdivisions; 256B.091, subdivision 3; 256B.092, subdivision 7; 256B.14; 256B.25, by adding a subdivision; 256B.421, subdivision 14; 256B.431, subdivisions 2b, 2e, 2i, 3a, 3f, 3g, 4, and by adding subdivisions; 256B.47, subdivision 3; 256B.48, subdivisions 1, 6, and 8; 256B.501, subdivisions 3, 3g, and by adding subdivisions; 256B.69, subdivisions 4, 5, 11, and by adding a subdivision; 256C.28, subdivision 3, and by adding subdivisions; 256D.01, subdivisions 1, 1a, 1b, and 1c; 256D.02, subdivisions 1 and 4; 256D.03, subdivisions 2, 3, and 4; 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.06, by adding a subdivision; 256D.101; 256D.111, subdivision 5; 256D.35, subdivisions 1, 7, and by adding subdivisions; 256D.36, subdivision 1, and by adding a subdivision; 256D.37, subdivision 1; 256E.03, subdivision 2; 256E.05, subdivision 3; 256E.08, subdivision 5; 256E.09, subdivisions 1 and 3; 256E05, subdivisions 2, 3, and 4; 256E07, subdivision 3a; 256H.01, subdivisions 1, 2, 7, 8, 11, and 12; 256H.02; 256H.03; 256H.05; 256H.08; 256H.09; 256H.10, subdivisions 2, 3, and by adding a subdivision; 256H.11; 256H.12; 256H.15; 256H.18; 256H.20, subdivision 3; 257.071, subdivision 7; 257.55, subdivision 1; 257.57, subdivision 1; 257.62, subdivision 5; 259.47, subdivision 5; 259.49, subdivision 2; 260.251, subdivision 1; 268.0111, subdivision 4, and by adding a subdivision; 268.0122, subdivisions 2 and 3; 268.08, subdivision 1; 268.31; 268.37, by adding a subdivision; 268.86, subdivision 2; 268.871, subdivision 5; 268.88; 287.12; 297.13, subdivision 1; 326.78, subdivision 2; 327.20, subdivision 1; 327C.02, subdivision 2; 357.021, subdivisions 2 and 2a; 517.08, subdivisions 1b and 1c; 518.54, subdivision 6; 518.551, subdivision 10, and by adding a subdivision; 518.611, subdivision 4; 518.613, subdivisions 1, 2, 4, and by adding a subdivision; 609.378; 626.556, subdivisions 2 and 10e; and 626.558; Laws 1984, chapter 654, article 5, section 57, subdivision 1, as amended; Laws 1987, chapter 403, article 3, section 98; Laws 1988, chapter 689, article 2, sections 248 and 269, subdivision 2; repealing Minnesota Statutes 1988,

sections 144A.10, subdivision 4a; 150A.06, subdivision 7; 245.462, subdivision 25; 245.471; 245.475; 245.64; 245.698; 245.775; 245.83; 245.84; 245.85; 245.871; 245.872; 245.873; 245A.095, subdivision 3; 246.50, subdivisions 3a, 4a, and 9; 254B.09, subdivision 3; 254B.10; 256.87, subdivision 4; 256.969, subdivisions 2a, 3, 4, 5, and 6; 256B.0625, subdivision 21; 256B.17, subdivisions 1, 2, 3, 4, 5, 6, 7, and 8; 256B.69, subdivisions 12, 13, 14, and 15; 256D.01, subdivision 1c; 256D.051, subdivision 6a; 256D.052, subdivisions 5, 6, and 7; 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; 256D.43; 256E.08, subdivision 9; 256F.05, subdivision 1; 256H.04; 256H.05, subdivision 4; 256H.06; 256H.07, subdivision 4; 256H.13; 268.86, subdivision 7; 518.613, subdivision 5; Laws 1987, chapter 403, article 5, section 1; proposing coding for new law in Minnesota Statutes, chapters 144; 144A; 145; 157; 196; 245; 246; 251; 252; 253; 254A; 256; 256B; 256D; 256E; 256F; 256H; 259; 268; and 626; proposing coding for new law as Minnesota Statutes, chapter 256I.

Mr. Moe, R.D. moved that H.F. No. 1759 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS

Ms. Berglin moved that S.F. No. 321 be taken from the table. The motion prevailed.

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.

CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 321 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 321 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Berglin moved that S.F. No. 388 be taken from the table. The motion prevailed.

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.

CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 388 and that the resolution be placed on its repassage as amended. The motion prevailed.

S.F. No. 388: A resolution memorializing the President and Congress to enact legislation to allow greater flexibility in the use of federal funds and 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, as amended by the House, and placed on its repassage.

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

So the resolution, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Berglin moved that S.F. No. 493 be taken from the table. The motion prevailed.

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.

CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 493 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 493 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 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

RECONSIDERATION

Mr. Pehler moved that the vote whereby H.F. No. 169 failed to pass the Senate on May 3, 1989, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 34 and nays 32, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, R. D.	Samuelson
Beckman	DeCramer	Kroening	Morse	Schmitz
Berglin	Dicklich	Laidig	Pehler	Solon
Bertram	Diessner	Langseth	Piper	Stumpf
Brandl	Frederickson, D.J.	Lessard	Pogemiller	Vickerman
Cohen	Gustafson	McQuaid	Purfeerst	

Those who voted in the negative were:

Belanger	Frederick	Larson	Novak	Spear
Benson	Frederickson, D.R.	Luther	Olson	Storm
Berg	Freeman	Marty	Pariseau	Taylor
Bernhagen	Hughes	McGowan	Peterson, D.C.	Waldorf
Brataas	Johnson, D.E.	Mehrkens	Peterson, R. W.	
Dahl	Knaak	Merriam	Ramstad	
Frank	Lantry	Moe, D.M.	Renneke	

The motion prevailed.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 34 and nays 32, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Metzen	Reichgott
Anderson	Decker	Knutson	Morse	Samuelson
Beckman	DeCramer	Kroening	Pehler	Schmitz
Berglin	Dicklich	Langseth	Peterson, D.C.	Solon
Bertram	Diessner	Lessard	Piper	Stumpf
Brandl	Frederickson, D.J.	Luther	Pogemiller	Vickerman
Cohen	Gustafson	McQuaid	Purfeerst	

Those who voted in the negative were:

Belanger	Frederick	Lantry	Moe, R.D.	Spear
Benson	Frederickson, D.R.	Larson	Novak	Storm
Berg	Freeman	Marty	Olson	Taylor
Bernhagen	Hughes	McGowan	Pariseau	Waldorf
Brataas	Johnson, D.E.	Mehrkens	Peterson, R.W.	
Dahl	Knaak	Merriam	Ramstad	
Frank	Laidig	Moe, D.M.	Renneke	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

H.F. No. 1423: 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 public benefits 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; requiring a facility fee payment to enrolled hospitals for certain emergency room or clinic visits; amending Minnesota Statutes 1988, section 80D.04, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 144; and 256B.

Was read the third time 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
Anderson	DeCramer	Kroening	Moe, R.D.	Samuelson
Beckman	Dicklich	Laidig	Morse	Schmitz
Belanger	Diessner	Langseth	Novak	Solon
Benson	Frank	Lantry	Olson	Spear
Berg	Frederick	Larson	Pariseau	Storm
Berglin	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Bertram	Freeman	Marty	Peterson, R.W.	Vickerman
Brandl	Gustafson	McGowan	Piper	Waldorf
Brataas	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. 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Purfeerst
Anderson	Decker	Knaak	Metzen	Ramstad
Beckman	DeCramer	Knutson	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
Brataas	Gustafson	McGowan	Peterson, R.W.	Taylor
Cohen	Hughes	McQuaid	Piper	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Pogemiller	

Mr. Waldorf voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 30: A bill for an act relating to employment; requiring breaks during the work day; proposing coding for new law in Minnesota Statutes, chapter 177.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 37 and nays 28, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Johnson, D.J.	Metzen	Samuelson
Belanger	Diessner	Kroening	Novak	Schmitz
Berglin	Frank	Lantry	Pehler	Solon
Brandl	Frederickson, D.J.	Lessard	Peterson, D.C.	Stumpf
Cohen	Frederickson, D.R.	Luther	Piper	Vickerman
Dahl	Freeman	Marty	Pogemiller	
Decker	Gustafson	McQuaid	Purfeerst	
DeCramer	Hughes	Mehrkens	Reichgott	

Those who voted in the negative were:

Anderson	Davis	Langseth	Morse	Spear
Beckman	Frederick	Larson	Olson	Storm
Benson	Johnson, D.E.	McGowan	Pariseau	Taylor
Berg	Knaak	Merriam	Peterson, R. W.	Waldorf
Bernhagen	Knutson	Moe, D.M.	Ramstad	
Bertram	Laidig	Moe, R.D.	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 1387: A bill for an act relating to education; prohibiting certain punishment in schools; proposing coding for new law in Minnesota Statutes, chapter 127.

Was read the third time 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 9, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Adkins	Berg	McGowan	Samuelson	Vickerman
Benson	Bertram	Purfeerst	Storm	

So the bill passed and its title was agreed to.

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.

Was read the third time 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
Anderson	DeCramer	Kroening	Moe, R.D.	Samuelson
Beckman	Dicklich	Laidig	Morse	Schmitz
Belanger	Diessner	Langseth	Novak	Solon
Benson	Frank	Lantry	Olson	Spear
Berg	Frederick	Larson	Pariseau	Storm
Berglin	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Bertram	Freeman	Marty	Peterson, R. W.	Vickerman
Brandl	Gustafson	McGowan	Piper	Waldorf
Brataas	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. 1354: A bill for an act relating to insurance; regulating cancellations and terminations of agents; amending Minnesota Statutes 1988, sections 60A.172; and 72A.20, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, 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.	Samuelson
Benson	Diessner	Laidig	Morse	Schmitz
Berg	Frank	Langseth	Novak	Solon
Berglin	Frederick	Laniry	Olson	Spear
Bernhagen	Frederickson, D.J.	Lessard	Pariseau	Storm
Bertram	Frederickson, D.R.	Luther	Pehler	Stumpf
Brandl	Freeman	Marty	Peterson, D.C.	Taylor
Brataas	Gustafson	McGowan	Peterson, R.W.	Vickerman
Cohen	Hughes	McQuaid	Piper	Waldorf
Dahl	Johnson, D.E.	Mehrckens	Pogemiller	

Messrs. Larson and Renneke voted in the negative.

So the bill passed and its title was agreed to.

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.

Was read the third time 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.	Mehrckens	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	Laniry	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
Cohen	Hughes	McGowan	Piper	Vickerman
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 811: A bill for an act relating to natural resources; changing certain provisions relating to the taking of turtles; amending Minnesota Statutes 1988, sections 97A.475, subdivision 41; 97C.605, subdivisions 2 and 3; and 97C.611; repealing Minnesota Statutes 1988, section 97C.615.

Was read the third time 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
Anderson	DeCramer	Kroening	Moe, R.D.	Samuelson
Beckman	Dicklich	Laidig	Morse	Schmitz
Belanger	Diessner	Langseth	Novak	Solon
Benson	Frank	Lantry	Olson	Spear
Berg	Frederick	Larson	Pariseau	Storm
Berglin	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Bertram	Freeman	Marty	Peterson, R.W.	Vickerman
Brandl	Gustafson	McGowan	Piper	Waldorf
Brataas	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. 1454: 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.

Was read the third time 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
Anderson	DeCramer	Kroening	Moe, R.D.	Samuelson
Beckman	Dicklich	Laidig	Morse	Schmitz
Belanger	Diessner	Langseth	Novak	Solon
Benson	Frank	Lantry	Olson	Spear
Berg	Frederick	Larson	Pariseau	Storm
Berglin	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Bertram	Freeman	Marty	Peterson, R.W.	Vickerman
Brandl	Gustafson	McGowan	Piper	Waldorf
Brataas	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. 1589: 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; providing for combined hearings on improvements and assessments; amending Minnesota Statutes 1988, section 430.07, subdivision 5.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knutson	Moe, D.M.	Renneke
Anderson	DeCramer	Kroening	Moe, R.D.	Samuelson
Beckman	Dicklich	Laidig	Morse	Schmitz
Belanger	Diessner	Langseth	Novak	Solon
Benson	Frank	Lantry	Olson	Spear
Berg	Frederick	Larson	Pariseau	Storm
Berglin	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Bertram	Freeman	Marty	Peterson, R.W.	Vickerman
Brandl	Gustafson	McGowan	Piper	Waldorf
Brataas	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. 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.

Was read the third time 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
Anderson	DeCramer	Kroening	Moe, R.D.	Samuelson
Beckman	Dicklich	Laidig	Morse	Schmitz
Belanger	Diessner	Langseth	Novak	Solon
Benson	Frank	Lantry	Olson	Spear
Berg	Frederick	Larson	Pariseau	Storm
Berglin	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Bertram	Freeman	Marty	Peterson, R.W.	Vickerman
Brandl	Gustafson	McGowan	Piper	Waldorf
Brataas	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. 186: 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; 326.3384, subdivision 1; and 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 65 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	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
Brataas	Gustafson	Marty	Peterson, D.C.	Taylor
Cohen	Hughes	McGowan	Piper	Vickerman
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Waldorf

Mr. Peterson, R.W. voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 1574: 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 four years; eliminating procedures 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.111, subdivision 3; 302A.161, subdivision 17; 302A.241, subdivision 1; 302A.251, subdivision 2; 302A.435, subdivision 1; 302A.671, subdivision 1; and 302A.673, subdivisions 1 and 3; repealing Minnesota Statutes 1988, section 302A.243.

Was read the third time 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
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	Gustafson	McGowan	Peterson, R.W.	Taylor
Brataas	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.

H.F. No. 268: A bill for an act relating to commerce; regulating burglar alarm franchises; amending Minnesota Statutes 1988, section 80C.30.

Was read the third time 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
Anderson	DeCramer	Kroening	Moe, R.D.	Samuelson
Beckman	Dicklich	Laidig	Morse	Schmitz
Belanger	Diessner	Langseth	Novak	Solon
Benson	Frank	Lantry	Olson	Spear
Berg	Frederick	Larson	Pariseau	Storm
Berglin	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Bertram	Freeman	Marty	Peterson, R.W.	Vickerman
Brandl	Gustafson	McGowan	Piper	Waldorf
Brataas	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. 729: A bill for an act relating to marriage dissolution; 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 ongoing 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; amending Minnesota Statutes 1988, sections 257.022, by adding a subdivision; 518.17, subdivision 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.

Was read the third time 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
Anderson	Decker	Knaak	Merriam	Purfeerst
Beckman	DeCramer	Knutson	Metzen	Ramstad
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
Brataas	Gustafson	Marty	Peterson, D.C.	Taylor
Cohen	Hughes	McGowan	Peterson, R.W.	Vickerman
Dahl	Johnson, D.E.	McQuaid	Piper	Waldorf

Ms. Reichgott voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Merriam and Peterson, R.W. voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 1581: 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.

Was read the third time 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	Knutson	Moe, D.M.	Reichgott
Beckman	Dicklich	Kroening	Moe, R.D.	Renneke
Belanger	Diessner	Laidig	Morse	Samuelson
Benson	Frank	Langseth	Novak	Schmitz
Berg	Frederick	Lantry	Olson	Solon
Berglin	Frederickson, D.J.	Larson	Pariseau	Spear
Bernhagen	Frederickson, D.R.	Lessard	Pehler	Storm
Bertram	Freeman	Luther	Peterson, D.C.	Stumpf
Brataas	Gustafson	Marty	Peterson, R.W.	Taylor
Cohen	Hughes	McGowan	Piper	Vickerman
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Davis	Johnson, D.J.	Mehrkens	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 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. Dicklich introduced—

S.F. No. 1626: A bill for an act relating to game and fish; providing a criminal penalty for trespass sign removal; prohibiting possession of firearms while intoxicated; requiring covering of transported animals; regulating discharge of firearms across highways; altering deer stand restrictions; amending Minnesota Statutes 1988, sections 97A.315, subdivision 1;

97A.421, subdivision 4; 97A.535, subdivision 1; 97B.055, subdivision 1; 97B.065; and 97B.325.

Referred to the Committee on Environment and Natural Resources.

Mr. Dicklich introduced—

S.F. No. 1627: A bill for an act relating to water safety; requiring sheriffs to maintain readily available rescue equipment; amending Minnesota Statutes 1988, section 361.24, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Mr. DeCramer introduced—

S.F. No. 1628: A bill for an act relating to agriculture; authorizing a lien for agricultural input suppliers when a lender does not provide a letter of commitment; amending Minnesota Statutes 1988, section 514.952, subdivisions 4 and 5.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Stumpf; Lessard; Moe. R.D. and Pogemiller introduced—

S.F. No. 1629: A bill for an act relating to taxation; sales; providing an exemption for certain purchases by Canadian residents; amending Minnesota Statutes 1988, section 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. 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. 662, 811, 1105, 1502, 653, 1278, 29, 1123, 1239, 1375, 6, H.F. Nos. 545, 97, 343, 627, 278, 456, 731, 193, 578 and 444, which the committee recommends to pass.

H.F. No. 700, which the committee recommends to pass, subject to the following motions:

Mr. Benson moved to amend H.F. No. 700, as amended pursuant to Rule 49, adopted by the Senate May 1, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 412.)

Page 1, line 21, after "age," insert "appearance."

Page 2, lines 5 and 31, after "age," insert "appearance,"

Page 3, lines 19 and 28, after "age," insert "appearance,"

Page 4, lines 1 and 29, after "age," insert "appearance,"

Amend the title as follows:

Page 1, line 5, after "age," insert "appearance."

The motion prevailed. So the amendment was adopted.

Mr. Benson then moved to amend H.F. No. 700, as amended pursuant to Rule 49, adopted by the Senate May 1, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 412.)

Page 1, line 21, after "age," insert "lawful occupation,"

Page 2, lines 5 and 31, after "age," insert "lawful occupation,"

Page 3, lines 19 and 28, after "age," insert "lawful occupation,"

Page 4, lines 1 and 29, after "age," insert "lawful occupation,"

Amend the title as follows:

Page 1, line 5, after "age," insert "lawful occupation,"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	Lessard	Purfeerst
Belanger	Decker	Knaak	McGowan	Ramstad
Benson	Frank	Knutson	McQuaid	Renneke
Berg	Frederick	Laidig	Mehrkens	Storm
Bernhagen	Frederickson, D.R.	Langseth	Olson	Taylor
Bertram	Gustafson	Larson	Pariseau	

Those who voted in the negative were:

Adkins	DeCramer	Lantry	Morse	Schmitz
Berglin	Dicklich	Luther	Pehler	Solon
Brandl	Diessner	Marty	Peterson, D.C.	Spear
Cohen	Freeman	Merriam	Peterson, R.W.	Stumpf
Dahl	Hughes	Metzen	Piper	Vickerman
Davis	Johnson, D.J.	Moe, R.D.	Reichgott	

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

Mr. Knaak moved to amend H.F. No. 700, as amended pursuant to Rule 49, adopted by the Senate May 1, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 412.)

Page 1, line 20, delete "sexual orientation,"

Page 2, line 4, delete "sexual"

Page 2, line 5, delete "orientation,"

Page 2, line 30, delete "sexual orientation,"

Page 3, lines 18, 27, and 36, delete "sexual orientation,"

Page 4, line 28, delete "sexual orientation,"

Amend the title as follows:

Page 1, line 5, delete "sexual orientation,"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 10 and nays 51, as follows:

Those who voted in the affirmative were:

Anderson	Benson	Knaak	Lessard	Pariseau
Belanger	Bertram	Larson	Olson	Ramstad

Those who voted in the negative were:

Adkins	DeCramer	Johnson, D.J.	Moe, D.M.	Renneke
Beckman	Dicklich	Knutson	Moe, R.D.	Schmitz
Berg	Diessner	Laidig	Morse	Solon
Berglin	Frank	Langseth	Novak	Spear
Bernhagen	Frederick	Lantry	Pehler	Storm
Brandl	Frederickson, D.J.	Luther	Peterson, D.C.	Stumpf
Brataas	Frederickson, D.R.	Marty	Peterson, R.W.	Vickerman
Cohen	Freeman	McGowan	Piper	
Dahl	Gustafson	McQuaid	Pogemiller	
Davis	Hughes	Mehrkens	Purfeerst	
Decker	Johnson, D.E.	Merriam	Reichgott	

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

Mr. Frederick moved to amend H.F. No. 700, as amended pursuant to Rule 49, adopted by the Senate May 1, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 412.)

Page 1, line 21, after "age," insert "*membership or lack of membership in a labor union,*"

Page 2, lines 5 and 31, after "age," insert "*membership or lack of membership in a labor union,*"

Page 3, lines 19 and 28, after "age," insert "*membership or lack of membership in a labor union,*"

Page 4, lines 1 and 29, after "age," insert "*membership or lack of membership in a labor union,*"

Amend the title as follows:

Page 1, line 5, after "age," insert "*membership or lack of membership in a labor union,*"

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

H.F. No. 1530, which the committee recommends to pass with the following amendment offered by Mr. Frederick:

Amend H.F. No. 1530, as amended pursuant to Rule 49, adopted by the Senate April 24, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1441.)

Page 2, line 14, delete "*an oral or*" and insert "*a*"

Page 2, line 22, after "*cancel,*" insert "*or*" and delete everything after "*renew*"

Page 2, line 23, delete everything before "*a*"

Page 2, line 25, delete "*substantially*" and delete "*essential and reasonable*"

Page 3, line 31, delete "180" and insert "90"

Page 3, lines 34 and 35, delete "180 days" and insert "until the expiration of the notice period"

Page 3, line 36, delete "180 days" and insert "the notice period"

Page 4, line 27, after "cancel," insert "or"

Page 4, line 28, delete everything after "renew"

Page 4, line 30, delete ", including a sustained drought"

Page 4, line 31, delete "in the dealership market area," and insert "or" and delete ", or other"

Page 4, line 32, delete everything before the period

The motion prevailed. So the amendment was adopted.

H.F. No. 1435, which the committee recommends to pass with the following amendment offered by Mr. Berg:

Amend H.F. No. 1435, the unofficial engrossment, as follows:

Page 1, after line 25, insert:

"Sec. 3. [CITY OF EVANSVILLE; SUNDAY LIQUOR LICENSE.]

Notwithstanding Minnesota Statutes, section 340A.504, subdivision 3, paragraph (d), the city of Evansville in Douglas county may issue an intoxicating liquor license for consumption on the premises on Sundays without approval of the voters of the municipality. All other requirements of Minnesota Statutes, chapter 340A, apply to a license under this section."

Page 2, line 5, after the period, insert "Section 3 is effective on approval of the Evansville city council and compliance with Minnesota Statutes, section 645.021."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after "license" insert "; authorizing the city of Evansville to issue Sunday on-sale liquor licenses"

The motion prevailed. So the amendment was adopted.

H.F. No. 1338, which the committee recommends to pass with the following amendment offered by Mr. Metzen:

Amend H.F. No. 1338, as amended pursuant to Rule 49, adopted by the Senate April 24, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1563.)

Page 1, line 19, delete "the personnel of"

Page 1, line 20, before the period, insert ", and, at the registrar's discretion, to persons who use the information to notify lessees of automobile recalls. The registrar may release information about lessees in the form of summary data, as defined in section 13.02, to persons who use the information in conducting statistical analysis and market research"

The motion prevailed. So the amendment was adopted.

S.F. No. 703, which the committee recommends to pass with the following

amendment offered by Mr. Benson:

Page 2, after line 33, insert:

“Sec. 4. [BOARD OF CONSOLIDATED DISTRICT; SCHOOL BOARD SIZE.]

Independent school district Nos. 232, Peterson, and 234, Rushford, may agree to any of the following:

(1) a school board of not more than seven members;
(2) election districts of the size desired by the consolidating districts;
and

(3) election of school board members in the manner agreed upon, such as at large from a previously existing district or from the newly consolidated district, some members at large, some members from election districts or from previously existing districts. However, at least six years after the first election of the consolidated district board, the board shall comply with the general provisions of law governing election of school board members. To the extent the provisions of Minnesota Statutes, section 122.23, or any other applicable law are inconsistent with this section, the provisions of this section shall apply.

Sec. 5. [EFFECTIVE DATE; LOCAL APPROVAL.]

Section 4 is effective upon approval of the board of independent school district No. 232 and the board of independent school district No. 234 the day following compliance with Minnesota Statutes, section 645.021, subdivision 3, by the board of independent school district No. 232 and the board of independent school district No. 234.”

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 33, which the committee recommends to pass, after the following motion:

Mr. Knaak moved to amend H.F. No. 33, as amended pursuant to Rule 49, adopted by the Senate April 24, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 78.)

Page 1, after line 5, insert:

“Section 1. Minnesota Statutes 1988, section 116.082, is amended to read:

116.082 [OPEN BURNING OF LEAVES; LOCAL ORDINANCES.]

Subject to sections 88.16, 88.17 and 88.22, but notwithstanding any law or rule to the contrary, a town or home rule charter or statutory city located outside the metropolitan area as defined in section 473.121, subdivision 2, by adoption of an ordinance, may permit the open burning of dried leaves within the boundaries of the town or city. The ordinance shall limit leaf burning to the period between September 15 and December 1 and shall set forth limits and conditions on leaf burning to minimize air pollution and fire danger and any other hazards or nuisance conditions. No open burning of leaves shall take place during an air pollution alert, warning or emergency declared by the agency. Any town or city adopting an ordinance pursuant to this section shall submit a copy of the ordinance to the

agency and the department of natural resources. *A town in the metropolitan area may by ordinance provide for the burning of vegetation on town road rights-of-way as provided by section 164.02, subdivision 1.*"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections 116.082; and"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Decker	McGowan	Pariseau	Schmitz
Belanger	Knaak	Mehrkens	Purfeerst	Storm
Benson	Laidig	Metzen	Ramstad	Taylor
Bernhagen	Larson	Olson	Renneke	Vickerman

Those who voted in the negative were:

Adkins	DeCramer	Knutson	Novak	Spear
Beckman	Dicklich	Kroening	Pehler	Stumpf
Berglin	Diessner	Lantry	Peterson, D.C.	
Bertram	Frank	Marty	Peterson, R.W.	
Dahl	Frederickson, D.J.	Merriam	Piper	
Davis	Johnson, D.J.	Morse	Reichgott	

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

H.F. No. 630, which the committee recommends to pass with the following amendment offered by Ms. Olson:

Amend H.F. No. 630, the unofficial engrossment, as follows:

Page 13, after line 4, insert:

"Sec. 23. Minnesota Statutes 1988, section 205A.10, subdivision 3, is amended to read:

Subd. 3. [CANVASS OF RETURNS, CERTIFICATE OF ELECTION, BALLOTS, DISPOSITION.] Within two days after a school district election *other than a recount of a special election conducted under section 124A.03, subdivision 2, or 475.59*, the school board shall canvass the returns and declare the results of the election. After the time for contesting elections has passed, the school district clerk shall issue a certificate of election to each successful candidate. If there is a contest, the certificate of election to that office must not be issued until the outcome of the contest has been determined by the proper court. If there is a tie vote, the school board shall determine the result by lot. The clerk shall deliver the certificate of election to the successful candidate by personal service or certified mail. The successful candidate shall file an acceptance and oath of office in writing with the clerk within 30 days of the date of mailing or personal service. A person who fails to qualify prior to the time specified shall be deemed to have refused to serve, but that filing may be made at any time before action to fill the vacancy has been taken. The school district clerk shall certify the results of the election to the county auditor, and the clerk shall be the final custodian of the ballots and the returns of the election.

A school district canvassing board shall perform the duties of the school board according to the requirements of this subdivision for a recount of a special election conducted under section 124A.03, subdivision 2, or 475.59.

Sec. 24. Minnesota Statutes 1988, section 205A.10, is amended by adding a subdivision to read:

Subd. 5. [SCHOOL DISTRICT CANVASSING BOARD.] For the purpose of a recount of a special election conducted under section 124A.03, subdivision 2, or 475.59, the school district canvassing board shall consist of one member of the school board other than the clerk, selected by the board, the clerk of the school board, the county auditor of the county in which the greatest number of school district residents reside, the court administrator of the district court of the judicial district in which the greatest number of school district residents reside, and the mayor or chair of the town board of the school district's most populous municipality. Any member of the canvassing board may appoint a designee to appear at the meeting of the board, except that no designee may be a candidate for public office. If one of the individuals fails to appear at the meeting of the canvassing board, the county auditor shall appoint an eligible voter of the school district, who must not be a member of the school board, to fill the vacancy. Not more than two school board members shall serve on the canvassing board at one time. Four members constitute a quorum.

The school board shall serve as the school district canvassing board for the election of school board members."

Page 17, line 29, delete "31" and insert "33"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 18, delete "subdivision 2" and insert "subdivisions 2, 3, and by adding a subdivision"

The motion prevailed. So the amendment was adopted.

S.F. No. 1227, which the committee recommends to pass with the following amendments offered by Messrs. Metzen, Freeman and Peterson, R.W.:

Mr. Metzen moved to amend S.F. No. 1227 as follows:

Page 18, line 12, before the period, insert "*, provided that regardless of the number of claims against a licensee, nothing in this chapter may obligate the fund for more than \$250,000 per licensee per year*"

Pages 20 and 21, delete section 42

Page 21, line 7, delete "43" and insert "42"

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

Mr. Freeman moved to amend S.F. No. 1227 as follows:

Page 5, after line 8, insert:

"Sec. 9. Minnesota Statutes 1988, section 82.19, is amended by adding a subdivision to read:

Subd. 6. [CLOSING AGENTS.] A real estate closing agent may not charge a closing fee, and a borrower may not be required to pay such a fee, at settlement, if the fee was not previously disclosed in writing in the settlement statement at least one business day before the settlement."

Renumber the sections in sequence and correct the internal references
Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Peterson, R.W. moved to amend S.F. No. 1227 as follows:

Page 7, line 28, after "attorney" insert "or a direct employee of a licensed attorney"

The motion prevailed. So the amendment was adopted.

S.F. No. 258, which the committee recommends to pass with the following amendments offered by Messrs. Moe, D.M. and Bertram:

Mr. Moe, D.M. moved to amend S.F. No. 258 as follows:

Page 16, line 27, delete "22" and insert "20"

The motion prevailed. So the amendment was adopted.

Mr. Bertram moved to amend S.F. No. 258 as follows:

Page 2, line 11, strike "1989" and insert "1990"

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "extending inclusion of veterans in the category of protected groups for the purpose of state employment;"

The motion prevailed. So the amendment was adopted.

H.F. No. 1207, which the committee recommends to pass with the following amendment offered by Mr. Bertram:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 1988, section 357.09, is amended to read:

357.09 [SHERIFFS.]

Subdivision 1. ~~The Fees to set under subdivision 8 shall be charged and collected by the sheriff shall be as follows, and no other or greater fees shall be charged for:~~

(1) Serving a summons, warrant, writ, subpoena, or any process issued by a court of record, ~~\$10~~ for each defendant served and mileage;

(2) Taking and approving a bond, ~~\$4~~, and for a certified copy thereof, ~~\$1 per folio~~;

(3) Collection on execution after levy, ~~five percent on the first \$250 and three percent on the remainder~~;

(4) Posting three notices of sale, ~~\$10~~;

(5) Certificate of sale of real estate, ~~\$10~~; a copy thereof, when requested, ~~\$6~~;

(6) Selling land on foreclosure of a mortgage, for all services required, including executing a certificate of sale, ~~\$15~~; postponing such a sale, ~~\$2~~;

(7) Making diligent search and inquiry and returning a summons when defendants cannot be found, ~~\$5~~;

(8) Returning an execution unsatisfied when no service is made, ~~\$10~~;

(9) Receiving and paying over money paid on redemption of property and executing a certificate, ~~one percent on the amount so received;~~ to be collected from the person redeeming; ~~such fee not to exceed \$20 in any case;~~

(10) Securing and safely keeping property in replevin or attachment or on execution; ~~to be computed on the basis of the time spent and hourly rate of pay of the sheriff or deputy executing the process;~~

(11) For services not herein enumerated, ~~the sheriff shall be entitled to the same fees as for similar duties if provided by the county board;~~

(12) For all process when no charge is made for service of a return of not found or unsatisfied; \$5.

Subd. 2. When mileage is allowed the sheriff it shall be computed from the place where the court is usually held and ~~shall be at the rate provided to state employees pursuant to section 43A.18, plus eight cents per mile notwithstanding any other provisions of law to the contrary.~~

Subd. 3. The sheriff shall be allowed reasonable and necessary expenses actually paid out for food furnished any prisoner while conducting the prisoner to jail and for the prisoner's transportation by a common carrier.

Subd. 4. The fees allowed for the service of an execution, for advertising thereon, and for filing certificate with the county recorder shall be collected by virtue thereof and in the same manner as the sum therein directed to be levied.

Subd. 6. This section shall not relate to or affect the fees of the sheriff of Ramsey county.

Subd. 7. All special laws relating to sheriffs' fees and mileage allowance which are inconsistent with the provisions of Laws 1977, chapter 338 are superseded to the extent of the inconsistency.

Subd. 8. ~~Counties with a population in excess of 80,000 according to the latest federal decennial census or the population estimates of the demographer pursuant to section 116K.04 are not subject to the provisions of this section; but~~ The county board in exempt counties shall set the sheriff's fees with the advice and consultation of the sheriff."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "allowing county boards to set sheriff's fees;"

Page 1, line 4, delete "section" and insert "sections 357.09; and"

The motion prevailed. So the amendment was adopted.

S.F. No. 1252, which the committee recommends to pass with the following amendment offered by Mr. Johnson, D.J.: -

Page 6, after line 19, insert:

"Sec. 5. [COORDINATION WITH LEVY LIMITS.]

Notwithstanding any other law to the contrary, the amount of tax extended pursuant to section 4, subdivision 3, in any city or township subject to levy limits pursuant to Minnesota Statutes, section 275.51, shall be deducted from each city's or township's levy limit pursuant to section 275.51. The

department of revenue is authorized to estimate the deduction when determining each city's or township's levy limit. The department of revenue will adjust the city's or township's levy limit in the subsequent year for any difference between the estimate and the actual tax extended pursuant to section 4, subdivision 3."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 400, which the committee recommends to pass with the following amendment offered by Mr. Knaak:

Page 1, line 21, after the period, insert "*The notice under this subdivision is for notification purposes only and does not create a right of intervention by the commissioner of natural resources.*"

Page 2, lines 14 and 30, after the period, insert "*The notice under this subdivision is for notification purposes only and does not create a right of intervention by the commissioner of natural resources.*"

Page 3, line 12, after the period, insert "*The notice under this subdivision is for notification purposes only and does not create a right of intervention by the commissioner of natural resources.*"

Page 4, lines 3 and 20, after the period, insert "*The notice under this subdivision is for notification purposes only and does not create a right of intervention by the commissioner of natural resources.*"

Page 5, line 4, after the period, insert "*The notice under this subdivision is for notification purposes only and does not create a right of intervention by the commissioner of natural resources.*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1358, which the committee recommends to pass, subject to the following motions:

Mr. Moe, R.D. moved to amend S.F. No. 1358 as follows:

Page 10, lines 12 and 14, delete "*a member*" and insert "*two members*"

Page 10, delete lines 18 to 21 and insert:

"(5) three members of the senate appointed by the subcommittee on committees of the committee on rules and administration and three members of the house of representatives appointed by the speaker;"

Page 10, line 26, delete "*two*" and insert "*four*"

Page 10, lines 27 and 28, delete "*one*" and insert "*two*"

Page 10, line 29, after the period, insert "*One of the persons appointed by the majority leader must be a resident of Bloomington, and the other must be a resident of Richfield. One of the persons appointed by the speaker must be a resident of Minneapolis, and the other must be a resident of St. Paul.*"

Mr. Knutson moved to amend the Moe, R.D. amendment to S.F. No. 1358 as follows:

Page 1, line 9, delete "*four*" and insert "*six*"

Page 1, line 10, delete "two" and insert "three"

Page 1, line 13, after the comma, insert "one a resident of Eagan," and delete "other" and insert "third"

Page 1, line 15, after the comma, insert "one a resident of Mendota Heights," and delete "other" and insert "third"

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

The question was taken on the adoption of the Moe, R.D. amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Mr. Knaak moved to amend S.F. No. 1358 as follows:

Pages 9 to 11, delete section 8

Page 11, line 18, delete "9" and insert "8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 5 and 6, delete "establishing a state advisory council on metropolitan airport planning;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 38, as follows:

Those who voted in the affirmative were:

Anderson	Frank	Larson	Olson	Renneke
Brataas	Frederick	McGowan	Pariseau	Storm
Dahl	Knaak	McQuaid	Ramstad	
Diessner	Laidig	Novak	Reichgott	

Those who voted in the negative were:

Adkins	Davis	Johnson, D.E.	Metzen	Samuelson
Beckman	Decker	Knutson	Moe, D.M.	Schmitz
Belanger	DeCramer	Langseth	Moe, R.D.	Solon
Berg	Dicklich	Lantry	Morse	Spear
Berglin	Frederickson, D.J.	Lessard	Pehler	Vickerman
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Waldorf
Brandl	Freeman	Marty	Piper	
Cohen	Hughes	Merriam	Purfeerst	

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

Mr. Renneke moved to amend S.F. No. 1358 as follows:

Page 11, line 3, delete "AIRLAKE AIRPORT" and insert "RELIEVER AIRPORTS; STUDIES"

Page 11, line 4, before "The" insert "Subdivision 1. [AIRLAKE AIRPORT.]"

Page 11, after line 16, insert:

"Subd. 2. [ST. CLOUD, ROCHESTER AIRPORTS; STUDY.] *The commission shall conduct a study on the feasibility of using the St. Cloud municipal airport and the Rochester international airport to relieve congestion at Minneapolis-St. Paul international airport. The study shall consider future traffic growth at each airport, availability of and the need for transportation to St. Cloud and Rochester from Minneapolis-St. Paul international airport, and the benefit to each airport and the surrounding*

communities by a shift of traffic from Minneapolis-St. Paul international airport to St. Cloud and Rochester. The commission shall report to the legislature by January 1, 1991, on the results of the study."

Amend the title as follows:

Page 1, line 8, before the semicolon, insert "and the use of certain airports to relieve congestion at Minneapolis-St. Paul international airport"

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend S.F. No. 1358 as follows:

Page 3, line 35, after "four" insert "nonvoting"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 15 and nays 46, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Frederickson, D.R.	McQuaid	Pariseau
Belanger	Dahl	Knaak	Novak	Ramstad
Berg	Frank	McGowan	Olson	Renneke

Those who voted in the negative were:

Adkins	DeCramer	Kroening	Morse	Spear
Beckman	Dicklich	Langseth	Pehler	Storm
Benson	Diessner	Lantry	Peterson, D.C.	Stumpf
Berglin	Frederick	Lessard	Peterson, R.W.	Taylor
Bernhagen	Frederickson, D.J.	Luther	Piper	Vickerman
Bertram	Freeman	Marty	Pogemiller	Waldorf
Brandl	Hughes	Merriam	Purfeerst	
Cohen	Johnson, D.E.	Metzen	Samuelson	
Davis	Johnson, D.J.	Moe, D.M.	Schmitz	
Decker	Knutson	Moe, R.D.	Solon	

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

Ms. Olson moved to amend S.F. No. 1358 as follows:

Page 9, after line 24, insert:

"Sec. 8. Minnesota Statutes 1988, section 473.661, subdivision 2, is amended to read:

Subd. 2. The commissioners shall on or before October 10th of each calendar year, certify to the county auditor of each county in the ~~metropolitan area~~ *state* the total amount to be raised by the commissioners during the next calendar year through taxation, and each county auditor shall extend and assess against all property in the auditor's county which is then taxable by the corporation for the purpose for which the levy is made under the provisions of section 473.621, subdivision 5, that sum which bears the same proportion to the total amount as the gross tax capacity of such taxable property bears to the gross tax capacity of all property in the ~~metropolitan area~~ *state* which is then taxable by the corporation for the purpose for which the levy is made. The county auditor shall extend, spread, and include the same with and as a part of the general taxes for state, county, and municipal purposes, to be collected and enforced therewith, together with penalties and interest and costs, and the county treasurer, upon collection of the same, shall transfer the same to the treasurer of the corporation.

Sec. 9. Minnesota Statutes 1988, section 473.661, subdivision 3, is amended to read:

Subd. 3. In any budget certified by the commissioners, pursuant to any of the provisions of this section, the amount included for operation and maintenance shall not exceed an amount which, when extended against the gross tax capacity of property then taxable therefor under the provisions of section 473.621, subdivision 5, will require a levy at the rate of one-third of one mill upon such gross tax capacity. Taxes levied by the corporation shall not affect the amount or rate of taxes which may be levied by any other local government unit within the ~~metropolitan area~~ *state* under the provisions of any law or charter.

Sec. 10. Minnesota Statutes 1988, section 473.667, subdivision 3, is amended to read:

Subd. 3. [GENERAL OBLIGATION REVENUE BONDS.] Subject to the provisions of subdivision 2 the commission may issue bonds for the acquisition and betterment of airports and air navigation facilities, and for the refunding of such bonds and of certificates of indebtedness issued under subdivision 10, in the same manner and with the same powers and duties as a municipality under the provisions of chapter 475 except as otherwise provided in this section. The bonds shall be designated as general obligation revenue bonds, and shall be payable primarily from and secured under resolutions of the commission by an irrevocable pledge and appropriation of the revenues to be derived from rates, fees, charges, and rentals to be imposed, maintained, and collected for all use, service, and availability of airport and air navigation facilities owned and to be owned or operated by the commission. They shall be further secured by the pledge of the full faith and credit of the commission, which shall be obligated to levy upon all taxable property within the ~~metropolitan area~~ *state* a tax at such times and in such amounts, if any, as may be required to provide funds sufficient to pay all of the bonds and interest thereon when due and to maintain a reserve securing such payments in the manner and to the extent provided in this section. This tax, if ever required to be levied, shall not be subject to any limitation of rate or amount. The security afforded by this section extends equally and ratably to all general obligation revenue bonds of the commission, except that nothing herein shall prevent the commission from pledging current revenues from a particular facility or group of facilities first to the payment and security of bonds issued to finance such facilities.

Sec. 11. Minnesota Statutes 1988, section 473.667, subdivision 4, is amended to read:

Subd. 4. [DEBT SERVICE FUND.] The commission shall maintain permanently on its official books and records an account or accounts referred to herein collectively as the debt service fund, separate from all other funds and accounts, to record all receipts and disbursements of money for principal and interest payments on its bonds, and on certificates of indebtedness issued pursuant to subdivision 10. At or before the due date of each principal and interest payment on said bonds and certificates the treasurer shall remit from the debt service fund to the payment agent for the issue an amount sufficient for such payment, without further order from the commission. At or before the time of delivery of any series of bonds the commission shall withdraw from the proceeds thereof, or from revenues then on hand and available for the purpose, and shall deposit in the debt service fund such amount, if any, as may be required to establish in the fund a balance of cash and investments at least equal to the total amount of principal and interest then due and to become due on bonds of the commission to the end of the following year, but not exceeding the total amount of principal

and interest then due and to become due on bonds of the commission to the end of the second following year. The commission shall also deposit in the fund on or before October 10 in each year, from revenues received in excess of budgeted current expenses of operation and maintenance of its property and of carrying on its business and activities, or from other available moneys, amounts at least sufficient to permit cancellation of the taxes referred to in subdivision 2 and to pay principal and interest due on the following year on general obligation revenue bonds of the commission; and, to the extent determined by the commission, sufficient to produce a balance of cash and investments therein not exceeding the total amount of principal and interest due and to become due on all bonds of the commission to the end of the second following year. If such revenues or other available moneys are insufficient in any year to produce the required minimum balance or any larger balance established by the commission, then unless provision is made for restoring the deficiency in accordance with the provisions of subdivision 8, the commission shall levy and appropriate to the debt service fund, and certify to the county auditors of all counties in the ~~metropolitan area~~ *state*, a tax in accordance with subdivision 3 in an amount at least five percent in excess of the deficiency. For the purpose of determining the balance in the debt service fund at any time, investments held therein shall be valued at the principal amount payable at maturity if they mature in the following year, or otherwise at market value, plus the amount of interest receivable thereon to the end of the following year.

Sec. 12. Minnesota Statutes 1988, section 473.667, subdivision 6, is amended to read:

Subd. 6. [REIMBURSEMENT OF DEBT SERVICE FUND DEFICIENCIES.] If a debt service fund deficiency tax is ever certified in accordance with subdivision 4, each county auditor shall extend it on the tax roll of the auditor's county in that proportion which the gross tax capacity of taxable property within the county then bears to the gross tax capacity of all taxable property within the ~~metropolitan area~~ *state*, and shall certify to the commission the amount so extended. Thereafter the commission shall be obligated to repay to the treasurer of each county the amount extended upon its tax roll with interest at six percent per annum from the dates of payment of the deficiency tax to the commission to the date or dates of repayment. The commission shall certify to each county auditor the principal amount to be so paid to the county before October 10 in each subsequent year, and the county auditor shall reduce by this amount the taxes levied by the county which are to be extended upon its tax rolls then in preparation.

Sec. 13. Minnesota Statutes 1988, section 473.671, is amended to read:

473.671 [LIMIT OF TAX LEVY.]

The taxes levied against the property of the ~~metropolitan area~~ *state* in any one year shall not exceed one-third of one mill upon the gross tax capacity thereof, exclusive of the taxes it may be necessary to levy to pay the principal or interest on any bonds or indebtedness of said city issued by it under the provisions of Laws 1943, chapter 500, and exclusive of any amounts required to pay the share of such city for payments on bonded indebtedness of the corporation provided for in Laws 1943, chapter 500. The levy of taxes authorized in Laws 1943, chapter 500, shall be in addition to the maximum rate allowed to be levied to defray the cost of government under the provisions of the charter of any city affected by Laws 1943,

chapter 500.

Sec. 14. Minnesota Statutes 1988, section 473.672, is amended to read:
473.672 [~~METROPOLITAN AREA TAX LEVY.~~]

Notwithstanding the provisions of section 473.671 or any other provision of sections 473.601 to 473.679, any tax levy required to be made to pay debt service on any bonds heretofore or hereafter issued by the commission shall not be restricted to the cities of Minneapolis and St. Paul but shall be levied against all the taxable property in the ~~metropolitan area~~ state in accordance with the provisions of section 473.667."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "extending the commission's taxing authority statewide;"

Page 1, line 9, delete "and"

Page 1, line 10, after the semicolon, insert "473.661, subdivisions 2 and 3; 473.667, subdivisions 3, 4, and 6; 473.671; and 473.672;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 42, as follows:

Those who voted in the affirmative were:

Belanger	Frank	McGowan	Novak	Waldorf
Berglin	Knaak	McQuaid	Olson	
Dahl	Kroening	Merriam	Pariseau	
Diessner	Marty	Metzen	Ramstad	

Those who voted in the negative were:

Adkins	Cohen	Hughes	Moe, R. D.	Samuelson
Anderson	Davis	Johnson, D.E.	Morse	Schmitz
Beckman	Decker	Johnson, D.J.	Pehler	Spear
Benson	DeCramer	Knutson	Peterson, D.C.	Stumpf
Berg	Dicklich	Langseth	Peterson, R. W.	Taylor
Bernhagen	Frederick	Lantry	Piper	Vickerman
Bertram	Frederickson, D.J.	Lessard	Pogemiller	
Brandl	Frederickson, D.R.	Luther	Purfeerst	
Brataas	Freeman	Moe, D.M.	Renneke	

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

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. 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, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1625: A bill for an act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, University of Minnesota, and the Mayo medical foundation, with certain conditions; amending Minnesota Statutes 1988, sections 121.93, subdivisions 2, 3, and 4; 136.31, subdivisions 3 and 5; 136A.04; 136A.05; 136A.08; 136A.095; 136A.101, subdivisions 1 and 7; 136A.121; 136A.131; 136A.132; 136A.134, subdivision 4; 136A.15, subdivision 1; 136A.16, subdivisions 1, 2, 5, 8, 9, and 10; 136A.17, subdivision 1; 136A.1701, subdivisions 1, 2, and 5; 136A.172; 136A.173, subdivision 1; 136A.174; 136A.175, subdivision 4; 136A.176; 136A.177; 136A.178; 136A.179; 136A.29, subdivision 9; 136C.04, subdivisions 1, 2, 6, 10, and 18; 136C.042, subdivision 2; 136C.05, by adding a subdivision; 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; 355.46, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 135A and 136A; repealing Minnesota Statutes 1988, sections 121.936, subdivision 1a; 136A.042; 136A.09; 136A.101, subdivision 6; 136A.111; 136A.121, subdivisions 1, 4, and 15; 136A.14; 136A.141; 136A.142; 136A.51; 136A.52; 136A.53; 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.

Senate File No. 1625 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1989

Mr. Merriam moved that the Senate do not concur in the amendments by the House to S.F. No. 1625, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1618: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; requiring studies and reports; fixing and limiting fees; amending Minnesota Statutes 1988, sections 12.14; 41A.09; 43A.08, subdivision 1; 237.30; 341.10; 473.384, subdivision 7; and 473.386, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299C.

There has been appointed as such committee on the part of the House:

Rice, Lieder, Kalis, Sarna and Johnson, V.

Senate File No. 1618 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1989

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 300:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Clark, Pappas and Limmer have been appointed as such committee on the part of the House.

House File No. 300 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 May 5, 1989

Ms. Piper moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 300, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 371:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Pappas, Kelly and Macklin have been appointed as such committee on the part of the House.

House File No. 371 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 May 5, 1989

Mr. Marty moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 371, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 489:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Dawkins, Begich and Redalen have been appointed as such committee on the part of the House.

House File No. 489 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 May 5, 1989

Mr. Freeman moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 489, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 527:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Skoglund, Trimble and Lynch have been appointed as such committee on the part of the House.

House File No. 527 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 May 5, 1989

Mr. Beckman moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 527, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 943:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Orenstein, Segal and Swenson have been appointed as such committee on the part of the House.

House File No. 943 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 May 5, 1989

Mr. Vickerman moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 943, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 949:

H.F. No. 949: A bill for an act relating to traffic safety; increasing penalties for persons convicted of DWI after a previous conviction for criminal vehicular operation or for another impaired driving crime; amending Minnesota Statutes 1988, section 169.121, subdivision 3.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Frederick, Kelly and Carruthers have been appointed as such committee on the part of the House.

House File No. 949 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 May 5, 1989

Mr. Taylor moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 949, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1107:

H.F. No. 1107: 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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Jefferson, Osthoff and Olsen, S., have been appointed as such committee on the part of the House.

House File No. 1107 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 May 5, 1989

Mr. Marty moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1107, 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.

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. 826: Messrs. Merriam, Knaak and Peterson, R.W.

H.F. No. 65: Messrs. Dahl, Bernhagen and Frank.

H.F. No. 1734: Messrs. Johnson, D.J.; Brandl; Novak; Pogemiller and Stumpf.

H.F. No. 489: Messrs. Freeman; Frederickson, D.J. and Decker.

S.F. No. 1625: Messrs. Waldorf, Dicklich, Taylor, Mrs. Brataas and Mr. DeCramer.

H.F. No. 300: Ms. Piper, Messrs. Pehler and Gustafson.

H.F. No. 943: Messrs. Vickerman, Pehler and Knutson.

H.F. No. 527: Mr. Beckman, Ms. Piper and Mr. Frederickson, D.J.

H.F. No. 949: Messrs. Taylor, Spear and Pogemiller.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Taylor moved that S.F. No. 14, No. 16 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

MEMBERS EXCUSED

Mr. Chmielewski was excused from the Session of today. Mr. Knaak was excused from the Session of today from 12:30 to 12:45 p.m. Mr. Beckman was excused from the Session of today from 1:30 to 2:10 p.m. Mr. Pogemiller was excused from the Session of today from 1:30 to 2:00 p.m. and 2:15 to 5:30 p.m. Mr. Hughes was excused from the Session of today from 2:30 to 5:15 p.m. Ms. Reichgott was excused from the Session of today from 3:30 to 4:00 p.m. Mr. Gustafson was excused from the Session of today at 4:15 p.m. Mr. Mehrkens was excused from the Session of today at 5:15 p.m. Mr. Larson was excused from the Session of today at 5:30 p.m. Mr. Novak was excused from the Session of today at 6:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Monday, May 8, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-SEVENTH DAY

St. Paul, Minnesota, Monday, May 8, 1989

The Senate met at 11:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Reginald G. Penner.

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

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	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	

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.

May 4, 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
1488		70	1700 hours May 3	May 4

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 827:

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.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Stanius; Munger; Johnson, R.; Rukavina and Marsh have been appointed as such committee on the part of the House.

House File No. 827 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 May 5, 1989

Mr. Bernhagen moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 827, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 59.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 5, 1989

FIRST READING OF HOUSE BILLS

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

H.F. No. 59: A bill for an act relating to public safety; authorizing bonding for capital improvements; appropriating money to convert a regional treatment center for use as an adult correctional facility and to operate the

facility; appropriating money for a variety of correctional and treatment programs; revising and increasing penalties for controlled substance crimes; authorizing increased sentences and juvenile court reference for controlled substance crimes committed within a drug free school or park zone; increasing penalties for a variety of other crimes; providing for life imprisonment without supervised release for persons convicted of first degree murder or a third criminal sexual conduct offense; providing for sex offender treatment programs; providing that an inmate who completes a sex offender treatment program is eligible for an adjustment to the supervised release date; providing for the collection and admissibility of DNA evidence; modifying certain forfeiture provisions; permitting a school-sponsored alcohol awareness program; requiring reporting of newborns with signs of controlled substance exposure and reporting of certain controlled substance use by pregnant women; providing for toxicology testing; requiring an education program to protect unborn children from such prenatal exposure; providing for civil commitment of pregnant women for certain controlled substance use; establishing a community crime prevention grant program; providing a soft body armor reimbursement program; creating a drug abuse prevention resource council; establishing a child protection system study commission; providing for a community resources program for cities of the first class; appropriating money; amending Minnesota Statutes 1988, sections 152.01, subdivision 7, and 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; 169.09, subdivision 14; 243.05, subdivision 1; 244.05, subdivisions 1, 4, 5, and by adding a subdivision; 244.09, subdivision 5; 253B.02, subdivisions 2 and 10; 256.01, by adding a subdivision; 260.125, subdivision 3; 260.161, subdivision 1; 260.185, subdivision 1; 297D.09, subdivision 1a; 299F80, subdivision 1; 325D.56, subdivision 2; 340A.701; 340A.702; 526.10; 609.11, subdivisions 7 and 9; 609.185; 609.19; 609.195; 609.205; 609.221; 609.222; 609.223; 609.2231, subdivision 1; 609.255, subdivision 3; 609.2665; 609.267; 609.323, subdivision 1; 609.342, subdivision 2; 609.343, subdivision 2; 609.344, subdivision 2; 609.345, subdivision 2; 609.346; 609.377; 609.445; 609.48, subdivision 4; 609.487, subdivision 4; 609.52; 609.53, subdivisions 1 and 4; 609.5311, subdivision 3; 609.5314, subdivision 1; 609.5315, subdivision 1; 609.576; 609.62, subdivision 2; 609.631, subdivision 2; 609.86, subdivision 3; 611A.038; 624.701; 624.712, subdivision 5; and 626.556, subdivisions 2, 3, and 10; proposing coding for new law in Minnesota Statutes, chapters 116K; 121; 144; 152; 241; 242; 244; 299A; 299C; 466A; 609; 626; 634; and 638; repealing Minnesota Statutes 1988, sections 152.09; 152.15, subdivisions 1, 2, 2a, 2b, 3, and 5; 609.53, subdivisions 1a, 3, and 3a; and 609.55.

Referred to the Committee on Finance.

REPORTS OF COMMITTEES

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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 2, line 9, after the period, insert "*The cost of operating this program must be treated as an expense of the state lottery and deducted from the gross receipts of the lottery prior to determination of net proceeds.*"

Page 2, delete lines 14 to 32 and insert:

"*Subd. 4. [ANNUAL APPROPRIATION.] \$750,000 is annually appropriated from the lottery fund to the commissioner of human services to implement the compulsive gambling treatment program under this section.*

Sec. 2. [APPROPRIATION.]

\$524,000 is appropriated from the lottery fund to the commissioner of human services to implement the compulsive gambling treatment program under section 1. \$24,000 is for the fiscal year ending June 30, 1990, and \$500,000 is for the fiscal year ending June 30, 1991. The complement of the department of human services is increased by 1.75 positions.

Sec. 3. [EFFECTIVE DATE.]

Section 1, subdivision 4, is effective July 1, 1991."

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 150: A bill for an act relating to gambling; creating a division of gambling enforcement within the department of public safety; 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; authorizing the sale of lottery tickets; establishing a state lottery agency; providing for its powers and duties; authorizing transmission of races to sites on Indian lands and commingling of certain betting pools; 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; 240.02, subdivision 1; 240.06, subdivision 3; 240.07, subdivision 2; 240.08, subdivision 3; 240.13, by adding a subdivision; 240.21; 260.015, subdivisions 5 and 21; 290.92, by adding a subdivision; 297A.25, by adding a subdivision; 340A.410, subdivision 5; 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; 541.20; 541.21; 609.75, subdivision 3; 609.76, subdivision 1; and 609.761; proposing coding for new law in Minnesota Statutes, chapters 349 and 609; proposing coding for new law as Minnesota Statutes, chapters 299K and 349A; 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 6, delete section 6 and insert:

“Sec. 6. [TRANSFER; APPROPRIATION.]

Subdivision 1. [TRANSFER FROM REVENUE.] The two positions relating to the responsibility for auditing and investigation of charitable gambling under Minnesota Statutes, chapter 349, except for the responsibility for auditing tax returns are transferred from the commissioner of revenue to the commissioner of public safety under Minnesota Statutes, section 15.039.

Subd. 2. [PUBLIC SAFETY.] \$750,000 is appropriated from the general fund to the commissioner of public safety to implement sections 1 to 5. \$375,000 is for the fiscal year ending June 30, 1990, and \$375,000 is for the fiscal year ending June 30, 1991. The approved complement of the department of public safety is increased by ten positions. Six of the additional positions authorized by this subdivision must be used to employ persons that are licensed under Minnesota Statutes, sections 626.84 to 626.863.”

Page 14, after line 8, insert:

“Sec. 18. Minnesota Statutes 1988, section 349.16, subdivision 3, is amended to read:

Subd. 3. [FEES.] The board ~~shall by rule establish a schedule of fees for licenses under this section. The schedule must establish~~ may issue four classes of ~~license~~ licenses: a class A license authorizing all forms of lawful gambling; a class B license authorizing all forms of lawful gambling except bingo, raffles; a class C license authorizing bingo only; and ~~bingo~~ a class D license authorizing raffles only. The annual license fee for each class of license is:

- (1) \$150 for a class A license;
- (2) \$75 for a class B license;
- (3) \$75 for a class C license; and
- (4) \$50 for a class D license.”

Page 15, line 27, strike “\$1,500” and insert “\$2,500”

Page 17, line 8, strike “five” and insert “25” and after “stamp” insert “until June 30, 1990, after which the board shall charge a fee of 50 cents for each stamp”

Page 19, line 7, strike “\$500” and insert “\$2,500”

Page 20, line 10, strike “\$250” and insert “\$1,250”

Page 34, line 17, after “organization” insert “pays a fee of \$25 to the board.”

Pages 35 and 36, delete section 50 and insert:

“Sec. 51. [TRANSFER; APPROPRIATION.]

Subdivision 1. [TRANSFER FROM REVENUE.] The 13 positions relating to the responsibility for processing licensing applications under Minnesota Statutes, chapter 349, are transferred from the commissioner of

revenue to the charitable gambling control board under Minnesota Statutes, section 15.039.

Subd. 2. [ATTORNEY GENERAL.] \$90,000 is appropriated from the general fund to the attorney general to administer articles 1 and 2. \$45,000 is for the fiscal year ending June 30, 1990, and \$45,000 is for the fiscal year ending June 30, 1991. The approved complement of the attorney general's office is increased by one position."

Page 36, line 9, after the period, insert "Minnesota Rules, part 7860.0030, is repealed."

Page 36, line 11, delete "23 and 25 to 51" and insert "24 and 26 to 52"

Page 36, line 12, delete "24" and insert "25"

ReNUMBER the sections of article 2 in sequence

Page 38, after line 22, insert:

"Subd. 7. [ATTORNEY GENERAL.] The attorney general is the attorney for the agency."

Page 49, line 14, delete "and promote" and delete "and game-related services"

Page 49, line 24, delete everything after "and"

Page 49, line 25, delete "operation"

Page 49, line 26, after "lottery" insert "and no more than five percent may be retained by lottery retailers as sales commission or other compensation"

Pages 53 and 54, delete section 18 and insert:

"Sec. 18. [APPROPRIATION.]

Subdivision 1. [LOTTERY AGENCY.] (a) \$20,946,000 is appropriated from the state lottery fund to the commissioner of the lottery agency to administer sections 1 to 17. \$100,000 is for the fiscal year ending June 30, 1989, \$11,205,000 is for the fiscal year ending June 30, 1990, and \$9,741,000 is for the fiscal year ending June 30, 1991. If the appropriation for either year of the 1990-1991 biennium is insufficient, the appropriation for the other year is available for it.

(b) The approved complement of the lottery agency is 168 positions.

Subd. 2. [PUBLIC SAFETY.] \$155,000 is appropriated from the general fund to the commissioner of public safety to enforce sections 1 to 17. \$100,000 is appropriated for the fiscal year ending June 30, 1990, and \$55,000 is appropriated for the fiscal year ending June 30, 1991. The approved complement of the department of public safety is increased by one position until June 30, 1991. The additional position authorized by this subdivision must be used to employ a person that is licensed under Minnesota Statutes, sections 626.84 to 626.863.

Subd. 3. [ATTORNEY GENERAL.] \$46,000 is appropriated from the general fund to the attorney general to administer sections 1 to 17. \$23,000 is for the fiscal year ending June 30, 1990, and \$23,000 is for the fiscal year ending June 30, 1991. The approved complement of the attorney general's office is increased by one-half position until June 30, 1991.

Subd. 4. [ADMINISTRATION.] \$80,000 is appropriated from the general fund to the commissioner of administration to implement sections 1 to 17. \$40,000 is appropriated for the fiscal year ending June 30, 1990, and \$40,000 is for the fiscal year ending June 30, 1991. The approved complement of the department of administration is increased by one position until June 30, 1991.

Subd. 5. [TRANSFER FROM GENERAL FUND.] \$8,500,000 is appropriated from the general fund for transfer to the state lottery fund. The amount transferred under this subdivision and amounts appropriated from the general fund under subdivisions 2 and 4 must be repaid, with interest at the average monthly rate on invested treasurer's cash, to the general fund by June 30, 1990."

Page 54, delete lines 4 to 7 and insert:

"Sections 1 to 18 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 7, after the second semicolon, insert "increasing license fees;"

Page 1, line 26, delete "subdivision" and insert "subdivisions 3 and"

Page 1, line 41, before the period, insert "; and Minnesota Rules, part 7860.0030"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 277 and 150 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Luther moved that his name be stricken as chief author, shown as a co-author, and the name of Mr. Spear be added as chief author to S.F. No. 3. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Langseth be added as a co-author to S.F. No. 739. The motion prevailed.

Mr. Marty introduced—

Senate Resolution No. 125: A Senate resolution commending Leo Higgins of Roseville on receiving the Prisoner of War Medal for his courage during World War II while defending the freedoms of the United States.

Referred to the Committee on Rules and Administration.

Mr. Marty introduced—

Senate Resolution No. 126: A Senate resolution commending Ken Porwoll of Roseville on receiving the Prisoner of War Medal for his courage during World War II while defending the freedoms of the United States.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate 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.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 1630: A bill for an act relating to the organization and operation of state government; appropriating money for human services, jobs and training, corrections, health, veterans nursing homes, and other purposes with certain conditions; amending Minnesota Statutes 1988, sections 13.46, subdivision 2; 62A.045; 62A.046; 62D.041, subdivision 1, and by adding a subdivision; 62D.042, subdivision 1; 62D.05, subdivision 6; 144.122; 144.50, subdivision 6, and by adding a subdivision; 144.562, subdivisions 2 and 3; 144.651, subdivision 2; 144.698, subdivision 1; 144.701, subdivisions 3, 4, and by adding a subdivision; 144.702, subdivision 2, and by adding subdivisions; 144A.01, subdivision 5, and by adding subdivisions; 144A.04, subdivisions 4, 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.45, subdivision 2; 144A.46, subdivisions 1, 5, and by adding subdivisions; 144A.61; 144A.611; 145.61, subdivision 5; 145.63; 145.894; 146.13; 147.02, subdivision 1; 149.02; 149.06; 153A.13, subdivision 4; 153A.15, subdivision 3; 153A.16; 214.06, subdivision 1; 237.70, subdivision 7; 237.701, subdivision 1; 245.461; 245.462; 245.463, subdivision 2, and by adding a subdivision; 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, 3, and by adding subdivisions; 245.477; 245.478, subdivisions 2 and 3; 245.479; 245.48; 245.482; 245.483; 245.484; 245.485; 245.486; 245.62, subdivision 3; 245.696, subdivision 2; 245.697, subdivision 2a; 245.713, subdivision 2; 245.73, subdivisions 1, 2, and 4; 245.771, subdivision 3; 245.91, by adding a subdivision; 245.94, subdivision 1, and by adding a subdivision; 245A.02, subdivisions 3, 9, 10, 14, and by adding a subdivision; 245A.03, subdivisions 1, 2, 3, and by adding a subdivision; 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 by adding a subdivision; 245A.16, subdivision 1; 246.18, subdivision 4, and by adding a subdivision; 246.36; 246.57, subdivision 1; 251.011, subdivisions 3 and 4, and by adding a subdivision; 252.025, by adding a subdivision; 252.291, subdivision 2; 252.41, subdivision 9; 252.46, subdivisions 1, 2, 3, 4, 6, and 12; 252.47; 252.50; 252A.03, by adding a subdivision; 253.015; 253B.03, subdivision 6a; 254A.08, subdivision 2; 254B.02, subdivision 1; 254B.03, subdivision 4; 254B.04, subdivision 2; 254B.06, subdivision 1; 254B.09, subdivisions 1, 4, and 5; 256.01, subdivision 2; 256.014, subdivision 1; 256.018; 256.045, subdivision 3; 256.12, subdivision 14; 256.73, subdivision 3a; 256.736, subdivisions 3, 3b, 4, 10, 11, 14, and 16, and by adding subdivisions; 256.737; 256.74, subdivisions 1 and 1a, and by adding a subdivision; 256.85; 256.936, subdivisions 1, 2, and 4; 256.969; 256.974; 256.9741, subdivisions 3 and 5, and by adding a subdivision; 256.9742; 256.9744, subdivision 1; 256.975, subdivision 2; 256B.031,

subdivision 5; 256B.04, subdivision 14, and by adding a subdivision; 256B.055, subdivisions 7 and 8; 256B.056, subdivisions 3 and 5; 256B.062; 256B.0625, subdivisions 2 and 13, and by adding a subdivision; 256B.091, subdivision 3; 256B.092, subdivisions 7 and 8; 256B.14; 256B.25, by adding a subdivision; 256B.421, subdivision 14; 256B.431, subdivisions 2b, 2e, 2i, 3a, 3f, 3g, and 4, and by adding subdivisions; 256B.47, subdivision 3; 256B.48, subdivisions 1, 6, and 8; 256B.501, subdivisions 3 and 3g; 256B.69, subdivisions 4, 5, and 11, and by adding a subdivision; 256D.01, subdivision 1b; 256D.03, subdivisions 3, 4, and 7; 256D.051, subdivision 6, and by adding subdivisions; 256D.35, subdivisions 1, 7, and by adding subdivisions; 256D.36, subdivision 1, and by adding a subdivision; 256D.37, subdivision 1; 256F05, subdivisions 2, 3, and 4; 256H.01, subdivisions 1, 2, 7, 8, 11, and 12; 256H.02; 256H.03; 256H.05; 256H.07, subdivision 1; 256H.08; 256H.09; 256H.10, subdivision 3, and by adding a subdivision; 256H.11; 256H.12; 256H.15; 256H.18; 256H.20, subdivision 3; 257.071, subdivision 7; 257.55, subdivision 1; 257.62, subdivision 5; 259.47, subdivision 5; 259.49, subdivision 2; 268.0111, subdivision 4, and by adding a subdivision; 268.0122, subdivisions 2 and 3; 268.31; 268.37, by adding a subdivision; 268.86, subdivision 2; 268.871, subdivision 5; 268.88; 287.12; 297.13, subdivision 1; 326.78, subdivision 2; 357.021, subdivisions 2 and 2a; 517.08, subdivisions 1b and 1c; 518.54, subdivision 6; 518.551, subdivision 10; 518.611, subdivision 4; 518.613, subdivisions 1, 2, and 4, and by adding a subdivision; Laws 1984, chapter 654, article 5, section 57, subdivision 1, as amended; Laws 1988, chapters 689, article 2, sections 248 and 269, subdivision 2; 719, article 8, section 32; proposing coding for new law in Minnesota Statutes, chapters 144; 144A; 145; 157; 214; 245; 246; 251; 252; 253; 256; 256B; 256D; 256E; 256F; 256H; 256I; 259; and 268; repealing Minnesota Statutes 1988, sections 144A.10, subdivision 4a; 144A.61, subdivision 6; 245.462, subdivision 25; 245.471; 245.475; 245.64; 245.698; 245.83; 245.84; 245.85; 245.871; 245.872; 245.873; 245A.11, subdivisions 1, 2, and 3; 254B.09, subdivision 3; 254B.10; 256.969, subdivisions 2a, 3, 4, 5, and 6; 256B.0625, subdivision 21; 256B.69, subdivisions 12, 13, 14, and 15; 256D.01, subdivision 1c; 256D.051, subdivision 6a; 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; 256D.43; 256F05, subdivision 1; 256H.04; 256H.05, subdivision 4; 256H.06; 256H.07, subdivisions 2, 3, and 4; 256H.13; 257B.17, subdivisions 1, 2, 3, 4, 5, 6, 7, and 8; 268.86, subdivision 7; 462.357, subdivisions 6a, 7, and 8; and 518.613, subdivision 5; Laws 1987, chapter 403, article 5, section 1; and Laws 1988, chapters 689, article 2, section 269, subdivision 4; and 719, article 8, section 34.

Mr. Moe, R.D. moved that S.F. No. 1630 be laid on the table. The motion prevailed.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 1631: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; defining and amending terms; providing for settlement of claims; imposing

certain duties, responsibilities, authority, and limitations on agencies and political subdivisions; amending Minnesota Statutes 1988, sections 3C.035, subdivision 2; 8.15; 16A.10, subdivision 1; 16B.41, subdivision 2; 84.025, by adding a subdivision; 85A.02, subdivisions 5b, and 17; 116.65, subdivision 3; 116J.63, by adding a subdivision; 116J.9673, subdivision 4; 116P.13; 221.67; 297.13, subdivision 1; 297.32, subdivision 9; 300.49, subdivision 1; 302A.011, subdivision 11; 302A.153; 302A.821, subdivisions 4 and 5; 303.13, subdivision 1; 303.21, subdivision 3; 307.08, subdivision 5; 308.06, subdivision 4; 317.67, subdivision 2; 322A.16; 330.11, subdivision 3; 333.055, subdivision 3; 333.20, subdivision 4; 333.22, subdivision 1; 333.23; 336.9-403; 336.9-405; 336.9-406; 336.9-407; 336.9-413; 357.08; 383A.65; 480.01; 480.241; 480.242, subdivisions 2 and 4; 480A.08, subdivision 3; 484.54, subdivision 2; 540.152; and 543.08; Laws 1988, chapter 686, article 1, section 37, subdivision 10; and article 2, sections 5, subdivision 2; and 10; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 93; 103G; 116K; 176; 192; and 290; repealing Minnesota Statutes 1988, section 85A.01, subdivision 1b.

Mr. Moe, R.D. moved that S.F. No. 1631 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

S.F. No. 703: A bill for an act relating to education; reauthorizing program improvement grants; providing an exception to consolidation timelines; providing for agreements between Peterson and Rushford independent school districts; amending Minnesota Statutes 1988, sections 122.23, by adding a subdivision; and 129B.11, 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 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 1530: 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 662: 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 700: A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability, age, political affiliation, membership or lack of membership in a labor union, 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.

Was read the third time 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 1, as follows:

Those who voted in the affirmative were:

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

Mr. Purfeerst voted in the negative.

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

H.F. No. 1435: A bill for an act relating to liquor; authorizing issuance of a certain on-sale license 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 1338: 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.

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

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

Ms. Peterson, D.C. moved that H.F. No. 630 be stricken from the Calendar and placed at the top of General Orders. The motion prevailed.

S.F. No. 258: A bill for an act relating to state government; regulating state employment practices; regulating the setting of certain salaries; extending inclusion of veterans in the category of protected groups for the purpose of state employment; authorizing an alternative procedure for discharges of state troopers; ratifying certain salaries; amending Minnesota Statutes 1988, sections 15A.083, subdivisions 5 and 7; 43A.02, subdivision 33; 43A.04, subdivisions 1 and 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.17, subdivision 1; 43A.18, subdivisions 4 and 5; 43A.191, subdivisions 2 and 3; 43A.27, subdivision 4; 43A.316, subdivision 5; 43A.37, subdivision 1; 176.421, by adding a subdivision; and 299D.03, subdivision 7; repealing Minnesota Statutes 1988, section 43A.081, subdivisions 1, 2, 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1227: A bill for an act relating to commerce; providing for the regulation of real estate closing agents; prescribing penalties; amending Minnesota Statutes 1988, sections 82.17, subdivisions 7, 9, and 10; 82.18; 82.19, subdivisions 1, 2, 3, and 4, and by adding a subdivision; 82.20, subdivisions 1, 2, 3, 5, 8, 12, and by adding a subdivision; 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, and 6; 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 507.45, subdivision 2; repealing Minnesota Statutes 1988, section 82.34, subdivision 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

H.F. No. 1207: 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.

Was read the third time 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 1, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Knaak	Mehrkens	Purfeerst
Anderson	Davis	Knutson	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.R.	Lessard	Pariseau	Spear
Bertram	Freeman	Luther	Pehler	Storm
Brandl	Hughes	Marty	Peterson, D.C.	Taylor
Brataas	Johnson, D.E.	McGowan	Peterson, R.W.	Vickerman
Chmielewski	Johnson, D.J.	McQuaid	Pogemiller	Waldorf

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	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.R.	Luther	Pehler	Taylor
Bernhagen	Freeman	Marty	Peterson, D.C.	Vickerman
Bertram	Hughes	McGowan	Peterson, R. W.	Waldorf
Brandl	Johnson, D.E.	McQuaid	Pogemiller	
Brataas	Johnson, D.J.	Mehrkens	Purfeerst	
Chmielewski	Knaak	Merriam	Ramstad	
Cohen	Knutson	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 653: A bill for an act relating to agriculture; requiring certain disposable waste containers to be degradable; amending Minnesota Statutes 1988, section 325E.045, subdivision 1, and 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 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
Brandl	Freeman	Luther	Pehler	Storm
Brataas	Gustafson	Marty	Peterson, D.C.	Taylor
Chmielewski	Hughes	McGowan	Peterson, R. W.	Vickerman
Cohen	Johnson, D.E.	McQuaid	Piper	Waldorf

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	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
Benson	Diessner	Langseth	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.	Taylor
Brandl	Freeman	Marty	Peterson, R.W.	Vickerman
Brataas	Gustafson	McGowan	Piper	
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	

Messrs. Knutson and Merriam voted in the negative.

So the bill passed and its title was agreed to.

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.

Was read the third time 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
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
Brandl	Freeman	Luther	Pehler	Storm
Brataas	Gustafson	Marty	Peterson, D.C.	Taylor
Chmielewski	Hughes	McGowan	Peterson, R.W.	Vickerman
Cohen	Johnson, D.E.	McQuaid	Piper	Waldorf

So the bill passed and its title was agreed to.

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; 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.

Was read the third time 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
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
Brandl	Freeman	Luther	Pehler	Storm
Brataas	Gustafson	Marty	Peterson, D.C.	Taylor
Chmielewski	Hughes	McGowan	Peterson, R.W.	Vickerman
Cohen	Johnson, D.E.	McQuaid	Piper	Waldorf

So the bill passed and its title was agreed to.

S.F No. 1123: A bill for an act relating to commerce; authorizing certain investments by state banks; regulating lending practices of industrial loan and thrifts; prescribing the qualifications of the directors of certain companies; regulating the lending practices of regulated lenders; regulating delinquency and collection charges on retail installment contracts; requiring notice to perfect certain storage liens; amending Minnesota Statutes 1988, sections 48.61, by adding a subdivision; 53.04, by adding a subdivision; 53.06; 56.12; 168.71; and 514.19.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Metzen	Ramstad
Anderson	Decker	Knaak	Moe, D.M.	Reichgott
Beckman	DeCramer	Knutson	Moe, R.D.	Renneke
Belanger	Dicklich	Laidig	Morse	Samuelson
Benson	Diessner	Langseth	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.	Taylor
Brandl	Freeman	Marty	Peterson, R.W.	Vickerman
Brataas	Gustafson	McGowan	Piper	Waldorf
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	

So the bill passed and its title was agreed to.

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.

Was read the third time 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
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
Brandl	Freeman	Luther	Pehler	Storm
Brataas	Gustafson	Marty	Peterson, D.C.	Taylor
Chmielewski	Hughes	McGowan	Peterson, R.W.	Vickerman
Cohen	Johnson, D.E.	McQuaid	Piper	Waldorf

So the bill passed and its title was agreed to.

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.

Was read the third time 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
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
Brandl	Freeman	Luther	Pehler	Storm
Brataas	Gustafson	Marty	Peterson, D.C.	Taylor
Chmielewski	Hughes	McGowan	Peterson, R.W.	Vickerman
Cohen	Johnson, D.E.	McQuaid	Piper	Waldorf

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Chmielewski, Laidig and McGowan voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1375: A bill for an act relating to alcohol assessment; allowing assessors to have access to law enforcement data; imposing a time limit for performance of the assessment; amending Minnesota Statutes 1988, section 169.126, 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.	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
Brandl	Freeman	Luther	Pehler	Storm
Brataas	Gustafson	Marty	Peterson, D.C.	Taylor
Chmielewski	Hughes	McGowan	Peterson, R.W.	Vickerman
Cohen	Johnson, D.E.	McQuaid	Piper	Waldorf

So the bill passed and its title was agreed to.

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; temporarily exempting an Itasca county levy for economic development from levy limits.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	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	
Cohen	Hughes	McGowan	Pogemiller	

Messrs. Morse and Waldorf voted in the negative.

So the bill passed and its title was agreed to.

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; providing for a study on the effects

of a runway expansion at Airlake airport and the use of certain airports to relieve congestion at Minneapolis-St. Paul international airport; amending Minnesota Statutes 1988, sections 473.604, subdivision 1; 473.608, subdivision 1; and 473.621, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 473.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 13, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Knaak	McQuaid	Pariseau	Storm
Dahl	Laidig	Novak	Ramstad	
Frank	McGowan	Olson	Reichgott	

So the bill passed and its title was agreed to.

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.

Was read the third time 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	Davis	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	Spear
Berglin	Frederickson, D.J.	Lessard	Pariseau	Storm
Bernhagen	Frederickson, D.R.	Luther	Pehler	Taylor
Bertram	Freeman	Marty	Peterson, D.C.	Vickerman
Brandl	Gustafson	McGowan	Peterson, R.W.	Waldorf
Chmielewski	Hughes	McQuaid	Piper	
Cohen	Johnson, D.E.	Mehrkens	Pogemiller	
Dahl	Johnson, D.J.	Merriam	Purfeerst	

Mrs. Brataas, Messrs. Frederick and Knaak voted in the negative.

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.

CALL OF THE SENATE

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

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R. D. moved that the Senate revert to the Order of Business of Reports of Committees. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Spear from the Committee on Judiciary, to which was re-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 16 to 23, delete articles 2 and 3

Page 26, after line 8, insert:

““Employer” does not include the state or a political subdivision of the state.”

Page 23, line 20, delete “4” and insert “2”

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, delete lines 5 to 7

Page 1, line 8, delete everything before “providing”

Page 1, line 12, delete “subdivisions 1,” and insert “subdivision” and delete “, and by adding”

Page 1, line 13, delete “subdivisions”

Page 1, line 16, delete “80B;”

Page 1, line 17, delete “chapters” and insert “chapter” and delete “;”

and 360A”

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws.

Pursuant to Joint Rule 2.03, the bill was re-referred to the Committee on Rules and Administration.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 232, 736, H.F. Nos. 1016, 412, 862, 1197 and 1285, which the committee recommends to pass.

S.F. No. 139, which the committee recommends to pass with the following amendments offered by Messrs. Knaak and Spear:

Mr. Knaak moved to amend S.F. No. 139 as follows:

Page 1, after line 24, insert:

“Section 1. Minnesota Statutes 1988, section 171.02, subdivision 1, is amended to read:

Subdivision 1. No person, except those hereinafter expressly exempted, shall drive any motor vehicle upon any street or highway in this state unless such person has a license valid under the provisions of this chapter for the type or class of vehicle being driven. No person shall receive a driver's license unless and until the person surrenders to the department all valid driver's licenses in possession issued to the person by any other jurisdiction. All surrendered licenses shall be returned by the department to the issuing department together with information that licensee is now licensed in new jurisdiction. No person shall be permitted to have more than one valid driver's license at any time. *No person may receive a driver's license, other than an instruction permit, unless the person surrenders to the department any Minnesota identification card issued to the person under section 171.07, subdivision 3.*”

Page 3, after line 33, insert:

“Sec. 5. Minnesota Statutes 1988, section 171.07, subdivision 3, is amended to read:

Subd. 3. Upon payment of the required fee the department shall issue to every applicant therefor a Minnesota identification card. *The department may not issue a Minnesota identification card to a person who has a driver's license, other than an instruction permit.* The card must bear a distinguishing number assigned to the applicant, a colored photograph, the full name, date of birth, residence address, a description of the applicant in the manner as the commissioner deems necessary, and a space upon which the

applicant shall write the usual signature and the date of birth of the applicant with pen and ink.

Each Minnesota identification card must be plainly marked "Minnesota identification card - not a driver's license." The fee for a Minnesota identification card issued to a person who is mentally retarded, as defined in section 252A.02, subdivision 2, is 50 cents."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the first semicolon, insert "prohibiting the issuance of both a Minnesota identification card and a driver's license, other than an instruction permit, to the same person;"

Page 1, line 18, delete "subdivision" and insert "subdivisions 1 and"

Page 1, line 19, delete "subdivision 1" and insert "subdivisions 1 and 3"

The motion prevailed. So the amendment was adopted.

Mr. Spear, for Mr. Pogemiller, moved to amend S.F. No. 139 as follows:

Page 3, lines 3 and 6, strike "Provisional" and insert "*Under-21*"

Page 3, line 27, strike "provisional" and insert "*Under-21*"

Page 5, lines 21 and 31, strike "provisional" and insert "*under-21*"

Page 5, line 32, strike "provisional"

Page 6, line 6, delete "*provisional*"

Page 6, line 7, delete "*provisional*" and insert "*under-21*"

Page 6, line 9, delete "*a provisional*" and insert "*an under-21*"

Page 6, line 11, delete "*the provisional*" and insert "*an under-21*"

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "changing provisional licenses to "*under-21*" licenses;"

The motion prevailed. So the amendment was adopted.

H.F. No. 333, which the committee recommends to pass with the following amendment offered by Mr. Frederickson, D.R.:

Amend H.F. No. 333, as amended pursuant to Rule 49, adopted by the Senate May 2, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 124.)

Page 11, after line 35, insert:

"Sec. 21. Minnesota Statutes 1988, section 169.223, is amended to read:
169.223 [MOTORIZED BICYCLES.]

Subdivision 1. Except as otherwise provided in this section, section 169.974 relating to motorcycles is applicable to motorized bicycles, except that:

(1) *protective headgear includes headgear that meets the American National Standard for Protective Headgear for Bicyclists, ANSI Z90.4-1984, approved*

by the American National Standards Institute, Inc.;

(2) a motorized bicycle equipped with a headlight and taillight meeting the requirements of lighting for motorcycles, may be operated during nighttime hours;

(3) protective headgear is not required for operators 18 years of age or older; and

(4) the provisions of section 169.222 governing the parking of bicycles apply to motorized bicycles.

Subd. 2. ~~Motorized bicycles shall not be operated on any bicycle way or bicycle lane, as those terms are defined in section 160.263.~~ A motorized bicycle may be operated under either a driver's license or a motorized bicycle permit issued under section 171.02, subdivision 3. A person under the age of 16 operating a motorized bicycle under a motorized bicycle permit is subject to the restrictions imposed by section 169.974, subdivision 2, on operation of a motorcycle under a two-wheel instruction permit, *except that:*

(1) a parent or guardian of an operator under the age of 16 may also ride on the motorized bicycle as a passenger or operator, if the motorized bicycle is equipped with a seat and foot rests for a second passenger;

(2) a motorized bicycle equipped with a headlight and taillight meeting the requirements of lighting for motorcycles, may be operated during nighttime hours;

(3) protective headgear includes headgear described in subdivision 1; and

(4) protective headgear is required only until the operator reaches the age of 18 years.

Subd. 3. No person shall operate a motorized bicycle upon a sidewalk at any time, except when such operation is necessary for the most direct access to a roadway from a driveway, alley or building. No person shall operate a motorized bicycle that is carrying any person other than the operator, *except as allowed under subdivision 2.*

Subd. 4. The provisions of section 169.974, subdivision 5, clause (i), apply to motorized bicycles that are equipped with headlights. After June 1, 1987, a new motorized bicycle sold or offered for sale in Minnesota must be equipped with a headlight.

Subd. 5. ~~When operated within a statutory or home rule charter city, a motorized bicycle is entitled to the full use of a traffic lane. No motor vehicle shall be driven or operated in a way that deprives a motorized bicycle of the full use of a traffic lane. When operated on a highway that is not within a statutory or home rule charter city, a motorized bicycle shall be operated on the paved portion of the shoulder, or, if the shoulder is not paved, as near as is practicable to the right-hand side of the roadway.~~
(a) A person operating a motorized bicycle on a roadway shall ride as close as practicable to the right-hand curb or edge of the roadway except in one of the following situations:

(1) when overtaking and passing another vehicle proceeding in the same direction;

(2) when preparing for a left turn at an intersection or into a private

road or driveway; or

(3) when reasonably necessary to avoid conditions, including fixed or moving objects, vehicles, pedestrians, animals, surface hazards, or narrow width lanes, that make it unsafe to continue along the right-hand curb or edge.

(b) Persons operating motorized bicycles on a roadway may not ride more than two abreast and may not impede the normal and reasonable movement of traffic. On a laned roadway, a person operating a motorized bicycle shall ride within a single lane.

(c) This section does not permit the operation of a motorized bicycle on a ~~bikeway or other lane~~ bicycle path or bicycle lane that is reserved for the exclusive use of nonmotorized traffic."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 353, which the committee recommends to pass with the following amendments offered by Messrs. Spear and Anderson:

Mr. Spear moved to amend S.F. No. 353 as follows:

Page 2, line 17, after the period, insert "*If the applicant is a partnership or a nonpublicly held corporation, the information specified in this paragraph must be required of each partner and each officer, director, and stockholders owing in excess of ten percent of the corporate stock of the corporation.*"

Page 4, after line 32, insert:

"The commissioner shall set a separate rate, consistent with the above standards, for checks issued by a government entity in an amount up to \$500 to be cashed by a currency exchange."

The motion prevailed. So the amendment was adopted.

Mr. Anderson moved to amend S.F. No. 353 as follows:

Page 1, line 16, before the period, insert "*or one percent of the value of the check or draft, whichever is greater*"

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. Merriam moved that S.F. No. 1631 be taken from the table. The motion prevailed.

S.F. No. 1631: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; defining and amending terms; providing for settlement of claims; imposing

certain duties, responsibilities, authority, and limitations on agencies and political subdivisions; amending Minnesota Statutes 1988, sections 3C.035, subdivision 2; 8.15; 16A.10, subdivision 1; 16B.41, subdivision 2; 84.025, by adding a subdivision; 85A.02, subdivisions 5b, and 17; 116.65, subdivision 3; 116J.63, by adding a subdivision; 116J.9673, subdivision 4; 116P.13; 221.67; 297.13, subdivision 1; 297.32, subdivision 9; 300.49, subdivision 1; 302A.011, subdivision 11; 302A.153; 302A.821, subdivisions 4 and 5; 303.13, subdivision 1; 303.21, subdivision 3; 307.08, subdivision 5; 308.06, subdivision 4; 317.67, subdivision 2; 322A.16; 330.11, subdivision 3; 333.055, subdivision 3; 333.20, subdivision 4; 333.22, subdivision 1; 333.23; 336.9-403; 336.9-405; 336.9-406; 336.9-407; 336.9-413; 357.08; 383A.65; 480.01; 480.241; 480.242, subdivisions 2 and 4; 480A.08, subdivision 3; 484.54, subdivision 2; 540.152; and 543.08; Laws 1988, chapter 686, article 1, section 37, subdivision 10; and article 2, sections 5, subdivision 2; and 10; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 93; 103G; 116K; 176; 192; and 290; repealing Minnesota Statutes 1988, section 85A.01, subdivision 1b.

SUSPENSION OF RULES

Mr. Merriam 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. 1631 and that the rules of the Senate be so far suspended as to give S.F. No. 1631 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 1631 was read the second time.

Mr. Kroening moved to amend S.F. No. 1631 as follows:

Page 92, line 7, strike "\$2" and insert "\$3"

Page 97, line 33, delete "section" and insert "sections" and delete "is" and insert "; and 480.245, are"

Amend the title as follows:

Page 1, line 35, delete "section" and insert "sections" and before the period, insert "; and 480.245"

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.J. moved to amend S.F. No. 1631 as follows:

Page 57, after line 13, insert:

"The senate and house of representatives committees on appropriations and finance, and governmental operations shall review the appropriation for the second year and the state's obligation under Minnesota Statutes, section 422A.101, subdivision 3, and provide their recommendations to their respective houses during the 1990 regular session."

CALL OF THE SENATE

Mr. Berg imposed a call of the Senate for the balance of the proceedings on S.F. No. 1631. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Johnson, D.J. amendment. The motion prevailed. So the amendment was adopted.

Mr. Berg moved to amend S.F. No. 1631 as follows:

Page 57, line 8, delete "10,475,000"

Correct the summary by fund accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 36 and nays 30, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Merriam	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Storm
Belanger	DeCramer	Knutson	Morse	Taylor
Benson	Diessner	Laidig	Novak	Vickerman
Berg	Frank	Langseth	Olson	
Bernhagen	Frederickson, D.R.	Larson	Pariseau	
Brataas	Freeman	McQuaid	Peterson, R.W.	
Chmielewski	Gustafson	Mehrkens	Ramstad	

Those who voted in the negative were:

Beckman	Dicklich	Lessard	Pehler	Samuelson
Berglin	Frederickson, D.J.	Luther	Peterson, D.C.	Schmitz
Bertram	Hughes	Marty	Piper	Solon
Brandl	Johnson, D.J.	McGowan	Pogemiller	Spear
Cohen	Kroening	Metzen	Purfeerst	Stumpf
Davis	Lantry	Moe, R.D.	Reichgott	Waldorf

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend S.F. No. 1631 as follows:

Page 29, lines 46 and 47, delete "by June 30, 1994" and insert "in installments of \$100,000 each, due July 1, 1990, and each year thereafter until July 1, 1994. If a payment is not made when due, the amount must be deducted from the local government aid payments due the city until the amount has been recaptured"

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

Mr. Knaak then moved to amend S.F. No. 1631 as follows:

Page 29, line 41, delete "loan" and insert "grant"

Page 29, line 45, delete from "The" through page 29, line 47, to the period

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

Mr. Benson moved to amend S.F. No. 1631 as follows:

Page 27, delete lines 35 to 53

Page 28, delete lines 1 to 31

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 38, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Frederickson, D.R.	Larson	Pariseau
Belanger	Brataas	Johnson, D.E.	McGowan	Ramstad
Benson	Decker	Knaak	McQuaid	Renneke
Berg	Frank	Knutson	Mehrkens	Storm
Bernhagen	Frederick	Laidig	Olson	

Those who voted in the negative were:

Adkins	Diessner	Lessard	Novak	Samuelson
Beckman	Frederickson, D.J.	Luther	Pehler	Schmitz
Berglin	Gustafson	Marty	Peterson, D.C.	Solon
Cohen	Hughes	Merriam	Peterson, R. W.	Spear
Dahl	Johnson, D.J.	Metzen	Piper	Stumpf
Davis	Kroening	Moe, D.M.	Pogemiller	Vickerman
DeCramer	Langseth	Moe, R.D.	Purfeerst	
Dicklich	Lantry	Morse	Reichgott	

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

Mr. Knaak moved to amend S.F. No. 1631 as follows:

Page 13, delete lines 33 to 36

Correct the section total and the summary by fund accordingly

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

Mrs. McQuaid moved to amend S.F. No. 1631 as follows:

Page 55, delete lines 7 to 37

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

Mr. Frederickson, D.R. moved to amend S.F. No. 1631 as follows:

Page 16, line 18, delete "1,024" and insert "1,036" and delete "1,049" and insert "1,073"

Page 19, line 45, delete "8,353,000" and insert "18,353,000" and delete "8,379,000" and insert "18,379,000"

Page 20, after line 4, insert:

"\$6,142,000 the first year and \$6,153,000 the second year are for the reinvest in Minnesota resources program in the department of natural resources. Of this amount, \$4,000,000 the first year and \$4,000,000 the second year are to acquire and develop fish and wildlife habitat; \$500,000 the first year and \$500,000 the second year are to acquire easements for native prairie; and \$1,000,000 the first year and \$1,000,000 the second year are for transfer to the critical habitat private sector matching account.

\$6,000,000 the first year and \$6,000,000 the second year are for transfer to the board of water and soil resources for the reinvest in Minnesota resources conservation reserve program under Minnesota Statutes, section

40.43. The board shall place special emphasis on acquiring easements on cropland in sensitive groundwater areas.”

Correct the subdivision and section totals and the summaries by fund accordingly

Page 61, after line 30, insert:

“Sec. 56. Minnesota Statutes 1988, section 16A.15, subdivision 6, as amended by 1989 H.F. No. 1734, is amended to read:

Subd. 6. [BUDGET AND CASH FLOW RESERVE ACCOUNT.] A budget and cash flow reserve account is created in the general fund in the state treasury. The commissioner of finance shall, as authorized from time to time by law, restrict part or all of the budgetary balance in the general fund for use as the budget and cash flow reserve account. The commissioner of finance shall transfer to the budget and cash flow reserve account such amounts as are available to bring the total amount, including any existing balance in the account on June 30, 1989, to ~~\$550,000,000~~ \$530,000,000. The amounts restricted shall remain in the account until drawn down under subdivision 1 or increased under section 16A.1541.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Mr. Knaak moved to amend S.F. No. 1631 as follows:

Page 57, after line 29, insert:

“Sec. 48. GENERAL REDUCTION (12,402,000)

This reduction must be allocated by the governor among the agencies in this act. The reduction may be allocated to either year of the biennium.”

Renumber the sections in sequence and correct the internal references

Correct the summary by fund accordingly

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

Mr. Bernhagen moved to amend S.F. No. 1631 as follows:

Page 60, lines 26 and 27, delete “and political subdivisions”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Frederickson, D.R.	Larson	Ramstad
Belanger	Davis	Gustafson	McGowan	Renneke
Benson	Decker	Johnson, D.E.	McQuaid	Storm
Berg	DeCramer	Knaak	Mehrkens	Stumpf
Bernhagen	Diessner	Knutson	Olson	Taylor
Bertram	Frederick	Laidig	Pariseau	Vickerman

Those who voted in the negative were:

Adkins	Freeman	Luther	Novak	Samuelson
Brandl	Hughes	Marty	Peterson, D.C.	Schmitz
Chmielewski	Johnson, D.J.	Merriam	Peterson, R.W.	Solon
Cohen	Kroening	Metzen	Piper	Spear
Dahl	Langseth	Moe, D.M.	Pogemiller	Waldorf
Frank	Lantry	Moe, R.D.	Purfeerst	
Frederickson, D.J.	Lessard	Morse	Reichgott	

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

Mr. Renneke moved to amend S.F. No. 1631 as follows:

Page 60, line 27, before "legal" insert "*civil*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Gustafson	Lessard	Pariseau
Belanger	Decker	Johnson, D.E.	McGowan	Ramstad
Benson	DeCramer	Knaak	McQuaid	Renneke
Bernhagen	Diessner	Knutson	Mehrkens	Storm
Bertram	Frederick	Laidig	Morse	Taylor
Brataas	Frederickson, D.R.	Larson	Olson	Vickerman

Those who voted in the negative were:

Adkins	Frederickson, D.J.	Luther	Pehler	Samuelson
Berg	Freeman	Marty	Peterson, D.C.	Schmitz
Brandl	Hughes	Merriam	Peterson, R.W.	Spear
Chmielewski	Johnson, D.J.	Metzen	Piper	Stumpf
Cohen	Kroening	Moe, D.M.	Pogemiller	Waldorf
Dahl	Langseth	Moe, R.D.	Purfeerst	
Frank	Lantry	Novak	Reichgott	

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

Mr. Moe, D.M. moved to amend S.F. No. 1631 as follows:

Page 54, line 19, delete "\$32,500,000" and insert "\$27,000,000" and delete "\$72,300,000" and insert "\$60,800,000"

Correct the section totals and the summary by fund accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 25, as follows:

Those who voted in the affirmative were:

Adkins	Brandl	Freeman	Mehrkens	Spear
Anderson	Brataas	Gustafson	Moe, D.M.	Storm
Beckman	Dahl	Knutson	Morse	Stumpf
Belanger	Davis	Laidig	Olson	Taylor
Benson	Decker	Langseth	Pariseau	Vickerman
Berg	DeCramer	Larson	Peterson, R.W.	Waldorf
Bernhagen	Diessner	McGowan	Ramstad	
Bertram	Frederick	McQuaid	Renneke	

Those who voted in the negative were:

Chmielewski	Hughes	Lantry	Moe, R.D.	Pogemiller
Cohen	Johnson, D.E.	Lessard	Novak	Purfeerst
Frank	Johnson, D.J.	Luther	Pehler	Reichgott
Frederickson, D.J.	Knaak	Marty	Peterson, D.C.	Samuelson
Frederickson, D.R.	Kroening	Merriam	Piper	Schmitz

The motion prevailed. So the amendment was adopted.

Mr. Frederick moved to amend S.F. No. 1631 as follows:

Page 63, delete section 58

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Mr. Ramstad moved to amend S.F. No. 1631 as follows:

Page 20, line 25, delete "\$250,000" and insert "\$500,000"

Page 20, line 34, delete "\$125,000" and insert "\$350,000"

Page 20, line 38, delete "\$25,000" and insert "\$50,000"

Correct the subdivision and section totals and the summaries by fund accordingly

The motion prevailed. So the amendment was adopted.

Mr. Frederickson, D.R. moved to amend S.F. No. 1631 as follows:

Page 49, after line 56, insert:

"Sec. 29. ENVIRONMENTAL TRUST

FUND	10,800,000	-0-
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This appropriation is from the general fund for transfer to the Minnesota future resources fund. It is available to be appropriated from the fund on the recommendation of the Minnesota future resources commission for the same purposes as money in the Minnesota environment and natural resources trust fund may be spent under Minnesota Statutes, section 116P.08."

Correct the summary by fund accordingly

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	Lessard	Purfeerst
Beckman	Cohen	Knaak	McGowan	Ramstad
Belanger	Decker	Knutson	Mehrkens	Samuelson
Benson	Frederick	Laidig	Olson	Vickerman
Bernhagen	Frederickson, D.R.	Larson	Pariseau	

Those who voted in the negative were:

Adkins	Diessner	Langseth	Pehler	Spear
Berg	Frank	Lantry	Peterson, D.C.	Storm
Bertram	Frederickson, D.J.	Luther	Peterson, R.W.	Stumpf
Brandl	Freeman	Marty	Piper	Waldorf
Chmielewski	Gustafson	Merriam	Reichgott	
Dahl	Hughes	Metzen	Renneke	
Davis	Johnson, D.J.	Moe, R.D.	Schmitz	
DeCramer	Kroening	Morse	Solon	

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

Mr. Laidig moved to amend S.F. No. 1631 as follows:

Page 60, line 28, before the period, insert “, *except that the attorney general must not assess a fee for legal services provided to activities supported by the game and fish fund*”

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

Mr. Moe, R.D. moved that S.F. No. 1631 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Merriam moved that H.F. No. 1759 be taken from the table. The motion prevailed.

H.F. No. 1759: A bill for an act relating to the organization and operation of state government; appropriating money for human services, jobs and training, corrections, health, veterans nursing homes, and other purposes with certain conditions; amending Minnesota Statutes 1988, sections 13.46, subdivision 2; 43A.27, subdivision 2; 62A.045; 62A.046; 62D.041, subdivision 1, and by adding a subdivision; 62D.042, subdivision 1; 62D.05, subdivision 6; 144.50, subdivision 6, and by adding a subdivision; 144.562, subdivisions 2 and 3; 144.651, subdivision 2; 144.698, subdivision 1; 144.701; 144.702, subdivision 2, and by adding subdivisions; 144A.01, subdivision 5, and 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.45, subdivision 2; 144A.46; 144A.61; 144A.611; 145.38, subdivision 1; 145.39, subdivision 1; 145.61, subdivision 5; 145.63; 145.882, subdivisions 1 and 7; 146.13; 147.02, subdivision 1; 148B.23, subdivision 1; 148B.27, subdivision 2; 148B.32, subdivision 2; 148B.40, subdivision 3; 148B.42, by adding a subdivision; 149.02; 149.06; 150A.06, subdivision 2a; 153A.13, subdivision 4; 153A.15, subdivision 3; 153A.16; 176.136, subdivisions 1 and 5; 214.04, subdivision 3; 214.06, subdivision 1; 237.70, subdivision 7; 237.701, subdivision 1; 245.461; 245.462; 245.463, subdivision 2, and by adding subdivisions; 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, 3, and by adding subdivisions; 245.477; 245.478, subdivisions 2 and 3; 245.479; 245.48; 245.482; 245.483; 245.484; 245.485; 245.486; 245.62, subdivision 3; 245.696, subdivision 2; 245.697, subdivisions 1, 2, and 2a; 245.713, subdivision 2; 245.73, subdivisions 1, 2, and 4; 245.771, subdivision 3; 245.91, by adding a subdivision; 245.94, subdivision 1, and by adding a subdivision; 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.095; 245A.12; 245A.13; 245A.14, subdivision 3, and by adding subdivisions; 245A.16, subdivision 1; 246.015; 246.18, subdivision 4; 246.36; 246.50, subdivisions 3, 4, and 5; 246.54; 246.57, subdivision 1; 251.011, subdivision 4, and by adding a subdivision; 252.27, subdivision 1; 252.291, subdivision 2; 252.31; 252.41, subdivision

9; 252.46, subdivisions 1, 2, 3, 4, 6, and 12; 252.47; 252.50; 253.015; 254A.08, subdivision 2; 254B.02, subdivision 1; 254B.03, subdivisions 1 and 4; 254B.04, subdivision 2; 254B.06, subdivision 1; 254B.09, subdivisions 1, 4, and 5; 256.01, subdivision 2, and by adding a subdivision; 256.014, subdivision 1; 256.045, subdivisions 1, 3, 4, 4a, 5, 6, 7, 10, and by adding a subdivision; 256.12, subdivision 14; 256.73, subdivision 3a; 256.736, subdivisions 3, 3b, 4, 10, 11, 14, 16, and by adding subdivisions; 256.737; 256.74, subdivisions 1, 1a, and by adding a subdivision; 256.85; 256.87, subdivision 1a; 256.936, subdivisions 1, 2, and 4; 256.969; 256.974; 256.9741, subdivisions 3, 5, and by adding a subdivision; 256.9742; 256.9744, subdivision 1; 256.975, subdivision 2; 256B.031, subdivision 5; 256B.04, subdivision 14, and by adding a subdivision; 256B.055, subdivisions 7 and 8; 256B.056, subdivisions 3, 4, and 5; 256B.062; 256B.0625, subdivisions 2, 13, 17, and by adding subdivisions; 256B.091, subdivision 3; 256B.092, subdivision 7; 256B.14; 256B.25, by adding a subdivision; 256B.421, subdivision 14; 256B.431, subdivisions 2b, 2e, 2i, 3a, 3f, 3g, 4, and by adding subdivisions; 256B.47, subdivision 3; 256B.48, subdivisions 1, 6, and 8; 256B.501, subdivisions 3, 3g, and by adding subdivisions; 256B.69, subdivisions 4, 5, 11, and by adding a subdivision; 256C.28, subdivision 3, and by adding subdivisions; 256D.01, subdivisions 1, 1a, 1b, and 1c; 256D.02, subdivisions 1 and 4; 256D.03, subdivisions 2, 3, and 4; 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.06, by adding a subdivision; 256D.101; 256D.111, subdivision 5; 256D.35, subdivisions 1, 7, and by adding subdivisions; 256D.36, subdivision 1, and by adding a subdivision; 256D.37, subdivision 1; 256E.03, subdivision 2; 256E.05, subdivision 3; 256E.08, subdivision 5; 256E.09, subdivisions 1 and 3; 256F.05, subdivisions 2, 3, and 4; 256F.07, subdivision 3a; 256H.01, subdivisions 1, 2, 7, 8, 11, and 12; 256H.02; 256H.03; 256H.05; 256H.08; 256H.09; 256H.10, subdivisions 2, 3, and by adding a subdivision; 256H.11; 256H.12; 256H.15; 256H.18; 256H.20, subdivision 3; 257.071, subdivision 7; 257.55, subdivision 1; 257.57, subdivision 1; 257.62, subdivision 5; 259.47, subdivision 5; 259.49, subdivision 2; 260.251, subdivision 1; 268.0111, subdivision 4, and by adding a subdivision; 268.0122, subdivisions 2 and 3; 268.08, subdivision 1; 268.31; 268.37, by adding a subdivision; 268.86, subdivision 2; 268.871, subdivision 5; 268.88; 287.12; 297.13, subdivision 1; 326.78, subdivision 2; 327.20, subdivision 1; 327C.02, subdivision 2; 357.021, subdivisions 2 and 2a; 517.08, subdivisions 1b and 1c; 518.54, subdivision 6; 518.551, subdivision 10, and by adding a subdivision; 518.611, subdivision 4; 518.613, subdivisions 1, 2, 4, and by adding a subdivision; 609.378; 626.556, subdivisions 2 and 10e; and 626.558; Laws 1984, chapter 654, article 5, section 57, subdivision 1, as amended; Laws 1987, chapter 403, article 3, section 98; Laws 1988, chapter 689, article 2, sections 248 and 269, subdivision 2; repealing Minnesota Statutes 1988, sections 144A.10, subdivision 4a; 150A.06, subdivision 7; 245.462, subdivision 25; 245.471; 245.475; 245.64; 245.698; 245.775; 245.83; 245.84; 245.85; 245.871; 245.872; 245.873; 245A.095, subdivision 3; 246.50, subdivisions 3a, 4a, and 9; 254B.09, subdivision 3; 254B.10; 256.87, subdivision 4; 256.969, subdivisions 2a, 3, 4, 5, and 6; 256B.0625, subdivision 21; 256B.17, subdivisions 1, 2, 3, 4, 5, 6, 7, and 8; 256B.69, subdivisions 12, 13, 14, and 15; 256D.01, subdivision 1c; 256D.051, subdivision 6a; 256D.052, subdivisions 5, 6, and 7; 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; 256D.43; 256E.08, subdivision 9; 256F05, subdivision 1; 256H.04; 256H.05, subdivision 4; 256H.06; 256H.07, subdivision 4; 256H.13; 268.86, subdivision 7; 518.613, subdivision 5; Laws 1987, chapter 403, article 5, section 1; proposing coding for new law in Minnesota Statutes, chapters 144; 144A; 145; 157; 196; 245; 246; 251; 252; 253; 254A; 256; 256B; 256D; 256E; 256F; 256H; 259; 268; and 626; proposing coding for new law as Minnesota Statutes, chapter 256I.

Mr. Merriam moved that H.F No. 1759 be given its second reading and placed on General Orders. The motion prevailed.

H.F No. 1759 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 Calendar. The motion prevailed.

CALENDAR

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.

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

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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 about 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.

Was read the third time 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	Merriam	Ramstad
Anderson	Decker	Knutson	Metzen	Reichgott
Beckman	DeCramer	Kroening	Moe, R.D.	Renneke
Belanger	Diessner	Laidig	Morse	Samuelson
Benson	Frank	Langseth	Novak	Schmitz
Berg	Frederick	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
Dahl	Johnson, D.J.	Mehrkens	Purfeerst	

So the bill passed and its title was agreed to.

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.

Was read the third time 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 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Brandl and Pehler voted in the negative.

So the bill passed and its title was agreed to.

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.

Was read the third time 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	Knaak	Metzen	Ramstad
Anderson	Decker	Knutson	Moe, D.M.	Reichgott
Beckman	DeCramer	Kroening	Moe, R. D.	Renneke
Belanger	Diessner	Laidig	Morse	Samuelson
Benson	Frank	Langseth	Novak	Schmitz
Berg	Frederick	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.	Vickerman
Chmielewski	Hughes	McGowan	Piper	Waldorf
Cohen	Johnson, D.E.	McQuaid	Pogemiller	
Dahl	Johnson, D.J.	Mehrkens	Purfeerst	

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

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. 371: Messrs. Marty, Spear and McGowan.

H.F. No. 827: Messrs. Bernhagen, Berg, Stumpf, Merriam and Frederickson, D.R.

H.F. No. 1107: Messrs. Marty, Morse and Knaak.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Cohen moved that Senate Concurrent Resolution No. 6 be taken from the table. The motion prevailed.

Senate Concurrent Resolution No. 6: A Senate concurrent resolution proclaiming Sunday, June 4, as Ethnic American Day in Minnesota.

WHEREAS, the population of Minnesota is a diverse collection that includes the Native Americans who were this land's first inhabitants as well as people who have come here from all parts of the globe; and

WHEREAS, Minnesotans, whatever their origins, have contributed their cultures, traditions, and values to their fellow citizens and have, in turn, benefited from the contributions of others; and

WHEREAS, at the same time that we recognize our diversity, we also share a love of our common humanity and a sense of gratitude for our opportunity to enrich one another with, on the one hand, our uniqueness and, on the other, our basic similarity; and

WHEREAS, together with all Americans, we stand as living examples

to the world of the ideal expressed by our founders in the motto "E Pluribus Unum," or "One From Many"; and

WHEREAS, from time to time, we need to reaffirm our dedication to that ideal and to remind ourselves that, while each of us is different, we are all members of the family of humankind; and

WHEREAS, the observance of Ethnic American Day will provide an appropriate occasion for such a reaffirmation and reminder; and

WHEREAS, Agnea Antoniades of St. Paul organized the first observance of Ethnic American Day in 1986; NOW, THEREFORE,

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

(1) Sunday, June 4, is proclaimed to be Ethnic American Day.

(2) The Senate and the House of Representatives of the State of Minnesota extend their congratulations to Agnea Antoniades for her successful efforts to make this observance possible for her fellow Minnesotans.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and those of the Chairman of the Rules and Administration Committee of the Senate, the Chief Clerk of the House, and the Speaker of the House, and present it to Agnea Antoniades.

Mr. Cohen moved that Senate Concurrent Resolution No. 6 be now adopted. The motion prevailed. So the resolution was adopted.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House and First Reading of House Bills.

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. 372.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 8, 1989

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 372: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies and political subdivisions; consolidating certain funds and accounts and making conforming changes; changing the organization, operation, financing, and

management of certain courts and related offices; amending Minnesota Statutes 1988, sections 3.099, subdivision 3; 3.732, subdivision 1; 6.48; 6.56; 6.58; 8.15; 8.31, subdivisions 2c and 3; 13.33; 14.07, subdivisions 1 and 2; 14.08; 14.26; 15.06, subdivision 1; 15.50, subdivision 2; 15A.081, subdivision 1; 16A.10, subdivision 1; 16A.123, by adding a subdivision; 16A.125, subdivision 5, and by adding a subdivision; 16A.133, subdivision 1; 16B.24, subdivision 6; 16B.42, subdivision 4; 16B.48, subdivision 2; 16B.61, subdivision 5; 16B.70; 41A.09, subdivision 1; 43A.02, subdivision 25; 43A.17, subdivision 1; 43A.24, subdivision 2; 44A.0311; 84.0272; 82.0274, by adding a subdivision; 84.084; 84.83, subdivision 1; 84.922, subdivision 3; 84.927, subdivision 1; 84A.51, subdivision 2; 84A.55, subdivision 14; 85.055, subdivision 2; 85.22, subdivisions 1 and 2a; 85.43; 85A.01, subdivisions 1 and 5; 85A.02, subdivisions 2, 5, 5a, 5b, 12, 16, 17, 18; 85A.04, subdivisions 1 and 4; 89.035; 89.036; 89.21; 93.335, subdivision 4; 94.09, subdivision 2; 94.342, subdivision 3; 97A.055, by adding a subdivision; 97A.165; 97A.475, subdivisions 2, 3, 6, 7, 8, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 23, 24, 25, 26, 27, 28, 29, 29a, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, and 42; 97A.485, subdivisions 6 and 7; 97B.301, by adding a subdivision; 106A.661, subdivision 2; 112.73; 115.03, subdivision 1; 115A.14, subdivision 4; 115A.908, subdivision 2; 115B.17, subdivision 7; 115B.20, subdivisions 1, 4, and 6; 115B.22, subdivision 7; 115B.24, subdivision 10; 115B.25, subdivision 7; 115B.26; 115C.02, subdivision 6; 115C.08, subdivision 1; 116.41, subdivision 2; 116.65, subdivision 3; 116J.01; 116J.03, subdivision 2; 116J.58, subdivision 1; 116J.64, subdivision 6; 116J.68, subdivision 2; 116J.74, subdivision 5; 116J.873, subdivision 4; 116J.955, subdivisions 1 and 2; 116J.9673, subdivision 4; 116J.970; 116J.971, subdivisions 3, 6, 7, 8, and 9; 116J.982, subdivision 1; 116L.02; 116L.03, subdivisions 2 and 7; 116L.04, subdivision 1; 116N.01, subdivision 3; 116N.02, subdivision 6; 116N.08, subdivisions 4 and 8; 116O.02, and by adding a subdivision; 116O.03, subdivisions 1, 2, 3, and by adding subdivisions; 116O.04, by adding a subdivision; 116O.05; 116O.06, subdivisions 1 and 5; 116O.08, subdivisions 2 and 7; 116O.12; 116O.13; 116O.14; 116O.15; 116P.08, subdivisions 1 and 2; 116P.13; 148B.17; 169.121, subdivision 5a; 169.126, subdivisions 4 and 4a; 169.686, subdivision 3; 176.135, subdivision 1; 190.07; 190.25, subdivision 3; 192.51, subdivision 2; 196.02; 196.021; 214.06, subdivision 1; 256.482, subdivisions 3, 7, and by adding a subdivision; 260.193, subdivision 8; 270.069; 270.185, subdivision 1; 273.02, subdivisions 5 and 6; 275.51, subdivision 3f; 284.28, subdivisions 8, 9, and 10; 296.421, subdivision 8; 297.13, subdivision 1; 297.26; 297.32, subdivision 9; 297A.44, subdivision 1; 299D.03, subdivision 7; 302A.821, subdivisions 4 and 5; 307.08, subdivision 5; 336.9-302; 336.9-413; 349.213, subdivision 1; 352.01, subdivision 2b; 353.01, subdivision 2a; 356.215, subdivisions 1 and 4d; 357.021, subdivisions 1a, 2a, and 4; 357.08; 361.03, by adding a subdivision; 373.27, subdivision 3; 402.065; 403.11, subdivision 1; 423A.02, subdivisions 1 and 2; 462.396, subdivision 4; 462A.21, by adding a subdivision; 466.01, subdivision 6; 469.056, subdivision 4; 469.100, subdivision 6; 471.699; 473.13, subdivision 4; 473.375, subdivision 17; 473.435, subdivision 2; 473.543, subdivision 5; 473.843, subdivision 2; 473.844, subdivision 1; 473.845, subdivision 1; 473.877, subdivision 1; 480.01; 480.058; 480.09, subdivision 5; 480.241, subdivisions 1 and 2; 480.242; 481.01; 481.20; 484.54, subdivision 2; 484.545, subdivisions 2 and 3; 484.62; 484.64, subdivision 3; 484.65, subdivisions 3 and 7; 484.68, subdivision 5; 485.018, subdivisions 5 and 7; 486.05, subdivision 1; 486.055; 486.06; 487.08, subdivision 5; 487.31, subdivision 1; 488.14, subdivision

1; 488A.17, subdivision 2; 488A.31, subdivision 1; 488A.34, subdivision 2; 517.08, subdivision 1c; 525.033; 609.101; 609.5315, subdivision 5; 611.17; 611.21; 611.215, subdivision 2; 611.26, subdivision 2; 611A.61, subdivision 3; 626.861, subdivisions 3 and 4; Laws 1971, chapter 355, section 1, subdivision 2; Laws 1987, chapter 386, article 2, section 22; article 9, section 19; Laws 1988, chapter 686, article 1, section 37; article 2, section 10; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 84; 93; 115A; 116J; 116K; 192; 290; 462A; 469; 473; 480; 611; and 631; proposing coding for new law as Minnesota Statutes, chapter 361A; repealing Minnesota Statutes 1988, sections 3.865, 3.866; 3C.035; 3C.056; 11A.22; 16A.133, subdivision 3; 41A.01; 41A.02; 41A.021; 41A.022; 41A.023; 41A.03; 41A.035; 41A.036; 41A.04; 41A.05; 41A.051; 41A.06; 41A.065; 41A.066; 41A.07; 41A.08; 43A.316; 84.0911, subdivisions 1 and 3; 85.051; 85A.01, subdivision 1b; 89.04; 93.221; 94.165; 97A.065, subdivision 3; 97A.071; 97A.075; 115A.162; 116E.01; 116E.02; 116E.03; 116E.035; 116E.04; 116J.941; 116J.942; 116J.968; 161.52; 190.26; 198.001, subdivision 5; 344.03; 383B.63, subdivisions 4 and 5; 469.121, subdivision 1; 469.148; 469.149; 480.242, subdivision 4; 480.245; 486.07; 487.31, subdivision 4; 488A.05; 488A.111; 488A.22; 488A.281; 525.012, subdivisions 1, 2, 3, and 4; 611.07; 611.071; 611.12; 611.214; and 611.25, subdivision 2; Laws 1975, chapter 258, section 6, subdivisions 1, 3, 4, and 5; Laws 1983, chapter 334, section 7, as amended; Laws 1984, chapter 564, section 48; and Laws 1988, chapter 686, article 1, sections 14, paragraph (j); 21; 37, subdivision 10; and article 2, section 9.

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. 372 and that the rules of the Senate be so far suspended as to give H.F. No. 372 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 372 was read the second time.

Mr. Merriam moved to amend H.F. No. 372 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 372, and insert the language after the enacting clause, and the title, of S.F. No. 1631, as introduced and amended by the Senate May 8, 1989.

The motion prevailed. So the amendment was adopted.

H.F. No. 372 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Frank voted in the negative.

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

MEMBERS EXCUSED

Messrs. Dahl and Frederick were excused from the Session of today from 11:00 a.m. to 12:00 noon. Mr. Gustafson was excused from the Session of today from 11:00 to 11:45 a.m. Mr. Frederickson, D.J. was excused from the Session of today from 11:50 a.m. to 12:00 noon. Mr. Freeman was excused from the Session of today from 11:00 to 11:50 a.m. Mr. Stumpf was excused from the Session of today from 11:00 a.m. to 1:45 p.m. Mr. Dicklich was excused from the Session of today at 4:30 p.m. Ms. Berglin was excused from the Session of today at 4:35 p.m. Mrs. Lantry was excused from the Session of today at 6:00 p.m. Mr. Hughes was excused from the Session of today at 6:05 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, May 9, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-EIGHTH DAY

St. Paul, Minnesota, Tuesday, May 9, 1989

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

CALL OF THE SENATE

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

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

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

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	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	

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 has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1625: A bill for an act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, University of Minnesota, and the Mayo medical foundation, with certain conditions; amending Minnesota Statutes 1988, sections 121.93, subdivisions 2, 3, and 4; 136.31, subdivisions 3 and 5; 136A.04; 136A.05; 136A.08; 136A.095;

136A.101, subdivisions 1 and 7; 136A.121; 136A.131; 136A.132; 136A.134, subdivision 4; 136A.15, subdivision 1; 136A.16, subdivisions 1, 2, 5, 8, 9, and 10; 136A.17, subdivision 1; 136A.1701, subdivisions 1, 2, and 5; 136A.172; 136A.173, subdivision 1; 136A.174; 136A.175, subdivision 4; 136A.176; 136A.177; 136A.178; 136A.179; 136A.29, subdivision 9; 136C.04, subdivisions 1, 2, 6, 10, and 18; 136C.042, subdivision 2; 136C.05, by adding a subdivision; 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; 355.46, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 135A and 136A; repealing Minnesota Statutes 1988, sections 121.936, subdivision 1a; 136A.042; 136A.09; 136A.101, subdivision 6; 136A.111; 136A.121, subdivisions 1, 4, and 15; 136A.14; 136A.141; 136A.142; 136A.51; 136A.52; 136A.53; 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.

There has been appointed as such committee on the part of the House: Carlson, L.; Price; Orenstein; Jaros and Heap.

Senate File No. 1625 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 8, 1989

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 266:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Long, Welle and Himle have been appointed as such committee on the part of the House.

House File No. 266 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 May 8, 1989

Mr. Moe, R.D. moved that H.F. No. 266 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 File, herewith transmitted: H.F. No. 654.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 8, 1989

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 654: A bill for an act relating to education; providing for general education revenue, transportation, special programs, community education, school facilities and equipment, education organization and cooperation, access to education excellence, school breakfast programs, sexual harassment and violence policies, parental involvement programs, libraries, state education agencies and education agency services, providing for limits on open enrollment and post-secondary options; appropriating money; amending Minnesota Statutes 1988, sections 43A.08, subdivision 1a; 120.06, by adding a subdivision; 120.062, subdivisions 4, 6, and by adding a subdivision; 120.17, subdivisions 3, 3b, and by adding a subdivision; 121.88, subdivisions 2 and 5; 121.882, subdivisions 2 and 4; 121.904, subdivision 4a; 121.908, subdivision 5; 121.912, subdivision 1; 121.935, subdivision 6; 122.23, by adding a subdivision; 122.43, subdivision 1; 122.532, subdivision 4; 122.541, subdivision 5; 122.91; 122.92; 122.93, subdivision 2, and by adding subdivisions; 122.94, subdivision 1, and by adding a subdivision; 122.95, subdivision 2, and by adding a subdivision; 123.3514, subdivisions 2, 4, 4c, 5, 7, and 10; 123.39, by adding a subdivision; 123.58, subdivision 9, and by adding a subdivision; 123.702, subdivisions 1, 1a, 2, 3, 4, and by adding subdivisions; 123.703, by adding subdivisions; 123.705, subdivision 1, and by adding a subdivision; 124.17, subdivision 1b; 124.19, subdivision 5; 124.195, subdivision 8; 124.2131, subdivision 1; 124.223; 124.225; 124.243, subdivision 3, and by adding a subdivision; 124.244, subdivision 2; 124.245, subdivision 3b; 124.26, subdivisions 1c, 7, and by adding a subdivision; 124.261; 124.271, by adding subdivisions; 124.2711, subdivisions 1, 3, 4, and by adding a subdivision; 124.2721; 124.273, subdivisions 1b, 4, 5, 7, and by adding a subdivision; 124.32,

subdivisions 1b, 1d, and by adding a subdivision; 124.38, subdivision 7; 124.43, subdivision 1, and by adding a subdivision; 124.494, subdivision 2; 124.573, subdivision 2b, and by adding subdivisions; 124.574, subdivisions 1, 4, and 5; 124.575, subdivision 3; 124.82, subdivision 3; 124.83, subdivisions 3, 4, and 6; 124A.02, by adding a subdivision; 124A.03, subdivision 2; 124A.035, subdivisions 2 and 4; 124A.036, by adding a subdivision; 124A.22, subdivisions 2, 4, and 9; 124A.23, subdivision 1; 124A.28, subdivision 1; 124A.31; 126.151, subdivision 2; 126.23; 126.56, subdivision 4, and by adding a subdivision; 126.67, subdivision 8; 128A.09; 129.121, by adding a subdivision; 129C.10; 134.33, subdivision 1; 134.34, subdivisions 1, 2, 3, and 4; 134.35, subdivision 5; 136D.27, subdivision 1; 136D.74, subdivision 2; 136D.87, subdivision 1; 141.35; 273.1102, subdivision 3; 275.011, subdivision 1; 275.125, subdivisions 5, 5b, 5c, 5e, 6e, 6h, 6i, 8, 8b, 8c, 8e, 9, 9a, 9b, 9c, 11d, 14a, and by adding a subdivision; 354.094, subdivisions 1 and 2; 354.66, subdivision 4; 354A.091, subdivisions 1 and 2; 354A.094, subdivision 4; and 363.06, subdivision 3; Laws 1965, chapter 705, as amended; Laws 1976, chapter 20, section 4; Laws 1988, chapter 718, article 7, section 61, subdivisions 1, 2, and 3; chapter 719, article 5, section 84; proposing coding for new law in Minnesota Statutes, chapters 122; 124; 124A; 126; 127; 275; and 363; repealing Minnesota Statutes 1988, sections 120.062, subdivision 8; 123.702, subdivisions 1a, 5, 6, and 7; 124.217; 124.243, subdivision 4; 124.271, subdivision 26; 129B.11; 129B.48; 134.33, subdivision 1; 134.34, subdivision 5; and 275.125, subdivision 6f; Laws 1988, chapter 718, article 5, section 4.

Mr. Moe, R.D. moved that H.F. No. 654 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1480: A bill for an act relating to education; modifying certain aids for school districts; modifying certain levies for school districts; providing revenue to assure pupil mastery of certain subjects; expanding health and developmental screening; modifying certain provisions concerning capital facilities; modifying regional management information centers; providing money for libraries, department of education, Faribault academies, center for arts education, and other state, regional, and school district functions; providing procedures and revenue for school districts to cooperate and combine; clarifying and adding duties relating to state determined goals for pupils; appropriating money; amending Minnesota Statutes 1988, sections 120.17, subdivisions 3, 3b, and 11a; 121.11, subdivisions 7, 14, and by adding a subdivision; 121.612; 121.88, subdivisions 8, 9, and 10; 121.882, subdivision 4; 121.904, subdivision 4a, and by adding a subdivision; 121.912, subdivision 1, and by adding a subdivision; 121.931, subdivisions 3, 4, and 7; 121.934, subdivision 2; 121.935, subdivisions 5 and 6; 121.936, subdivisions 1, 4a, and by adding a subdivision; 122.23, by adding a subdivision; 122.41; 122.43, subdivision 1; 122.541; 122.91, subdivision 3; 123.36, subdivisions 1 and 13; 123.39, by adding a subdivision; 123.58, subdivision 4; 124.155, subdivisions 1 and 2; 124.19, by adding a subdivision; 124.195, subdivision 8; 124.2131, subdivision 1; 124.217, subdivision 1; 124.223; 124.225, subdivisions 1 and 7b; 124.243,

subdivisions 2 and 3; 124.244, subdivisions 1 and 2; 124.245, subdivision 3b; 124.252, subdivision 3; 124.26, subdivisions 1c, 7, and by adding a subdivision; 124.271, subdivision 4; 124.2721, subdivisions 2, 3, and by adding a subdivision; 124.273, subdivisions 4 and 5; 124.32, subdivision 1b; 124.38, subdivision 7; 124.43, subdivision 1; 124.494, subdivision 2; 124.574, subdivisions 2b and 5; 124.575, subdivisions 2, 3, and by adding a subdivision; 124.82, subdivision 3; 124.83, subdivisions 3, 4, and 6; 124A.03, subdivision 2; 124A.22, subdivisions 2, 5, 9, and by adding a subdivision; 124A.23, subdivision 1; 124A.26, subdivision 1; 124A.28, subdivision 1; 125.12, subdivision 8; 125.17, subdivision 4; 126.151, subdivision 2; 126.22, subdivision 3; 126.23; 126.56, subdivision 4, and by adding a subdivision; 126.661, by adding a subdivision; 126.663, subdivisions 2 and 3; 126.666, subdivision 4; 126.67, subdivision 5; 129.121, by adding a subdivision; 129B.11, subdivisions 1 and 2; 129B.41; 129B.42; 129B.44; 129B.45; 129B.46; 129C.10; 134.31, by adding a subdivision; 134.33, subdivision 1; 134.34, subdivisions 1 and 2; 136D.22, subdivision 1; 136D.27, subdivision 1; 136D.72, subdivision 1; 136D.74, subdivision 2; 136D.82, subdivision 1; 136D.87, subdivision 1; 141.25, subdivision 8; 141.26, subdivision 5; 171.29, subdivision 2; 273.1102, subdivision 3; 273.1398, subdivision 6; 275.011, subdivision 1; 275.125, subdivisions 5, 5c, 6e, 6h, 6i, 8b, 8e, 9, 9a, 9b, 9c, 11d, 14a, and by adding a subdivision; 275.14; 297A.25, subdivision 11; 422A.101, subdivision 2; 465.71; Laws 1959, chapter 462, section 3, subdivision 10, as amended; Laws 1965, chapter 705, as amended; Laws 1976, chapter 20, section 4; Laws 1984, chapter 463, article 6, section 15, subdivision 1, as amended; Laws 1988, chapters 718, article 7, section 61, subdivisions 1, 6, and 7; and 719, article 5, section 84; proposing coding for new law in Minnesota Statutes, chapters 121; 122; 123; 124; 129B; repealing Minnesota Statutes 1988, sections 120.05, subdivision 1; 120.13; 120.15; 120.16; 120.77; 121.09; 121.11; 121.12; 121.151; 121.19; 121.35, subdivision 5; 121.49, subdivision 1; 121.496, subdivision 1; 121.83; 121.84; 121.843; 121.844; 121.845; 121.85; 121.86; 121.882, subdivisions 6 and 10; 121.902, subdivision 2; 121.9121, subdivision 6; 121.914, subdivisions 9 and 10; 122.86; 122.87; 122.88; 122.96; 123.3511; 123.3512; 123.581, subdivisions 1 and 6; 123.60; 123.601; 123.68; 123.701; 123.702; 123.703; 123.704; 123.705; 124.12, subdivision 1; 124.2138, subdivisions 3 and 4; 124.243, subdivision 4; 124.271, subdivisions 2b, 3, 4, and 7; 124.496; 124.573, subdivision 2; 124A.27, subdivision 7; 125.02; 125.231; 125.241, subdivision 3; 125.60, subdivision 7; 126.02; 126.025; 126.03; 126.05; 126.07; 126.10; 126.11; 126.39, subdivision 11; 126.52, subdivision 11; 126.70, subdivision 3; 126.80; 126.81; 127.08; 129B.48; 129B.71; 129B.72; 129B.73; 275.125, subdivision 8; and 275.128; and Laws 1988, chapter 718, article 5, section 4.

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

Page 5, line 15, before the period, insert "*on the day the petition is filed with the school board*"

Page 6, line 3, before "(e)" insert "~~(5) Notwithstanding any law to the contrary,~~"

Page 6, line 20, after the period, insert "*For the purposes of this subdivision and subdivisions 6 and 6a, districts that cooperate under section 122.535, 122.541, or article 6, sections 3 to 11, must be considered to be one district.*"

Page 6, line 23, after "sections" insert "122.535," and after "122.541" insert a comma

Page 10, after line 28, insert:

"Sec. 12. [STATUTORY CONSTRUCTION.]

For the purposes of construing Minnesota Statutes 1988, section 124A.22, subdivisions 1 and 8, during fiscal year 1991, sparsity revenue includes secondary sparsity revenue according to Minnesota Statutes, section 124A.22, subdivision 6, and elementary sparsity revenue according to section 6."

Page 10, delete lines 35 and 36 and insert:

"\$1,204,893,900 1990,

\$1,276,316,600 1991.

The 1990 appropriation includes \$174,824,000 for 1989 and \$1,030,069,900 for 1990.

The 1991 appropriation includes \$173,231,700 for 1990 and \$1,103,084,900 for 1991."

Page 11, delete lines 1 to 4

Renumber the sections of article 1 in sequence

Page 11, line 22, delete "to" and insert "for"

Pages 27 and 28, delete section 5 and insert:

"Sec. 5. Minnesota Statutes 1988, section 124.273, subdivision 4, is amended to read:

Subd. 4. [APPLICATION DATES.] (a) *To obtain aid for limited English proficiency programs, a district shall submit an initial application for aid by October 15 and shall submit an amended application by February 15 or by June 15 if the number of enrolled pupils of limited English proficiency has changed since filing a previous application. Districts which do not submit an initial application by October 15 but enroll pupils of limited English proficiency after that date may submit an initial application by February 15 or by June 15. A final report with actual salary and enrollment information shall be submitted by August 15 for calculation of the final payment information required by the department to implement this section.*

(b) *All applications shall be submitted to the department in the manner prescribed by the commissioner. Each application shall include (1) the number of pupils or additional pupils enrolled who meet the criteria in section 126.262, subdivision 2; (2) the number, dates of hire, full time equivalency, and salaries of essential licensed personnel or additional essential licensed personnel employed in the district's educational program for pupils of limited English proficiency who meet the criteria in section 126.262, subdivision 3; and (3) any other information deemed necessary by the commissioner to implement this section. School districts may submit joint applications for aid pursuant to this section and may share essential instructional personnel employed in educational programs for pupils of limited English proficiency."*

Page 28, line 25, strike "shall" and insert "must promptly"

Page 28, line 26, strike "within" and delete "45 days"

Page 28, line 27, strike everything before the period

Page 34, line 3, delete "for five"

Page 34, line 4, delete "years" and delete the first "the" and insert "a" and delete everything after "district" and insert "in Minnesota. One-fifth of the principal of the outstanding loan amount must be forgiven for each year of teaching."

Page 34, delete lines 5 to 8

Page 34, line 9, delete "five years."

Page 37, delete lines 3 to 9

Page 46, line 20, delete "could have levied" and insert "was permitted to levy"

Page 47, line 14, delete "may" and insert "must"

Page 47, line 15, after "program" insert "either" and delete everything after "section" and insert "or"

Page 47, line 16, delete everything before "according"

Page 50, lines 30 and 32, delete "up to \$30" and insert "aid"

Page 57, line 16, delete "what" and insert "the amount"

Page 57, line 18, delete "district's actual" and insert "amount the district was permitted to"

Page 59, line 10, before "\$50,000" insert "Up to" and delete "appropriated for" and insert "to provide"

Page 59, line 13, delete "Subdivision 1."

Page 59, delete lines 20 to 23

Page 66, line 26, strike "shall" and insert "must"

Page 72, line 28, before the period, insert ", or has received a grant under sections 124.492 to 124.495"

Page 75, lines 1 and 2, reinstate the stricken language and delete the new language

Page 76, line 19, before "newspaper" insert "official" and delete everything after "newspaper" and insert "of each district"

Page 82, line 2, delete everything after "levy" and insert "as a percentage of net tax capacity, the amount that will be raised by that tax capacity rate"

Page 82, line 3, delete "capacity"

Page 82, line 35, delete "adopted" and delete everything after "plan" and insert "approved by"

Page 82, line 36, before the period, insert "according to section 5"

Page 83, line 6, delete "receives revenue" and insert "levies"

Page 84, after line 10, insert:

"Subd. 9. [SUBSEQUENT DISTRICTS.] *If a district subsequently cooperates or combines with districts that have previously received revenue under this section, the new district shall receive revenue, according to subdivision 4 or 6, as though it had been a party to the initial agreement. The previously*

cooperating or combined districts may not receive revenue, according to subdivision 6 or 10, as though parties to a new agreement."

Renumber the subdivisions in sequence

Pages 85 and 86, delete section 14

Page 89, line 25, delete "join" and insert "belong to"

Page 90, lines 19, 22, and 27, delete "17" and insert "16"

Page 96, line 20, after "a" insert "written"

Page 97, delete section 34 and insert:

"Sec. 33. [1988-1989 INTERDISTRICT COOPERATION AGREEMENTS.]

Notwithstanding section 2, independent school district Nos. 424, Lester Prairie; 427, Winsted; and 880, Howard Lake, may renew or continue an agreement according to Minnesota Statutes 1988, section 122.541, providing for instruction of pupils in 10th, 11th, and 12th grades in two districts."

Page 98, line 7, delete "educational telecommunications" and delete "including" and insert "involving"

Page 98, line 10, delete "a" and insert "the"

Page 98, delete lines 18 to 23 and insert:

"Subd. 7. [COMMUNICATIONS LINK GRANT.] *For a grant to independent school district No. 240, Blue Earth, to pay for the cost of a communications link between the Blue Earth school district and Mankato:*

\$4,500 1990.

The appropriation does not cancel but is available until June 30, 1991."

Page 98, line 28, after the period, insert "Section 16 is effective July 1, 1990."

Renumber the sections of article 6 in sequence

Page 104, line 26, delete "articulate between" and insert "ensure that"

Page 104, line 27, before the semicolon, insert "are consistent"

Page 105, line 5, delete "met" and insert "achieved" and delete everything after "first" and insert "and second years"

Page 105, line 6, delete everything before the semicolon

Page 113, line 9, delete "1988-1989 school year" and insert "school year before the year the teacher is employed according to this section or who is not on unrequested leave of absence from a Minnesota school district"

Page 114, after line 12, insert:

"The appropriation for 1990 does not cancel but is available for fiscal year 1991."

Page 121, line 10, delete "4" and insert "5"

Page 122, after line 23, insert:

"Sec. 4. [123.342] [ADMINISTRATIVE EXPENDITURES.]

Subdivision 1. [DETERMINATION OF EXCESS EXPENDITURES.] *By*

February 15 of each year, the department of education shall determine each district's expenditures per actual pupil unit for administration and supervision for the preceding fiscal year. By March 15 of each year, the department shall notify each district for which the expenditures per actual pupil unit exceed the statewide average expenditure per actual pupil unit.

Subd. 2. [EXPENDITURES DEFINED.] Administration and supervision expenditures include all expenditures related to the school board, office of the superintendent, central office, district support services, and administrative and supervisory staff. It also includes all expenditures related to the administration and supervision of elementary education, secondary education, special education, vocational education, community education, food services, transportation services, building operations and maintenance, and other activities and programs.

It does not include expenditures for salaries and fringe benefits for principals, assistant principals, classroom teachers, and professional support personnel, such as librarians, social workers, health care personnel, and counselors.

The expenditures shall be determined according to the uniform financial accounting and reporting system categories of district and school administration, district support services, and all executive and managerial salaries and related expenditures.

Subd. 3. [LIMITATION ON INCREASES.] A district that has been notified according to subdivision 1 may not increase its total expenditures for administration and supervision during the fiscal year after notification."

Page 134, line 22, delete "Subdivision 1. [JULY 1, 1989.]"

Page 134, delete line 36

Page 135, delete lines 1 to 4

Page 135, line 6, delete "10, 11, and 12" and insert "11, 12, and 13"

Page 135, line 7, delete "13" and insert "14"

Renumber the sections of article 9 in sequence

Page 152, after line 18, insert:

"The appropriation for 1990 does not cancel but is available for fiscal year 1991."

Page 162, line 30, delete "appropriated"

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

SECOND READING OF SENATE BILLS

S.F. No. 1480 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Pogemiller moved that the names of Messrs. Johnson, D.J. and Novak be added as co-authors to S.F. No. 1329. The motion prevailed.

Mr. Cohen moved that the name of Mr. Pehler be added as a co-author to Senate Concurrent Resolution No. 6. The motion prevailed.

Mr. Anderson introduced—

Senate Resolution No. 127: A Senate resolution congratulating Ethel Arnold on being named Small Businessperson of the Year by the Greater Minneapolis Chamber of Commerce.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate 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.

Ms. Berglin, Messrs. Solon and Frederickson, D.R. introduced—

S.F. No. 1632: A bill for an act relating to human services; establishing requirements for wages and benefits for workers in intermediate care facilities for persons with mental retardation; amending Minnesota Statutes 1988, section 256B.501, subdivisions 1, 2, 3, and 3c.

Referred to the Committee on Health and Human Services.

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

S.F. No. 1633: A bill for an act relating to human rights; providing a human rights curriculum; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Messrs. Larson and Chmielewski introduced—

S.F. No. 1634: A bill for an act relating to employment; regulating prevailing hours of labor on certain state projects; amending Minnesota Statutes 1988, section 177.42, subdivision 4.

Referred to the Committee on Employment.

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.

CALL OF THE SENATE

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

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

H.F. No. 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Knaak	Morse	Solon
Anderson	Dahl	Laidig	Novak	Spear
Belanger	Decker	Lantry	Olson	Storm
Benson	Diessner	Larson	Pariseau	Stumpf
Berg	Frank	Luther	Pehler	Taylor
Berglin	Frederick	Marty	Pogemiller	Vickerman
Bernhagen	Freeman	McGowan	Purfeerst	
Bertram	Hughes	McQuaid	Ramstad	
Brandl	Johnson, D.E.	Mehrkens	Samuelson	
Chmielewski	Johnson, D.J.	Moe, R.D.	Schmitz	

So the bill passed and its title was agreed to.

H.F. No. 1016: A bill for an act relating to juvenile justice; 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; removing certain limitations on parental liability for thefts by minors; removing a repealer; amending Minnesota Statutes 1988, sections 171.04; 260.195, subdivision 3, and by adding subdivisions; and 332.51, subdivision 3; repealing Laws 1985, chapter 278, section 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F No. 333: A bill for an act relating to recreational vehicles; regulating all-terrain vehicles; setting fees; revising liability provisions regarding county administered lands, recreational areas and the Minnesota zoological garden; 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; 169.02, subdivision 1; and 171.03; repealing Minnesota Statutes 1988, sections 84.922, subdivision 8; 84.925, subdivision 2; 84.928, subdivision 7; and 466.03, 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 53 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Ramstad
Belanger	Decker	Knutson	Moe, D.M.	Renneke
Benson	DeCramer	Laidig	Moe, R.D.	Schmitz
Berglin	Diessner	Lantry	Morse	Solon
Bernhagen	Frank	Larson	Novak	Spear
Bertram	Frederick	Luther	Olson	Storm
Brandl	Frederickson, D.J.	Marty	Pariseau	Stumpf
Brataas	Frederickson, D.R.	McGowan	Pehler	Taylor
Chmielewski	Freeman	McQuaid	Piper	Vickerman
Cohen	Hughes	Mehrkens	Pogemiller	
Dahl	Johnson, D.E.	Merriam	Purfeerst	

Messrs. Anderson; Berg; Johnson, D.J. and Samuelson voted in the negative.

So the bill passed and its title was agreed to.

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.

Was read the third time 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.	Metzen	Renneke
Anderson	Davis	Knaak	Moe, D.M.	Samuelson
Belanger	Decker	Knutson	Moe, R.D.	Schmitz
Benson	DeCramer	Laidig	Morse	Solon
Berg	Diessner	Lantry	Novak	Spear
Berglin	Frank	Larson	Olson	Storm
Bernhagen	Frederick	Luther	Pariseau	Taylor
Bertram	Frederickson, D.J.	Marty	Pehler	Vickerman
Brandl	Frederickson, D.R.	McGowan	Piper	
Brataas	Freeman	McQuaid	Pogemiller	
Chmielewski	Hughes	Mehrkens	Purfeerst	
Cohen	Johnson, D.E.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

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.

Was read the third time 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.J.	Metzen	Renneke
Anderson	Davis	Knaak	Moe, D.M.	Samuelson
Belanger	Decker	Knutson	Moe, R.D.	Schmitz
Benson	DeCramer	Laidig	Morse	Solon
Berg	Diessner	Lantry	Novak	Spear
Berglin	Frank	Larson	Olson	Storm
Bernhagen	Frederick	Luther	Pariseau	Stumpf
Bertram	Frederickson, D.J.	Marty	Pehler	Taylor
Brandl	Frederickson, D.R.	McGowan	Piper	Vickerman
Brataas	Freeman	McQuaid	Pogemiller	Waldorf
Chmielewski	Hughes	Mehrkens	Purfeerst	
Cohen	Johnson, D.E.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

S.F. No. 139: A bill for an act relating to liquor; increasing age for provisional driver's license to 21 years; changing provisional licenses to "under-21" licenses; prohibiting the issuance of both a Minnesota identification card and a driver's license, other than an instruction permit, to the same person; 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; 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; amending Minnesota Statutes 1988, sections 171.02, subdivisions 1 and 3; 171.06, subdivision 2; 171.07, subdivisions 1 and 3; 171.171; 171.22; 171.27; 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.

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

So the bill passed and its title was agreed to.

S.F No. 736: A bill for an act relating to claims against the state; providing for payment of various claims; 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knutson	Moe, D.M.	Samuelson
Anderson	Decker	Laidig	Moe, R.D.	Schmitz
Belanger	DeCramer	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	Frederickson, D.R.	Marty	Piper	Vickerman
Brandl	Freeman	McGowan	Pogemiller	Waldorf
Brataas	Hughes	McQuaid	Purfeerst	
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Knaak	Metzen	Renneke	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knutson	Moe, D.M.	Samuelson
Anderson	Decker	Laidig	Moe, R.D.	Schmitz
Belanger	DeCramer	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	Frederickson, D.R.	Marty	Piper	Vickerman
Brandl	Freeman	McGowan	Pogemiller	Waldorf
Brataas	Hughes	McQuaid	Purfeerst	
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Knaak	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 353: 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; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 53A.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knutson	Moe, D.M.	Samuelson
Anderson	Decker	Laidig	Moe, R.D.	Schmitz
Belanger	DeCramer	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	Frederickson, D.R.	Marty	Piper	Vickerman
Brandl	Freeman	McGowan	Pogemiller	Waldorf
Brataas	Hughes	McQuaid	Purfeerst	
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Knaak	Metzen	Renneke	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 206 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

May 2, 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. 206, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment adopted April 27, 1989 and that the Senate concur in the House amendment adopted April 20, 1989.

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

Senate Conferees: (Signed) William V. Belanger, Jr., Gene Waldorf, Carl W. Kroening

House Conferees: (Signed) Peter Rodosovich, Sandy Pappas, Kathleen Blatz

Mr. Belanger moved that the foregoing recommendations and Conference Committee Report on S.F. No. 206 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. 206 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Cohen moved that S.F. No. 827 be taken from the table. The motion prevailed.

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.

CONCURRENCE AND REPASSAGE

Mr. Cohen moved that the Senate concur in the amendments by the House to S.F. No. 827 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 827 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Stumpf moved that H.F. No. 266 be taken from the table. The motion prevailed.

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.

Mr. Stumpf moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 266, 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.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1759 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1759: A bill for an act relating to the organization and operation of state government; appropriating money for human services, jobs and training, corrections, health, veterans nursing homes, and other purposes with certain conditions; amending Minnesota Statutes 1988, sections 13.46, subdivision 2; 43A.27, subdivision 2; 62A.045; 62A.046; 62D.041, subdivision 1, and by adding a subdivision; 62D.042, subdivision 1; 62D.05, subdivision 6; 144.50, subdivision 6, and by adding a subdivision; 144.562, subdivisions 2 and 3; 144.651, subdivision 2; 144.698, subdivision 1; 144.701; 144.702, subdivision 2, and by adding subdivisions; 144A.01, subdivision 5, and 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.45, subdivision 2; 144A.46; 144A.61; 144A.611; 145.38, subdivision 1; 145.39, subdivision 1; 145.61, subdivision 5; 145.63; 145.882, subdivisions 1 and 7; 146.13; 147.02, subdivision 1; 148B.23, subdivision 1; 148B.27, subdivision 2; 148B.32, subdivision 2; 148B.40, subdivision 3; 148B.42, by adding a subdivision; 149.02; 149.06; 150A.06, subdivision 2a; 153A.13, subdivision 4; 153A.15, subdivision 3; 153A.16; 176.136, subdivisions 1 and 5; 214.04, subdivision 3; 214.06, subdivision 1; 237.70, subdivision 7; 237.701, subdivision 1; 245.461; 245.462; 245.463, subdivision 2, and by adding subdivisions; 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, 3, and by adding subdivisions; 245.477; 245.478, subdivisions 2 and 3; 245.479; 245.48; 245.482; 245.483; 245.484; 245.485; 245.486; 245.62, subdivision 3; 245.696, subdivision 2; 245.697, subdivisions 1, 2, and 2a; 245.713, subdivision 2; 245.73, subdivisions 1, 2, and 4; 245.771, subdivision 3; 245.91, by adding a subdivision; 245.94, subdivision 1, and by adding a subdivision; 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.095; 245A.12; 245A.13; 245A.14, subdivision 3, and by adding subdivisions; 245A.16, subdivision 1; 246.015; 246.18, subdivision 4; 246.36; 246.50, subdivisions 3, 4, and 5; 246.54;

246.57, subdivision 1; 251.011, subdivision 4, and by adding a subdivision; 252.27, subdivision 1; 252.291, subdivision 2; 252.31; 252.41, subdivision 9; 252.46, subdivisions 1, 2, 3, 4, 6, and 12; 252.47; 252.50; 253.015; 254A.08, subdivision 2; 254B.02, subdivision 1; 254B.03, subdivisions 1 and 4; 254B.04, subdivision 2; 254B.06, subdivision 1; 254B.09, subdivisions 1, 4, and 5; 256.01, subdivision 2, and by adding a subdivision; 256.014, subdivision 1; 256.045, subdivisions 1, 3, 4, 4a, 5, 6, 7, 10, and by adding a subdivision; 256.12, subdivision 14; 256.73, subdivision 3a; 256.736, subdivisions 3, 3b, 4, 10, 11, 14, 16, and by adding subdivisions; 256.737; 256.74, subdivisions 1, 1a, and by adding a subdivision; 256.85; 256.87, subdivision 1a; 256.936, subdivisions 1, 2, and 4; 256.969; 256.974; 256.9741, subdivisions 3, 5, and by adding a subdivision; 256.9742; 256.9744, subdivision 1; 256.975, subdivision 2; 256B.031, subdivision 5; 256B.04, subdivision 14, and by adding a subdivision; 256B.055, subdivisions 7 and 8; 256B.056, subdivisions 3, 4, and 5; 256B.062; 256B.0625, subdivisions 2, 13, 17, and by adding subdivisions; 256B.091, subdivision 3; 256B.092, subdivision 7; 256B.14; 256B.25, by adding a subdivision; 256B.421, subdivision 14; 256B.431, subdivisions 2b, 2e, 2i, 3a, 3f, 3g, 4, and by adding subdivisions; 256B.47, subdivision 3; 256B.48, subdivisions 1, 6, and 8; 256B.501, subdivisions 3, 3g, and by adding subdivisions; 256B.69, subdivisions 4, 5, 11, and by adding a subdivision; 256C.28, subdivision 3, and by adding subdivisions; 256D.01, subdivisions 1, 1a, 1b, and 1c; 256D.02, subdivisions 1 and 4; 256D.03, subdivisions 2, 3, and 4; 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.06, by adding a subdivision; 256D.101; 256D.111, subdivision 5; 256D.35, subdivisions 1, 7, and by adding subdivisions; 256D.36, subdivision 1, and by adding a subdivision; 256D.37, subdivision 1; 256E.03, subdivision 2; 256E.05, subdivision 3; 256E.08, subdivision 5; 256E.09, subdivisions 1 and 3; 256F.05, subdivisions 2, 3, and 4; 256F.07, subdivision 3a; 256H.01, subdivisions 1, 2, 7, 8, 11, and 12; 256H.02; 256H.03; 256H.05; 256H.08; 256H.09; 256H.10, subdivisions 2, 3, and by adding a subdivision; 256H.11; 256H.12; 256H.15; 256H.18; 256H.20, subdivision 3; 257.071, subdivision 7; 257.55, subdivision 1; 257.57, subdivision 1; 257.62, subdivision 5; 259.47, subdivision 5; 259.49, subdivision 2; 260.251, subdivision 1; 268.0111, subdivision 4, and by adding a subdivision; 268.0122, subdivisions 2 and 3; 268.08, subdivision 1; 268.31; 268.37, by adding a subdivision; 268.86, subdivision 2; 268.871, subdivision 5; 268.88; 287.12; 297.13, subdivision 1; 326.78, subdivision 2; 327.20, subdivision 1; 327C.02, subdivision 2; 357.021, subdivisions 2 and 2a; 517.08, subdivisions 1b and 1c; 518.54, subdivision 6; 518.551, subdivision 10, and by adding a subdivision; 518.611, subdivision 4; 518.613, subdivisions 1, 2, 4, and by adding a subdivision; 609.378; 626.556, subdivisions 2 and 10e; and 626.558; Laws 1984, chapter 654, article 5, section 57, subdivision 1, as amended; Laws 1987, chapter 403, article 3, section 98; Laws 1988, chapter 689, article 2, sections 248 and 269, subdivision 2; repealing Minnesota Statutes 1988, sections 144A.10, subdivision 4a; 150A.06, subdivision 7; 245.462, subdivision 25; 245.471; 245.475; 245.64; 245.698; 245.775; 245.83; 245.84; 245.85; 245.871; 245.872; 245.873; 245A.095, subdivision 3; 246.50, subdivisions 3a, 4a, and 9; 254B.09, subdivision 3; 254B.10; 256.87, subdivision 4; 256.969, subdivisions 2a, 3, 4, 5, and 6; 256B.0625, subdivision 21; 256B.17, subdivisions 1, 2, 3, 4, 5, 6, 7, and 8; 256B.69, subdivisions 12, 13, 14, and 15; 256D.01, subdivision 1c; 256D.051, subdivision 6a; 256D.052, subdivisions 5, 6, and 7; 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; 256D.43; 256E.08, subdivision 9; 256F05, subdivision 1; 256H.04; 256H.05, subdivision 4; 256H.06; 256H.07, subdivision 4; 256H.13; 268.86, subdivision 7; 518.613, subdivision 5; Laws 1987, chapter 403, article 5, section 1; proposing coding for new law in Minnesota Statutes, chapters 144; 144A; 145; 157; 196; 245; 246; 251; 252; 253; 254A; 256; 256B; 256D; 256E; 256F; 256H; 259; 268; and 626; proposing coding for new law as Minnesota Statutes, chapter 256I.

Mr. Merriam moved to amend H.F. No. 1759 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1759, and insert the language after the enacting clause, and the title, of S.F. No. 1630, as introduced.

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend H.F. No. 1759, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1630.)

Page 19, after line 20, insert:

“Sec. 15. USE OF MONEY FOR LOBBYING

SERVICES PROHIBITED

Money appropriated in this act may not be used to purchase lobbying services.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Johnson, D.J.	McGowan	Renneke
Belanger	Decker	Knaak	McQuaid	Spear
Benson	Frank	Knutson	Mehrrens	Storm
Bernhagen	Frederick	Laidig	Olson	Stumpf
Brataas	Frederickson, D.R.	Larson	Pariseau	Taylor
Cohen	Johnson, D.E.	Lessard	Ramstad	

Those who voted in the negative were:

Adkins	Davis	Langseth	Moe, R.D.	Pogemiller
Beckman	DeCramer	Lantry	Morse	Purfeerst
Berg	Dicklich	Luther	Novak	Reichgott
Berglin	Diessner	Marty	Pehler	Samuelson
Bertram	Frederickson, D.J.	Merriam	Peterson, D.C.	Schmitz
Brandl	Hughes	Metzen	Peterson, R.W.	Vickerman
Chmielewski	Kroening	Moe, D.M.	Piper	Waldorf

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

Mr. Benson moved to amend H.F. No. 1759, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1630.)

Page 8, delete line 25 and insert:

“\$559,093,000 \$561,599,000

Of this appropriation, \$6,555,000 in the first year and \$9,061,000 in the second year is for the increased costs of changing the base year for reimbursing medical assistance vendors from the year 1982 to the year 1984.”

Correct the subdivision and section totals and the summaries by fund accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	McQuaid	Storm
Beckman	Davis	Knaak	Mehrkens	Taylor
Belanger	Decker	Knutson	Olson	Vickerman
Benson	Frederick	Larson	Pariseau	
Berg	Frederickson, D.J.	Lessard	Ramstad	
Bernhagen	Frederickson, D.R.	McGowan	Renneke	

Those who voted in the negative were:

Berglin	Dicklich	Luther	Novak	Schmitz
Bertram	Frank	Marty	Pehler	Spear
Brandl	Hughes	Merriam	Peterson, D.C.	Waldorf
Chmielewski	Johnson, D.J.	Metzen	Peterson, R. W.	
Cohen	Kroening	Moe, D.M.	Piper	
Dahl	Langseth	Moe, R.D.	Purfeerst	
DeCramer	Lantry	Morse	Samuelson	

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

Mr. Storm moved to amend H.F. No. 1759, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1630.)

Page 441, after line 20, insert:

“Sec. 39. [256D.091] [MINNESOTA IDENTIFICATION CARD REQUIRED.]

To be eligible for general assistance, general assistance medical care, or work readiness assistance, a person must have a permanent Minnesota driver's license with a photograph or a permanent Minnesota picture identification card issued by the department of public safety under section 171.07 or a valid voter registration card. This requirement is not satisfied by a temporary driver's license or permit, or a temporary state identification document, which does not include a photograph.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Mr. Benson moved to amend H.F. No. 1759, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1630.)

Page 440, after line 14, insert:

“Sec. 36. Minnesota Statutes 1988, section 256D.05, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] (a) *Except as provided in section 256D.06, subdivision 1d*, each person or family whose income and resources are less than the standard of assistance established by the commissioner shall be eligible for and entitled to general assistance if the person or family is:

(1) a person who is suffering from a permanent or temporary illness, injury, or incapacity which is medically certified and which prevents the person from obtaining or retaining employment;

(2) a person whose presence in the home on a substantially continuous basis is required because of the certified illness, injury, incapacity, or the age of another member of the household;

(3) a person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is pursuant to a plan developed or approved by the local agency through its director or designated representative;

(4) a person who resides in a shelter facility described in subdivision 3;

(5) a person who is or may be eligible for displaced homemaker services, programs, or assistance under section 268.96, but only if that person is enrolled as a full-time student;

(6) a person who is unable to secure suitable employment due to inability to communicate in the English language, provided that the person is not an illegal alien, and who, if assigned to a language skills program by the local agency, is participating in that program;

(7) a person not described in clause (1) or (3) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment;

(8) a person who has an application pending for the social security disability program or the program of supplemental security income for the aged, blind, and disabled, or who has been terminated from either program and has an appeal from that termination pending;

(9) a person who is unable to obtain or retain employment because advanced age significantly affects the person's ability to seek or engage in substantial work;

(10) a person completing a secondary education program;

(11) a family with one or more minor children; provided that, if all the children are six years of age or older, all the adult members of the family register for and cooperate in the work readiness program under section 256D.051; and provided further that, if one or more of the children are under the age of six and if the family contains more than one adult member, all the adult members except one adult member register for and cooperate in the work readiness program under section 256D.051. The adult members required to register for and cooperate with the work readiness program are not eligible for financial assistance under section 256D.051, except as provided in section 256D.051, subdivision 6, and shall be included in the general assistance grant. If an adult member fails to cooperate with requirements of section 256D.051, the local agency shall not take that member's

needs into account in making the grant determination. The time limits of section 256D.051, subdivisions 4 and 5, do not apply to people eligible under this clause;

(12) a person who has substantial barriers to employment, including but not limited to factors relating to work or training history, as determined by the local agency in accordance with permanent or emergency rules adopted by the commissioner after consultation with the commissioner of jobs and training;

(13) a person who is certified by the commissioner of jobs and training before August 1, 1985, as lacking work skills or training or as being unable to obtain work skills or training necessary to secure employment, as defined in a permanent or emergency rule adopted by the commissioner of jobs and training in consultation with the commissioner;

(14) a person who is determined by the local agency, in accordance with emergency and permanent rules adopted by the commissioner, to be learning disabled;

(15) a person who is determined by the local agency, in accordance with emergency and permanent rules adopted by the commissioner, to be functionally illiterate, provided that the person complies with literacy training requirements set by the local agency under section 256D.052. A person who is terminated for failure to comply with literacy training requirements may not reapply for assistance under this clause for 60 days. The local agency must provide an oral explanation to the person of the person's responsibilities under this clause, the penalties for failure to comply, the agency's duties under section 256D.0505, subdivision 2, and the person's right to appeal (1) at the time an application is approved based on this clause, and (2) at the time the person is referred to literacy training; or

(16) a child under the age of 18 who is not living with a parent, stepparent, or legal custodian, but only if: the child is legally emancipated or living with an adult with the consent of an agency acting as a legal custodian; the child is at least 16 years of age and the general assistance grant is approved by the director of the local agency or a designated representative as a component of a social services case plan for the child; or the child is living with an adult with the consent of the child's legal custodian and the local agency.

(b) The following persons or families with income and resources that are less than the standard of assistance established by the commissioner are eligible for and entitled to a maximum of six months of general assistance during any consecutive 12-month period, after registering with and completing six months in a work readiness program under section 256D.051:

(1) a person who has borderline mental retardation; and

(2) a person who exhibits perceptible symptoms of mental illness as certified by a qualified professional but who is not eligible for general assistance under paragraph (a), because the mental illness interferes with the medical certification process; provided that the person cooperates with social services, treatment, or other plans developed by the local agency to address the illness.

In order to retain eligibility under this paragraph, a recipient must continue to cooperate with work and training requirements as determined by the local agency.

Sec. 37. Minnesota Statutes 1988, section 256D.051, subdivision 1, is amended to read:

Subdivision 1. [WORK REGISTRATION.] *Except as provided in section 256D.06, subdivision 1d, a person, family, or married couple whose income and resources are less than the standard of assistance established by the commissioner, but who are not eligible to receive general assistance under section 256D.05, subdivision 1, are eligible for a work readiness program. Upon registration, a registrant is eligible to receive assistance in an amount equal to general assistance under section 256D.05, subdivision 1, for a maximum of six months during any consecutive 12-month period, subject to subdivision 3. The local agency shall pay work readiness assistance in monthly payments beginning at the time of registration.*"

Page 441, after line 20, insert:

"Sec. 41. Minnesota Statutes 1988, section 256D.06, is amended by adding a subdivision to read:

Subd. 1d. [GENERAL ASSISTANCE AND WORK READINESS FOR NEW RESIDENTS.] This subdivision applies to assistance units without minor children who have been residing in the state less than six months. General assistance and work readiness assistance must be granted to an eligible unit in an amount that, when added to the nonexempt income actually available to the assistance unit, will equal the amount of assistance the unit received or was eligible to receive in the last state in which the unit resided, up to a maximum amount. The maximum amount is the assistance that would be paid to the unit under subdivision 1. Nonexempt income is the income considered available under Minnesota Rules, parts 9500.1200 to 9500.1270."

Renumber the sections in sequence and correct the internal references
Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 45 and nays 19, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Frederickson, D.R.	Lessard	Purfeerst
Anderson	Dahl	Gustafson	McGowan	Ramstad
Beckman	Davis	Johnson, D.E.	McQuaid	Reichgott
Belanger	Decker	Knaak	Mehrkens	Renneke
Benson	DeCramer	Knutson	Metzen	Schmiiz
Berg	Diessner	Kroening	Novak	Storm
Bernhagen	Frank	Laidig	Olson	Stumpf
Bertram	Frederick	Langseth	Pariseau	Taylor
Brataas	Frederickson, D.J.	Larson	Pehler	Vickerman

Those who voted in the negative were:

Berglin	Freeman	Marty	Peterson, R.W.	Solon
Brandl	Hughes	Merriam	Piper	Spear
Cohen	Johnson, D.J.	Morse	Pogemiller	Waldorf
Dicklich	Lantry	Peterson, D.C.	Samuelson	

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend H.F. No. 1759, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1630.)

Page 13, after line 16, insert:

“Of this appropriation, \$2,275,000 the second year is to establish new veterans nursing homes in Luverne and Fergus Falls. This appropriation does not include an amount for a Silver Bay nursing home.”

Page 43, after line 22, insert:

“Sec. 31. [198.345] [VETERANS HOME; FERGUS FALLS.]

Subdivision 1. [ESTABLISHMENT.] The board shall establish a veterans home in Fergus Falls to provide at least 60 beds for skilled nursing care in conformance with licensing rules of the department of health.

Subd. 2. [FUNDING.] The home must be purchased or built with funds, 65 percent of which must be provided by the federal government, and 35 percent by other nonstate sources, including local units of government, veterans’ organizations, and corporations or other business entities. Contracts made by the board for the purposes of this section are subject to chapter 16B.

Sec. 32. [198.346] [VETERANS HOME; LUVERNE.]

Subdivision 1. [ESTABLISHMENT.] The board shall establish a veterans home in Luverne to provide at least 60 beds for skilled nursing care in conformance with licensing rules of the department of health.

Subd. 2. [FUNDING.] The home must be purchased or built with funds, 65 percent of which must be provided by the federal government, and 35 percent by other nonstate sources, including local units of government, veterans’ organizations, and corporations or other business entities. Contracts made by the board for the purposes of this section are subject to chapter 16B.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Mr. Samuelson imposed a call of the Senate for the balance of the proceedings on H.F No. 1759. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the adoption of the Knaak amendment.

The roll was called, and there were yeas 15 and nays 44, as follows:

Those who voted in the affirmative were:

- | | | | | |
|-----------|-----------|---------|----------|---------|
| Anderson | Decker | Knutson | Mehrkens | Ramstad |
| Benson | Frederick | Larson | Olson | Renneke |
| Bernhagen | Knaak | McQuaid | Pariseau | Storm |

Those who voted in the negative were:

Adkins	Davis	Hughes	Merriam	Reichgott
Beckman	DeCramer	Johnson, D.E.	Metzen	Samuelson
Berg	Dicklich	Johnson, D.J.	Moe, R. D.	Schmitz
Berglin	Diessner	Kroening	Morse	Solon
Bertram	Frank	Laidig	Novak	Spear
Brandl	Frederickson, D.J.	Langseth	Peterson, D.C.	Stumpf
Chmielewski	Frederickson, D.R.	Lantry	Peterson, R. W.	Vickerman
Cohen	Freeman	Marty	Piper	Waldorf
Dahl	Gustafson	McGowan	Purfeerst	

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

Ms. Piper moved to amend H.F. No. 1759, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1630.)

Page 43, after line 22, insert:

“Sec. 31. Minnesota Statutes 1988, section 157.14, is amended to read:
157.14 [EXEMPTIONS.]

This chapter shall not be construed to apply to interstate carriers under the supervision of the United States Department of Health, Education and Welfare or to any building constructed and primarily used for religious worship, nor to any building owned, operated and used by a college or university in accordance with regulations promulgated by the college or university. Any person, firm or corporation whose principal mode of business is licensed under sections 28A.04 and 28A.05 is exempt at that premises from licensure as a place of refreshment or restaurant; provided, that the holding of any license pursuant to sections 28A.04 and 28A.05 shall not exempt any person, firm, or corporation from the applicable provisions of the chapter or the rules of the state commissioner of health relating to food and beverage service establishments. This chapter does not apply to family day care homes or group family day care homes governed by sections 245.781 to 245.812 *and does not apply to nonprofit senior citizen centers for the sale of home-baked goods.*”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Samuelson moved to amend H.F. No. 1759, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1630.)

Page 441, after line 20, insert:

“Sec. 39. [256D.131] [DETERMINATION OF CONSTITUTIONALITY.]

At the request of the commissioner of human services, the attorney general shall analyze any provision of this chapter to determine whether the provision is in conflict with the Constitution of the United States or of this state. If the attorney general determines that a provision in this chapter is unconstitutional and is likely to be declared invalid by a court, the commissioner of human services shall not enforce or implement the provision and shall publish notice of this action in the State Register after notifying the chairs of health and human services committees of the senate and house of representatives.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Lantry	Moe, R. D.	Purfeerst
Beckman	Dicklich	Lessard	Morse	Reichgott
Berglin	Frederickson, D.J.	Luther	Pehler	Samuelson
Brandl	Freeman	Marty	Peterson, D.C.	Schmitz
Chmielewski	Hughes	Merriam	Peterson, R. W.	Solon
Cohen	Johnson, D.J.	Metzen	Piper	Spear
Davis	Kroening	Moe, D.M.	Pogemiller	Vickerman

Those who voted in the negative were:

Anderson	Dahl	Johnson, D.E.	McQuaid	Storm
Belanger	Decker	Knaak	Mehrkens	Stumpf
Benson	Diessner	Knutson	Novak	Taylor
Berg	Frank	Laidig	Olson	Waldorf
Bernhagen	Frederick	Langseth	Pariseau	
Bertram	Frederickson, D.R.	Larson	Ramstad	
Brataas	Gustafson	McGowan	Renneke	

The motion prevailed. So the amendment was adopted.

Mr. Decker moved to amend H.F. No. 1759, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1630.)

Page 12, after line 9, insert:

“The commissioner shall continue to operate the Lakeside chemical dependency program at Ah-Gwah-Ching Center and may not transfer the program to another location.”

Page 284, line 23, after the period, insert “*The commissioner shall operate a chemical dependency program at Ah-Gwah-Ching Center.*”

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend H.F. No. 1759, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1630.)

Page 6, delete line 36 and insert:

“\$152,845,000 \$155,162,000”

Page 14, line 47, delete “31,727,000” and insert “34,727,000” and delete “32,219,000” and insert “35,219,000”

Page 14, after line 47, insert:

“Of this appropriation, \$3,000,000 each year is for battered women grants to expand services in counties where access to services is limited or nonexistent and to increase grant funds for special projects.”

Adkins	Dahl	Johnson, D.J.	Moe, R. D.	Reichgott
Beckman	DeCramer	Kroening	Morse	Samuelson
Berg	Dicklich	Lantry	Novak	Schmitz
Berglin	Diessner	Lessard	Peterson, D.C.	Solon
Bertram	Frank	Luther	Peterson, R. W.	Spear
Brandl	Frederickson, D.J.	Marty	Piper	Stumpf
Chmielewski	Freeman	Merriam	Pogemiller	Vickerman
Cohen	Hughes	Metzen	Purfeerst	

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

Mr. McGowan moved to amend H.F. No. 1759, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1630.)

Page 441, after line 20, insert:

“Sec. 39. [256D.061] [PERSONS WITHOUT A PERMANENT RESIDENCE; WEEKLY ISSUANCE.]

For applicants or recipients of work readiness assistance who do not have a verified residence address, the local agency may determine eligibility and provide assistance on a weekly basis.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

H.F. No. 1759 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 8, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Brataas	Mehrkens	Ramstad	Taylor
Benson	McGowan	Olson		

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

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Messages from the House, Reports of Committees and Second Reading of Senate Bills. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 847, 858, 1258, 583 and 590.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1989

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 956:

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.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Carruthers, Kelly, Dempsey, Simoneau and Bishop have been appointed as such committee on the part of the House.

House File No. 956 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 May 9, 1989

Ms. Peterson, D.C. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 956, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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 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; 297A.01, subdivision 3; 297A.25, subdivisions 11 and 16; 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.

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

Page 9, line 30, after the period, insert "*An action may not be taken by a county under this section to preclude a person generating or collecting solid waste from delivering recyclable materials to a recycling facility of the generator's or collector's choice.*"

Page 13, line 6, delete "may" and insert "shall"

Page 13, line 7, after "facility" insert "*and recycling facility*"

Page 13, line 33, after "FACILITY" insert "**AND RECYCLING FACILITY**" and after "residue" insert "*from recycling facilities at which recyclable materials are separated or processed for the purpose of recycling, and*"

Page 21, delete lines 18 to 23 and insert "*credited to the general fund; three percent must be credited to the Minnesota future resources account.*"

Page 25, line 5, before "procuring" insert "*in manufacturing processes that do not cause the destruction of recyclable materials in a manner that precludes further use, or involve*"

Page 27, line 1, after the period, insert "*Packaging that is recyclable or made from recycled material shall not constitute a problem material.*"

Pages 41 and 42, delete article 7 and insert:

"ARTICLE 7

Section 1. [APPROPRIATIONS.]

\$34,600,000 is appropriated from the general fund to the agencies and for the purposes indicated, to be available for the fiscal year ending June 30 in the years indicated.

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

	1990	1991
(a) To the waste management board:		
(1) for solid waste reduction programs	\$ 550,000	\$ 600,000
(2) for solid waste recycling programs	1,887,000	1,887,000

<i>(3) for market development programs</i>	2,000,000	2,000,000
<i>(4) for grants for litter prevention control and abatement</i>	100,000	100,000
<i>(5) for public education</i>	900,000	1,000,000
<i>(6) for distribution to the counties directly for solid waste reduction and recycling</i>	8,500,000	10,800,000
<i>(7) for problem materials collection and disposal</i>	176,000	213,000
<i>The approved complement of the waste management board is increased by 17 positions.</i>		
<i>(b) To the pollution control agency:</i>		
<i>(1) for programs to identify and manage problem materials</i>	1,000,000	1,000,000
<i>(2) for recycling programs</i>	600,000	750,000
<i>The approved complement of the pollution control agency is increased by seven positions.</i>		
<i>(c) To the department of administration for waste reduction, procurement, and recycling</i>		
	250,000	250,000
<i>The approved complement of the department of administration is increased by four positions.</i>		
<i>(d) To the department of revenue to administer the taxes</i>		
	37,000	-0--

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 Joint Rule 2.03, together with the committee report thereon,

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 report from the Committee on Judiciary, shown in the Journal for May 8, 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 Taxes and Tax Laws”. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Peterson, R.W. moved that H.F. No. 654 be taken from the table. The motion prevailed.

H.F. No. 654: A bill for an act relating to education; providing for general education revenue, transportation, special programs, community education, school facilities and equipment, education organization and cooperation, access to education excellence, school breakfast programs, sexual harassment and violence policies, parental involvement programs, libraries, state education agencies and education agency services, providing for limits on open enrollment and post-secondary options; appropriating money; amending Minnesota Statutes 1988, sections 43A.08, subdivision 1a; 120.06, by adding a subdivision; 120.062, subdivisions 4, 6, and by adding a subdivision; 120.17, subdivisions 3, 3b, and by adding a subdivision; 121.88, subdivisions 2 and 5; 121.882, subdivisions 2 and 4; 121.904, subdivision 4a; 121.908, subdivision 5; 121.912, subdivision 1; 121.935, subdivision 6; 122.23, by adding a subdivision; 122.43, subdivision 1; 122.532, subdivision 4; 122.541, subdivision 5; 122.91; 122.92; 122.93, subdivision 2, and by adding subdivisions; 122.94, subdivision 1, and by adding a subdivision; 122.95, subdivision 2, and by adding a subdivision; 123.3514, subdivisions 2, 4, 4c, 5, 7, and 10; 123.39, by adding a subdivision; 123.58, subdivision 9, and by adding a subdivision; 123.702, subdivisions 1, 1a, 2, 3, 4, and by adding subdivisions; 123.703, by adding subdivisions; 123.705, subdivision 1, and by adding a subdivision; 124.17, subdivision 1b; 124.19, subdivision 5; 124.195, subdivision 8; 124.2131, subdivision 1; 124.223; 124.225; 124.243, subdivision 3, and by adding a subdivision; 124.244, subdivision 2; 124.245, subdivision 3b; 124.26, subdivisions 1c, 7, and by adding a subdivision; 124.261; 124.271, by adding subdivisions; 124.2711, subdivisions 1, 3, 4, and by adding a subdivision; 124.2721; 124.273, subdivisions 1b, 4, 5, 7, and by adding a subdivision; 124.32, subdivisions 1b, 1d, and by adding a subdivision; 124.38, subdivision 7; 124.43, subdivision 1, and by adding a subdivision; 124.494, subdivision 2; 124.573, subdivision 2b, and by adding subdivisions; 124.574, subdivisions 1, 4, and 5; 124.575, subdivision 3; 124.82, subdivision 3; 124.83, subdivisions 3, 4, and 6; 124A.02, by adding a subdivision; 124A.03, subdivisions 2; 124A.035, subdivisions 2 and 4; 124A.036, by adding a subdivision; 124A.22, subdivisions 2, 4, and 9; 124A.23, subdivision 1; 124A.28, subdivision 1; 124A.31; 126.151, subdivision 2; 126.23; 126.56, subdivision 4, and by adding a subdivision; 126.67, subdivision 8; 128A.09; 129.121, by adding a subdivision; 129C.10; 134.33, subdivision 1; 134.34, subdivisions 1, 2, 3, and 4; 134.35, subdivision 5; 136D.27, subdivision 1; 136D.74, subdivision 2; 136D.87, subdivision 1; 141.35; 273.1102, subdivision 3; 275.011, subdivision 1; 275.125, subdivisions 5, 5b, 5c, 5e, 6e, 6h, 6i, 8, 8b, 8c, 8e, 9, 9a, 9b, 9c, 11d, 14a, and by adding a subdivision; 354.094, subdivisions 1 and 2; 354.66, subdivision 4; 354A.091, subdivisions 1 and 2; 354A.094, subdivision 4; and 363.06, subdivision 3; Laws 1965, chapter 705, as amended; Laws 1976, chapter 20, section 4; Laws

1988, chapter 718, article 7, section 61, subdivisions 1, 2, and 3; chapter 719, article 5, section 84; proposing coding for new law in Minnesota Statutes, chapters 122; 124; 124A; 126; 127; 275; and 363; repealing Minnesota Statutes 1988, sections 120.062, subdivision 8; 123.702, subdivisions 1a, 5, 6, and 7; 124.217; 124.243, subdivision 4; 124.271, subdivision 26; 129B.11; 129B.48; 134.33, subdivision 1; 134.34, subdivision 5; and 275.125, subdivision 6f; Laws 1988, chapter 718, article 5, section 4.

SUSPENSION OF RULES

Mr. Peterson, R. W. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 654 and that the rules of the Senate be so far suspended as to give H.F. No. 654 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 654 was read the second time.

Mr. Peterson, R. W. moved to amend H.F. No. 654 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 654, and insert the language after the enacting clause, and the title, of S.F. No. 1480, the third engrossment.

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Peterson, R. W. imposed a call of the Senate for the balance of the proceedings on H.F. No. 654. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Peterson, R. W. moved to amend H.F. No. 654, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1480.)

Page 97, line 35, delete "16" and insert "18"

The motion prevailed. So the amendment was adopted.

Mr. Peterson, R. W. then moved to amend H.F. No. 654, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1480.)

Page 161, after line 25, insert:

"The complement for the office of educational leadership is one state and three federal and must be allocated from the complement authorized in subdivision 1."

The motion prevailed. So the amendment was adopted.

Mr. Peterson, R. W. then moved to amend H.F. No. 654, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1480.)

Page 132, after line 26, insert:

"Sec. 15. Minnesota Statutes 1988, section 471.38, subdivision 3, is amended to read:

Subd. 3. [ELECTRONIC FUNDS TRANSFER.] Electronic funds transfer is the process of value exchange via mechanical means without the use of checks, drafts or similar negotiable instruments. A school district may make an electronic funds transfer *for the following*:

- (1) for a claim for a payment from an imprest payroll bank account or investment of excess money;
- (2) for a payment of tax anticipation certificates;
- (3) for a payment of contributions to pension or retirement fund;
- (4) for vendor payments; and
- (5) for payment of bond principal, bond interest and a fiscal agent service charge from the debt redemption fund. ~~This~~

Subd. 3a. [SCHOOL DISTRICT ELIGIBILITY.] *The authorization in subdivision 3 extends only to a school district which that has enacted all of the following policy controls:*

- (a) The school board shall annually delegate the authority to make electronic funds transfers to a designated business administrator;
- (b) The dispersing bank shall keep on file a certified copy of the delegation of authority;
- (c) The initiator of the electronic transfer shall be identified;
- (d) The initiator shall document the request and obtain an approval from the designated business administrator before initiating the transfer;
- (e) A written confirmation of the transaction shall be made no later than one business day after the transaction and shall be used in lieu of a check, order check or warrant required to support the transaction;
- (f) A list of all transactions made by electronic funds transfer shall be submitted to the school board at its next regular meeting after the transaction."

Renumber the sections of article 9 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Moe, R.D. moved to amend H.F. No. 654, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1480.)

Page 6, line 15, strike "\$2,800" and insert "\$2,824"

Page 6, line 17, delete "\$2,910" and insert "\$2,937"

Page 9, line 19, strike "\$105" and insert "\$129" and delete "\$215" and insert "\$242"

Page 11, delete lines 10 to 15 and insert:

"\$1,225,195,200 1990,

\$1,295,734,700 1991.

The 1990 appropriation includes \$174,824,000 for 1989 and \$1,050,371,200 for 1990.

The 1991 appropriation includes \$176,230,700 for 1990 and \$1,119,504,000 for 1991."

Page 35, after line 12, insert:

"Sec. 15. [1989 SPECIAL EDUCATION DEFICIENCY.]

\$11,505,000 is appropriated from the general fund to the department of education for fiscal year 1989 for the deficiency in the amount appropriated for special education for fiscal year 1988 by Laws 1987, chapter 398, article 3, section 39, subdivision 2. The department of education shall reduce the amount of the levy certified in 1989 by each school district, according to Minnesota Statutes, section 275.125, subdivision 8c, for special education by the amount that the district will receive as a result of this appropriation. The department of education must consider this appropriation when allocating excess appropriations for fiscal year 1988 under Minnesota Statutes, section 124.14, subdivision 7."

Page 39, line 7, delete "Section 5 is" and insert "Sections 5 and 15 are"

Renumber the sections of article 3 in sequence and correct the internal references

Page 188, after line 5, insert:

"ARTICLE 14

CHARITABLE GAMBLING TAX

Section 1. Minnesota Statutes 1988, section 349.12, subdivision 11, is amended to read:

Subd. 11. [LAWFUL PURPOSE.] (a) "Lawful purpose" means one or more of the following: ~~(a)~~ (1) benefiting persons by enhancing their opportunity for religious or educational advancement, by relieving or protecting them from disease, suffering or distress, by contributing to their physical well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of and devotion to the principles upon which this nation was founded; ~~(b)~~ (2) initiating, performing, or fostering worthy public works or enabling or furthering the erection or maintenance of public structures; ~~(c)~~ (3) lessening the burdens borne by government or voluntarily supporting, augmenting or supplementing services which government would normally render to the people; ~~(d)~~ (4) payment of taxes imposed under this chapter, and other taxes imposed by the state or the United States on receipts from lawful gambling, other than taxes imposed by section 349.212; or (5) payment of real estate taxes and assessments on licensed gambling premises wholly owned by the licensed organization.

(b) "Lawful purpose" does not include the erection, acquisition, improvement, expansion, repair, or maintenance of any real property owned or leased by the an organization, unless the board has first specifically ~~authorizes~~ authorized the expenditures after finding: (1) that the property will be used exclusively for one or more of the purposes specified in paragraph (a), clauses ~~(a)~~ (1) to ~~(c)~~ (3); or (2) with respect to expenditures for repair or maintenance only, that the property is or will be used as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; or (3) with respect to expenditures for erection or acquisition only, that the erection

or acquisition is necessary to replace with a comparable building a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance. The board may shall by rule adopt procedures and standards to administer this subdivision.

Sec. 2. 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 *and less the tax imposed by section 349.212.*

Sec. 3. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 21. [GROSS RECEIPTS.] "*Gross receipts*" means all receipts derived from lawful gambling activity including, but not limited to, the following items:

- (1) *gross sales of bingo cards and sheets before reduction for prizes, expenses, or any other charges or offsets;*
- (2) *gross sales of pull-tab and tipboard tickets or cards before reduction for prizes, expenses, or any other charges or offsets;*
- (3) *gross sales of raffle tickets before reduction for prizes, expenses, or any other charges or offsets;*
- (4) *admission, commission, cover, or other charges imposed on participants in lawful gambling activity as a condition for or cost of participation; and*
- (5) *interest, dividends, annuities, profit from transactions, or other income derived from the accumulation or use of gambling proceeds.*

Gross receipts does not include proceeds from rental under section 349.164 or 349.18, subdivision 3, for duly licensed bingo hall lessors.

Sec. 4. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 22. [FISCAL YEAR.] "*Fiscal year*" means the period from July 1 to June 30.

Sec. 5. Minnesota Statutes 1988, section 349.15, is amended to read:
349.15 [USE OF PROFITS.]

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~~ *the gross profit* from bingo, and no more than ~~45 50~~ *50* percent ~~for~~ *of the gross profit* from other forms of lawful gambling, may be expended for ~~necessary~~ *allowable* expenses related to lawful gambling.

The board shall provide by rule for the administration of this section, including specifying allowable expenses. The rules must specify that no more than one-third of the annual premium on a policy of liability insurance procured by the organization may be taken as an allowable expense from the gross receipts from lawful gambling. This expense shall be allowed by the board only to the extent that it relates directly to the conduct of lawful gambling and is verified in the manner the board prescribes by rule. The

rules may provide a maximum percentage of gross receipts which may be expended for certain expenses.

Sec. 6. Minnesota Statutes 1988, section 349.212, subdivision 1, is amended to read:

Subdivision 1. [~~RATE IMPOSITION.~~] There is hereby imposed a tax on all lawful gambling, other than (1) pull-tabs purchased and placed into inventory after January 1, 1987, and (2) tipboards purchased and placed into inventory after June 30, 1988, conducted by organizations licensed by the board at the rate specified in ~~this~~ subdivision 6. The tax imposed by this subdivision is in lieu of the tax imposed by section 297A.02 and all local taxes and license fees except a fee authorized under section 349.16, subdivision 4.

~~On all lawful gambling, other than (1) pull-tabs purchased and placed into inventory after January 1, 1987, and (2) tipboards purchased and placed into inventory after June 30, 1988, The tax imposed under this subdivision is ten percent of computed as provided in subdivision 6 on the gross receipts of a licensed organization from lawful gambling less prizes actually paid out, and is payable by the organization.~~

Sec. 7. Minnesota Statutes 1988, section 349.212, subdivision 4, is amended to read:

Subd. 4. [PULL-TAB AND TIPBOARD TAX.] (a) There is imposed a tax on the sale of each deal of pull-tabs and tipboards sold by a licensed distributor to a licensed organization, or to an organization holding an exemption identification number. The rate of the tax is ~~ten percent of as provided in subdivision 6~~ on the ideal ~~net~~ gross of the pull-tab ~~and~~ or tipboard deal. The tax is payable to the commissioner of revenue in the manner prescribed in section 349.2121 and the rules of the commissioner. The commissioner shall pay the proceeds of the tax to the state treasurer for deposit in the general fund. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the licensed distributor to an organization is imposed on the retail sales price less the tax imposed by this subdivision. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A if the tax imposed by this subdivision has been paid and is exempt from all local taxes and license fees except a fee authorized under section 349.16, subdivision 4.

(b) The liability for the tax imposed by this section is incurred when the pull-tabs and tipboards are delivered by the distributor to the licensed or exempt organization, to a common or contract carrier for delivery to the organization, or when received by the organization's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of the sale.

(c) The exemptions contained in section 349.214, subdivision 2, paragraph (b), do not apply to the tax imposed in this subdivision.

Sec. 8. Minnesota Statutes 1988, section 349.212, is amended by adding a subdivision to read:

Subd. 6. [RATE OF TAX.] The taxes imposed under subdivisions 1 and 4 shall be computed on the basis of the combined receipts of the organization. As used in this section, "combined receipts" is the sum of the organization's gross receipts from lawful gambling other than receipts from the sale of pull-tabs or tipboards, plus the ideal gross of pull-tab and

tipboard deals for the fiscal year. The combined receipts of an organization are subject to a tax computed according to the following schedule:

<i>If the annual combined receipts are:</i>	<i>The tax is:</i>
<i>Not over \$700,000</i>	<i>two percent</i>
<i>Over \$700,000 but not over \$900,000</i>	<i>\$14,000 plus four percent of the excess over \$700,000</i>
<i>Over \$900,000</i>	<i>\$22,000 plus six percent of the excess over \$900,000</i>

Sec. 9. Minnesota Statutes 1988, section 349.212, is amended by adding a subdivision to read:

Subd. 7. [TAX COLLECTION.] Notwithstanding subdivision 6, a licensed distributor shall collect the tax imposed under subdivision 4 as if the rate of tax applicable to the ideal gross of the pull-tab or tipboard deal were two percent. Any difference between the tax collected under this subdivision and subdivision 1 and the tax due under subdivision 6 shall be refunded by the commissioner of revenue to the organization within 30 days of the end of the fiscal year or paid to the commissioner of revenue by the organization within 30 days of the end of the fiscal year.

Sec. 10. [REFUND.]

Every organization that has paid the tax under Minnesota Statutes 1988, section 349.2121, on pull-tabs or tipboards that it has in inventory on July 1, 1989, shall submit a request for a refund of the tax to the commissioner of revenue. When the organization has provided proof satisfactory to the commissioner of its eligibility for the refund claimed, the commissioner shall pay the refund. Claims for refunds must be submitted no later than September 1, 1989. The amount necessary to pay the refunds is appropriated to the commissioner of revenue from the general fund.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 5 and 10 are effective July 1, 1989.

Sections 6, 8, and 9 are effective for tax or reporting periods beginning on or after July 1, 1989.

Section 7 is effective for sales occurring on or after July 1, 1989."

Amend the title accordingly

Mr. Frederick requested division of the admendment as follows:

First portion:

Page 6, line 15, strike "\$2,800" and insert "\$2,824"

Page 6, line 17, delete "\$2,910" and insert "\$2,937"

Page 9, line 19, strike "\$105" and insert "\$129" and delete "\$215" and insert "\$242"

Page 11, delete lines 10 to 15 and insert:

"\$1,225,195,200 1990,

\$1,295,734,700 1991.

The 1990 appropriation includes \$174,824,000 for 1989 and \$1,050,371,200 for 1990.

The 1991 appropriation includes \$176,230,700 for 1990 and \$1,119,504,000 for 1991."

Page 35, after line 12, insert:

"Sec. 15. [1989 SPECIAL EDUCATION DEFICIENCY.]

\$11,505,000 is appropriated from the general fund to the department of education for fiscal year 1989 for the deficiency in the amount appropriated for special education for fiscal year 1988 by Laws 1987, chapter 398, article 3, section 39, subdivision 2. The department of education shall reduce the amount of the levy certified in 1989 by each school district, according to Minnesota Statutes, section 275.125, subdivision 8c, for special education by the amount that the district will receive as a result of this appropriation. The department of education must consider this appropriation when allocating excess appropriations for fiscal year 1988 under Minnesota Statutes, section 124.14, subdivision 7."

Page 39, line 7, delete "Section 5 is" and insert "Sections 5 and 15 are"

Re-number the sections of article 3 in sequence and correct the internal references

Second portion:

Page 188, after line 5, insert:

"ARTICLE 14

CHARITABLE GAMBLING TAX

Section 1. Minnesota Statutes 1988, section 349.12, subdivision 11, is amended to read:

Subd. 11. [LAWFUL PURPOSE.] (a) "Lawful purpose" means one or more of the following: ~~(a)~~ (1) benefiting persons by enhancing their opportunity for religious or educational advancement, by relieving or protecting them from disease, suffering or distress, by contributing to their physical well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of and devotion to the principles upon which this nation was founded; ~~(b)~~ (2) initiating, performing, or fostering worthy public works or enabling or furthering the erection or maintenance of public structures; ~~(c)~~ (3) lessening the burdens borne by government or voluntarily supporting, augmenting or supplementing services which government would normally render to the people; ~~or (d)~~ (4) payment of taxes ~~imposed under this chapter, and other taxes imposed by the state or the United States on receipts from lawful gambling, other than taxes imposed by section 349.212; or (5) payment of real estate taxes and assessments on licensed gambling premises wholly owned by the licensed organization.~~

(b) "Lawful purpose" does not include the erection, acquisition, improvement, expansion, repair, or maintenance of any real property owned or leased by ~~the~~ an organization, unless the board has first specifically ~~authorizes~~ authorized the expenditures after finding: (1) that the property will be used exclusively for one or more of the purposes specified in paragraph (a), clauses ~~(a)~~ (1) to ~~(c)~~ (3); or (2) with respect to expenditures for repair or maintenance only, that the property is or will be used as a meeting

place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; or (3) with respect to expenditures for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance. The board may shall by rule adopt procedures and standards to administer this subdivision.

Sec. 2. 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 and less the tax imposed by section 349.212.

Sec. 3. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 21. [GROSS RECEIPTS.] "*Gross receipts*" means all receipts derived from lawful gambling activity including, but not limited to, the following items:

(1) gross sales of bingo cards and sheets before reduction for prizes, expenses, or any other charges or offsets;

(2) gross sales of pull-tab and tipboard tickets or cards before reduction for prizes, expenses, or any other charges or offsets;

(3) gross sales of raffle tickets before reduction for prizes, expenses, or any other charges or offsets;

(4) admission, commission, cover, or other charges imposed on participants in lawful gambling activity as a condition for or cost of participation; and

(5) interest, dividends, annuities, profit from transactions, or other income derived from the accumulation or use of gambling proceeds.

Gross receipts does not include proceeds from rental under section 349.164 or 349.18, subdivision 3, for duly licensed bingo hall lessors.

Sec. 4. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 22. [FISCAL YEAR.] "*Fiscal year*" means the period from July 1 to June 30.

Sec. 5. Minnesota Statutes 1988, section 349.15, is amended to read:

349.15 [USE OF PROFITS.]

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 the gross profit from bingo, and no more than 45 50 percent for of the gross profit from other forms of lawful gambling, may be expended for necessary allowable expenses related to lawful gambling.

The board shall provide by rule for the administration of this section, including specifying allowable expenses. The rules must specify that no more than one-third of the annual premium on a policy of liability insurance procured by the organization may be taken as an allowable expense from

the gross receipts from lawful gambling. This expense shall be allowed by the board only to the extent that it relates directly to the conduct of lawful gambling and is verified in the manner the board prescribes by rule. The rules may provide a maximum percentage of gross receipts which may be expended for certain expenses.

Sec. 6. Minnesota Statutes 1988, section 349.212, subdivision 1, is amended to read:

Subdivision 1. [*RATE IMPOSITION.*] There is hereby imposed a tax on all lawful gambling, other than (1) pull-tabs purchased and placed into inventory after January 1, 1987, and (2) tipboards purchased and placed into inventory after June 30, 1988, conducted by organizations licensed by the board at the rate specified in this subdivision 6. The tax imposed by this subdivision is in lieu of the tax imposed by section 297A.02 and all local taxes and license fees except a fee authorized under section 349.16, subdivision 4.

~~On all lawful gambling, other than (1) pull-tabs purchased and placed into inventory after January 1, 1987, and (2) tipboards purchased and placed into inventory after June 30, 1988, The tax imposed under this subdivision is ten percent of computed as provided in subdivision 6 on the gross receipts of a licensed organization from lawful gambling less prizes actually paid out, and is payable by the organization.~~

Sec. 7. Minnesota Statutes 1988, section 349.212, subdivision 4, is amended to read:

Subd. 4. [*PULL-TAB AND TIPBOARD TAX.*] (a) There is imposed a tax on the sale of each deal of pull-tabs and tipboards sold by a licensed distributor to a licensed organization, or to an organization holding an exemption identification number. The rate of the tax is ~~ten percent of as provided in subdivision 6~~ on the ideal ~~net gross~~ of the pull-tab ~~and or~~ tipboard deal. The tax is payable to the commissioner of revenue in the manner prescribed in section 349.2121 and the rules of the commissioner. The commissioner shall pay the proceeds of the tax to the state treasurer for deposit in the general fund. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the licensed distributor to an organization is imposed on the retail sales price less the tax imposed by this subdivision. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A if the tax imposed by this subdivision has been paid and is exempt from all local taxes and license fees except a fee authorized under section 349.16, subdivision 4.

(b) The liability for the tax imposed by this section is incurred when the pull-tabs and tipboards are delivered by the distributor to the licensed or exempt organization, to a common or contract carrier for delivery to the organization, or when received by the organization's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of the sale.

(c) The exemptions contained in section 349.214, subdivision 2, paragraph (b), do not apply to the tax imposed in this subdivision.

Sec. 8. Minnesota Statutes 1988, section 349.212, is amended by adding a subdivision to read:

Subd. 6. [*RATE OF TAX.*] *The taxes imposed under subdivisions 1 and*

4 shall be computed on the basis of the combined receipts of the organization. As used in this section, "combined receipts" is the sum of the organization's gross receipts from lawful gambling other than receipts from the sale of pull-tabs or tipboards, plus the ideal gross of pull-tab and tipboard deals for the fiscal year. The combined receipts of an organization are subject to a tax computed according to the following schedule:

<i>If the annual combined receipts are:</i>	<i>The tax is:</i>
<i>Not over \$700,000</i>	<i>two percent</i>
<i>Over \$700,000 but not over \$900,000</i>	<i>\$14,000 plus four percent of the excess over \$700,000</i>
<i>Over \$900,000</i>	<i>\$22,000 plus six percent of the excess over \$900,000</i>

Sec. 9. Minnesota Statutes 1988, section 349.212, is amended by adding a subdivision to read:

Subd. 7. [TAX COLLECTION.] Notwithstanding subdivision 6, a licensed distributor shall collect the tax imposed under subdivision 4 as if the rate of tax applicable to the ideal gross of the pull-tab or tipboard deal were two percent. Any difference between the tax collected under this subdivision and subdivision 1 and the tax due under subdivision 6 shall be refunded by the commissioner of revenue to the organization within 30 days of the end of the fiscal year or paid to the commissioner of revenue by the organization within 30 days of the end of the fiscal year.

Sec. 10. [REFUND.]

Every organization that has paid the tax under Minnesota Statutes 1988, section 349.2121, on pull-tabs or tipboards that it has in inventory on July 1, 1989, shall submit a request for a refund of the tax to the commissioner of revenue. When the organization has provided proof satisfactory to the commissioner of its eligibility for the refund claimed, the commissioner shall pay the refund. Claims for refunds must be submitted no later than September 1, 1989. The amount necessary to pay the refunds is appropriated to the commissioner of revenue from the general fund.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 5 and 10 are effective July 1, 1989.

Sections 6, 8, and 9 are effective for tax or reporting periods beginning on or after July 1, 1989.

Section 7 is effective for sales occurring on or after July 1, 1989."

Amend the title accordingly

The question was taken on the adoption of the second portion of the Moe, R.D. amendment.

The motion prevailed. So the second portion of the amendment was adopted.

The question was taken on the adoption of the first portion of the Moe, R.D. amendment.

The roll was called, and there were yeas 60 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Piper
Anderson	Davis	Johnson, D.J.	Mehrkens	Purfeerst
Beckman	Decker	Knaak	Merriam	Ramstad
Belanger	DeCramer	Knutson	Metzen	Reichgott
Benson	Dicklich	Kroening	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	Storm
Brataas	Frederickson, D.R.	Luther	Pehler	Stumpf
Chmielewski	Freeman	Marty	Peterson, D.C.	Taylor
Cohen	Hughes	McGowan	Peterson, R.W.	Vickerman

Messrs. Brandl, Gustafson, Spear and Waldorf voted in the negative.

The motion prevailed. So the first portion of the amendment was adopted.

Mr. Morse moved to amend H.F. No. 654, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1480.)

Page 6, after line 17, insert:

"Sec. 4. Minnesota Statutes 1988, section 124A.22, is amended by adding a subdivision to read:

Subd. 2a. [ELIGIBILITY FOR INCREASE.] Notwithstanding subdivision 2 or any other law to the contrary, if a school board and the bargaining unit of the teachers in a school district have not ratified a contract by January 15, 1990, for the two-year period ending June 30, 1991, the district is no longer eligible for \$24 of the formula allowance for fiscal year 1990. The total amount of money that would have been paid to districts that are not eligible according to this subdivision shall be allocated to eligible districts according to the number of actual pupil units in all of the eligible districts."

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 1734 at 8:00 p.m.:

Messrs. Novak, Stumpf, Brandl, Pogemiller and Johnson, D.J. The motion prevailed.

Mr. Knaak moved to amend H.F. No. 654, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1480.)

Page 3, after line 33, insert:

"Sec. 2. [124.2164] [TEACHER RETIREMENT AND FICA AID AND LEVY; DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] In sections 2 to 4 and 275.125, the following terms have the meanings given them.

Subd. 2. [FICA.] "FICA" means the Federal Insurance Contribution Act.

Subd. 3. [TEACHER RETIREMENT OBLIGATIONS.] "Teacher retirement obligations" means a school district's obligations for employer contributions to a teacher retirement fund as required by sections 354.42, subdivisions 3 and 5, and 354A.12, subdivision 2, excluding contributions on behalf of teachers employed at an area vocational technical institute, and excluding contributions based upon salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27.

Subd. 4. [FICA OBLIGATIONS.] "FICA obligations" means a school district's obligations for FICA as required by sections 355.208 and 355.287, excluding contributions on behalf of teachers employed at an area vocational technical institute, and excluding contributions based upon salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27.

Subd. 5. [TEACHER RETIREMENT INFLATION FACTOR.] "Teacher retirement inflation factor" means a factor to be multiplied by a district's teacher retirement obligations for the base year. Fiscal year 1989 is the base year. The teacher retirement inflation factor equals the general education aid formula allowance for the current year, divided by the general education aid formula allowance for the base year.

Subd. 6. [FICA INFLATION FACTOR.] "FICA inflation factor" means a factor to be multiplied by a district's FICA obligations for the base year. Fiscal year 1989 is the base year. The FICA inflation factor equals the general education aid formula allowance for the current year, divided by the general education aid formula allowance for the base year.

Subd. 7. [CURRENT YEAR.] "Current year" means the fiscal year for which a district's aid is computed under the provisions of this section and section 124.2165.

Subd. 8. [INTERMEDIATE SCHOOL DISTRICT.] "Intermediate school district" means a school district organized under chapter 136D.

Subd. 9. [JOINT VOCATIONAL TECHNICAL DISTRICT.] "Joint vocational technical district" means a school district organized under chapter 136C.

Subd. 10. [OTHER EMPLOYING UNITS.] "Other employing units" means secondary vocational education cooperative centers established under section 123.351, special education cooperative centers established under section 120.17, educational cooperative service units established under section 123.58, education districts established under section 122.91, and regional management information centers established under section 121.935.

Subd. 11. [FULL-TIME EQUIVALENT TEACHERS; JOINT VOCATIONAL TECHNICAL AND INTERMEDIATE DISTRICTS.] "Full-time equivalent teachers" means the full-time equivalent number of all teachers as defined in section 125.12, subdivision 1, employed in elementary and secondary programs at an intermediate school district or a joint vocational technical school district, excluding AVTI teachers and excluding teachers paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27.

Subd. 12. [FULL-TIME EQUIVALENT TEACHERS; OTHER EMPLOYING UNITS.] "Full-time equivalent teachers" at secondary vocational cooperative centers, special education cooperative centers, educational cooperative service units, and regional management information centers means the full-time equivalent number of all employees who are members of the state teacher retirement association, excluding employees paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27.

Sec. 3. [124.2165] [TEACHER RETIREMENT AID; SCHOOL DISTRICTS.]

Subdivision 1. [TEACHER RETIREMENT AND FICA AID ALLOWANCE.] "Teacher retirement and FICA aid allowance" for a district that is not an intermediate school district or a joint vocational technical school district is the quotient of (a) the sum of (1) teacher retirement obligations in the base year, multiplied by the teacher retirement inflation factor, and (2) FICA obligations in the base year, multiplied by the FICA inflation factor, divided by (b) the number of pupils in average daily membership in the district in the base year.

Subd. 2. [AID.] Beginning in fiscal year 1991, the state shall pay each district for each fiscal year, teacher retirement and FICA aid in the amount of the teacher retirement and FICA aid allowance under subdivision 1 times the number of pupils in average daily membership in the district for the current school year. However, in no case shall the amount of aid paid to a district for any fiscal year exceed the sum of the district's teacher retirement obligations and FICA obligations for that year. The revenue received from these payments shall be recognized in the appropriate funds of the district in proportion to the related expenditures from each fund.

Subd. 3. [REDISTRIBUTION.] For purposes of aid calculations, the commissioner may redistribute current year teacher retirement and FICA obligations among districts that have agreements for sharing staff or for cooperative education of pupils to adjust for changes in staffing patterns between the base year and the current year resulting from the agreements.

Sec. 4. [124.2166] [TEACHER RETIREMENT AID; INTERMEDIATE DISTRICTS AND OTHER EMPLOYING UNITS.]

Subdivision 1. [CALCULATION.] For an intermediate school district, a joint vocational technical school district, or for other employing units, for each fiscal year the teacher retirement and FICA aid is the product of (1) the sum of (A) teacher retirement obligations in the base year, multiplied by the teacher retirement inflation factor, and (B) FICA obligations in the base year, multiplied by the FICA inflation factor, times (2) the ratio of the number of full-time equivalent teachers or employees as defined in section 2, subdivisions 11 and 12, in the current year, to the number of full-time equivalent teachers or employees in the base year.

Subd. 2. [AID.] Each year beginning with fiscal year 1991, the state shall pay teacher retirement and FICA aid to intermediate school districts, joint vocational technical school districts, and other employing units equal to the district's or employing unit's aid under subdivision 1. However, in no case shall the amount of aid paid to an intermediate school district, joint vocational technical school district, or the employing unit exceed the sum of the intermediate school district, joint vocational technical school district, or other employing unit's teacher retirement obligations and FICA

obligations for that year. The revenue received from these payments shall be recognized in the appropriate funds of the intermediate school districts, joint vocational technical school districts, and other employing units in proportion to the related expenditures from each fund.

Subd. 3. [CHARGES PROHIBITED.] An intermediate school district may not charge member districts for teacher retirement costs in excess of aid paid to the intermediate district under this section."

Page 6, line 16, delete "subsequent"

Page 6, line 17, delete "years" and insert "year 1991" and delete "\$2,910" and insert "\$2,479"

Page 6, after line 17, insert:

"Sec. 7. Minnesota Statutes 1988, section 124A.22, subdivision 4, is amended to read:

Subd. 4. [TRAINING AND EXPERIENCE REVENUE.] (a) The training and experience revenue for each district equals the greater of zero or the result of the following computation:

(a) (1) Subtract ~~4.6~~ 1.25 from the training and experience index.

(b) (2) Multiply the result in clause (a) by the product of ~~\$700~~ \$400 times the actual pupil units for the school year.

(b) A district's training and experience revenue cannot be less per actual pupil unit than its training and experience revenue per actual pupil unit was for fiscal year 1989."

Page 8, strike lines 30 and 31

Renumber the clauses in sequence

Page 9, lines 19 and 20, delete the new language

Page 9, line 33, delete "\$1,156,000,000" and insert "\$1,003,000,000" and delete "and"

Page 9, line 34, delete the new language

Page 11, after line 3, insert:

"Sec. 16. [INSTRUCTIONS TO THE DEPARTMENT OF EDUCATION.]

Notwithstanding section 11, and article 3, sections 8 and 9, the department of education shall determine, for the 1989-1990 school year only, levies under chapter 124A as they were authorized under Minnesota Statutes 1988, section 124A.22."

Page 11, after line 15, insert:

"Subd. 3. [TRA AND FICA AID.] For teacher retirement and FICA aid: \$225,250,000 1991."

Page 11, line 16, delete "3" and insert "4"

Renumber the sections of article 1 in sequence and correct the internal references

Page 31, lines 5, 8, 19, and 21, delete "58" and insert "70"

Page 31, lines 6, 9, 19, and 22, delete "\$15,000" and insert "\$19,500"

Page 35, delete lines 19 to 24 and insert:

“\$182,436,300 1990,
\$192,582,500 1991.

The 1990 appropriation includes \$23,074,000 for 1989 and \$159,362,300 for 1990.

The 1991 appropriation includes \$28,122,800 for 1990 and \$164,459,700 for 1991.”

Page 36, line 5, delete “\$5,435,600” and insert “\$5,890,800”

Page 38, delete line 36 and insert:

“\$6,032,700 1990,
\$7,138,600 1991.

The 1990 appropriation includes \$645,000 for 1989 and \$5,387,700 for 1990.

The 1991 appropriation includes \$950,800 for 1990 and \$6,187,800 for 1991.”

Page 39, delete lines 1 to 5

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 41, as follows:

Those who voted in the affirmative were:

Belanger	Frederick	Larson	Olson	Taylor
Benson	Frederickson, D.R.	McGowan	Pariseau	
Brataas	Knaak	McQuaid	Ramstad	
Decker	Knutson	Mehrkens	Renneke	

Those who voted in the negative were:

Adkins	DeCramer	Kroening	Moe, R.D.	Solon
Anderson	Dicklich	Langseth	Morse	Spear
Beckman	Diessner	Lantry	Pehler	Stumpf
Berg	Frank	Lessard	Peterson, D.C.	Vickerman
Berglin	Frederickson, D.J.	Luther	Peterson, R.W.	Waldorf
Bertram	Freeman	Marty	Piper	
Brandl	Gustafson	Merriam	Pogemiller	
Cohen	Hughes	Metzen	Reichgott	
Dahl	Johnson, D.J.	Moe, D.M.	Schmitz	

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

Mr. Berg moved to amend H.F. No. 654, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1480.)

Page 154, strike lines 29 to 32

Renumber the clauses in sequence

Page 155, strike lines 8 and 9

Page 156, strike line 12

Reletter the paragraphs in sequence

Page 160, line 7, delete “6,000,000” and insert “3,500,000” and delete

~~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.~~

Page 112, after line 10. insert:

“Sec. 20. [129B.81] [CITATION.]

Sections 129B.81 to 129B.85 may be cited as the “education initiatives grant act.”

Sec. 21. [129B.82] [APPROVAL AUTHORITY; APPLICATION FORMS.]

Subdivision 1. [APPROVAL BY BOARD.] The state board of education may approve or disapprove applications under section 22 that provide for creation of an innovative program, instructional model, or process to improve education in a school district or group of school districts.

Subd. 2. [APPLICATION FORMS.] The state board of education must prepare application forms and adopt rules under chapter 14 to govern the application process.

Sec. 22. [129B.83] [GRANT APPLICATION PROCESS.]

Subdivision 1. [CRITERIA.] The state board of education shall adopt rules to establish the criteria to be used to qualify for a grant under this section. The rules must require that the district describe its goals for the grant, how the grant will be used to achieve those goals, and measures to assess the success of the program. The board shall consider the following goals in establishing criteria for awarding grants:

(1) teacher mentorship;

(2) incorporating alternative learning models that use technology in instruction and administration, including instruction and administration, including personalized, individualized learning;

(3) incorporating alternative patterns of staff assignments and roles, including a career teacher program, teacher monitoring, and teacher sharing of instructional areas;

(4) developing multiple measures to assess whether pupils have met or exceeded levels of attainment of state and district learner outcomes; and

(5) enhancing community involvement.

Subd. 2. [AWARD OF GRANTS.] The state board of education shall examine all applications, and if a school district or group of school districts is found not qualified under the criteria established under subdivision 1, the state board must promptly notify the school board or boards that applied for the grant. The board shall award grants with the funds available under section 23 and may not prorate available money among qualified applicants. The state board of education shall promptly notify each district of the amount, if any, of the grant awarded to it.

Subd. 3. [REDUCTION OF OTHER REVENUE.] Any amount received by a school district under this section may not be used to reduce any other money to be received by the district.

Subd. 4. [MAXIMUM AMOUNT OF GRANTS.] A grant awarded under this section may not exceed \$1,000,000. A school district may not receive

more than \$2,500,000 under this section in a fiscal year.

Subd. 5. [SCHOOL DISTRICT REPORT.] A school district that receives a grant under this subdivision must file a report with the state board of education 24 months after receipt of the grant on the success of the district in meeting the goals described in subdivision 1 and identify the areas where the goals were not achieved, along with an explanation of the reasons for not meeting the goals.

Subd. 6. [USE OF STAFF] The state board of education may use staff of the department of education to implement this section.

Sec. 23. [129B.84] [EDUCATION INITIATIVES FUND.]

Subdivision 1. [ESTABLISHMENT OF ACCOUNT.] An education initiatives fund is established as an account in the state treasury. The commissioner of finance shall credit to the fund the amounts authorized under this section. All money earned from money in the education initiatives fund must be credited to the education initiatives fund.

Subd. 2. [LOTTERY PROCEEDS.] The commissioner of finance shall credit one-half of the net lottery proceeds from the state-operated lottery to the education initiatives fund.

Subd. 3. [USE OF FUNDS.] Money in the education initiatives fund may only be used for grants under section 22.

Sec. 24. [129B.85] [REPORT.]

The state board of education must report to the education committees of the legislature every two years beginning January 15, 1992, on the implementation of sections 20 to 23."

Renumber the sections of article 7 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Brandl	Knaak	Mehrkens	Storm
Belanger	Decker	Knutson	Olson	Taylor
Benson	Frederick	Larson	Pariseau	Vickerman
Bernhagen	Gustafson	McGowan	Ramstad	Waldorf
Bertram	Johnson, D.E.	McQuaid	Renneke	

Those who voted in the negative were:

Adkins	DeCramer	Kroening	Metzen	Piper
Beckman	Dicklich	Langseth	Moe, D.M.	Purfeerst
Berglin	Diessner	Lantry	Moe, R.D.	Reichgott
Chmielewski	Frank	Lessard	Morse	Samuelson
Cohen	Frederickson, D.J.	Luther	Pehler	Schmitz
Dahl	Frederickson, D.R.	Marty	Peterson, D.C.	Solon
Davis	Freeman	Merriam	Peterson, R.W.	Stumpf

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

Mr. Knutson moved to amend H.F. No. 654, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1480.)

Page 5, delete lines 23 to 36

Page 6, delete lines 1 to 3

Reletter the paragraphs in sequence

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Frank	Knaak	Mehrkens	Reichgott
Beckman	Frederick	Knutson	Metzen	Renneke
Belanger	Frederickson, D.J.	Larson	Novak	Storm
Benson	Frederickson, D.R.	Marty	Olson	Taylor
Brataas	Gustafson	McGowan	Pariseau	Vickerman
Decker	Johnson, D.E.	McQuaid	Ramstad	Waldorf

Those who voted in the negative were:

Adkins	Cohen	Johnson, D.J.	Moe, D.M.	Pogemiller
Berg	Dahl	Kroening	Moe, R.D.	Purfeerst
Berglin	Davis	Langseth	Morse	Samuelson
Bernhagen	DeCramer	Lantry	Pehler	Schmitz
Bertram	Dicklich	Lessard	Peterson, D.C.	Solon
Brandl	Diessner	Luther	Peterson, R.W.	Spear
Chmielewski	Freeman	Merriam	Piper	Stumpf

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

Ms. Olson moved to amend H.F. No. 654, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1480.)

Page 6, after line 9, insert:

“Sec. 3. Minnesota Statutes 1988, section 124A.03, is amended by adding a subdivision to read:

Subd. 7. [LEVY FOR CERTAIN DISTRICTS.] The school board of a school district located in a city of the first class may levy, without a referendum according to subdivision 2, up to 15 percent of the formula allowance times the estimated number of actual pupil units for the year to which the proceeds of the levy is attributable.”

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Knutson	Novak	Storm
Belanger	Diessner	Larson	Olson	Taylor
Benson	Frederick	McGowan	Pariseau	
Bernhagen	Frederickson, D.R.	McQuaid	Ramstad	
Brataas	Knaak	Mehrkens	Renneke	

Those who voted in the negative were:

Adkins	Davis	Lantry	Pehler	Solon
Beckman	Frank	Lessard	Peterson, D.C.	Spea
Berg	Frederickson, D.J.	Luther	Peterson, R.W.	Vickerman
Berglin	Freeman	Merriam	Piper	Waldorf
Bertram	Gustafson	Metzen	Purfeerst	
Chmielewski	Johnson, D.E.	Moe, D.M.	Reichgott	
Cohen	Kroening	Moe, R.D.	Samuelson	
Dahl	Langseth	Morse	Schmitz	

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

Ms. Reichgott moved to amend H.F. No. 654, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1480.)

Page 5, line 23, after "(d)" insert "For taxes payable in 1990 and 1991."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 31, as follows:

Those who voted in the affirmative were:

Beckman	Frank	Knutson	Metzen	Renneke
Belanger	Frederick	Larson	Novak	Storm
Benson	Frederickson, D.J.	Marty	Olson	Taylor
Brataas	Frederickson, D.R.	McGowan	Pariseau	
Dahl	Johnson, D.E.	McQuaid	Ramstad	
Decker	Knaak	Mehrkens	Reichgott	

Those who voted in the negative were:

Adkins	Davis	Lessard	Peterson, D.C.	Solon
Anderson	DeCramer	Luther	Peterson, R.W.	Spea
Berglin	Dicklich	Merriam	Piper	Waldorf
Bernhagen	Diessner	Moe, D.M.	Pogemiller	
Bertram	Freeman	Moe, R.D.	Purfeerst	
Chmielewski	Kroening	Morse	Samuelson	
Cohen	Lantry	Pehler	Schmitz	

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

Mr. Frederick moved to amend H.F. No. 654, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1480.)

Page 6, after line 9, insert:

"Sec. 3. Minnesota Statutes 1988, section 124A.03, is amended by adding a subdivision to read:

Subd. 7. [LEVY FOR CERTAIN DISTRICTS.] The school board of a school district located in a city of the first class may levy, without a referendum according to subdivision 2, up to 15 percent of the formula allowance times the estimated number of actual pupil units for the year to which the proceeds of the levy is attributable."

Renumber the sections of article 1 in sequence and correct the internal references

Page 118, delete lines 10 to 28

Renumber the subdivisions in sequence

Page 163, after line 35, insert:

"Sec. 11. COMMISSIONER OF HUMAN

SERVICES

\$14,444,000 each year of the biennium ending June 30, 1991, is appropriated from the general fund to the commissioner of human services to increase medical assistance rates for nonstate-operated nursing homes. As a condition of receiving an increase, each nursing home must agree to use all of the increase for salary and related costs of personnel in direct-care nursing positions. The commissioner may transfer any part of this amount to the medical assistance account as necessary to obtain federal financial participation, provided the transferred money is used for the purposes identified in this section. The commissioner may require eligible providers to submit additional information and supporting documentation as necessary to analyze provider compliance with this requirement."

Renumber the sections of article 12 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Knaak	McQuaid	Ramstad
Belanger	Decker	Knutson	Mehrkens	Renneke
Benson	Frederick	Larson	Olson	Storm
Bernhagen	Frederickson, D.R.	McGowan	Pariseau	Taylor

Those who voted in the negative were:

Adkins	Davis	Gustafson	Metzen	Samuelson
Beckman	DeCramer	Kroening	Moe, R.D.	Solon
Berglin	Dicklich	Lantry	Pehler	Spear
Bertram	Diessner	Lessard	Peterson, D.C.	Waldorf
Chmielewski	Frank	Luther	Peterson, R.W.	
Cohen	Frederickson, D.J.	Marty	Piper	
Dahl	Freeman	Merriam	Reichgott	

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

Ms. Olson moved to amend H.F. No. 654, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1480.)

Page 6, line 17, delete "\$2,910" and insert "\$2,918"

Page 114, after line 36, insert:

"Sec. 3. [124.331] [DESEGREGATION REVENUE.]

Subdivision 1. [ELIGIBILITY.] A district is eligible for revenue if it:

(1) has a desegregation plan that is approved by the state board of education; and

(2) reports the use of its desegregation expenditures, according to the uniform financial accounting and reporting system, to the education committees of the legislature each year by January 1.

Subd. 2. [DESEGREGATION REVENUE.] Desegregation revenue for a district is equal to ten percent of the formula allowance times the number of actual pupil units in the district.

Subd. 3. [DESEGREGATION LEVY.] To obtain desegregation revenue,

a district may levy an amount equal to the desegregation revenue multiplied by the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted gross tax capacity of the district for the year preceding the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable; to

(2) the equalizing factor for the school year to which the levy is attributable.

Subd. 4. [DESEGREGATION AID.] A district's desegregation aid is the difference between the desegregation revenue and the desegregation levy. If a district does not levy the entire amount permitted, desegregation aid must be reduced in proportion to the actual amount levied."

Pages 116 and 117, delete section 6

Page 118, line 12, after "1990" delete the comma and insert a period

Page 118, delete line 13

Page 118, lines 14, 15, and 17, delete "each year"

Page 118, after line 28, insert:

"Subd. 8. [DESEGREGATION AID.] For desegregation aid:

\$6,570,900 1991.

The 1991 appropriation includes \$6,570,900 for 1991."

Renumber the subdivisions in sequence

Page 120, after line 13, insert:

"Sec. 8. [REPEALER.]

Minnesota Statutes 1988, section 275.125, subdivisions 6e and 6i, are repealed."

Page 120, line 15, before "Section" insert "Section 3 is effective for revenue for fiscal year 1991 and thereafter."

Renumber the sections of article 8 in sequence and correct the internal references

Amend the title accordingly

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

Mr. Metzen moved to amend H.F. No. 654, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1480.)

Page 3, after line 33, insert:

"Sec. 2. Minnesota Statutes 1988, section 124.217, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] A district is eligible for exceptional need revenue if all of the following apply to the district:

(a) The ratio of the average daily membership of pupils enrolled in the district to the number of licensed staff, measured in full-time equivalents, is greater than 17.

(b) The ratio of the referendum levy certified according to section 124A.03

to the adjusted gross tax capacity is greater than ~~-.06~~ .05 percent for taxes payable in 1990 or to the adjusted net tax capacity is greater than .07 percent for taxes payable in 1991 and thereafter.

(c) The ratio of the total levy certified by the district to the adjusted gross tax capacity is greater than ~~-.05~~ .41 percent for taxes payable in 1990 or to the adjusted net tax capacity is greater than .51 percent for taxes payable in 1991 and thereafter.

(d) *Either (1) the ratio of the adjusted gross tax capacity to the actual pupil units is less than ~~\$38,500~~ \$4,710 for taxes payable in 1990 or the ratio of the adjusted net tax capacity to the actual pupil units is less than \$3,786 for taxes payable in 1991 and thereafter, or (2) the district is located in a municipality designated as a redevelopment area according to section 401(a)(4) of the Public Works and Economic Development Act of 1965, Public Law Number 89-136.*

(e) The unappropriated operating fund balance is less than \$100 times the number of actual pupil units.

Before a school board certifies levies to the county auditor, the commissioner shall determine the district's eligibility for exceptional need revenue for the following school year. Eligibility must be based on pupil and staff data from the prior year, levies certified in the prior year, adjusted gross or net tax capacity in the prior year, and fund balances on June 30 of the same year."

Page 10, after line 33, insert:

"Sec. 13. [EXCEPTIONAL NEED LEVY INCREASE FOR 1990.]

A district may levy in 1989 an amount equal to the difference between the amount the district could have levied in 1988 if section 2 had been in effect and the amount the district was permitted to levy in 1988 under Minnesota Statutes, section 275.125, subdivision 6f. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy must be recognized as revenue for fiscal year 1990."

Page 11, delete lines 18 to 23 and insert:

"\$521,000 1990,
\$594,000 1991.

The 1990 appropriation includes \$23,000 for 1989 and \$498,000 for 1990. The 1991 appropriation includes \$88,000 for 1990 and \$506,000 for 1991."

Renumber the sections of article 1 in sequence and correct the internal references

Pages 165 and 166, delete section 2

Renumber the sections of article 13 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Ramstad moved to amend H.F. No. 654, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1480.)

Page 134, after line 27, insert:

“Sec. 19. [RULEMAKING; ELEMENTARY PREPARATION TIME.]

Subdivision 1. [RULE REQUIRED.] By May 1, 1990, the state board of education shall adopt a rule under Minnesota Statutes, chapter 14, establishing preparation time requirements for elementary school staff that are comparable to the preparation time requirements for secondary school staff established in Minnesota Rules, part 3500.3700, subpart 3. In adopting any rule, the state board shall consider the length and structure of the elementary day and, if appropriate, permit preparation time to be scheduled at more than one time during the school day. The rule must be effective for the 1990-1991 school year. The state board shall establish a process and criteria for granting one year variances from the rule for districts that are unable to comply for the 1990-1991 school year.

Subd. 2. [REPORT ABOUT COSTS TO DISTRICTS.] The state board shall report to the education committees of the legislature about the cost to school districts of implementing the rule adopted according to subdivision 1.”

Renumber the sections of article 9 in sequence and correct the internal references

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Johnson, D.E.	Mehrkens	Renneke
Beckman	Decker	Knaak	Metzen	Storm
Benson	Frederick	Knutson	Olson	Vickerman
Bernhagen	Frederickson, D.J.	Larson	Pariseau	
Brataas	Frederickson, D.R.	McGowan	Rumstad	
Cohen	Gustafson	McQuaid	Reichgott	

Those who voted in the negative were:

Adkins	DeCramer	Langseth	Moe, D.M.	Piper
Berg	Dicklich	Lantry	Moe, R.D.	Purfeerst
Berglin	Diessner	Lessard	Morse	Samuelson
Bertram	Frank	Luther	Pehler	Spear
Chmielewski	Freeman	Marty	Peterson, D.C.	Waldorf
Dahl	Kroening	Merriam	Peterson, R.W.	

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

Mr. Mehrkens moved to amend H.F. No. 654, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1480.)

Page 19, line 8, delete “5.8” and insert “6.0”

Page 19, line 10, delete “3.7” and insert “6.0”

Page 20, delete lines 18 to 23 and insert:

“\$92,221,900 1990,

\$99,908,600 1991.

The 1990 appropriation includes \$12,773,000 for 1989 and \$79,448,900 for 1990.

The 1991 appropriation includes \$14,020,300 for 1990 and \$85,888,300

for 1991.”

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

Mr. Benson moved to amend H.F. No. 654, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1480.)

Page 96, after line 24, insert:

“Sec. 34. [BOARD OF CONSOLIDATED DISTRICT.]

Subdivision 1. [SCHOOL BOARD SIZE.] Independent school district Nos. 232, Peterson, and 234, Rushford, may agree to any of the following:

(1) a school board of not more than seven members;

(2) election districts of the size desired by the consolidating districts; and

(3) election of school board members in the manner agreed upon, such as at large from a previously existing district or from the newly consolidated district, some members at large, some members from election districts or from previously existing districts. However, at least six years after the first election of the consolidated district board, the board shall comply with the general provisions of law governing election of school board members. To the extent the provisions of Minnesota Statutes, section 122.23, or any other applicable law are inconsistent with this section, the provisions of this section shall apply.

Subd. 2. [LOCAL APPROVAL.] Subdivision 1 is effective upon approval of the board of independent school district No. 232 and the board of independent school district No. 234 the day following compliance with Minnesota Statutes, section 645.021, subdivision 3, by the board of independent school district No. 232 and the board of independent school district No. 234.”

Renumber the sections of article 6 in sequence and correct the internal references

The motion prevailed. So the amendment was adopted.

Mr. Benson then moved to amend H.F. No. 654, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1480.)

Page 117, after line 11, insert:

“Sec. 7. [SPECIAL LEVY.]

Independent school district No. 232, Peterson, may levy an amount not more than \$150,000 for purposes of retiring operating debt. This levy is authorized for taxes payable in 1990, 1991, or 1992. In no case may the sum of the levies exceed \$150,000.”

Renumber the sections of article 8 in sequence and correct the internal references

The motion prevailed. So the amendment was adopted.

Mr. Benson then moved to amend H.F. No. 654, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1480.)

Page 70, after line 1, insert:

"Sec. 18. [HANDICAPPED ACCESSIBILITY LEVY: INDEPENDENT SCHOOL DISTRICT NO. 228.]

For handicapped accessibility improvements, independent school district No. 228, Harmony, may levy an amount not more than the lesser of \$100,000 or the costs of the handicapped accessibility improvements. This levy is authorized for taxes payable in 1990, 1991, or 1992. In no case may the sum of the levies exceed \$100,000."

Renumber the sections of article 5 in sequence and correct the internal references

The motion prevailed. So the amendment was adopted.

Mr. Peterson, R.W. moved to amend H.F. No. 654, as amended by the Senate May 9, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1480.)

Page 160, line 17, delete the first "256.8" and insert "263.8" and delete the second "256.8" and insert "257.3"

Page 160, line 20, delete the first "406.5" and insert "413.5" and delete the second "406.5" and insert "407.0"

Page 161, line 4, delete "6,624,000" and insert "7,624,000"

Page 161, line 32, delete "8,922,700" and insert "8,892,700"

The motion prevailed. So the amendment was adopted.

H.F. No. 654 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 47 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Lantry	Morse	Samuelson
Beckman	Diessner	Larson	Novak	Schmitz
Berg	Frank	Lessard	Olson	Solon
Berglin	Frederickson, D.J.	Luther	Pehler	Spear
Brandl	Freeman	Marty	Peterson, D.C.	Stumpf
Chmielewski	Gustafson	Mehrkens	Peterson, R.W.	Vickerman
Cohen	Johnson, D.E.	Merriam	Piper	Waldorf
Dahl	Johnson, D.J.	Metzen	Pogemiller	
Davis	Kroening	Moe, D.M.	Purfeerst	
DeCramer	Langseth	Moe, R.D.	Reichgott	

Those who voted in the negative were:

Anderson	Bertram	Frederickson, D.R.	McQuaid	Storm
Belanger	Brataas	Knaak	Pariseau	Taylor
Benson	Decker	Knutson	Ramstad	
Bernhagen	Frederick	McGowan	Renneke	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Peterson, R.W. moved that S.F. No. 1480, on General Orders, be stricken and 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 revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1759:

H.F. No. 1759: A bill for an act relating to the organization and operation of state government; appropriating money for human services, jobs and training, corrections, health, veterans nursing homes, and other purposes with certain conditions; amending Minnesota Statutes 1988, sections 13.46, subdivision 2; 43A.27, subdivision 2; 62A.045; 62A.046; 62D.041, subdivision 1, and by adding a subdivision; 62D.042, subdivision 1; 62D.05, subdivision 6; 144.50, subdivision 6, and by adding a subdivision; 144.562, subdivisions 2 and 3; 144.651, subdivision 2; 144.698, subdivision 1; 144.701; 144.702, subdivision 2, and by adding subdivisions; 144A.01, subdivision 5, and 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.45, subdivision 2; 144A.46; 144A.61; 144A.611; 145.38, subdivision 1; 145.39, subdivision 1; 145.61, subdivision 5; 145.63; 145.882, subdivisions 1 and 7; 146.13; 147.02, subdivision 1; 148B.23, subdivision 1; 148B.27, subdivision 2; 148B.32, subdivision 2; 148B.40, subdivision 3; 148B.42, by adding a subdivision; 149.02; 149.06; 150A.06, subdivision 2a; 153A.13, subdivision 4; 153A.15, subdivision 3; 153A.16; 176.136, subdivisions 1 and 5; 214.04, subdivision 3; 214.06, subdivision 1; 237.70, subdivision 7; 237.701, subdivision 1; 245.461; 245.462; 245.463, subdivision 2, and by adding subdivisions; 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, 3, and by adding subdivisions; 245.477; 245.478, subdivisions 2 and 3; 245.479; 245.48; 245.482; 245.483; 245.484; 245.485; 245.486; 245.62, subdivision 3; 245.696, subdivision 2; 245.697, subdivisions 1, 2, and 2a; 245.713, subdivision 2; 245.73, subdivisions 1, 2, and 4; 245.771, subdivision 3; 245.91, by adding a subdivision; 245.94, subdivision 1, and by adding a subdivision; 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.095; 245A.12; 245A.13; 245A.14, subdivision 3, and by adding subdivisions; 245A.16, subdivision 1; 246.015; 246.18, subdivision 4; 246.36; 246.50, subdivisions 3, 4, and 5; 246.54; 246.57, subdivision 1; 251.011, subdivision 4, and by adding a subdivision; 252.27, subdivision 1; 252.291, subdivision 2; 252.31; 252.41, subdivision 9; 252.46, subdivisions 1, 2, 3, 4, 6, and 12; 252.47; 252.50; 253.015; 254A.08, subdivision 2; 254B.02, subdivision 1; 254B.03, subdivisions 1 and 4; 254B.04, subdivision 2; 254B.06, subdivision 1; 254B.09, subdivisions 1, 4, and 5; 256.01, subdivision 2, and by adding a subdivision; 256.014, subdivision 1; 256.045, subdivisions 1, 3, 4, 4a, 5, 6, 7, 10, and by adding a subdivision; 256.12, subdivision 14; 256.73, subdivision 3a; 256.736, subdivisions 3, 3b, 4, 10, 11, 14, 16, and by adding subdivisions;

256.737; 256.74, subdivisions 1, 1a, and by adding a subdivision; 256.85; 256.87, subdivision 1a; 256.936, subdivisions 1, 2, and 4; 256.969; 256.974; 256.9741, subdivisions 3, 5, and by adding a subdivision; 256.9742; 256.9744, subdivision 1; 256.975, subdivision 2; 256B.031, subdivision 5; 256B.04, subdivision 14, and by adding a subdivision; 256B.055, subdivisions 7 and 8; 256B.056, subdivisions 3, 4, and 5; 256B.062; 256B.0625, subdivisions 2, 13, 17, and by adding subdivisions; 256B.091, subdivision 3; 256B.092, subdivision 7; 256B.14; 256B.25, by adding a subdivision; 256B.421, subdivision 14; 256B.431, subdivisions 2b, 2e, 2i, 3a, 3f, 3g, 4, and by adding subdivisions; 256B.47, subdivision 3; 256B.48, subdivisions 1, 6, and 8; 256B.501, subdivisions 3, 3g, and by adding subdivisions; 256B.69, subdivisions 4, 5, 11, and by adding a subdivision; 256C.28, subdivision 3, and by adding subdivisions; 256D.01, subdivisions 1, 1a, 1b, and 1c; 256D.02, subdivisions 1 and 4; 256D.03, subdivisions 2, 3, and 4; 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.06, by adding a subdivision; 256D.101; 256D.111, subdivision 5; 256D.35, subdivisions 1, 7, and by adding subdivisions; 256D.36, subdivision 1, and by adding a subdivision; 256D.37, subdivision 1; 256E.03, subdivision 2; 256E.05, subdivision 3; 256E.08, subdivision 5; 256E.09, subdivisions 1 and 3; 256E05, subdivisions 2, 3, and 4; 256E07, subdivision 3a; 256H.01, subdivisions 1, 2, 7, 8, 11, and 12; 256H.02; 256H.03; 256H.05; 256H.08; 256H.09; 256H.10, subdivisions 2, 3, and by adding a subdivision; 256H.11; 256H.12; 256H.15; 256H.18; 256H.20, subdivision 3; 257.071, subdivision 7; 257.55, subdivision 1; 257.57, subdivision 1; 257.62, subdivision 5; 259.47, subdivision 5; 259.49, subdivision 2; 260.251, subdivision 1; 268.0111, subdivision 4, and by adding a subdivision; 268.0122, subdivisions 2 and 3; 268.08, subdivision 1; 268.31; 268.37, by adding a subdivision; 268.86, subdivision 2; 268.871, subdivision 5; 268.88; 287.12; 297.13, subdivision 1; 326.78, subdivision 2; 327.20, subdivision 1; 327C.02, subdivision 2; 357.021, subdivisions 2 and 2a; 517.08, subdivisions 1b and 1c; 518.54, subdivision 6; 518.551, subdivision 10, and by adding a subdivision; 518.611, subdivision 4; 518.613, subdivisions 1, 2, 4, and by adding a subdivision; 609.378; 626.556, subdivisions 2 and 10e; and 626.558; Laws 1984, chapter 654, article 5, section 57, subdivision 1, as amended; Laws 1987, chapter 403, article 3, section 98; Laws 1988, chapter 689, article 2, sections 248 and 269, subdivision 2; repealing Minnesota Statutes 1988, sections 144A.10, subdivision 4a; 150A.06, subdivision 7; 245.462, subdivision 25; 245.471; 245.475; 245.64; 245.698; 245.775; 245.83; 245.84; 245.85; 245.871; 245.872; 245.873; 245A.095, subdivision 3; 246.50, subdivisions 3a, 4a, and 9; 254B.09, subdivision 3; 254B.10; 256.87, subdivision 4; 256.969, subdivisions 2a, 3, 4, 5, and 6; 256B.0625, subdivision 21; 256B.17, subdivisions 1, 2, 3, 4, 5, 6, 7, and 8; 256B.69, subdivisions 12, 13, 14, and 15; 256D.01, subdivision 1c; 256D.051, subdivision 6a; 256D.052, subdivisions 5, 6, and 7; 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; 256D.43; 256E.08, subdivision 9; 256E05, subdivision 1; 256H.04; 256H.05, subdivision 4; 256H.06; 256H.07, subdivision 4; 256H.13; 268.86, subdivision 7; 518.613, subdivision 5; Laws 1987, chapter 403, article 5, section 1; proposing coding for new law in Minnesota Statutes, chapters 144; 144A; 145; 157; 196; 245; 246; 251; 252; 253; 254A; 256; 256B; 256D; 256E; 256F; 256H; 259; 268; and 626; proposing coding for new law as Minnesota Statutes, chapter 256I.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Greenfield, Rodosovich, Murphy, Jennings and Anderson, R. have been appointed as such committee on the part of the House.

House File No. 1759 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 May 9, 1989

Mr. Merriam moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1759, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 372:

H.F. No. 372: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies and political subdivisions; consolidating certain funds and accounts and making conforming changes; changing the organization, operation, financing, and management of certain courts and related offices; amending Minnesota Statutes 1988, sections 3.099, subdivision 3; 3.732, subdivision 1; 6.48; 6.56; 6.58; 8.15; 8.31, subdivisions 2c and 3; 13.33; 14.07, subdivisions 1 and 2; 14.08; 14.26; 15.06, subdivision 1; 15.50, subdivision 2; 15A.081, subdivision 1; 16A.10, subdivision 1; 16A.123, by adding a subdivision; 16A.125, subdivision 5, and by adding a subdivision; 16A.133, subdivision 1; 16B.24, subdivision 6; 16B.42, subdivision 4; 16B.48, subdivision 2; 16B.61, subdivision 5; 16B.70; 41A.09, subdivision 1; 43A.02, subdivision 25; 43A.17, subdivision 1; 43A.24, subdivision 2; 44A.0311; 69.031, subdivision 5; 69.77, subdivision 2b; 84.0272; 82.0274, by adding a subdivision; 84.084; 84.83, subdivision 1; 84.922, subdivision 3; 84.927, subdivision 1; 84A.51, subdivision 2; 84A.55, subdivision 14; 85.055, subdivision 2; 85.22, subdivisions 1 and 2a; 85.43; 85A.01, subdivisions 1 and 5; 85A.02, subdivisions 2, 5, 5a, 5b, 12, 16, 17, 18; 85A.04, subdivisions 1 and 4; 89.035; 89.036; 89.21; 93.335, subdivision 4; 94.09, subdivision 2; 94.342, subdivision 3; 97A.055, by adding a subdivision; 97A.165; 97A.475, subdivisions 2, 3, 6, 7, 8, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 23, 24, 25, 26, 27, 28, 29, 29a, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, and 42; 97A.485, subdivisions 6 and 7; 97B.301, by adding a subdivision; 106A.661, subdivision 2; 112.73; 115.03, subdivision 1; 115A.14, subdivision 4; 115A.908, subdivision 2; 115B.17, subdivision 7; 115B.20, subdivisions 1, 4, and 6; 115B.22, subdivision 7;

115B.24, subdivision 10; 115B.25, subdivision 7; 115B.26; 115C.02, subdivision 6; 115C.08, subdivision 1; 116.41, subdivision 2; 116.65, subdivision 3; 116J.01; 116J.03, subdivision 2; 116J.58, subdivision 1; 116J.64, subdivision 6; 116J.68, subdivision 2; 116J.74, subdivision 5; 116J.873, subdivision 4; 116J.955, subdivisions 1 and 2; 116J.9673, subdivision 4; 116J.970; 116J.971, subdivisions 3, 6, 7, 8, and 9; 116J.982, subdivision 1; 116L.02; 116L.03, subdivisions 2 and 7; 116L.04, subdivision 1; 116N.01, subdivision 3; 116N.02, subdivision 6; 116N.08, subdivisions 4 and 8; 116O.02, and by adding a subdivision; 116O.03, subdivisions 1, 2, 3, and by adding subdivisions; 116O.04, by adding a subdivision; 116O.05; 116O.06, subdivisions 1 and 5; 116O.08, subdivisions 2 and 7; 116O.12; 116O.13; 116O.14; 116O.15; 116P.08, subdivisions 1 and 2; 116P.13; 148B.17; 169.121, subdivision 5a; 169.126, subdivisions 4 and 4a; 169.686, subdivision 3; 176.135, subdivision 1; 190.07; 190.25, subdivision 3; 192.51, subdivision 2; 214.06, subdivision 1; 256.482, subdivisions 3, 7, and by adding a subdivision; 260.193, subdivision 8; 270.069; 270.185, subdivision 1; 273.02, subdivisions 5 and 6; 275.51, subdivision 3f; 284.28, subdivisions 8, 9, and 10; 296.421, subdivision 8; 297.13, subdivision 1; 297.26; 297.32, subdivision 9; 297A.44, subdivision 1; 299D.03, subdivision 7; 302A.821, subdivisions 4 and 5; 307.08, subdivision 5; 336.9-302; 336.9-413; 349.213, subdivision 1; 352.01, subdivision 2b; 353.01, subdivision 2a; 356.215, subdivisions 1 and 4d; 357.021, subdivisions 1a, 2a, and 4; 357.08; 361.03, by adding a subdivision; 373.27, subdivision 3; 402.065; 403.11, subdivision 1; 423A.01, subdivision 2; 423A.02, subdivisions 1 and 2; 462.396, subdivision 4; 462A.21, by adding a subdivision; 466.01, subdivision 6; 469.056, subdivision 4; 469.100, subdivision 6; 471.699; 473.13, subdivision 4; 473.375, subdivision 17; 473.435, subdivision 2; 473.543, subdivision 5; 473.843, subdivision 2; 473.844, subdivision 1; 473.845, subdivision 1; 473.877, subdivision 1; 480.01; 480.058; 480.09, subdivision 5; 480.241, subdivisions 1 and 2; 480.242; 481.01; 481.20; 484.54, subdivision 2; 484.545, subdivisions 2 and 3; 484.62; 484.64, subdivision 3; 484.65, subdivisions 3 and 7; 484.68, subdivision 5; 485.018, subdivisions 5 and 7; 486.05, subdivision 1; 486.055; 486.06; 487.08, subdivision 5; 487.31, subdivision 1; 488.14, subdivision 1; 488A.17, subdivision 2; 488A.31, subdivision 1; 488A.34, subdivision 2; 517.08, subdivision 1c; 525.033; 609.101; 609.5315, subdivision 5; 611.17; 611.21; 611.215, subdivision 2; 611.26, subdivision 2; 611A.61, subdivision 3; 626.861, subdivisions 3 and 4; Laws 1971, chapter 355, section 1, subdivision 2; Laws 1987, chapter 386, article 2, section 22; article 9, section 19; Laws 1988, chapter 686, article 1, section 37; article 2, section 10; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 84; 93; 115A; 116J; 116K; 192; 290; 462A; 469; 473; 480; 611; and 631; proposing coding for new law as Minnesota Statutes, chapter 361A; repealing Minnesota Statutes 1988, sections 3C.035; 3C.056; 11A.22; 16A.133, subdivision 3; 41A.01; 41A.02; 41A.021; 41A.022; 41A.023; 41A.03; 41A.035; 41A.036; 41A.04; 41A.05; 41A.051; 41A.06; 41A.065; 41A.066; 41A.07; 41A.08; 43A.316; 84.0911, subdivisions 1 and 3; 85.051; 85A.01, subdivision 1b; 89.04; 93.221; 94.165; 97A.065, subdivision 3; 97A.071; 97A.075; 115A.162; 116E.01; 116E.02; 116E.03; 116E.035; 116E.04; 116J.941; 116J.942; 116J.968; 161.52; 190.26; 198.001, subdivision 5; 344.03; 383B.63, subdivisions 4 and 5; 469.121, subdivision 1; 469.148; 469.149; 480.242, subdivision 4; 480.245; 486.07; 487.31, subdivision 4; 488A.05; 488A.111; 488A.22; 488A.281; 525.012, subdivisions 1, 2, 3, and 4; 611.07; 611.071; 611.12; 611.214; and 611.25, subdivision 2; Laws 1975, chapter 258, section 6, subdivisions 1, 3, 4, and 5; Laws 1983,

chapter 334, section 7, as amended; Laws 1984, chapter 564, section 48; and Laws 1988, chapter 686, article 1, sections 14, paragraph (j); 21; 37, subdivision 10; and article 2, section 9.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Kahn; Battaglia; Solberg; Carlson, D. and Osthoff have been appointed as such committee on the part of the House.

House File No. 372 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 May 9, 1989

Mr. Merriam moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 372, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

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

S.F. No. 1635: A bill for an act relating to taxation; requiring payment of large tax liabilities by electronic funds transfer or cash equivalents; proposing coding for new law in Minnesota Statutes, chapter 270.

Referred to the Committee on Taxes and Tax Laws.

Mr. Frank introduced—

S.F. No. 1636: A resolution memorializing the management of the National Hockey League to take action to end the violence in professional hockey.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Novak; Johnson, D.J.; Stumpf; Dahl and Frank introduced—

S.F. No. 1637: A bill for an act relating to taxation; sales and use; providing an exemption for tangible personal property purchased by an organization organizing the amateur athletic festival in 1990; amending Minnesota Statutes 1988, section 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

MOTIONS AND RESOLUTIONS - CONTINUED**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. 266: Messrs. Stumpf, Bernhagen and Diessner.

H.F. No. 956: Ms. Peterson, D.C.; Messrs. Luther, Solon, Knaak and Ms. Olson.

H.F. No. 1759: Messrs. Samuelson, Knutson, Mrs. Lantry, Mses. Piper and Berglin.

H.F. No. 372: Messrs. Kroening; Luther; Solon; Frederickson, D.R. and Merriam.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mrs. Pariseau was excused from the Session of today from 12:00 noon to 1:45 p.m. Mr. Dicklich was excused from the Session of today from 12:00 noon to 3:00 p.m. Mr. Beckman was excused from the Session of today from 1:55 to 2:15 p.m. Mr. Kroening was excused from the Session of today from 1:55 to 2:55 p.m. Mr. Frederickson, D.J. was excused from the Session of today from 5:00 to 5:15 p.m. Mr. Laidig was excused from the Session of today at 6:10 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, May 10, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-NINTH DAY

St. Paul, Minnesota, Wednesday, May 10, 1989

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

CALL OF THE SENATE

Mr. Benson 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	Davis	Knaak	Metzen	Reichgott
Anderson	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	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 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. 134, 227, 435, 618, 787 and 1106.

Sincerely,
Rudy Perpich, Governor

May 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. 695, 628 and 1082.

Sincerely,
Rudy Perpich, Governor

May 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
	85	71	1423 hours May 8	May 8
	212	72	1425 hours May 8	May 8
	1172	73	1426 hours May 8	May 8
	1056	74	1428 hours May 8	May 8
	895	75	1429 hours May 8	May 8
	483	77	1430 hours May 8	May 8
	1438	Res. No. 4		May 8

Sincerely,
Joan Anderson Growe
Secretary of State

May 10, 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. 321 and 493.

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. 281 and 886.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 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. 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; 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; proposing coding for new law in Minnesota Statutes, chapter 5.

Senate File No. 180 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1989

Mr. Moe, R.D. moved that S.F. No. 180 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. 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.

Senate File No. 297 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1989

CONCURRENCE AND REPASSAGE

Mr. Berg moved that the Senate concur in the amendments by the House to S.F. No. 297 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 297: A bill for an act relating to game and fish; regulating ammunition that may be used to take big game; authorizing party hunting for small game; authorizing party fishing by angling; amending Minnesota Statutes 1988, section 97B.031, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 97B and 97C.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

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.

Senate File No. 1031 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1989

CONCURRENCE AND REPASSAGE

Mrs. Lantry moved that the Senate concur in the amendments by the House to S.F. No. 1031 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1031 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Johnson, D.J.	Moe, D.M.	Renneke
Belanger	DeCramer	Knaak	Moe, R.D.	Samuelson
Benson	Dicklich	Knutson	Morse	Schmitz
Berg	Diessner	Kroening	Novak	Spear
Berglin	Frank	Langseth	Olson	Storm
Bernhagen	Frederick	Lantry	Pariseau	Stumpf
Bertram	Frederickson, D.J.	Larson	Pehler	Vickerman
Brandl	Frederickson, D.R.	Luther	Peterson, D.C.	Waldorf
Brataas	Freeman	Marty	Peterson, R.W.	
Chmielewski	Gustafson	McQuaid	Piper	
Cohen	Hughes	Merriam	Purfeerst	
Davis	Johnson, D.E.	Metzen	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. 1269: A bill for an act relating to gambling; video games of chance; requiring notice to the public and to employees of the consequences of participating in cash awards; amending Minnesota Statutes 1988, sections 349.51, subdivision 2; 349.53; and 349.56; proposing coding for new law in Minnesota Statutes, chapter 349.

Senate File No. 1269 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1989

CONCURRENCE AND REPASSAGE

Mr. Diessner moved that the Senate concur in the amendments by the House to S.F. No. 1269 and that the bill be placed on its repassage as amended. The motion prevailed.

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.

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 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Merriam, Morse and Waldorf voted in the negative.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 1417: A bill for an act relating to state lands; authorizing the sale of certain state lands bordering on public waters; authorizing the exchange of certain land in Benton county; 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, Warroad, and Ortonville, and Anoka county; authorizing the sale of a certain gifted city lot in the city of Brainerd; authorizing the private sale of certain land in Goodhue and Otter Tail counties to resolve an inadvertent trespass; 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.

Senate File No. 1417 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1989

Mr. Novak moved that S.F. No. 1417 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. 1689 and 950.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 9, 1989

FIRST READING OF HOUSE BILLS

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

H.F. No. 1689: 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 Rules and Administration for comparison with S.F. No. 1585, now on General Orders.

H.F. No. 950: A bill for an act relating to human rights; adopting federal fair housing amendments; 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; clarifying 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; changing contract compliance certification; clarifying the time period allowed for filing a private lawsuit; modifying notice requirements in certain human rights appeals; amending Minnesota Statutes 1988, sections 363.01, subdivisions 25, 25a, 31, and by adding a subdivision; 363.02, subdivisions 1, 2, 2a, 2b, and 6; 363.03, subdivisions 1, 3, 7, 8, and by adding subdivisions; 363.05, subdivision 2; 363.073, subdivisions 1 and 3; 363.117; 363.123; 363.14, subdivision 1; and 363.15; repealing Minnesota Statutes 1988, section 363.01, subdivisions 30 and 32.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 446, now on General Orders.

REPORTS OF COMMITTEES

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

Mr. Merriam from the Committee on Finance, 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, 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.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 do pass. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-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 be amended as follows:

Page 1, line 11, delete "\$33,000,000" and insert "\$62,000,000"

Page 1, line 17, delete "\$11,000,000" and insert "\$4,700,000"

Pages 2 and 3, delete section 2

Page 3, line 13, delete "3" and insert "2"

Amend the title as follows:

Page 1, line 5, delete ", and by adding a subdivision"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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; 43A.08, subdivision 1; 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 9, line 35, delete "*commission*" and insert "*joint legislative committee*"

Page 11, line 32, delete "LEGISLATIVE COMMISSION" and insert "JOINT SENATE-HOUSE LEGISLATIVE COMMITTEE"

Page 11, lines 33 and 35, delete "*legislative commission*" and insert "*joint legislative committee*"

Page 11, line 34, delete "*in the legislative branch*"

Page 12, lines 9, 10, 11, 17, 22, 30, 32, and 34, delete "*commission*" and insert "*joint committee*"

Page 12, line 12, delete "*committees*" and insert "*subcommittees*"

Page 12, lines 13 and 15, delete "*legislative commission*" and insert "*joint legislative committee*"

Page 12, lines 24 and 25, delete "*legislative commission*" and insert "*joint legislative committee*"

Page 12, line 35, delete "*committees*" and insert "*subcommittees*" and after "*to*" insert "*the Minnesota future resources commission and*"

Page 13, line 1, after "*respective*" insert "*commission or*"

Page 13, line 2, delete "*legislative commission*" and insert "*joint legislative committee*"

Page 13, line 5, after the second "*the*" insert "*Minnesota future resources commission and the*"

Page 13, line 9, delete "*commission*" and insert "*joint committee*"

Page 15, line 18, delete "[17.117]" and insert "[40.31]"

Page 15, line 20, delete "*Subdivision 1. [POSITION DUTIES.]*"

Page 15, delete lines 31 and 32 and insert:

"Contracts to carry out the program must be awarded by the board of water and soil resources following review by the joint legislative committee on water and the Minnesota future resources commission."

Page 18, lines 12 and 23, delete "*legislative commission on water*" and insert "*joint legislative committee on water and the Minnesota future resources commission*"

Page 18, line 24, delete "*November*" and insert "*September*" and delete "*even-numbered*" and insert "*odd-numbered*"

Page 66, line 24, delete from "*ACCOUNT*" through page 66, line 34, to "*WATER*"

Page 67, lines 7 and 8, delete "*safe drinking water account*" and insert "*general fund*"

Page 70, line 21, delete "\$1,000" and insert "\$2,000"

Page 70, delete lines 33 to 36 and insert:

"(1) 5.0 cents per 1,000 gallons until December 31, 1991;

(2) 10.0 cents for 1,000 gallons from January 1, 1992, until December 31, 1996; and

(3) 15.0 cents per 1,000 gallons after January 1, 1997."

Page 71, delete lines 1 to 21

Page 81, line 28, after the period, insert "*The fee for disinfectants and sanitizers is \$200. Of the amount collected, \$600,000 per year must be credited to the waste pesticide account under section 17, subdivision 5.*"

Pages 135 to 149, delete articles 9 and 10 and insert:

"ARTICLE 9
CHAPTER 18E
AGRICULTURAL CHEMICAL INCIDENT PAYMENT AND
REIMBURSEMENT

Section 1. [18E.01] [CITATION.]

This chapter may be cited as the agricultural chemical response and reimbursement law.

Sec. 2. [18E.02] [DEFINITIONS.]

Subdivision 1. [DEFINITIONS IN CHAPTER 18B, 18C, AND 18D APPLY.] The definitions contained in this section and chapters 18B, 18C, and 18D apply to this chapter.

Subd. 2. [ACCOUNT.] "Account" means the agricultural chemical response and reimbursement account.

Subd. 3. [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. 4. [ELIGIBLE PERSON.] "Eligible person" means a responsible party or an owner of real property, but does not include the state, a state agency, a political subdivision of the state, the federal government, or an agency of the federal government.

Sec. 3. [18E.03] [AGRICULTURAL CHEMICAL RESPONSE AND REIMBURSEMENT ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] The agricultural chemical response and reimbursement account is established as an account in the state treasury.

Subd. 2. [EXPENDITURES.] (a) Money in the agricultural chemical response and reimbursement account may only be used:

(1) to pay for the commissioner's responses to incidents under chapters 18B, 18C, and 18D that are not eligible for payment under section 115B.20, subdivision 2;

(2) to pay for emergency responses that are otherwise unable to be funded; and

(3) to reimburse and pay corrective action costs under section 4.

(b) Money in the agricultural chemical response and reimbursement account is appropriated to the commissioner to make payments as provided in this subdivision.

Subd. 3. [DETERMINATION OF RESPONSE AND REIMBURSEMENT FEE.] (a) The commissioner shall determine the amount of the response and reimbursement fee under subdivision 5 after a public hearing, but notwithstanding section 16A.128, based on:

(1) the amount needed to maintain a balance in the account of \$1,000,000;

(2) the amount estimated to be needed for responses to incidents as provided in subdivision 2, clauses (1) and (2); and

(3) the amount needed for payment and reimbursement under section 4.

(b) The commissioner shall determine the response and reimbursement

fee so that the balance in the account does not exceed \$5 million.

(c) Money from the response and reimbursement fee shall be deposited in the treasury and credited to the agricultural chemical response and reimbursement account.

Subd. 4. [FEE THROUGH 1990.] (a) The response and reimbursement fee consists of the surcharge fees in this subdivision and shall be collected until December 31, 1990.

(b) The commissioner shall impose a surcharge on pesticides registered under chapter 18B to be collected as a surcharge on the registration fee under section 18B.26, subdivision 3, that is equal to 0.1 percent of sales of the pesticide in the state for use in the state, except the surcharge may not be imposed on pesticides that are sanitizers or disinfectants as determined by the commissioner.

(c) The commissioner shall impose a ten cents per ton surcharge on the inspection fee under article 7, section 25, subdivision 6, for fertilizers, soil amendments, and plant amendments.

(d) The commissioner shall impose a surcharge on the license application of persons licensed under chapters 18B and 18C consisting of:

(1) a \$150 surcharge for each site where pesticides are stored or distributed, to be imposed as a surcharge on pesticide dealer application fees under section 18B.31, subdivision 5;

(2) a \$150 surcharge for each site where a fertilizer, plant amendment, or soil amendment is distributed, to be imposed on persons licensed under article 7, sections 23 and 25;

(3) a \$50 surcharge to be imposed on a structural pest control applicator license application under section 18B.32, subdivision 6, for business license applications only;

(4) a \$20 surcharge to be imposed on commercial applicator license application fees under section 18B.33, subdivision 7;

(5) a \$20 surcharge to be imposed on noncommercial applicator license application fees under section 18B.34, subdivision 5, except a surcharge may not be imposed on a noncommercial applicator that is a state agency, political subdivision of the state, the federal government, or an agency of the federal government; and

(6) a \$50 surcharge for licensed lawn service applicators under chapter 18B or 18C, to be imposed on license application fees.

(e) If a person has more than one license for a site, only one surcharge may be imposed to cover all the licenses for the site.

Subd. 5. [FEE AFTER 1990.] (a) The response and reimbursement fee after December 31, 1990, consists of the surcharges in this subdivision and shall be collected by the commissioner. The amount of the response and reimbursement fee shall be determined under subdivision 3. The amount of the surcharges shall be proportionate to the surcharges in subdivision 4.

(b) The commissioner shall impose a surcharge on pesticides registered under chapter 18B to be collected as a surcharge on the registration fee under section 18B.26, subdivision 3, as a percent of sales of the pesticide in the state for use in the state, except the surcharge may not be imposed

on pesticides that are sanitizers or disinfectants as determined by the commissioner.

(c) The commissioner shall impose a fee per ton surcharge on the inspection fee under article 7, section 25, subdivision 6, for fertilizers, soil amendments, and plant amendments.

(d) The commissioner shall impose a surcharge on the application fee of persons licensed under chapters 18B and 18C consisting of:

(1) a surcharge for each site where pesticides are stored or distributed, to be imposed as a surcharge on pesticide dealer application fees under section 18B.31, subdivision 5;

(2) a surcharge for each site where a fertilizer, plant amendment, or soil amendment is distributed, to be imposed on persons licensed under article 7, sections 23 and 25;

(3) a surcharge to be imposed on a structural pest control applicator license application under section 18B.32, subdivision 6, for business license applications only;

(4) a surcharge to be imposed on commercial applicator license application fees under section 18B.33, subdivision 7;

(5) a surcharge to be imposed on noncommercial applicator license application fees under section 18B.34, subdivision 5, except a surcharge may not be imposed on a noncommercial applicator that is a state agency, a political subdivision of the state, the federal government, or an agency of the federal government; and

(6) a surcharge for licensed lawn service applicators under chapter 18B or 18C, to be imposed on license application fees.

(e) If a person has more than one license for a site, only one surcharge may be imposed to cover all the licenses for the site.

Subd. 6. [REVENUE SOURCES.] Revenue from the following sources must be deposited in the state treasury and credited to the agricultural chemical response and reimbursement account:

(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 account;

(3) interest attributable to investment of money in the account; 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 account.

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 agricultural chemical response and 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, 18C, and 18D.*

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 that are in effect; and

(4) the incident was reported as required in chapters 18B, 18C, and 18D.

(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 by a violation of chapter 18B, 18C, or 18D, the commissioner may reimburse or pay a portion of 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 agricultural chemical response and reimbursement account for:

(1) 90 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 \$200,000.

(b) A reimbursement or payment may not be made until the commissioner has determined that the costs are reasonable and are for a reimbursement of the costs that were actually incurred.

(c) The commissioner may make periodic payments or reimbursements as corrective action costs are incurred upon receipt of invoices for the corrective action costs.

(d) Money in the agricultural chemical response and reimbursement account is appropriated to the commissioner to make payments and reimbursements under this subdivision.

Subd. 5. [REIMBURSEMENT OR PAYMENT DECISIONS.] (a) The commissioner may issue a letter of intent on whether a person is eligible for payment or reimbursement. The letter is not binding on the commissioner.

(b) 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.

(c) After an initial request is made for reimbursement, notwithstanding subdivisions 1 to 4, the commissioner may deny additional requests for reimbursement.

(d) 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 credited to the agricultural chemical response and reimbursement account.

Sec. 5. 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). 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 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 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 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 18D including related enforcement and compliance efforts under section 115B.17 or 115B.18, or chapter 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;

(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 18D, including related enforcement and compliance efforts under section 115B.17 or 115B.18, or chapter 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;

(c) (3) all interest attributable to investment of money deposited in the fund; and

(d) (4) 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. 6. [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 joint legislative committee on water and the legislature by January 1, 1990.

Sec. 7. [STUDY ON THE HEALTH AND RESPONSE RISKS OF AGRICULTURAL CHEMICALS.]

The commissioner of agriculture shall conduct a study and report and submit it to the legislature by January 15, 1990, on agricultural chemicals in the state that pose the greatest health risk and health hazard due to toxicity, amount used in the state, leachability, persistence, and other

factors, and the agricultural chemicals that pose the greatest risk of incurring corrective action which would be reimbursed from the agricultural chemical response and reimbursement account.

ARTICLE 10

APPROPRIATION

Section 1. [APPROPRIATION.]

Subdivision 1. \$16,068,000 is appropriated from the general fund to the agencies and for the purposes indicated in this section, to be available for the fiscal year ending June 30 in the years indicated. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

	1990	1991
	\$	\$
<i>Subd. 2. HEALTH</i>		
<i>(a) Promulgate adopted long-term risk measurements under article 1, section 8</i>	125,000	125,000
<i>(b) Water well management program under article 3</i>	540,000	1,300,000
<i>(c) Ensure safe drinking water under the safe drinking water act</i>	2,371,000	2,151,000
<i>The approved complement of the department of health is increased by 30 positions in fiscal year 1990 and 20 additional positions in fiscal year 1991.</i>		
<i>Subd. 3. AGRICULTURE</i>		
<i>Monitor water quality, provide technical support, provide laboratory services</i>	418,000	418,000
<i>The approved complement of the department of agriculture is increased by 37 positions, seven in the general fund and 30 in the special revenue fund.</i>		
<i>Subd. 4. BOARD OF WATER AND SOIL RESOURCES</i>		
<i>(a) Comprehensive local water management</i>	50,000	50,000
<i>(b) Local water resources protection under article 2</i>	610,000	1,844,000
<i>(c) Environmental agriculture education under article 2, section 3</i>	750,000	750,000
<i>(d) Well sealing cost-share grants under article 3, section 21</i>	65,000	565,000
<i>The approved complement of the board of water and soil resources is increased by three positions.</i>		
<i>Subd. 5. JOINT LEGISLATIVE COMMITTEE ON WATER</i>		
<i>General operations under article 2, section 1</i>	83,000	87,000

Subd. 6. NATURAL RESOURCES

<i>(a) Provide technical assistance for shoreland management</i>	50,000	50,000
<i>(b) Develop county atlas</i>	150,000	150,000
<i>(c) Regional groundwater assessment, gauging, and technical assistance</i>	525,000	525,000

*The approved complement of the
department of natural resources is
increased by eight positions.*

*Subd. 7. POLLUTION CONTROL
AGENCY*

<i>(a) Develop and implement best manage- ment practices and provide technical assistance under article 1</i>	125,000	125,000
<i>(b) Clean water partnership</i>	500,000	
<i>(c) Integrated Groundwater Information System</i>	150,000	150,000

*The approved complement of the
pollution control agency is increased
by five positions.*

Subd. 8. STATE PLANNING AGENCY

<i>Maintain integrated, computerized groundwater monitoring data base under article 1, section 7</i>	75,000	75,000
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Subd. 9. UNIVERSITY OF MINNESOTA

<i>(a) Integrated pest management</i>	233,000	233,000
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*This appropriation is intended to
provide for four positions within the
Minnesota extension service: one
assistant integrated pest management
coordinator, two agricultural
integrated pest management specialists,
and one urban integrated pest
management specialist.*

<i>(b) Research by agricultural experiment stations on the impact of agriculture on groundwater</i>	250,000	250,000
<i>(c) Health study</i>	150,000	

*This appropriation is for a
comprehensive evaluation of pesticide
applicator health and an education
program to improve applicator health
and safety practices. This
appropriation shall 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.*

Sec. 2. [APPROPRIATION AND REIMBURSEMENT.]

\$1,000,000 is appropriated from the general fund to the response and reimbursement account to be used for the purposes of article 9. This amount

must be reimbursed from the response and reimbursement account to the general fund from revenue to the response and reimbursement account by June 30, 1990."

Amend the title as follows:

Page 1, line 7, after "a" insert "joint"

Page 1, line 8, delete "commission" and insert "committee"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 879, 1253 and 262 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Ramstad introduced—

Senate Resolution No. 128: A Senate resolution designating October 18, 1989, as AFS Intercultural Programs Day.

Referred to the Committee on Rules and Administration.

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

Mr. Novak moved that S.F. No. 1417 be taken from the table. The motion prevailed.

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 exchange of certain land in Benton county; 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, Warroad, and Ortonville, and Anoka county; authorizing the sale of a certain gifted city lot in the city of Brainerd; authorizing the private sale of certain land in Goodhue and Otter Tail counties to resolve an inadvertent trespass; 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.

CONCURRENCE AND REPASSAGE

Mr. Novak moved that the Senate concur in the amendments by the House to S.F. No. 1417 and that the bill be placed on its repassage as amended. The motion prevailed.

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 exchange of certain land in Benton county; 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 to the cities of Faribault, Warroad, and Ortonville, and Anoka county; authorizing the sale of a certain gifted city lot in the city of Brainerd; authorizing the private sale of certain land in Goodhue and Otter Tail counties to resolve an inadvertent trespass; 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.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 957, 1221, 54, 764, 989, H.F. Nos. 135, 1221, 146, 1560, 1353 and 245 which the committee recommends to pass.

S.F. No. 775, which the committee recommends to pass, after the following motion:

Mr. Gustafson moved to amend S.F. No. 775 as follows:

Delete everything after the enacting clause and insert:

"ARTICLE I

Section 1. Minnesota Statutes 1988, section 183.42, is amended to read:
183.42 [INSPECTION EACH YEAR.]

Every owner, lessee, or other person having charge of boilers, pressure vessels, or any boat subject to inspection under this chapter shall cause ~~the same them~~ to be inspected by the division of boiler inspection. Boilers and boats subject to inspection under this chapter ~~shall~~ *must* be inspected at least annually and pressure vessels inspected at least every two years *except as provided under section 183.45*. A person who fails to have the inspection required by this section shall pay to the commissioner a penalty in the amount of the cost of inspection up to a maximum of \$1,000.

Sec. 2. Minnesota Statutes 1988, section 183.45, is amended to read:

183.45 [INSPECTION.]

Subdivision 1. [WHEN REQUIRED.] All boilers and steam generators ~~shall~~ *must* be inspected by the division of boiler inspection before ~~same~~ *they* are used and all boilers ~~shall~~ *must* be inspected at least once each year thereafter *except as provided under subdivision 2.* Inspectors may subject all boilers to hydrostatic pressure or hammer test, and shall ascertain by a thorough internal and external examination that they are well made and of good and suitable material; that the openings for the passage of water and steam, respectively, and all pipes and tubes exposed to heat, are of proper dimensions and free from obstructions; that the flues are circular in form; that the arrangements for delivering the feed water are such that the boilers cannot be injured thereby; and that such boilers and their connections may be safely used without danger to life or property. Inspectors shall ascertain that the safety valves are of suitable dimensions, sufficient in number, and properly arranged, and that the safety valves are so adjusted as to allow no greater pressure in the boilers than the amount prescribed by the inspector's certificate; that there is a sufficient number of gauge cocks, properly inserted, to indicate the amount of water, and suitable gauges that will correctly record the pressure; and that the fusible metals are properly inserted where required so as to fuse by the heat of the furnace whenever the water in the boiler falls below its prescribed limit; and that provisions are made for an ample supply of water to feed the boilers at all times; and that means for blowing out are provided, so as to thoroughly remove the mud and sediment from all parts when under pressure.

Subd. 2. [QUALIFYING BOILER.] (a) "Qualifying boiler" means a boiler of 200,000 pounds per hour or more capacity which has an internal continuous water treatment program approved by the department and which the chief boiler inspector has determined to be in compliance with paragraph (c).

(b) A qualifying boiler must be inspected at least once every 24 months internally and externally while not under pressure, and at least once every 18 months externally while under pressure. If the inspector considers it necessary to conduct a hydrostatic test to determine the safety of a boiler, the test must be conducted by the owner or user of the equipment under the supervision of an inspector.

(c) The owner of a qualifying boiler must keep accurate records showing the date and actual time the boiler is out of service, the reason or reasons therefor, and the chemical physical laboratory analysis of samples of the boiler water taken at regular intervals of not more than 48 hours of operation which adequately show the condition of the water, and any elements or characteristics thereof, capable of producing corrosion or other deterioration of the boiler or its parts.

(d) If an inspector determines there are substantial deficiencies in equipment or in operating procedures, inspections of a qualifying boiler may be required once every 12 months until such time as the chief boiler inspector finds that the substantial deficiencies have been corrected.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 2

Section 1. 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.

ARTICLE 3

WORKERS' COMPENSATION SYSTEM CHANGES

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 18, is amended to read:

Subd. 18. [WEEKLY WAGE.] "Weekly wage" is arrived at by multiplying the daily wage by the number of days and fractional days normally worked in the business of the employer for the employment involved. If the employee normally works less than five days per week or works an irregular number of days per week, the number of days normally worked shall be computed by dividing the total number of days in which the employee actually performed any of the duties of employment in the last 26 weeks by the number of weeks in which the employee actually performed such duties, provided that the weekly wage for part time employment during a period of seasonal or temporary layoff shall be computed on the number of days and fractional days normally worked in the business of the employer for the employment involved. If, at the time of the injury, the employee was regularly employed by two or more employers, the employee's days of work for all such employments shall be included in the computation of weekly wage. Occasional overtime is not to be considered in computing the weekly wage, but if overtime is regular or frequent throughout the year it shall be taken into consideration. The maximum weekly compensation payable to an employee, or to the employee's dependents in the event of death, shall not exceed ~~66~~ ^{2/3} 80 percent of the ~~product of the daily wage times the number of days normally worked~~ employee's after-tax weekly wage, provided that the compensation payable for permanent partial disability under section 176.101, subdivision 3, and for permanent total disability under section 176.101, subdivision 4, or death under section 176.111, shall not be computed on less than the number of hours normally worked in the employment or industry in which the injury was sustained, subject also to such maximums as are specifically otherwise provided.

Sec. 3. Minnesota Statutes 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.

Sec. 4. 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~~ 13. If doubt exists as to the eventual permanent partial disability, payment ~~for the economic recovery compensation or impairment compensation, whichever is due, pursuant to section 176.101,~~ shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability. Prior to or at the time of commencement of the payment of ~~economic recovery compensation or lump sum or periodic payment of impairment compensation~~ *permanent partial disability compensation*, the employee and employer shall be furnished with a copy of the medical report upon which the payment is based and all other medical reports which the insurer has that indicate a permanent partial disability rating, together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. After receipt of all reports available to the insurer that indicate a permanent partial disability rating, the employee shall make available or permit the insurer to obtain any medical report that the employee has or has knowledge of that contains a permanent partial disability rating which the insurer does not already have. ~~Economic recovery compensation or impairment compensation pursuant to section 176.101 is payable in addition to but not concurrently with compensation for temporary total disability but is payable pursuant to section 176.101. Impairment compensation is payable concurrently and in addition to compensation for permanent total disability pursuant to section 176.101. Economic recovery compensation or impairment compensation pursuant to section 176.101 shall be withheld pending completion of payment for temporary total disability; and no credit shall be taken for payment of economic recovery compensation or impairment compensation against liability for temporary total or future permanent total disability. Liability on the part of an employer or the insurer for disability of a temporary total, temporary partial, and permanent total nature shall be considered as a continuing product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and compensation is payable accordingly, subject to section 176.101. Economic recovery compensation or impairment compensation is payable for functional loss of use or impairment of function, permanent in nature, and payment therefore shall be separate, distinct, and in addition to payment for any other compensation, subject to section 176.101.~~ The right to receive temporary total, temporary partial, or permanent total disability payments vests in the injured employee or the employee's dependents under this chapter or, if none, in the employee's legal heirs at the time the disability can be ascertained and the right is not abrogated by the employee's death prior to the making of the payment.

The right to receive ~~economic recovery compensation or impairment~~ *permanent partial* compensation vests in an injured employee 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. The right is not abrogated by the employee's death prior to the making of the payment.~~

~~Disability ratings for permanent partial disability shall be based on objective medical evidence.~~

Sec. 5. 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. 6. 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. 7. 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 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) *An attorney representing employers or insurers shall file a statement of attorney fees or wages with the commissioner, compensation judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. The statement of attorney fees or wages must contain the following information: the average hourly wage or the value of hours worked on that case if the attorney is an employee of the employer or insurer, the number of hours worked on that case, and the average hourly rate or amount charged an employer or insurer for that case if the attorney is not an employee of the employer or insurer.*

(d) *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. 8. 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. 9. 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 application shall state the basis for the need of review and whether or not a hearing is requested. A copy of such application shall be served upon the *party's* attorney ~~for the employee~~ by the court administrator and if a hearing is requested by either party, the matter shall be set for hearing. The notice of hearing shall be served upon known interested parties. ~~The attorney for the employee shall be served with a notice of the hearing.~~ The workers' compensation court of appeals shall have the authority to raise the ~~question~~ of the issue of the attorney fees at any time upon its own motion and shall have continuing jurisdiction over attorney fees.

Sec. 10. Minnesota Statutes 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 105 percent of the statewide average weekly wage for the period ending December 31, of the preceding year.

(2) (c) The minimum weekly compensation benefits for temporary total disability shall be not less than ~~50~~ 20 percent of the statewide average weekly wage or the injured employee's *actual after-tax* weekly wage, whichever is less. ~~In no case shall a weekly benefit be less than 20 percent of the statewide average weekly wage.~~

~~Subject to subdivisions 3a to 3u~~ (d) This compensation shall be paid during the period of disability, payment to be made at the intervals when the wage was payable, as nearly as may be, ~~and shall cease whenever any one of the following occurs:~~

(1) *the disability ends;*

(2) *the employee returns to work;*

(3) *the employee retires by withdrawing from the labor market;*

(4) *the employee refuses an offer of work that 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 recommenced under this paragraph is subject to cessation under paragraph (d). Recommenced compensation may not be paid beyond 90 days after the employee reaches maximum medical improvement, except as provided under section 176.102, subdivision 11, paragraph (b).

(g) Once compensation has ceased under paragraph (d), clauses (4) and (5), it may not be recommenced at a later date except as provided under section 176.102, subdivision 11, paragraph (b).

Sec. 11. 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 shall be 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 that 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 shall 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 so long as the employee meets the qualifications of this section and has not been paid the maximum

number of weeks under paragraph (b) for that injury; provided that, extended compensation may not be paid beyond 350 weeks after the date of injury.

Sec. 12. 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 earning 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 earning 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 earning 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 105 percent of the statewide average weekly wage.

(c) Temporary partial compensation may be paid only while the employee is working and earning less than the employee's weekly wage at the time of the injury. Except as provided in section 176.102, subdivision 11, paragraph (b), temporary partial compensation may not be paid after the employee has returned to work for 78 weeks or after 350 weeks after the date of injury, whichever occurs first.

Sec. 13. 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. For permanent partial disability up to the percent of the whole body shown in the following schedule, the amount of compensation is equal to the proportion that the loss of function of the disabled part bears to the whole body multiplied by the amount aligned with that percent in the following schedule:*

<i>Percent of Disability</i>	<i>Amount</i>
<i>0-25</i>	<i>\$ 75,000</i>
<i>26-30</i>	<i>80,000</i>
<i>31-35</i>	<i>85,000</i>
<i>36-40</i>	<i>90,000</i>
<i>41-45</i>	<i>95,000</i>
<i>46-50</i>	<i>100,000</i>
<i>51-55</i>	<i>120,000</i>

56-60	140,000
61-65	160,000
66-70	180,000
71-75	200,000
76-80	240,000
81-85	280,000
86-90	320,000
91-95	360,000
96-100	400,000

An employee may not receive compensation for more than a 100 percent disability of the whole body, even if the employee sustains disability to two or more body parts.

(b) Permanent partial disability is payable upon cessation of temporary total disability under subdivision 1. If the employee is not working, the compensation is payable in installments at the same intervals and in the same amount as the initial temporary total disability rate. If the employee returns to work, the remaining compensation is payable in a lump sum 30 days after the employee returned to work provided the employment has not been substantially interrupted by the injury for any part of the 30 days and the employee is still employed at the job at the end of the period.

Sec. 14. 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 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. 15. 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. 16. Minnesota Statutes 1988, section 176.102, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] *(a) This section only applies to vocational rehabilitation of injured employees and their spouses as provided under subdivision 1a. Physical rehabilitation of injured employees is considered treatment subject to section 176.135.*

(b) Rehabilitation is intended to restore the injured employee, through physical and vocational rehabilitation, so the employee may return to a job related to the employee's former employment or to a job in another work area which produces an economic status as close as possible to that the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is permitted if it can be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.

Sec. 17. 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. 18. 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 members~~ *one member* each ~~from representing employers, insurers, rehabilitation, and medicine, one member representing chiropractors, and four~~ *two members each representing labor and rehabilitation vendors, and six members who are qualified rehabilitation consultants.* The members shall be appointed by the commissioner and shall

serve four-year terms which may be renewed. Compensation for members shall be governed by section 15.0575. The panel shall select a chair. The panel shall review and make a determination with respect to appeals from orders of the commissioner regarding certification approval of qualified rehabilitation consultants and vendors. The hearings are de novo and initiated by the panel under the contested case procedures of chapter 14, and are appealable to the workers' compensation court of appeals in the manner provided by section 176.421.

Sec. 19. 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 vendors, and one member representing qualified rehabilitation consultants.

Sec. 20. 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 must 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 the case, including or to any attorneys, doctors, or chiropractors.

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection. The notification shall include the name, address, and telephone number of the qualified rehabilitation consultant chosen by the employee to provide rehabilitation consultation.

(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. 21. 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 \$3,000 must be specifically approved by the commissioner. This approval may not be waived by the parties.*

Sec. 22. 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. 23. Minnesota Statutes 1988, section 176.102, subdivision 11, is amended to read:

Subd. 11. [RETRAINING.] (a) Retraining is limited to 156 weeks. An employee who has been approved for retraining may petition the commissioner for additional compensation not to exceed 25 percent of the compensation otherwise payable. If the commissioner or compensation judge determines that this additional compensation is warranted due to unusual

or unique circumstances of the employee's retraining plan, the commissioner or compensation judge may award additional compensation in an amount ~~the commissioner determines is appropriate~~, not to exceed the employee's request. This additional compensation shall cease at any time the commissioner or compensation judge determines the special circumstances are no longer present.

(b) Pursuant to section 176.101, subdivisions 1 and 2, temporary total disability or temporary partial disability shall be paid during a retraining plan that has been specifically approved under this section and for up to 90 days after the end of the plan; except that, payment during the 90-day period is subject to cessation in accordance with section 176.101, subdivision 1, paragraph (d), clauses (1) to (4). Compensation paid under this paragraph must cease if the employee terminates participation in the approved retraining plan without good cause.

Sec. 24. 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. The commissioner, in consultation with the medical services review board, shall annually review these rules to determine whether any injuries omitted from the schedule should be compensable and, if so, amend the rules accordingly.*

(b) Disability ratings for permanent partial disability must be based on objective medical evidence.

Sec. 25. 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. 26. 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 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. 27. 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 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. 28. 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. 29. Minnesota Statutes 1988, section 176.111, subdivision 14, is amended to read:

Subd. 14. [PARENTS.] If the deceased employee leave no surviving spouse or child entitled to any payment under this chapter, but leaves both parents wholly dependent on deceased, there shall be paid to such parents jointly ~~45~~ 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased. In case of the death of either of the wholly dependent parents the survivor shall receive ~~35~~ 80 percent of the *after-tax* weekly wage thereafter. If the deceased employee leave one parent wholly dependent on the deceased, there shall be paid to such parent ~~35~~ 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased employee. The compensation payments under this section shall not exceed the actual contributions made by the deceased employee to the support of the employee's parents for a reasonable time immediately prior to the injury which caused the death of the deceased employee.

Sec. 30. 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. 31. 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. 32. 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. 33. 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 paid shall be at the rate of 75 percent.

Sec. 34. 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 paid shall be at the rate of 75 percent.* The employer, at the time of the personal injury for which the employee has been approved for on-the-job training, is liable for the portion of the disability that is attributable to that injury.

Sec. 35. 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 paid shall be at the rate of 75 percent.*

Sec. 36. 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. 37. 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. 38. 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 August 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.

(b) *An employee who has suffered personal injury after August 1, 1989, that caused a permanent total disability, as defined in section 176.101, subdivision 5, is eligible to receive supplementary benefits after four years have elapsed since the first date of the total disability, provided that the employee continues to have a permanent total disability.*

Sec. 39. Minnesota Statutes 1988, section 176.132, subdivision 2, is amended to read:

Subd. 2. [AMOUNT.] (a) ~~The supplementary benefit payable under this~~

section shall be the difference between the amount the employee receives on or after January 1, 1976, under section 176.101, subdivision 1 or 4, and 65 percent of the statewide average weekly wage as computed annually. The supplementary benefit payable under this section is:

(1) the sum of the amount the employee receives under section 176.101, subdivision 4, plus the amount of any disability benefits being paid by any government disability benefit program if those benefits are occasioned by the same injury or injuries giving rise to payments under section 176.101, subdivision 4, plus any old age and survivors insurance benefits, subtracted from

(2) 50 percent of the statewide average weekly wage, as computed annually.

(b) In the event an eligible recipient is currently receiving no compensation or is receiving a reduced level of compensation because of a credit being applied as the result of a third party liability or damages, the employer or insurer shall compute the offset credit as if the individual were entitled to the actual benefit or 65 50 percent of the statewide average weekly wage as computed annually, whichever is greater. If this results in the use of a higher credit than otherwise would have been applied and the employer or insurer becomes liable for compensation benefits which would otherwise not have been paid, the additional benefits resulting shall be handled according to this section.

(c) In the event an eligible recipient is receiving no compensation or is receiving a reduced level of compensation because of a valid agreement in settlement of a claim, no supplementary benefit shall be payable under this section. Attorney's fees shall be allowed in settlements of claims for supplementary benefits in accordance with this chapter.

(d) In the event an eligible recipient is receiving no compensation or is receiving a reduced level of compensation because of prior limitations in the maximum amount payable for permanent total disability or because of reductions resulting from the simultaneous receipt of old age or disability benefits, the supplementary benefit shall be payable for the difference between the actual amount of compensation currently being paid and 65 percent of the statewide average weekly wage as computed annually.

(e) (d) In the event that an eligible recipient is receiving simultaneous benefits from any government disability program, the amount of supplementary benefits payable under this section shall be reduced by five percent. If the individual does not receive the maximum benefits for which the individual is eligible under other governmental disability programs due to the provisions of United States Code, title 42, section 424a(d), this reduction shall not apply.

Sec. 40. Minnesota Statutes 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, or any other payer of such benefits. When the eligible individual is not currently receiving benefits because the total paid has reached the maximum prescribed by law the employer and insurer shall, nevertheless, pay the supplementary benefits that are prescribed by law. The employer or insurer paying the supplementary benefit shall have the right of full reimbursement from the special compensation fund for the amount of such benefits paid.

Sec. 41. Minnesota Statutes 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. 42. Minnesota Statutes 1988, section 176.136, is amended by adding a subdivision to read:

Subd. 1a. [CHARGES FOR INDEPENDENT MEDICAL EXAMINATIONS.] The commissioner shall adopt rules that reasonably limit amounts which may be charged for, or in connection with, independent or adverse medical examinations requested by any party, including the amount that may be charged for depositions, witness fees, or other expenses. The scheduled amount for the examination itself may not exceed the scheduled amount for complex consultations by treating physicians, although additional reasonable charges may be permitted to reflect additional duties or activities. An insurer or employer may not pay fees above the amount in the schedule.

Sec. 43. Minnesota Statutes 1988, section 176.221, subdivision 1, is amended to read:

Subdivision 1. [COMMENCEMENT OF PAYMENT.] Within 14 days of notice to or knowledge by the employer of an injury compensable under this chapter the payment of temporary total compensation shall commence. Within 14 days of notice to or knowledge by an employer of a new period of temporary total disability which is caused by an old injury compensable under this chapter, the payment of temporary total compensation shall commence; provided that the employer or insurer may file for an extension with the commissioner within this 14-day period, in which case the compensation need not commence within the 14-day period but shall commence

no later than 30 days from the date of the notice to or knowledge by the employer of the new period of disability. Commencement of payment by an employer or insurer does not waive any rights to any defense the employer has on any claim or incident either with respect to the compensability of the claim under this chapter or the amount of the compensation due. Where there are multiple employers, the first employer shall pay, unless it is shown that the injury has arisen out of employment with the second or subsequent employer. Liability for compensation under this chapter may be denied by the employer or insurer by giving the employee written notice of the denial of liability. If liability is denied for an injury which is required to be reported to the commissioner under section 176.231, subdivision 1, the denial of liability must be filed with the commissioner within 14 days after notice to or knowledge by the employer of an injury which is alleged to be compensable under this chapter. If the employer or insurer has commenced payment of compensation under this subdivision but determines within ~~30~~ 60 days of notice to or knowledge by the employer of the injury that the disability is not a result of a personal injury, payment of compensation may be terminated upon the filing of a notice of denial of liability within ~~30~~ 60 days of notice or knowledge. After the ~~30-day~~ 60-day period, payment may be terminated only by the filing of a notice as provided under section 176.239. Upon the termination, payments made may be recovered by the employer if the commissioner or compensation judge finds that the employee's claim of work related disability was not made in good faith. A notice of denial of liability must state in detail specific reasons explaining why the claimed injury or occupational disease was determined not to be within the scope and course of employment and shall include the name and telephone number of the person making this determination.

Sec. 44. 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. 45. 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 August 1, 1989, the initial adjustment under subdivision 1 is deferred until the third anniversary of the date of injury.*

Sec. 46. Minnesota Statutes 1988, section 176.66, subdivision 11, is amended to read:

Subd. 11. [AMOUNT OF COMPENSATION.] The compensation for an occupational disease is ~~66-2/3~~ 80 percent of the employee's *after-tax* weekly wage on the date of injury subject to a maximum compensation equal to the maximum compensation in effect on the date of last exposure. The employee shall be eligible for supplementary benefits notwithstanding the provisions of section 176.132, after four years have elapsed since the date of last significant exposure to the hazard of the occupational disease if that employee's weekly compensation rate is less than the current supplementary benefit rate.

Sec. 47. [176.90] [AFTER-TAX CALCULATION.]

For purposes of sections 176.011, subdivision 18; 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 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. 48. [176.95] [ADMINISTRATIVE COSTS.]

The annual cost to the commissioner of labor and industry of administering the workers' compensation system under this chapter must be charged to the state general fund. Administrative costs include the cost of administering the workers' compensation division of the department of labor and industry and the workers' compensation division of the office of administrative hearings.

Sec. 49. [ADMINISTRATIVE COSTS CHANGE-OVER.]

For the biennium beginning July 1, 1991, 50 percent of the costs of administering the workers' compensation system must be charged to the state general fund and 50 percent to the special compensation fund.

Sec. 50. [EXISTING DISABILITY RATINGS.]

Existing disability ratings adopted under Minnesota Statutes, section 176.105, subdivision 1, may not be changed before June 30, 1992.

Sec. 51. [AFTER-TAX CALCULATION.]

Notwithstanding section 47, the commissioner of labor and industry shall publish by July 15, 1989, a table or formula for determining the after-tax weekly wage effective August 1, 1989, until October 1, 1989, as otherwise required under that section.

Sec. 52. [APPROPRIATION.]

\$124,800 is appropriated from the workers' compensation special compensation fund to the commissioner of labor and industry to administer the workers' compensation system in accordance with this article and is available until June 30, 1989. The approved complement of the department of labor and industry is increased by ten positions.

Sec. 53. [REPEALER.]

Minnesota Statutes 1988, sections 176.011, subdivision 26; and 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, 3u, and 6, are repealed.

Sec. 54. [EFFECTIVE DATE.]

Sections 5, 17, 18, 19, 24, 43, 47, 50, and 51 are effective the day following final enactment. Section 48 is effective July 1, 1993. Notwithstanding Minnesota Statutes, section 176.1321, sections 1 to 4, 6 to 16, 20 to 23, 25 to 41, 44 to 46, 49, and 53 are effective August 1, 1989. Section 42 is effective January 1, 1990.

ARTICLE 4

WORKER'S COMPENSATION INSURANCE

Section 1. Minnesota Statutes 1988, section 79.095, is amended to read:
79.095 [APPOINTMENT OF ACTUARY.]

The commissioner ~~shall~~ *may* employ the services of a casualty ~~actuary~~ *actuaries* experienced in ~~worker's~~ *workers'* compensation whose duties shall include but not be limited to investigation of complaints by insured parties relative to rates, rate classifications, or discriminatory practices of an insurer. The salary of ~~the~~ *an* actuary employed pursuant to this section is not subject to the provisions of section 43A.17, subdivision 1.

Sec. 2. Minnesota Statutes 1988, section 79.55, subdivision 2, is amended to read:

Subd. 2. [EXCESSIVENESS.] ~~No premium is excessive in a competitive market. In the absence of a competitive market,~~ Premiums are excessive if the expected underwriting profit, together with expected income from invested reserves for the market in question, that would accrue to an insurer would be unreasonably high in relation to the risk undertaken by the insurer in transacting the business.

Sec. 3. Minnesota Statutes 1988, section 79.56, is amended by adding a subdivision to read:

Subd. 5. [RATE REGULATION.] *(a) Whenever an insurer files a change in its existing rate level or rating plan, the commissioner may hold a hearing to determine if the rate level or rating plan is excessive, inadequate, or unfairly discriminatory. The hearing must be conducted pursuant to chapter 14. The commissioner shall give notice of intent to hold a hearing within 90 days of the filing of the change. It is the responsibility of the insurer to show that the rate level or rating plan is not excessive, inadequate, or unfairly discriminatory. The rate level or rating plan is effective unless it is determined as a result of the hearing that the rate level or rating plan is excessive, inadequate, or unfairly discriminatory. Upon such a finding, the rate level or rating plan is retroactively rescinded and any premiums collected thereunder must be refunded. This subdivision does not apply to any changes resulting from assessments for the assigned risk*

plan, reinsurance association, guarantee fund, special compensation fund, or statutory benefit level changes to sections 176.101, subdivisions 1, 2, and 4; 176.111; 176.132; and 176.645 as a result of annual adjustments in the statewide average weekly wage. The disapproval of a rate level or rating plan under this subdivision must be done in the same manner as under section 70A.11, except that the standards of section 79.55 apply.

(b) Notwithstanding paragraph (a), if the commissioner of labor and industry petitions the commissioner for a hearing pursuant to this subdivision, the commissioner must hold a hearing if the commissioner of labor and industry certifies that the hearing is necessary because a decision of the supreme court or enactment of a statute has effected a substantial change in the basis upon which the existing rate levels or rating plan was filed. The commissioner of labor and industry must make a prima facie showing that law change has effected a substantial change in the basis upon which the existing rate levels or rating plan was filed.

(c) Notwithstanding paragraph (a), the commissioner may hold a hearing if the commissioner determines that the hearing is necessary because of circumstances which result in a substantial change in the basis upon which the existing rate levels or rating plan was filed. The commissioner must make a prima facie showing that the circumstances resulted in a substantial change in the basis upon which the existing rate levels or rating plan was filed.

Sec. 4. [79.561] [PARTICIPATION.]

An employer, or person representing a group of employers, which will be directly affected by a change in an insurer's existing rate level or rating plan filed under section 3, and the commissioner of labor and industry, must be allowed to participate in any hearing under that subdivision challenging the change in rate level or rating plan as being excessive, inadequate, or unfairly discriminatory.

Sec. 5. Minnesota Statutes 1988, section 79.58, subdivision 2, is amended to read:

Subd. 2. [RATING PLANS.] The commissioner may disapprove a rating plan of a data service organization if, after a hearing *conducted pursuant to chapter 14*, the commissioner finds that it is *excessive, inadequate, or unfairly discriminatory. The rating plan is effective until disapproved. It is the responsibility of the data service organization to show that the rating plan is not excessive, inadequate, or unfairly discriminatory.* Any order of disapproval shall require the data service organization to use an alternative rating plan until approval of a rating plan by the commissioner. The commissioner shall not approve any rating plan based upon any data other than Minnesota data, except that other data may be utilized as a supplement to Minnesota data when the commissioner determines that an exceptional case requires such data to establish the statistical credibility of an occupational classification.

Sec. 6. 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;

(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-;

(i) Separate the incurred but not reported losses of its members;

(j) Separate paid and outstanding losses of its members;

(k) Provide information indicating cases in which its members have established a reserve in excess of \$50,000;

(l) Provide information on the income on invested reserves of its members;

(m) Provide information as to policies written at other than the filed rates;

(n) File information based solely on Minnesota premium income of its members concerning investment income, legal expenses, subrogation recoveries, administrative expenses, and commission expenses;

(o) File information based solely on Minnesota data concerning its

members' reserving practices, premium income, indemnity, and medical benefits paid; and

(p) Provide any records of the data service organizations that are requested by the commissioner or otherwise required by statute.

Sec. 7. [79.65] [CHAPTER APPLICABILITY TO DATA SERVICE ORGANIZATIONS.]

Subdivision 1. [EXAMINATION BY COMMISSIONER.] Data service organizations are subject to all the provisions of this chapter. The commissioner or an authorized representative of the commissioner may visit the rating association at any reasonable time and examine, audit, or evaluate the rating association's operations, records, and practices. For purposes of this section, "authorized representative of the commissioner" includes employees of the department of commerce or labor and industry or other parties retained by the commissioner. Examination under this section may be done of any member of data service organizations for purposes of workers' compensation insurance regulation.

Subd. 2. [COSTS AND EXPENSES.] The commissioner may order and the data service organization shall pay the costs and expenses of any examination, audit, or evaluation conducted pursuant to subdivision 1. A sum sufficient to pay these costs and expenses is appropriated from the special compensation fund to the commissioner of commerce.

Sec. 8. [79.651] [INVESTIGATIONS AND SUBPOENAS.]

Subdivision 1. [GENERAL POWERS.] In connection with the administration of chapter 79, the commissioner of commerce may:

(1) make public or private investigations within or without this state as the commissioner considers necessary to determine whether any person has violated or is about to violate chapter 79 or any rule or order under chapter 79, or to aid in the enforcement of chapter 79, or in the prescribing of rules or forms under chapter 79;

(2) require or permit any person to file a statement in writing, under oath or otherwise as the commissioner determines, as to all the facts and circumstances concerning the matter being investigated;

(3) hold hearings, upon reasonable notice, in respect to any matter arising out of the administration of chapter 79;

(4) conduct investigations and hold hearings for the purpose of compiling information with a view to recommending changes in chapter 79 to the legislature;

(5) examine the books, accounts, records, and files of every licensee under chapter 79 and of every person who is engaged in any activity regulated under chapter 79; the commissioner or a designated representative shall have free access during normal business hours to the offices and places of business of the person, and to all books, accounts, papers, records, files, safes, and vaults maintained in the place of business;

(6) publish information which is contained in any order issued by the commissioner; and

(7) require any person subject to chapter 79 to report all sales or transactions that are regulated under chapter 79. The reports must be made within ten days after the commissioner has ordered the report. The report

is accessible only to the respondent and other governmental agencies unless otherwise ordered by a court of competent jurisdiction.

Subd. 2. [POWER TO COMPEL PRODUCTION OF EVIDENCE.] For the purpose of any investigation, hearing, or proceeding under chapter 79, the commissioner or a designated representative may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of books, papers, correspondence, memoranda, agreements, or other documents or records that the commissioner considers relevant or material to the inquiry.

Subd. 3. [COURT ORDERS.] In case of a refusal to appear or a refusal to obey a subpoena issued to any person, the district court, upon application by the commissioner, may issue to any person an order directing that person to appear before the commissioner, or the officer designated by the commissioner, there to produce documentary evidence if so ordered or to give evidence relating to the matter under investigation or in question. Failure to obey the order of the court may be punished by the court as a contempt of court.

Subd. 4. [SCOPE OF PRIVILEGE.] No person is excused from attending and testifying or from producing any document or record before the commissioner, or from obedience to the subpoena of the commissioner or any officer designated by the commissioner or in a proceeding instituted by the commissioner, on the ground that the testimony or evidence required may tend to incriminate that person or subject that person to a penalty of forfeiture. No person may be prosecuted or subjected to a penalty or forfeiture for or on account of a transaction, matter, or thing concerning which the person is compelled, after claiming the privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that the individual is not exempt from prosecution and punishment for perjury or contempt committed in testifying.

Subd. 5. [LEGAL ACTIONS; INJUNCTIONS; CEASE AND DESIST ORDERS.] Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of chapter 79, or any rule or order adopted under chapter 79, the commissioner has the following powers: (1) the commissioner may bring an action in the name of the state in the district court of the appropriate county to enjoin the acts or practices and to enforce compliance with chapter 79, or any rule or order adopted or issued under chapter 79, or the commissioner may refer the matter to the attorney general or the county attorney of the appropriate county. Upon a proper showing, a permanent or temporary injunction, restraining order, or other appropriate relief must be granted; (2) the commissioner may issue and cause to be served upon the person an order requiring the person to cease and desist from violations of chapter 79, or any rule or order adopted or issued under chapter 79. The order must be calculated to give reasonable notice of the rights of the person to request a hearing and must state the reasons for the entry of the order. A hearing must be held not later than seven days after the request for the hearing is received by the commissioner, after which and within 20 days after receiving the administrative law judge's report, the commissioner shall issue a further order vacating the cease and desist order or making it permanent as the facts require. If no hearing is requested within 30 days of service of the order, the order will become final and will remain in effect until it is modified or vacated by the commissioner. Unless otherwise provided, all hearings must be conducted in accordance with 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 is in default, and the proceeding may be determined against that person upon consideration of the cease and desist order, the allegations of which may be considered to be true. The commissioner may adopt rules of procedure concerning all proceedings conducted under this subdivision.

Subd. 6. [VIOLATIONS AND PENALTIES.] The commissioner may impose a civil penalty not to exceed \$2,000 per violation upon a person who violates chapter 79, unless a different penalty is specified.

Subd. 7. [ACTIONS AGAINST LICENSEES.] In addition to any other actions authorized by this section, the commissioner may, by order, deny, suspend, or revoke the authority or license of a person subject to chapter 79, or censure that person if the commissioner finds that:

- (1) the order is in the public interest; or*
- (2) the person has violated chapter 79.*

Subd. 8. [STOP ORDER.] In addition to any other actions authorized by this section, the commissioner may issue a stop order denying effectiveness to or suspending or revoking any registration subject to chapter 79.

Subd. 9. [POWERS ADDITIONAL.] The powers contained in subdivisions 1 to 8 are in addition to all other powers of the commissioner.

Sec. 9. [79.652] [ACCESS TO INSURER.]

The commissioner, or the designated person, shall have free access during normal business hours to all books, records, securities, documents, and any or all papers relating to the property, assets, business, and affairs of any company, applicant, association, or person which may be examined pursuant to this act for the purpose of ascertaining, appraising, and evaluating the assets, conditions, affairs, operations, ability to fulfill obligations, and compliance with all the provisions of law of the company or person insofar as any of the above pertain to the business of insurance of a person, organization, or corporation transacting, having transacted, or being organized to transact business in this state. Every company or person being examined, its officers, directors, and agents, shall provide to the commissioner or the designated person convenient and free access at all reasonable hours at its office to all its books, records, securities, documents, any or all papers relating to the property, assets, business, and affairs of the company or person. The officers, directors, and agents of the company or person shall facilitate the examination and aid in the examination so far as it is in their power to do so.

Sec. 10. 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. 11. [MANDATED REDUCTIONS.]

- (a) As a result of the workers' compensation law changes in article 3*

and the resulting savings to the costs of Minnesota's workers' compensation system, an insurer's approved schedule of rates in effect on August 1, 1989, must be reduced by 16 percent and applied by the insurer to all policies issued, renewed, or outstanding on or after that date. An insurer may not adjust its filed rating plan to recoup the 16 percent mandated rate reduction under this section. The reduction must be computed on the basis of a 16 percent premium reduction prorated to the expiration of that policy. An insurer shall provide written notice by September 1, 1989, to all employers having an outstanding policy with the insurer as of August 1, 1989, to read as follows: "As a result of the changes in the workers' compensation insurance system enacted by the 1989 legislature, you are entitled to a credit or refund to your current premium in an amount of \$ which reflects a 16 percent mandated premium reduction prorated to the expiration of your policy."

(b) No rate increases may be filed between April 10, 1989, and January 1, 1990.

Sec. 12. [NOTICE OF INTENT TO CHALLENGE RATE LEVEL CHANGE.]

Notwithstanding section 3, the commissioner shall have an additional 90 days to give notice of intent to hold a hearing pursuant to that section. This section applies only to challenges to an insurer's change in existing rate levels or rating plan filed between the date the 1990 rate-making report is approved by the commissioner of commerce and six months thereafter.

Sec. 13. [RECORDS DEPOSITED WITH THE COMMISSIONER.]

All records of data services organizations authorized by Minnesota Statutes, section 79.61, or its predecessors, pertaining to proceedings before the department of commerce or its predecessors regarding rates or classifications must be deposited with the commissioner no later than August 1, 1989.

Sec. 14. [CONTINGENT APPROPRIATION.]

(a) \$250,000 is appropriated from the special compensation fund to a workers' compensation contingent account for the purposes of this article. The appropriation in this section may only be spent with the approval of the governor after consultation with the legislative advisory commission under Minnesota Statutes, section 3.30.

(b) \$100,000 from the general contingent account for workers' compensation appropriated under Laws 1987, chapter 404, section 44, is available for the purposes of article 3.

Sec. 15. [REPEALER.]

Minnesota Statutes 1988, sections 79.54, 79.57, and 79.58, subdivision 1, are repealed.

Sec. 16. [EFFECTIVE DATE.]

Section 11, paragraph (b), is effective the day following final enactment.

ARTICLE 5

WORKERS' COMPENSATION COURT OF APPEALS ABOLISHED.

Section 1. Minnesota Statutes 1988, section 176.421, subdivision 1, is amended to read:

Subdivision 1. [TIME FOR TAKING; GROUNDS.] When a petition has been heard before a compensation judge, within 30 days after a party in interest has been served with notice of an award or disallowance of compensation, or other order affecting the merits of the case, the party may appeal to the workers' compensation court of appeals on any of the following grounds:

- (1) the order does not conform with this chapter; or
- (2) the compensation judge committed an error of law; or
- (3) the findings of fact and order were *clearly erroneous and* unsupported by substantial evidence in view of the entire record as submitted; or
- (4) the findings of fact and order were procured by fraud, or coercion, or other improper conduct of a party in interest.

Sec. 2. Minnesota Statutes 1988, section 176.421, subdivision 6, is amended to read:

Subd. 6. [POWERS OF WORKERS' COMPENSATION COURT OF APPEALS ON APPEAL.] On an appeal taken under this section, the workers' compensation court of appeals' review is limited to the issues raised by the parties in the notice of appeal or by a cross-appeal. *On review, the court may not substitute its judgment for that of the compensation judge as to the weight or credibility of the evidence on any finding of fact.* In these cases, on those issues raised by the appeal, the workers' compensation court of appeals may:

- (1) grant an oral argument based on the record before the compensation judge;
- (2) examine the record;
- (3) ~~substitute for the findings of fact made by the compensation judge findings based on the total evidence;~~
- (4) sustain, reverse, make, or modify an award or disallowance of compensation or other order based on the facts, findings, and law; and,
- (5) (4) remand or make other appropriate order.

Sec. 3. Minnesota Statutes 1988, section 480A.06, subdivision 3, is amended to read:

Subd. 3. [CERTIORARI REVIEW.] The court of appeals shall have jurisdiction to issue writs of certiorari to all agencies, public corporations and public officials, except the tax court ~~and the workers' compensation court of appeals.~~ The court of appeals shall have jurisdiction to review decisions of the commissioner of jobs and training, pursuant to section 268.10.

Sec. 4. Minnesota Statutes 1988, section 480A.06, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE REVIEW.] The court of appeals shall have jurisdiction to review on the record: the validity of administrative rules, as provided in ~~sections section 14.44 and 14.45, and~~; the decisions of administrative agencies in contested cases, as provided in sections 14.63 to 14.69; ~~and workers' compensation cases and peace officer death benefits cases, as provided under chapters 176 and 176A.~~

Sec. 5. [TRANSFER OF JURISDICTION AND PERSONNEL.]

The jurisdiction of the workers' compensation court of appeals, as provided under Minnesota Statutes, section 175A.01, subdivision 2, is transferred to the court of appeals. All contracts, books, plans, papers, records, and property of every description of the workers' compensation court of appeals relating to its transferred responsibilities and within its jurisdiction or control are transferred to the court of appeals; except that, all case files are transferred to the clerk of the appellate courts. All classified employees and staff attorneys of the workers' compensation court of appeals must be given preference in the employment of personnel required to staff the increased caseload of the court of appeals as a result of transfer of jurisdiction under this section.

Sec. 6. [INCREASED JUDGES.]

The number of judges on the court of appeals as of April 1, 1990, shall be increased by three. The three additional judges are subject to senate confirmation.

Sec. 7. [INSTRUCTION TO REVISOR.]

In every instance in Minnesota Statutes in which the term "workers' compensation court of appeals" appears, the revisor of statutes shall change that reference to the "court of appeals."

Sec. 8. [REAPPROPRIATION.]

\$190,000 is reappropriated from the special compensation fund, as a result of the savings to that fund in fiscal year 1990 due to the abolishment of the workers' compensation court of appeals, to the court of appeals for the purposes of this article.

Sec. 9. [REPEALER.]

Minnesota Statutes 1988, sections 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07; 175A.08; 175A.09; and 175A.10, are repealed.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. Sections 3 to 9 are effective April 1, 1990.

ARTICLE 6

REPORTS TO THE LEGISLATURE

Section 1. [REPORT TO THE LEGISLATURE ON MEDICAL ISSUES.]

The commissioner of labor and industry shall present a report to the legislature concerning medical issues in the workers' compensation system. Specifically, the report must include findings and recommendations designed to contain or reduce the cost of workers' compensation related medical services, including methods of controlling the cost of ongoing therapy treatments. The report must be presented by January 1, 1991.

The state fund mutual insurance company shall be consulted, as part of the medical services study, in order to assist the department in developing a proposal to collect and analyze all medical bills. The ultimate goal of this consultation will be the development of a flagging and monitoring system to identify cases which significantly deviate from normal utilization patterns, costs, and outcomes. The department shall make a preliminary report on the progress of the proposal to the legislature on January 1,

1990. *The department shall make a final recommendation on implementation of the proposal at the time it makes its report to the legislature concerning medical issues in the workers' compensation system on January 1, 1991.*

Sec. 2. [REPORT TO THE LEGISLATURE ON USE OF NEUTRAL PHYSICIANS.]

The commissioner of labor and industry shall present a report to the legislature concerning workers' compensation before January 1, 1990, which develops and evaluates a detailed proposal for establishing a system of neutral doctors for use in such areas as determining maximum medical improvement and rating permanent partial disabilities. The report must contain a bill proposal to implement the commissioner's recommendations.

Sec. 3. [REPORT TO THE LEGISLATURE ON USE OF NEUTRAL QUALIFIED REHABILITATION CONSULTANTS.]

To reduce cost and contention in the rehabilitation system, the commissioner of labor and industry shall develop and evaluate a detailed proposal to establish a system to ensure that qualified rehabilitation consultants will not be aligned with either insurers or claimants. The commissioner shall consider alternative methods of selection and payment to ensure neutrality. The commissioner shall present a report and proposal to the legislature by January 1, 1990.

Sec. 4. [REPORT TO THE LEGISLATURE ON IMPLEMENTATION OF MANDATED RATE REDUCTIONS.]

The commissioner of labor and industry shall survey Minnesota employers to determine if the mandated workers' compensation insurance rate reductions required under article 4, section 11, have been implemented by insurers, both as to amount and in a manner that is uniform and non-discriminatory between employers having similar risks with respect to a particular occupational classification. The commissioner must present a report detailing findings and conclusions to the legislature by February 1, 1990.

Sec. 5. [REPORT TO THE LEGISLATURE ON RECODIFICATION OF WORKERS' COMPENSATION LAW.]

The revisor of statutes shall recodify the workers' compensation law, including Minnesota Statutes, chapter 176.

The recodification must not make any substantive changes but shall provide a comprehensive, accurate, and complete restatement.

Each state department agency and legislative staff, including senate counsel and house of representatives research, shall provide assistance in the recodification as requested by the revisor of statutes.

The revisor shall report to the legislature by January 1, 1990, on the progress of the recodification. The revisor shall prepare a bill to implement its recommendations for recodification by January 1, 1991.

Sec. 6. [HEARINGS AT THE OFFICE OF ADMINISTRATIVE HEARINGS; REPORT OF THE CHIEF ADMINISTRATIVE LAW JUDGE.]

The chief administrative law judge shall consider methods to reduce the formality and length of hearings in workers' compensation cases at the office of administrative hearings, with a goal of completing 50 percent of

the hearings in less than two hours, 75 percent in less than four hours, and nearly all of the cases in less than one day. Before January 1, 1990, the chief judge shall report to the legislature on the efforts to meet these goals, including any recommendations for legislation needed to achieve these goals.

Sec. 7. [REPORT TO THE LEGISLATURE ON STATE REGULATION OF WORKERS' COMPENSATION INSURANCE.]

Legislative staff shall prepare and present a report to the legislature surveying the different processes for regulation of workers' compensation insurance rating plans under other states' workers' compensation insurance laws. The report must be presented to the legislature by January 1, 1990.

Sec. 8. [APPROPRIATION.]

\$100,000 is appropriated from the special compensation fund to the commissioner of labor and industry for the purposes of sections 2, 3, and 4.

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 labor and industry; regulating boiler operation and inspections; regulating workers' compensation benefits and administration; regulating workers' compensation insurance; providing for the appointment of actuaries; abolishing the workers' compensation court of appeals and transferring its jurisdiction to the court of appeals; requiring certain reports relating to workers' compensation; appropriating money; amending Minnesota Statutes 1988, sections 79.095; 79.55, subdivision 2; 79.56, by adding a subdivision; 79.58, subdivision 2; 79.61, subdivision 1; 176.011, subdivisions 11a, 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; 176.136, subdivision 1, and by adding a subdivision; 176.155, subdivision 1; 176.221, subdivision 1; 176.421, subdivisions 1 and 6; 176.645, subdivisions 1 and 2; 176.66, subdivision 11; 176A.03, by adding a subdivision; 183.42; 183.45; and 480A.06, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1988, sections 79.54; 79.57; 79.58, subdivision 1; 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07; 175A.08; 175A.09; 175A.10; 176.011, subdivision 26; and 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, 3u, and 6."

Mr. Frank questioned whether the amendment was germane.

The Chair ruled that the amendment was not germane.

Mr. Knaak appealed the decision of the Chair.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 36 and nays 24, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Lantry	Novak	Spear
Berglin	Diessner	Luther	Pehler	Stumpf
Bertram	Frank	Marty	Peterson, D.C.	Vickerman
Brandl	Frederickson, D.J.	Merriam	Piper	Waldorf
Chmielewski	Freeman	Metzen	Purfeerst	
Dahl	Hughes	Moe, D.M.	Reichgott	
Davis	Kroening	Moe, R.D.	Schmitz	
DeCramer	Langseth	Morse	Solon	

Those who voted in the negative were:

Belanger	Cohen	Johnson, D.E.	McGowan	Ramstad
Benson	Decker	Knaak	McQuaid	Renneke
Berg	Frederick	Knutson	Mehrkens	Storm
Bernhagen	Frederickson, D.R.	Laidig	Olson	Taylor
Brataas	Gustafson	Larson	Pariseau	

The decision of the Chair was sustained.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 1734 at 1:00 p.m.:

Messrs. Brandl, Novak, Pogemiller, Stumpf and Johnson, D.J. The motion prevailed.

GENERAL ORDERS - CONTINUED

S.F. No. 84, which the committee recommends to pass, with the following amendment offered by Mr. Frederickson, D.R.:

Page 4, line 31, delete "14" and insert "20"

The motion prevailed. So the amendment was adopted.

H.F. No. 837, which the committee recommends to pass, after the following motion:

Mr. Knaak moved to amend H.F. No. 837, the unofficial engrossment, as follows:

Page 4, line 24, after the fourth semicolon, insert "617.241; 617.246;" and delete "or" and before the period, insert "; or a gross misdemeanor violation of section 617.246 or 617.293"

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 29, as follows:

Those who voted in the affirmative were:

Belanger	Decker	Knaak	Mehrkens	Ramstad
Benson	Frederick	Larson	Metzen	Renneke
Bertram	Frederickson, D.R.	McGowan	Olson	Storm
Brataas	Johnson, D.E.	McQuaid	Pariseau	

Those who voted in the negative were:

Adkins	DeCramer	Kroening	Morse	Reichgott
Beckman	Dicklich	Langseth	Pehler	Samuelson
Berglin	Diessner	Lantry	Peterson, D.C.	Schmitz
Chmielewski	Frank	Luther	Peterson, R.W.	Solon
Cohen	Freeman	Marty	Piper	Spear
Dahl	Hughes	Merriam	Purfeerst	

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

H.F. No. 461, which the committee recommends to pass, subject to the following motion:

Ms. Peterson, D.C. moved that the amendment made to H.F. No. 461 by the Committee on Rules and Administration in the report adopted March 22, 1989, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

S.F. No. 784, which the committee recommends to pass with the following amendment offered by Mr. Belanger:

Page 4, line 19, after "vehicle" insert "exceeding \$200, including loss of use and any costs and expenses incident to the damage, loss, or loss of use."

Page 4, line 24, after "driver's" insert "illegal"

Page 4, line 25, delete "legally"

The motion prevailed. So the amendment was adopted.

H.F. No. 761, which the committee recommends to pass with the following amendments offered by Messrs. Luther, Frank and Schmitz:

Mr. Luther moved to amend H.F. No. 761, as amended pursuant to Rule 49, adopted by the Senate April 20, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 694.)

Page 1, line 22, after "65" insert "or older" and delete "a discount" and insert "an interest"

The motion prevailed. So the amendment was adopted.

Mr. Frank moved to amend H.F. No. 761, as amended pursuant to Rule 49, adopted by the Senate April 20, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 694.)

Page 1, delete lines 14 to 19 and insert:

"(1) to the extent the plan or contract is described in section 401(a), 403, 408, or 457 of the Internal Revenue Code of 1986, as amended, or payments under the plan or contract are or will be rolled over as provided in section 402(a)(5), 403(b)(8), or 408(d)(3) of the Internal Revenue Code of 1986, as amended; or"

The motion prevailed. So the amendment was adopted.

Mr. Schmitz moved to amend H.F. No. 761, as amended pursuant to Rule 49, adopted by the Senate April 20, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 694.)

Page 1, delete line 25

Page 2, delete line 1 and insert "and applies retroactively to April 12, 1988."

The motion prevailed. So the amendment was adopted.

H.F. No. 1355, which the committee recommends to pass, subject to the following motions:

Mr. Luther moved that the amendment made to H.F. No. 1355 by the Committee on Rules and Administration in the report adopted April 24, 1989, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Luther then moved to amend H.F. No. 1355 as follows:

Page 3, line 1, before the semicolon, insert “, *unless the property is selected under section 525.151*”

The motion prevailed. So the amendment was adopted.

S.F. No. 1435, which the committee recommends to pass, after the following motions:

Mr. Freeman moved to amend S.F. No. 1435 as follows:

Page 1, line 13, after the first comma, insert “*wholesaler,*”

Page 2, line 2, after the first comma, insert “*wholesaler’s,*”

Page 2, delete lines 4 to 7 and insert:

“(c) “*Sales representative*” means a person, other than an employee, who contracts with a principal to solicit wholesale orders and who is compensated, in whole or in part, by commission, but does not include a person who places orders or purchases exclusively for the person’s own account for resale.”

Page 2, line 10, delete “*two or more*” and insert “*a sales representative and another person or*”

Page 2, line 11, delete “*person*” and insert “*sales representative*”

Page 2, line 12, after the third comma, insert “*wholesaler’s,*”

Page 2, line 19, delete “*No person may*” and insert “*A manufacturer, wholesaler, assembler, or importer may not*”

The motion prevailed. So the amendment was adopted.

Mr. Freeman moved to amend S.F. No. 1435 as follows:

Page 3, line 9, delete the colon

Page 3, line 10, delete the paragraph coding and delete “(1)”

Page 3, line 12, delete “; *and*” and insert a period

Page 3, delete lines 13 to 17

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass S.F. No. 1435.

The roll was called, and there were yeas 31 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kroening	Peterson, D.C.	Spear
Beckman	Diessner	Langseth	Peterson, R.W.	Stumpf
Berglin	Frank	Lantry	Piper	Vickerman
Bertram	Frederickson, D.J.	Marty	Purfeerst	
Brandl	Freeman	Merriam	Ramstad	
Cohen	Hughes	Moe, R.D.	Reichgott	
Davis	Johnson, D.J.	Novak	Schmitz	

Those who voted in the negative were:

Anderson	Decker	Johnson, D.E.	Laidig	McQuaid
Benson	Frederick	Knaak	Larson	Olson
Berg	Frederickson, D.R.	Knutson	McGowan	Pariseau
Bernhagen				

The motion prevailed. So S.F. No. 1435 was recommended to pass.

S.F. No. 150, which the committee reports progress, subject to the following motions:

Mrs. Lantry moved to amend S.F. No. 150 as follows:

Page 14, line 32, delete "\$150" and insert "\$200"

Page 14, line 33, delete "\$75" and insert "\$125"

Page 14, line 34, delete "\$75" and insert "\$100"

Page 14, line 35, delete "\$50" and insert "\$75"

Page 21, line 2, delete "\$1,250" and insert "\$2,500"

Page 35, line 9, delete "\$25" and insert "\$75"

Page 36, after line 36, insert:

"Subd. 3. [COMMISSIONER OF REVENUE.] \$388,000 is appropriated from the general fund to the commissioner of revenue to provide for computer modifications necessary to administer Minnesota Statutes, chapter 349. \$194,000 is for the fiscal year ending June 30, 1990, and \$194,000 is for the fiscal year ending June 30, 1991."

The motion prevailed. So the amendment was adopted.

Mrs. Lantry then moved to amend S.F. No. 150 as follows:

Page 12, line 24, delete "and"

Page 12, line 27, before the period, insert "; and"

(10) delegate to the director the authority to issue licenses under criteria established by the board"

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend S.F. No. 150 as follows:

Page 49, delete lines 33 and 34 and insert:

"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."

Mr. Morse moved to amend the Lessard amendment to S.F. No. 150 as follows:

Page 1, delete lines 9 and 10

Renumber the clauses in sequence

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

The question recurred on the Lessard amendment, as amended.

The roll was called, and there were yeas 23 and nays 36, as follows:

Those who voted in the affirmative were:

Adkins	Frederickson, D.R.	Lessard	Pehler	Solon
Bertram	Johnson, D.J.	McGowan	Pogemiller	Stumpf
Cohen	Knaak	Metzen	Purfeerst	Vickerman
Dicklich	Langseth	Moe, R.D.	Samuelson	
Frank	Lantry	Morse	Schmitz	

Those who voted in the negative were:

Anderson	Decker	Kroening	Moe, D.M.	Spear
Beckman	DeCramer	Laidig	Olson	Storm
Benson	Frederick	Larson	Peterson, D.C.	Taylor
Berg	Frederickson, D.J.	Luther	Peterson, R. W.	Waldorf
Berglin	Freeman	Marty	Piper	
Bernhagen	Gustafson	McQuaid	Ramstad	
Brandl	Johnson, D.E.	Mehrkens	Reichgott	
Davis	Knutson	Merriam	Renneke	

The motion did not prevail. So the Lessard amendment, as amended, was not adopted.

Mr. Freeman moved to amend S.F. No. 150 as follows:

Page 40, line 1, before the first "The" insert "(a)"

Page 40, after line 10, insert:

"(b) The board may not approve a procedure for a game that would permit a person to determine instantly whether a prize had been won."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Laidig	Olson	Spear
Beckman	Frederickson, D.J.	Larson	Peterson, D.C.	Storm
Benson	Freeman	Luther	Peterson, R. W.	Taylor
Berg	Gustafson	Marty	Piper	Waldorf
Berglin	Johnson, D.E.	McGowan	Ramstad	
Bernhagen	Knutson	McQuaid	Reichgott	
Brandl	Kroening	Moe, D.M.	Renneke	

Those who voted in the negative were:

Adkins	Diessner	Lantry	Novak	Solon
Bertram	Frank	Lessard	Pariseau	Stumpf
Chmielewski	Frederick	Mehrkens	Pehler	Vickerman
Cohen	Frederickson, D.R.	Merriam	Pogemiller	
Davis	Johnson, D.J.	Metzen	Purfeerst	
DeCramer	Knaak	Moe, R.D.	Samuelson	
Dicklich	Langseth	Morse	Schmitz	

The motion prevailed. So the amendment was adopted.

Mr. Larson moved to amend S.F. No. 150 as follows:

Page 48, lines 23 and 36, delete "7" and insert "8"

Page 48, after line 35, insert:

"Subd. 7. [AMOUNT OF PRIZE LIMITED.] The amount of a prize may not exceed \$1,000,000."

Page 49, line 10, delete "8" and insert "9"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Knutson	Novak	Renneke
Benson	Decker	Laidig	Olson	Spear
Berg	DeCramer	Larson	Pariseau	Storm
Berglin	Frederick	Luther	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Marty	Peterson, R.W.	
Brandl	Gustafson	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Merriam	Reichgott	

Those who voted in the negative were:

Adkins	Frank	Lantry	Moe, R.D.	Samuelson
Beckman	Frederickson, D.J.	Lessard	Morse	Schmitz
Bertram	Johnson, D.J.	McGowan	Pehler	Solon
Chmielewski	Knaak	Mehrkens	Piper	Stumpf
Dicklich	Kroening	Metzen	Pogemiller	Vickerman
Diessner	Langseth	Moe, D.M.	Purfeerst	Waldorf

The motion prevailed. So the amendment was adopted.

S.F. No. 150 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 Messages From the House, First Reading of House Bills, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 184 and 1374.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1989

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. 206, and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 206 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1989

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 654:

H.F. No. 654: A bill for an act relating to education; providing for general education revenue, transportation, special programs, community education, school facilities and equipment, education organization and cooperation, access to education excellence, school breakfast programs, sexual harassment and violence policies, parental involvement programs, libraries, state education agencies and education agency services, providing for limits on open enrollment and post-secondary options; appropriating money; amending Minnesota Statutes 1988, sections 43A.08, subdivision 1a; 120.06, by adding a subdivision; 120.062, subdivisions 4, 6, and by adding a subdivision; 120.17, subdivisions 3, 3b, and by adding a subdivision; 121.88, subdivisions 2 and 5; 121.882, subdivisions 2 and 4; 121.904, subdivision 4a; 121.908, subdivision 5; 121.912, subdivision 1; 121.935, subdivision 6; 122.23, by adding a subdivision; 122.43, subdivision 1; 122.532, subdivision 4; 122.541, subdivision 5; 122.91; 122.92; 122.93, subdivision 2, and by adding subdivisions; 122.94, subdivision 1, and by adding a subdivision; 122.95, subdivision 2, and by adding a subdivision; 123.3514, subdivisions 2, 4, 4c, 5, 7, and 10; 123.39, by adding a subdivision; 123.58, subdivision 9, and by adding a subdivision; 123.702, subdivisions 1, 1a, 2, 3, 4, and by adding subdivisions; 123.703, by adding subdivisions; 123.705, subdivision 1, and by adding a subdivision; 124.17, subdivision 1b; 124.19, subdivision 5; 124.195, subdivision 8; 124.2131, subdivision 1; 124.223; 124.225; 124.243, subdivision 3, and by adding a subdivision; 124.244, subdivision 2; 124.245, subdivision 3b; 124.26, subdivisions 1c, 7, and by adding a subdivision; 124.261; 124.271, by adding subdivisions; 124.2711, subdivisions 1, 3, 4, and by adding a subdivision; 124.2721;

124.273, subdivisions 1b, 4, 5, 7, and by adding a subdivision; 124.32, subdivisions 1b, 1d, and by adding a subdivision; 124.38, subdivision 7; 124.43, subdivision 1, and by adding a subdivision; 124.494, subdivision 2; 124.573, subdivision 2b, and by adding subdivisions; 124.574, subdivisions 1, 4, and 5; 124.575, subdivision 3; 124.82, subdivision 3; 124.83, subdivisions 3, 4, and 6; 124A.02, by adding a subdivision; 124A.03, subdivision 2; 124A.035, subdivisions 2 and 4; 124A.036, by adding a subdivision; 124A.22, subdivisions 2, 4, and 9; 124A.23, subdivision 1; 124A.28, subdivision 1; 124A.31; 126.151, subdivision 2; 126.23; 126.56, subdivision 4, and by adding a subdivision; 126.67, subdivision 8; 128A.09; 129.121, by adding a subdivision; 129C.10; 134.33, subdivision 1; 134.34, subdivisions 1, 2, 3, and 4; 134.35, subdivision 5; 136D.27, subdivision 1; 136D.74, subdivision 2; 136D.87, subdivision 1; 141.35; 273.1102, subdivision 3; 275.011, subdivision 1; 275.125, subdivisions 5, 5b, 5c, 5e, 6e, 6h, 6i, 8, 8b, 8c, 8e, 9, 9a, 9b, 9c, 11d, 14a, and by adding a subdivision; 354.094, subdivisions 1 and 2; 354.66, subdivision 4; 354A.091, subdivisions 1 and 2; 354A.094, subdivision 4; and 363.06, subdivision 3; Laws 1965, chapter 705, as amended; Laws 1976, chapter 20, section 4; Laws 1988, chapter 718, article 7, section 61, subdivisions 1, 2, and 3; chapter 719, article 5, section 84; proposing coding for new law in Minnesota Statutes, chapters 122; 124; 124A; 126; 127; 275; and 363; repealing Minnesota Statutes 1988, sections 120.062, subdivision 8; 123.702, subdivisions 1a, 5, 6, and 7; 124.217; 124.243, subdivision 4; 124.271, subdivision 26; 129B.11; 129B.48; 134.33, subdivision 1; 134.34, subdivision 5; and 275.125, subdivision 6f; Laws 1988, chapter 718, article 5, section 4.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Nelson, K.; McEachern; Vellenga; Bauerly and Ozment have been appointed as such committee on the part of the House.

House File No. 654 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 May 10, 1989

Mr. Peterson, R.W. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 654, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1423:

H.F. No. 1423: 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 public benefits 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; requiring a facility fee payment to enrolled hospitals for certain emergency room or clinic visits; amending Minnesota Statutes 1988, section 80D.04, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 144; and 256B.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Ogren, Onnen and Ostrom have been appointed as such committee on the part of the House.

House File No. 1423 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 May 10, 1989

Mrs. Lantry moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1423, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1267:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Quinn, Jacobs and Weaver have been appointed as such committee on the part of the House.

House File No. 1267 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 May 10, 1989

Mr. Frank moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1267, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1530:

H.F. No. 1530: 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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Lieder, Sparby and Bennett have been appointed as such committee on the part of the House.

House File No. 1530 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 May 10, 1989

Mr. Schmitz moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1530, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 472:

H.F. No. 472: A bill for an act relating to transportation; motor carriers; increasing maximum length of certain semitrailers; defining mobile cranes and providing for their maximum length; requiring a highway cost allocation study; amending Minnesota Statutes 1988, sections 169.01, by adding a subdivision; 169.81, subdivision 2; and 169.86, subdivision 5.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Kalis, Morrison and Lasley have been appointed as such committee on the part of the House.

House File No. 472 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 May 10, 1989

Mr. Purfeerst moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 472, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 831:

H.F. No. 831: A bill for an act relating to game and fish; Mom Fishing

Weekend; season opening date for certain game fish; amending Minnesota Statutes 1988, sections 97A.445, by adding a subdivision; and 97C.395, subdivision 1.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Kinkel; Johnson, R. and Gruenes have been appointed as such committee on the part of the House.

House File No. 831 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 May 10, 1989

Mr. Vickerman moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 831, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1506:

H.F. No. 1506: 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 82A.02, by adding a subdivision; 82A.04, subdivision 2; 82A.13, subdivision 2; 83.20, by adding a subdivision; and 83.30, subdivision 1.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Sparby, Sarna and Bennett have been appointed as such committee on the part of the House.

House File No. 1506 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 May 10, 1989

Mr. Solon moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1506, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1435:

H.F. No. 1435: A bill for an act relating to liquor; authorizing issuance

of a certain on-sale license in Todd county.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Krueger, Jacobs and Anderson, R. have been appointed as such committee on the part of the House.

House File No. 1435 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 May 10, 1989

Mr. Anderson moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1435, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 729:

H.F. No. 729: A bill for an act relating to marriage dissolution; 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 ongoing 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; amending Minnesota Statutes 1988, sections 257.022, by adding a subdivision; 518.17, subdivision 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.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Pappas, Kelly, Dempsey, Wagenius and Hasskamp have been appointed as such committee on the part of the House.

House File No. 729 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 May 10, 1989

Mr. Spear moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 729, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 700:

H.F. No. 700: A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability, age, political affiliation, membership or lack of membership in a labor union, 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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Greenfield, Jefferson and Bishop have been appointed as such committee on the part of the House.

House File No. 700 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 May 10, 1989

Ms. Berglin moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 700, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1454:

H.F. No. 1454: 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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Neuenschwander, Solberg and Johnson, V. have been appointed as such committee on the part of the House.

House File No. 1454 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 May 10, 1989

Mr. Moe, R.D. moved that H.F. No. 1454 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. 579, 892, 907, 341, 1046, 1461 and 1548.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 10, 1989

FIRST READING OF HOUSE BILLS

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

H.F. No. 579: A bill for an act relating to certain commercial transactions; adopting an article of the uniform commercial code that governs leases; 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; proposing coding for new law in Minnesota Statutes, chapter 336.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 132, now on General Orders.

H.F. No. 892: 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 299F362, subdivisions 1 and 9.

Referred to the Committee on Finance.

H.F. No. 907: 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, 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.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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 879, now on General Orders.

H.F. No. 341: 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, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299F

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1099.

H.F. No. 1046: 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 Finance.

H.F. No. 1461: 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.

H.F. No. 1548: 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 51A.01; 51A.02, subdivision 14; 51A.38, subdivision 3; 51A.385, subdivisions 4, 5, 6, 7, 8, 9, 11, 12, and 13; 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1355, now on General Orders.

REPORTS OF COMMITTEES

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

Mr. Merriam from the Committee on Finance, to which was re-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 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; providing a limited right of entry to secure vacant or unoccupied buildings; providing for city housing rehabilitation loan programs; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 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; 582.03; 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; 471; 504; 566; and 582.

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

Delete everything after the enacting clause and insert:

"ARTICLE I

AFFORDABLE HOUSING PROGRAMS

Section 1. Minnesota Statutes 1988, section 4.071, is amended to read:

4.071 [OIL OVERCHARGE MONEY.]

Except for money appropriated under section 22, money received by the state as a result of litigation or settlements of alleged violations of federal petroleum pricing regulations may not be spent until the legislative commission on Minnesota resources has reviewed the proposed projects and the money is specifically appropriated by law. A work plan must be prepared for each proposed project for review by the commission. The commission must recommend specific projects to the legislature.

Sec. 2. [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. 3. [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 rent 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. 4. 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. 5. 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. 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. *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. 7. 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. 8. [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. Housing preservation loans may not be made for housing located within a targeted neighborhood designated under a neighborhood revitalization program.

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.

Sec. 9. 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. 10. 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. 11. 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. 12. 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. 13. 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. 14. 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. 15. 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. 16. [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. 17. [STATEWIDE AND SUBURBAN FUNDING ALLOCATION.]

The agency shall ensure that money appropriated under section 18 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. 18. [APPROPRIATION; LOW-INCOME RENTAL HOUSING.]

\$3,000,000 is appropriated from the general fund for transfer to the housing development fund for low-income family and individual rental housing located outside of home rule charter or statutory cities of the first class.

Sec. 19. [APPROPRIATION; HOUSING PRESERVATION.]

\$2,000,000 is appropriated from the general fund for transfer to the housing development fund for the housing preservation program.

Sec. 20. [APPROPRIATION; TRANSITIONAL AND MIGRANT HOUSING.]

\$225,000 is appropriated from the general fund for transfer to the housing development fund for the acquisition, rehabilitation, or construction of transitional housing units. The commissioner of the Minnesota housing finance agency may authorize the transfer of up to \$100,000 of this appropriation to the commissioner of jobs and training for the transitional housing program established under Minnesota Statutes, section 268.38.

\$100,000 is appropriated from the general fund for transfer to the housing development fund for the acquisition, rehabilitation, or construction of affordable housing units for migrant laborers. To the extent possible, this appropriation must be combined with nonpublic money from private entities engaged in the business of producing and processing agricultural products, nonprofit organizations, and interested persons.

Sec. 21. [APPROPRIATION; CAPACITY BUILDING GRANTS.]

\$100,000 is appropriated from the general fund for transfer to the housing development fund for capacity building grants.

Sec. 22. [HOME ENERGY LOANS.]

\$3,100,000 of the money received by the state after the effective date of this section as a result of the settlement of the parties and order of the United States District Court for the District of Kansas in the case of In Re Department of Energy Stripper Well Exemption Litigation, 578 F. Supp. 586 (D. Kans. 1983), is transferred to the housing development fund for the purpose of making home energy loans before any money received by the state after the effective date of this section as a result of this litigation may be allocated to any other project.

Sec. 23. [APPROPRIATION; HOME EQUITY LOAN COUNSELING.]

\$25,000 is appropriated from the general fund for transfer to the housing development fund for the home equity conversion loan counseling program.

Sec. 24. [APPROPRIATION; ACCESSIBLE HOUSING INFORMATION GRANTS.]

\$50,000 is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of jobs and training for accessible housing information grants.

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. [DEFENSES.] The defenses provided in section 566.23 are defenses to an action brought under this section.

Subd. 5. [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. 6. [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. 7. [HEARING.] The hearing shall be conducted by a court without a jury. A certified copy of an inspection report meets the requirements of rule 803(8) of the Rules of Evidence as an exception to the rule against hearsay, and meets the requirements of rules 901 and 902 of the Rules of Evidence as to authentication.

Subd. 8. [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. 9. [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. 10. [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 9.

(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. 11. [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. 12. [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, except as provided in subdivision 2.

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. [566.261] [VIOLATIONS OF BUILDING REPAIR ORDERS.]

Subdivision 1. [NONCOMPLIANCE; FINES.] Upon finding an owner has willfully failed to comply with a court order to remedy a violation, the court shall fine the owner according to the following schedule:

- (1) \$250 for the first failure to comply;
- (2) \$500 for the second failure to comply with an order regarding the same violation; and
- (3) \$750 for the third and subsequent failure to comply with an order regarding the same violation.

Subd. 2. [CRIMINAL PENALTY.] An owner who willfully fails to comply with a court order to remedy a violation is guilty of a gross misdemeanor if it is the third or subsequent time that the owner has willfully failed to comply with an order to remedy a violation within a three-year period.

Subd. 3. [FINES COLLECTED.] Fines collected under subdivision 1 in Hennepin county must be used for expenses of the fourth judicial district, housing calendar consolidation project. Fines collected under subdivision 1 in Ramsey county must be used for expenses of the second judicial district, housing calendar consolidation project.

Sec. 10. 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. 11. 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. 12. 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. 13. 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. 14. 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. 15. [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. 16. [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. A proceeding under sections 566.01 to 566.17 may not be delayed because of the consolidation of matters under the housing calendar project.

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 may 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, 1992. An advisory group, appointed by the state court administrator, may be established to provide ongoing oversight and evaluation of the housing calendar consolidation project. The advisory group must include representatives of the second and fourth judicial districts and must be composed of at least one representative from each 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. 17. [DEMONSTRATION PROJECTS.]

The establishment of a housing calendar project under section 16 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.]

\$600,000 is appropriated from the general fund for the biennium ending June 30, 1991, to the state court administrator to distribute to the second and fourth judicial districts for the housing calendar consolidation project.

Sec. 19. [REPEALER.]

Sections 9, subdivision 3, and 16 are repealed July 1, 1992.

ARTICLE 3

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.

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.] (a) 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. 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.

(b) 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) 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

(2) a similar nonhandicapped-equipped unit in the same rental housing complex is available at the same rent.

Sec. 3. 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, *if any*, 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, *correction*, 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* *is* 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. 4. 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. 5. [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. 6. Minnesota Statutes 1988, section 582.03, is amended to read:

582.03 [PURCHASER AT FORECLOSURE, EXECUTION, OR JUDICIAL SALE MAY PAY TAXES, ASSESSMENTS, INSURANCE PREMIUMS, OR INTEREST.]

The purchaser at any sale, upon foreclosure of mortgage or execution or at any judicial sale during the ~~year~~ period of redemption, may pay any taxes or assessments on which any penalty would otherwise accrue, and may pay the premium upon any policy of insurance procured in renewal of any expiring policy upon mortgaged premises, *may pay any costs incurred under section 582.031*, and may, in case any interest or installment of principal upon any prior or superior mortgage, lien, or contract for deed is in default or shall become due during ~~such year~~ the period of redemption, pay the same, and, in all such cases, the sum so paid, with interest, shall be a part of the sum required to be paid to redeem from such sale. Such payments shall be proved by the affidavit of the purchaser or the purchaser's agent or attorney, stating the items and describing the premises, which must be filed for record with the county recorder or registrar of titles, and a copy thereof shall be furnished to the sheriff at least ten days before the expiration of the ~~year~~ period of redemption.

Sec. 7. [582.031] [LIMITED RIGHT OF ENTRY BY MORTGAGEE OR PURCHASER AT FORECLOSURE SALE.]

Subdivision 1. [RIGHT OF ENTRY.] If premises described in a mortgage or sheriff's certificate are vacant or unoccupied, the holder of the mortgage or sheriff's certificate or the holder's agents and contractors may enter upon the premises to protect the premises from waste, until the holder of the mortgage or sheriff's certificate receives notice that the premises are occupied. The holder of the mortgage or sheriff's certificate does not become a mortgagee in possession by taking actions authorized under this section. An affidavit of the sheriff, the holder of the mortgage or sheriff's certificate, or a person acting on behalf of the holder, describing the premises and stating that the same are vacant or unoccupied, is prima facie evidence of the facts stated in the affidavit when recorded in the office of the county recorder or the registrar of titles in the county where the premises are located.

Subd. 2. [AUTHORIZED ACTIONS.] The holder of the mortgage or sheriff's certificate may take the following actions to protect the premises from waste: install or change locks on doors and windows, board windows, and otherwise prevent or minimize damage to the premises from the elements, vandalism, trespass, or other illegal activities. If the holder of the mortgage or sheriff's certificate installs or changes locks under this section, a key to the premises must be promptly delivered to the mortgagor or any person lawfully claiming through the mortgagor, upon request.

Subd. 3. [COSTS.] All costs incurred by the holder of the mortgage to protect the premises from waste may be added to the principal balance of the mortgage. The costs may bear interest to the extent provided in the mortgage and may be added to the redemption price if the costs are incurred after a foreclosure sale. If the costs are incurred after a foreclosure sale, the purchaser at the foreclosure sale must comply with the provisions of section 582.03. The provisions of this section are in addition to, and do not limit or replace, any other rights or remedies available to holders of mortgages and sheriff's certificates, at law or under the applicable mortgage agreements.

Sec. 8. 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. 9. 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. 10. [EFFECTIVE DATE.]

Section 8 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 9 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 4 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. [REPEALER.]

Laws 1974, chapter 351, sections 1, 2, 3, and 4, as amended by Laws 1975, chapter 260, section 5; and Laws 1975, chapter 260, sections 1,

2, 3, 4, and 5, are repealed.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day after enactment without local approval in accordance with Minnesota Statutes, section 645.023, subdivision 1, clause (a).

ARTICLE 5

CAN-DO AND WAY TO GROW/SCHOOL READINESS PROGRAMS

Section 1. [116J.983] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of section 2, the following terms have the meanings given them.

Subd. 2. [COMMUNITY AND NEIGHBORHOOD DEVELOPMENT ORGANIZATION GRANT.] "Community and neighborhood development organization grant" or "grant" means a grant awarded under section 2, subdivision 1.

Subd. 3. [COMMUNITY AND NEIGHBORHOOD DEPARTMENT ORGANIZATION PLAN.] "Community and neighborhood department organization plan" or "plan" means the plan required under section 2, subdivision 3.

Subd. 4. [ELIGIBLE ORGANIZATION.] "Eligible organization" means a nonprofit organization or group of persons that is recognized as a viable community or neighborhood organization by a home rule charter or statutory city, town, or an Indian tribe, and that has defined neighborhood or community boundaries. An eligible organization must have a board that is representative of the neighborhood's or community's interests and whose members reflect the cultural, racial, and ethnic diversity of the neighborhood or community. An eligible organization or group of persons must complete training and be certified as required under section 2, subdivision 4.

Sec. 2. [116J.984] [COMMUNITY AND NEIGHBORHOOD DEVELOPMENT ORGANIZATION PROGRAM.]

Subdivision 1. [COMMUNITY AND NEIGHBORHOOD DEVELOPMENT GRANTS.] The commissioner may award matching grants to eligible organizations. Grants to any one eligible organization may not exceed \$25,000 in any fiscal year and a grant may not be used for any purpose that replaces an existing community program identified by the commissioner. Each grant must be matched with at least two dollars of nonstate money or in-kind contributions to each dollar of grant money. The grants may be used for community or neighborhood public safety and human service activities, street and public property lighting, recycling efforts, repair or removal of dilapidated buildings, community or neighborhood beautification and cleanup, historic preservation of buildings, small scale park and open space development, and other projects, programs, or activities that the commissioner determines will improve or revitalize the community or neighborhood.

Subd. 2. [INTERNSHIP PROGRAM.] Up to \$5,000 of any grant awarded under subdivision 1 may be used by an eligible organization for an internship program. The purpose of the internship program is to enable local residents to gain skills in program administration, neighborhood organization, volunteer recruitment, neighborhood safety, and other skills to

ensure continued neighborhood or community improvement and revitalization.

Subd. 3. [GRANT APPLICATIONS.] Eligible organizations may apply to the commissioner for grants awarded under subdivision 1. The application must include a community and neighborhood development organization plan that addresses the following:

(1) a geographic, social, and economic description of the area served by the eligible organization;

(2) a description of why the projects or activities are required in the neighborhood or community;

(3) a detailed description of the objectives for which the grant money will be used;

(4) a description of the process used to encourage citizen involvement in determining the needs, objectives, and the design of the project or activity;

(5) an assessment of the strength and weaknesses of the neighborhood or community;

(6) a detailed description of the projects or activities that will be used to implement the objectives;

(7) a description of the expected outcomes of the projects or activities financed by the grant;

(8) identification of the source of the required matching funds; and

(9) any other information the commissioner determines necessary to award the grants.

Subd. 4. [TRAINING; CERTIFICATION.] Before an eligible organization may apply for a grant under subdivision 1, the commissioner must certify that the eligible organization meets administrative, fiscal accountability, and planning requirements. The commissioner shall establish a set of criteria for the certification of eligible organizations. The commissioner may provide leadership and other training to eligible organizations to assist them in meeting the requirements for certification and developing the community and neighborhood development organization plan. The commissioner may use other department resources and staff to carry out the training.

Subd. 5. [RECERTIFICATION.] An eligible organization must be recertified annually to maintain its eligibility for grants under subdivision 1. As part of recertification, the commissioner shall review the plan to determine whether the organization continues to address its objectives and the organization demonstrates that the community or neighborhood's level of volunteer citizen participation is maintained or expanded.

Subd. 6. [APPLICATIONS; PRIORITY.] The commissioner may establish criteria to establish the priority of the applications received for grants awarded under subdivision 1. The criteria may include:

(1) the degree of community support measured by the amount of participation in the project or activities by volunteers;

(2) the extent that the eligible organizations have participated with or solicited input from other organizations that provide community and regional assistance;

(3) the amount of nonstate matching funds identified as available for the project or activities; and

(4) any other criteria the commissioner determines necessary to carry out the purposes of this section.

Subd. 7. [ENTITLEMENT.] The commissioner may set aside up to 40 percent of the money available under this section for grants awarded to eligible organizations located in cities of the first class as defined in section 410.01.

Subd. 8. [LOCAL GOVERNMENT SUPPORT.] Before an application for a grant awarded under subdivision 1 may be considered by the commissioner, the eligible organization must have received a formal resolution of support for the application of the governing body of the home rule charter or statutory city, town, or Indian tribe within whose jurisdiction the eligible organization is located.

Subd. 9. [COMMUNITY ASSISTANCE PROGRAM INVENTORY.] The commissioner may develop and maintain an inventory of public and private community assistance programs. The inventory must be made available to eligible organizations, other community assistance providers, and other persons that request assistance from the commissioner. In developing the inventory the commissioner shall coordinate with other similar activities.

Subd. 10. [RULES.] The commissioner may adopt rules under chapter 14 as necessary for the administration of the grants under this section.

Subd. 11. [STATE AGENCY COOPERATION.] State agencies must cooperate and assist when requested by the commissioner to carry out the purposes of this section.

Subd. 12. [ADVISORY COMMITTEE.] The commissioner may establish advisory committees to assist in carrying out the purposes of this section.

Sec. 3. [145.926] [WAY TO GROW/SCHOOL READINESS PROGRAM.]

Subdivision 1. [ADMINISTRATION.] The commissioner of health shall administer the way to grow/school readiness program, in consultation with the commissioners of human services and education, to promote intellectual, social, emotional, and physical development and school readiness of children prebirth to age five by coordinating and improving access to community based and neighborhood based services that support and assist all parents in meeting the health and developmental needs of their children at the earliest possible age.

Subd. 2. [PROGRAM COMPONENTS.] A way to grow/school readiness program may include:

(1) a program of home visitors to contact pregnant women early in their pregnancies, encourage them to obtain prenatal care, and provide social support, information, and referrals regarding prenatal care and well-baby care to reduce infant mortality, low birth weight, and childhood injury, disease, and disability;

(2) a program of home visitors to provide social support, information, and referrals regarding parenting skills and to encourage families to participate in parenting skills programs and other family supportive services;

(3) support of neighborhood based or community based parent-child and

family resource centers or interdisciplinary resource teams to offer supportive services to families with preschool children;

(4) staff training, technical assistance, and incentives for collaboration designed to raise the quality of community services relating to prenatal care, child development, health, and school readiness;

(5) programs to raise general public awareness about practices that promote healthy child development and school readiness;

(6) support of neighborhood oriented and culturally specific social support, information, outreach, and other programs to promote healthy development of children and to help parents obtain the information, resources, and parenting skills needed to nurture and care for their children;

(7) programs to expand public and private collaboration to promote the development of a coordinated and culturally specific system of services available to all families;

(8) support of periodic screening and evaluation services for preschool children to assure adequate developmental progress;

(9) support of health, educational, and other developmental services needed by families with preschool children;

(10) support of family prevention and intervention programs needed to address risks of child abuse or neglect;

(11) development or support of a jurisdiction-wide coordinating agency to develop and oversee programs to enhance child health, development, and school readiness with special emphasis on neighborhoods with a high proportion of children in need; and

(12) other programs or services to improve the health, development, and school readiness of children in target neighborhoods and communities.

Subd. 3. [ELIGIBLE GRANTEES.] An application for a grant may be submitted by any of the following entities:

(1) a city, town, county, school district, or other local unit of government;

(2) two or more governmental units organized under a joint powers agreement;

(3) a community action agency that satisfies the requirements of section 268.53, subdivision 1; or

(4) a nonprofit organization, or consortium of nonprofit organizations, that demonstrates collaborative effort with at least one unit of local government.

Subd. 4. [PILOT PROJECTS.] The commissioner shall award grants for one pilot project in each of the following areas of the state:

(1) a first class city located within the metropolitan area as defined in section 473.121, subdivision 2;

(2) a second class city located within the metropolitan area as defined in section 473.121, subdivision 2;

(3) a city with a population of 50,000 or more that is located outside of the metropolitan area as defined in section 473.121, subdivision 2; and

(4) the area of the state located outside of the metropolitan area as

defined in section 473.121, subdivision 2.

To the extent possible, the commissioner shall award grants to applicants with experience or demonstrated ability in providing comprehensive, multidisciplinary, community based programs with objectives similar to those listed in subdivision 2, or in providing other human services or social services programs using a multidisciplinary, community based approach.

Subd. 5. [APPLICATIONS.] Each grant application must propose a five-year program designed to accomplish the purposes of this section. The application must be submitted on forms provided by the commissioner of health. The grant application must include:

(1) a description of the specific neighborhoods that will be served under the program and the name, address, and a description of each community agency or agencies with which the applicant intends to contract to provide services using grant money;

(2) a letter of intent from each community agency identified in clause (1) that indicates the agency's willingness to participate in the program and approval of the proposed program structure and components;

(3) a detailed description of the structure and components of the proposed program and an explanation of how each component will contribute to accomplishing the purposes of this section;

(4) a description of how public and private resources, including schools, health care facilities, government agencies, neighborhood organizations, and other resources, will be coordinated and made accessible to families in target neighborhoods, including letters of intent from public and private agencies indicating their willingness to cooperate with the program;

(5) a detailed, proposed budget that demonstrates the ability of the program to accomplish the purposes of this section using grant money and other available resources, including funding sources other than a grant; and

(6) a comprehensive evaluation plan for measuring the success of the program in meeting the objectives of the overall grant program and the individual grant project, including an assessment of the impact of the program in terms of at least three of the following criteria:

(i) utilization rates of community services;

(ii) availability of support systems for families;

(iii) birth weights of newborn babies;

(iv) child accident rates;

(v) utilization rates of prenatal care;

(vi) reported rates of child abuse; and

(vii) rates of health screening and evaluation.

Subd. 6. [MATCH.] Each dollar of state money must be matched with 50 cents of nonstate money. The pilot project selected under subdivision 4, clause (4), may match state money with in-kind contributions, including volunteer assistance.

Subd. 7. [ADVISORY COMMITTEES.] The commissioner shall establish a program advisory committee consisting of persons knowledgeable

in child development, child and family services, and the needs of people of color and high risk populations; and representatives of the commissioners of health and education. Each grantee must establish a program advisory board of 12 or more members to advise the grantee on program design, operation, and evaluation. The board must include representatives of local units of government and representatives of the project area who reflect the geographic, cultural, racial, and ethnic diversity of that community.

Subd. 8. [REPORT.] The commissioner of health shall provide a biennial report to the legislature on the program administration and the activities of projects funded under this section.

Sec. 4. [APPROPRIATION; WAY TO GROW/SCHOOL READINESS PROGRAM.]

\$1,250,000 is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of health for the way to grow/school readiness program.

Sec. 5. [APPROPRIATION; COMMUNITY DEVELOPMENT PROGRAM.]

\$1,250,000 is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of trade and economic development for the community and neighborhood development organization program. The approved complement of the department of trade and economic development is increased by two positions.

ARTICLE 6

NEIGHBORHOOD REVITALIZATION PROGRAM

Section 1. Minnesota Statutes 1988, section 282.01, subdivision 1, is amended to read:

Subdivision 1. [CLASSIFICATION; USE; EXCHANGE.] It is the general policy of this state to encourage the best use of tax-forfeited lands, recognizing that some lands in public ownership should be retained and managed for public benefits while other lands should be returned to private ownership. All parcels of land becoming the property of the state in trust under the provisions of any law now existing or hereafter enacted declaring the forfeiture of lands to the state for taxes, shall be classified by the county board of the county wherein such parcels lie as conservation or nonconservation. Such classification shall be made with consideration, among other things, to the present use of adjacent lands, the productivity of the soil, the character of forest or other growth, accessibility of lands to established roads, schools, and other public services, their peculiar suitability or desirability for particular uses and the suitability of the forest resources on the land for multiple use, sustained yield management. Such classification, furthermore, shall aid: to encourage and foster a mode of land utilization that will facilitate the economical and adequate provision of transportation, roads, water supply, drainage, sanitation, education, and recreation; to facilitate reduction of governmental expenditures; to conserve and develop the natural resources; and to foster and develop agriculture and other industries in the districts and places best suited thereto.

In making such classification the county board may make use of such data and information as may be made available by any office or department of the federal, state, or local governments, or by any other person or agency possessing information pertinent thereto at the time such classification is

made. Such lands may be reclassified from time to time as the county board may deem necessary or desirable, except as to conservation lands held by the state free from any trust in favor of any taxing district.

If any such lands are located within the boundaries of any organized town, with taxable valuation in excess of \$20,000, or incorporated municipality, the classification or reclassification and sale shall first be approved by the town board of such town or the governing body of such municipality insofar as the lands located therein are concerned. The town board of the town or the governing body of the municipality will be deemed to have approved the classification or reclassification and sale if the county board is not notified of the disapproval of the classification or reclassification and sale within 90 days of the date the request for approval was transmitted to the town board of the town or governing body of the municipality. If the town board or governing body desires to acquire any parcel lying in the town or municipality by procedures authorized in this subdivision, it shall, within 90 days of the request for classification or reclassification and sale, file a written application with the county board to withhold the parcel from public sale. The county board shall then withhold the parcel from public sale for one year.

Any tax-forfeited lands may be sold by the county board to any organized or incorporated governmental subdivision of the state for any public purpose for which such subdivision is authorized to acquire property or may be released from the trust in favor of the taxing districts upon application of any state agency for any authorized use at not less than their value as determined by the county board. The commissioner of revenue ~~shall have power to~~ *may convey by deed in the name of the state any tract of tax-forfeited land held in trust in favor of the taxing districts, to any governmental subdivision for any authorized public use, provided that an application therefor shall be* *is* submitted to the commissioner with a statement of facts as to the use to be made of ~~such~~ *the* tract and the need therefor and the recommendation of the county board. *The commissioner of revenue shall convey by deed in the name of the state any tract of tax-forfeited land held in trust in favor of the taxing districts, to a political subdivision that submits an application to the commissioner of revenue and the county board. The application must include a resolution, adopted by the governing body of the political subdivision, finding that the conveyance of a tract of tax-forfeited land to the political subdivision is necessary to provide for the redevelopment of land as productive taxable property.* The deed of conveyance shall be upon a form approved by the attorney general and shall be conditioned upon continued use for the purpose stated in the application, provided, however, that if the governing body of such governmental subdivision by resolution determines that some other public use shall be made of such lands, and such change of use is approved by the county board and an application for such change of use is made to, and approved by, the commissioner, such changed use may be made of such lands without the necessity of the governing body conveying the lands back to the state and securing a new conveyance from the state to the governmental subdivision for such new public use.

Whenever any governmental subdivision to which any tax-forfeited land has been conveyed for a specified public use as provided in this section shall fail to put such land to such use, or to some other authorized public use as provided herein, or shall abandon such use, the governing body of the subdivision shall authorize the proper officers to convey the same, or

such portion thereof not required for an authorized public use, to the state of Minnesota, and such officers shall execute a deed of such conveyance forthwith, which conveyance shall be subject to the approval of the commissioner and in form approved by the attorney general, provided, however, that a sale, lease, transfer or other conveyance of such lands by a housing and redevelopment authority, a port authority, an economic development authority, or a city as authorized by ~~sections 469.001 to 469.047 chapter 469 or by sections 12 to 20~~ shall not be an abandonment of such use and such lands shall not be reconveyed to the state nor shall they revert to the state. A certificate made by a housing and redevelopment authority, a port authority, an economic development authority, or a city referring to a conveyance by it and stating that the conveyance has been made as authorized by ~~sections 469.001 to 469.047 chapter 469 or by sections 12 to 20~~ may be filed with the county recorder or registrar of titles, and the rights of reverter in favor of the state provided by this subdivision will then terminate. No vote of the people shall be required for such conveyance. In case any such land shall not be so conveyed to the state, the commissioner of revenue shall by written instrument, in form approved by the attorney general, declare the same to have reverted to the state, and shall serve a notice thereof, with a copy of the declaration, by certified mail upon the clerk or recorder of the governmental subdivision concerned, provided, that no declaration of reversion shall be made earlier than five years from the date of conveyance for failure to put such land to such use or from the date of abandonment of such use if such lands have been put to such use. The commissioner shall file the original declaration in the commissioner's office, with verified proof of service as herein required. The governmental subdivision may appeal to the district court of the county in which the land lies by filing with the court administrator a notice of appeal, specifying the grounds of appeal and the description of the land involved, mailing a copy thereof by certified mail to the commissioner of revenue, and filing a copy thereof for record with the county recorder or registrar of titles, all within 30 days after the mailing of the notice of reversion. The appeal shall be tried by the court in like manner as a civil action. If no appeal is taken as herein provided, the declaration of reversion shall be final. The commissioner of revenue shall file for record with the county recorder or registrar of titles, of the county within which the land lies, a certified copy of the declaration of reversion and proof of service.

Any city of the first class now or hereafter having a population of 450,000, or over, or its board of park commissioners, which has acquired tax-forfeited land for a specified public use pursuant to the terms of this section, may convey said land in exchange for other land of substantially equal worth located in said city of the first class, provided that the land conveyed to said city of the first class now or hereafter having a population of 450,000, or over, or its board of park commissioners, in exchange shall be subject to the public use and reversionary provisions of this section; the tax-forfeited land so conveyed shall thereafter be free and discharged from the public use and reversionary provisions of this section, provided that said exchange shall in no way affect the mineral or mineral rights of the state of Minnesota, if any, in the lands so exchanged.

Sec. 2. Minnesota Statutes 1988, section 462C.02, is amended by adding a subdivision to read:

Subd. 12. [LOAN.] "Loan" means (1) for single family housing, any loan, mortgage, or other form of owner financing; and (2) for multifamily

housing developments which are rental property, any loan, mortgage, financing lease, or revenue agreement.

Sec. 3. Minnesota Statutes 1988, section 462C.02, is amended by adding a subdivision to read:

Subd. 13. [REVENUE AGREEMENT] "Revenue agreement" has the meaning given that term in section 469.153, subdivision 10.

Sec. 4. Minnesota Statutes 1988, section 462C.05, is amended by adding a subdivision to read:

Subd. 8. [REVENUE AGREEMENT AND FINANCING LEASE.] Any revenue agreement or financing lease which includes a provision for a conveyance of real estate to the lessee or contracting party may be terminated in accordance with the revenue agreement or financing lease, notwithstanding that the revenue agreement or financing lease may constitute an equitable mortgage. No financing lease of any development is subject to section 504.02, unless expressly so provided in the financing lease. Leases of specific dwelling units in the development to tenants are not affected by this subdivision.

Sec. 5. Minnesota Statutes 1988, section 463.15, subdivision 3, is amended to read:

Subd. 3. [HAZARDOUS BUILDING OR HAZARDOUS PROPERTY.] "Hazardous building or hazardous property" means any building or property, which because of inadequate maintenance, dilapidation, physical damage, unsanitary condition, or abandonment, constitutes a fire hazard or a hazard to public safety or health.

Sec. 6. Minnesota Statutes 1988, section 463.15, subdivision 4, is amended to read:

Subd. 4. [OWNER, OWNER OF RECORD, AND LIEN HOLDER OF RECORD.] "Owner," "owner of record," and "lien holder of record" means a person having a right or interest in property to which Laws 1967, chapter 324, applies described in subdivision 3 and evidence of which is filed and recorded in the office of the county recorder or registrar of titles in the county in which the property is situated.

Sec. 7. Minnesota Statutes 1988, section 463.16, is amended to read:

463.16 [REPAIR OR REMOVAL OF HAZARDOUS BUILDING; HAZARDOUS PROPERTY CONDITIONS.]

The governing body of any city or town may order the owner of any hazardous building or property within the municipality to correct or remove the hazardous condition of such the building or property or to raze or remove the same building.

Sec. 8. Minnesota Statutes 1988, section 463.161, is amended to read:

463.161 [ABATEMENT.]

In the manner prescribed in section 463.21 the governing body of any city or town may correct or remove the hazardous condition of any hazardous building or parcel of real estate property; the cost of which shall be charged against the real estate as provided in section 463.21 except the governing body may provide that the cost so assessed may be paid in not to exceed five equal annual installments with interest therein, at eight percent per annum.

Sec. 9. Minnesota Statutes 1988, section 463.17, is amended to read:
463.17 [THE ORDER.]

Subdivision 1. [CONTENTS.] The order shall be in writing; recite the grounds therefor; specify the necessary repairs, if any, and provide a reasonable time for compliance; and shall state that a motion for summary enforcement of the order will be made to the district court of the county in which the hazardous building *or property* is situated unless corrective action is taken, or unless an answer is filed within the time specified in section 463.18.

Subd. 2. [SERVICE.] The order shall be served upon the owner of record, or the owner's agent if an agent is in charge of the building *or property*, and upon the occupying tenant, if there is one, and upon all lien holders of record, in the manner provided for service of a summons in a civil action. If the owner cannot be found, the order shall be served upon the owner by posting it at the main entrance to the building *or, if there is no building, in a conspicuous place on the property*, and by four weeks' publication in the official newspaper of the municipality if it has one, otherwise in a legal newspaper in the county.

Subd. 3. [FILING.] A copy of the order with proof of service shall be filed with the court administrator of district court of the county in which the hazardous building *or property* is located not less than five days prior to the filing of a motion pursuant to section 463.19 to enforce the order. At the time of filing such order the municipality shall file for record with the county recorder or registrar of titles a notice of the pendency of the proceeding, describing with reasonable certainty the lands affected and the nature of the order. If the proceeding be abandoned the municipality shall within ten days thereafter file with the county recorder a notice to that effect.

Sec. 10. Minnesota Statutes 1988, section 463.20, is amended to read:
463.20 [CONTESTED CASES.]

If an answer is filed and served as provided in section 463.18, further proceedings in the action shall be governed by the rules of civil procedure for the district courts, except that the action has priority over all pending civil actions and shall be tried forthwith. If the order is sustained following the trial, the court shall enter judgment and shall fix a time after which the building ~~shall~~ *must* be destroyed or repaired *or the hazardous condition removed or corrected*, as the case may be, in compliance with the order as originally filed or modified by the court. If the order is not sustained, it shall be annulled and set aside. The court administrator of the court shall cause a copy of the judgment to be mailed forthwith to the persons upon whom the original order was served.

Sec. 11. Minnesota Statutes 1988, section 463.22, is amended to read:
463.22 [STATEMENT OF MONEYS RECEIVED.]

The municipality shall keep an accurate account of the expenses incurred in carrying out the order and of all other expenses theretofore incurred in connection with its enforcement, including specifically, but not exclusively, filing fees, service fees, publication fees, attorney's fees, appraisers' fees, witness fees, including expert witness fees, and traveling expenses incurred by the municipality from the time the order was originally made, and shall credit thereon the amount, if any, received from the sale of the salvage, or

building or structure, and shall report its action under the order, with a statement of moneys received and expenses incurred to the court for approval and allowance. Thereupon the court shall examine, correct, if necessary, and allow the expense account, and, if the amount received from the sale of the salvage, or of the building or structure, does not equal or exceed the amount of expenses as allowed, the court shall by its judgment certify the deficiency in the amount so allowed to the municipal clerk for collection. The owner or other party in interest shall pay the same, without penalty added thereon, and in default of payment by October 1, the clerk shall certify the amount of the expense to the county auditor for entry on the tax lists of the county as a special charge against the real estate on which the building or hazardous condition is or was situated and the same shall be collected in the same manner as other taxes and the amount so collected shall be paid into the municipal treasury. If the amount received for the sale of the salvage or of the building or structure exceeds the expense incurred by the municipality as allowed by the court, and if there are no delinquent taxes, the court shall direct the payment of the surplus to the owner or the payment of the same into court, as provided in sections 463.15 to 463.26. If there are delinquent taxes against the property, the court shall direct the payment of the surplus to the county treasurer to be applied on such taxes.

Sec. 12. [469.201] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 12 to 20.

Subd. 2. [CITY.] "City" means a city of the first class as defined in section 410.01. For each city, a port authority, housing and redevelopment authority, or other agency or instrumentality, the jurisdiction of which is the territory of the city, is included within the meaning of city.

Subd. 3. [CITY COUNCIL.] "City council" means the city council of a city as defined in subdivision 2.

Subd. 4. [CITY MATCHING MONEY.] (a) "City matching money" means the money of a city specified in a revitalization program. The sources of city matching money may include:

(1) money from the general fund or a special fund of a city used to implement a revitalization program;

(2) money paid or repaid to a city from the proceeds of a grant that a city has received from the federal government, a profit or nonprofit corporation, or another entity or individual, that is to be used to implement a revitalization program;

(3) tax increments received by a city under sections 469.174 to 469.179 or other law, if eligible, to be spent in the targeted neighborhood;

(4) 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, leases, or loans to a profit or nonprofit corporation or other entity or individual, in connection with the implementation of a revitalization program;

(5) city money to be used to acquire, install, reinstall, repair, or improve the infrastructure facilities of a targeted neighborhood;

(6) money contributed by a city to pay issuance costs, fund bond reserves,

or to otherwise provide financial support for revenue bonds or obligations issued by a city for a project or program related to the implementation of a revitalization program;

(7) money derived from fees received by a city in connection with its community development activities that are to be used in implementing a revitalization program;

(8) money derived from the apportionment to the city under section 162.14 or by special law, and expended in a targeted neighborhood for an activity related to the revitalization program;

(9) administrative expenses of the city that are incurred in connection with the planning, implementation, or reporting requirements of sections 12 to 20.

(b) City matching money does not include:

(1) city money used to provide a service or to exercise a function that is ordinarily provided throughout the city, unless an increased level of the service or function is to be provided in a targeted neighborhood in accordance with a revitalization program;

(2) the proceeds of bonds issued by the city under chapter 462C or 469 and payable solely from repayments made by one or more nongovernmental persons in consideration for the financing provided by the bonds; or

(3) money given by the state to fund any part of the revitalization program.

Subd. 5. [COMMISSIONER.] “Commissioner” means the commissioner of trade and economic development.

Subd. 6. [HOUSING ACTIVITIES.] “Housing activities” include any work or undertaking to provide housing and related services and amenities primarily for persons and families of low or moderate income. This work or undertaking may include the planning of buildings and improvements; the acquisition of real property which may be needed immediately or in the future for housing purposes and the demolition of any existing improvements; and the construction, reconstruction, alteration, and repair of new and existing buildings. Housing activities also include the provision of a housing rehabilitation and energy improvement loan and grant program with respect to any residential property located within the targeted neighborhood, the cost of relocation relating to acquiring property for housing activities, and programs authorized by chapter 462C.

Subd. 7. [LOST UNIT.] “Lost unit” means a rental housing unit that is lost as a result of revitalization activities because it is demolished, converted to an owner-occupied unit that is not a cooperative, or converted to a nonresidential use, or because the gross rent to be charged exceeds 125 percent of the gross rent charged for the unit six months before the start of rehabilitation.

Subd. 8. [PERSONS AND FAMILIES OF LOW INCOME.] “Persons and families of low income” means persons and families of low income as defined in section 469.002, subdivision 17.

Subd. 9. [PERSONS AND FAMILIES OF MODERATE INCOME.] “Persons and families of moderate income” means persons and families of moderate income as defined in section 469.002, subdivision 18.

Subd. 10. [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 in a resolution adopted under section 13, subdivision 1, meets the criteria of section 13, subdivision 2, and any additional area designated under section 13, subdivision 3.

Subd. 11. [TARGETED NEIGHBORHOOD MONEY.] "Targeted neighborhood money" means the money designated in the revitalization program to be used to implement the revitalization program.

Subd. 12. [TARGETED NEIGHBORHOOD REVITALIZATION AND FINANCING PROGRAM.] "Targeted neighborhood revitalization and financing program," "revitalization program," or "program" means the targeted neighborhood revitalization and financing program adopted in accordance with section 14.

Sec. 13. [469.202] [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 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 paragraph if 25 percent or more of the residential dwelling units are in substandard condition as determined by the city, or if 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) A 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; or

(b) The city may enlarge the targeted neighborhood to include portions of a census tract that is contiguous to a targeted neighborhood, provided that the city council first determines the additional area satisfies two of the three criteria in subdivision 2.

Sec. 14. [469.203] [TARGETED NEIGHBORHOOD REVITALIZATION AND FINANCING PROGRAM REQUIREMENTS.]

Subdivision 1. [COMPREHENSIVE REVITALIZATION AND FINANCING PROGRAM.] For each targeted neighborhood for which a city requests state financial assistance under section 15, the city must

prepare a comprehensive revitalization and financing program that includes the following:

(1) the revitalization objectives of the city for the targeted neighborhood;

(2) the specific activities or means by which the city intends to pursue and implement the revitalization objectives;

(3) the extent to which the activities identified in clause (2) will benefit low- and moderate-income families, will alleviate the blighted condition of the targeted neighborhood, or will otherwise assist in the revitalization of the targeted neighborhood;

(4) a statement of the intended outcomes to be achieved by implementation of the revitalization program, how the outcomes will be measured both qualitatively and quantitatively, and the estimated time over which they will occur; and

(5) a financing program and budget that identifies the financial resources necessary to implement the revitalization program, including:

(i) the estimated total cost to implement the revitalization program;

(ii) the estimated cost to implement each activity in the revitalization program identified in clause (2);

(iii) the estimated amount of financial resources that will be available from all sources other than from the appropriation available under section 15 to implement the revitalization program, including the amount of private investment expected to result from the use of public money in the targeted neighborhood;

(iv) the estimated amount of the appropriation available under section 15 that will be necessary to implement the revitalization program;

(v) a description of the activities identified in the revitalization program for which the state appropriation will be committed or spent; and

(vi) a statement of how the city intends to meet the requirement for a financial contribution from city matching money in accordance with section 15, subdivision 3.

Subd. 2. [TARGETED NEIGHBORHOOD PARTICIPATION IN REVITALIZATION PROGRAM DEVELOPMENT.] *A city requesting state financial assistance under section 15 shall develop a process to involve the residents of the targeted neighborhood in the development, drafting, and implementation of the revitalization program. The process shall include the establishment of an advisory board as defined in subdivision 3 or the use of a citizen participation process established by the city. The process to involve residents of the targeted neighborhood must include at least one public hearing. A description of the process must be included in the revitalization program.*

Subd. 3. [ADVISORY BOARD.] *The governing body of a city requesting state financial assistance under section 15 may establish a nine-member advisory board to assist the city in implementing the revitalization program. The advisory board shall consist of two city council members appointed by the city council, one county commissioner appointed by the county board of the county in which the city is located, two legislators appointed by the city legislative delegation, and four residents who reside in a targeted neighborhood appointed by the city council. The advisory board*

shall advise the city on the preparation of the revitalization program, including the conversion from absent-owner rental housing to home ownership, the promotion of commercial and industrial growth in targeted neighborhoods, the integration of human service programs, and the redevelopment in targeted neighborhoods.

Subd. 4. [PRELIMINARY CITY REVIEW; STATE AGENCY REVIEW.] Before adoption of a revitalization program under subdivision 5, a city must submit a draft program to the commissioner, the Minnesota housing finance agency, and the state planning agency for their comments. The city may not adopt the revitalization program until comments have been received from the state agencies or 30 days have elapsed without response after the program was sent to them. Comments received by the city from the state agencies within the 30-day period must be responded to in writing by the city before adoption of the program by the city.

Subd. 5. [CITY APPROVAL.] A city may adopt a revitalization program only after holding a public hearing after the program has been prepared. Notice of the hearing must be provided in a newspaper of general circulation in the city and in the targeted neighborhood not less than ten days nor more than 30 days before the date of the hearing.

Subd. 6. [PROGRAM CERTIFICATION.] A certification by a city that a revitalization program has been approved by the city council for the targeted neighborhood must be provided to the commissioner together with a copy of the program. A copy of the program must also be provided to the Minnesota housing finance agency and the state planning agency.

Subd. 7. [REVITALIZATION PROGRAM MODIFICATION.] A revitalization program may be modified at any time by the city council after a public hearing, notice of which is published in a newspaper of general circulation in the city and in the targeted neighborhood not less than ten days nor more than 30 days before the date of the hearing. If the city council determines that the proposed modification is a significant modification to the program originally certified under subdivision 6, it must implement the revitalization program approval and certification process of subdivisions 2 to 6 for the proposed modification.

Sec. 15. [469.204] [PAYMENT; CITY MATCHING MONEY; DRAW-DOWN; USES OF STATE MONEY.]

Subdivision 1. [PAYMENT OF STATE MONEY.] Upon receipt from a city of a certification that a revitalization program has been adopted or modified, the commissioner shall, within 30 days, pay to the city the amount of state money identified as necessary to implement the revitalization 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 targeted neighborhood money for use by the city in accordance with an adopted revitalization program and subject only to the restrictions on its use in sections 12 to 20.

Subd. 2. [ALLOCATION.] Each city of the first class, as defined in section 410.01, may receive a part of the appropriations made available that is the proportion that the population of such city bears to the combined population of such cities of the first class. One city may agree to reduce its entitlement amount and to make it available to another city. For the purposes of this subdivision the population of each city is determined

according to the most recent estimates available to the commissioner. Interest earned by a city from money paid to the city must be repaid to the commissioner annually unless the revitalization program identifies the interest as necessary to implement the revitalization program and the requirement for city matching money is satisfied with respect to the interest.

Subd. 3. [CITY MATCHING MONEY; DRAWDOWN AND RESTRICTION ON USE OF STATE MONEY.] A city may spend state money only if the revitalization program identifies city matching money to be used to implement the program in an amount equal to the state appropriation paid to the city. A city must keep the state money in a segregated fund for accounting purposes.

Sec. 16. [469.205] [CITY POWERS AND ELIGIBLE USES OF TARGETED NEIGHBORHOOD MONEY.]

Subdivision 1. [CONSOLIDATION OF EXISTING POWERS IN TARGETED NEIGHBORHOODS.] A city may exercise any of its corporate powers within a targeted neighborhood. Those powers shall include, but not be limited to, all of the powers enumerated and granted to any city by chapters 462C, 469, and 474A. For the purposes of sections 469.048 to 469.068, a targeted neighborhood is considered an industrial development district. A city may exercise the powers of chapters 469.048 to 469.068 in conjunction with, and in addition to, exercising the powers granted by sections 469.001 to 469.047 and chapter 462C, in order to promote and assist housing construction and rehabilitation within a targeted neighborhood. For the purposes of section 462C.02, subdivision 9, a targeted neighborhood is considered a "targeted area."

Subd. 2. [GRANTS AND LOANS.] In addition to the authority granted by other law, a city may make grants, loans, and other forms of public assistance to individuals, for-profit and nonprofit corporations, and other organizations to implement a revitalization program. The public assistance must contain the terms the city considers proper to implement a revitalization program.

Subd. 3. [ADDITIONAL AUTHORITY.] In addition to the authority granted in subdivisions 1, 2, and 3, a city may expend up to ten percent of its targeted neighborhood money to fund the cost of implementing the provisions of sections 463.15 to 463.26 in areas of the city located outside the targeted neighborhood. If the city uses funds for such purposes, it must describe the use of the funds in the revitalization program.

Subd. 4. [ELIGIBLE USES OF TARGETED NEIGHBORHOOD MONEY.] The city may spend targeted neighborhood money for any purpose authorized by subdivision 1, 2, or 3, except that an amount equal to at least 50 percent of the state payment under section 15 made to the city must be used for housing activities. Use of target neighborhood money must be authorized in a revitalization program.

Sec. 17. [469.206] [HAZARDOUS PROPERTY PENALTY.]

A city may assess a penalty up to one percent of the market value of real property, including any building located within the city that the city determines to be hazardous as defined in section 463.15, subdivision 3. The city shall send a written notice to the address to which the property tax statement is sent at least 90 days before it may assess the penalty. If the owner of the property has not paid the penalty and fixed the property

within 90 days after receiving notice of the penalty, the penalty is considered delinquent and is increased by 25 percent each 60 days the penalty is not paid and the property remains hazardous. For the purposes of this section, a penalty that is delinquent is considered a delinquent property tax and subject to Minnesota Statutes, chapters 279, 280, and 281, in the same manner as delinquent property taxes.

Sec. 18. [469.207] [ANNUAL AUDIT AND REPORT.]

Subdivision 1. [ANNUAL FINANCIAL AUDIT.] In 1989 and subsequent years, at the end of each calendar year, the legislative auditor shall conduct a financial audit to review the spending of state money under sections 12 to 20. Before spending state money to implement a revitalization program, the city must consult with the legislative auditor to determine appropriate accounting methods and principles that will assist the legislative auditor in conducting its financial audit. The results of the financial audit must be submitted to the legislative audit commission, the commissioner, the state planning agency, and the Minnesota housing finance agency.

Subd. 2. [ANNUAL REPORT.] A city that begins to implement a revitalization program in a calendar year must, by March 1 of the succeeding calendar year, provide a detailed report on the revitalization program or programs being implemented in the city. The report must describe the status of the program implementation and analyze whether the intended outcomes identified in section 14, subdivision 1, clause (4), are being achieved. The report must include at least the following:

(1) the number of housing units, including lost units, removed, created, lost, replaced, relocated, and assisted as a result of the program. The level of rent of the units and the income of the households affected must be included in the report;

(2) the number and type of commercial establishments removed, created, and assisted as a result of a revitalization program. The report must include information regarding the number of new jobs created by category, whether the jobs are full-time or part-time, and the salary or wage levels of both new and expanded jobs in the affected commercial establishments;

(3) a description of a statement of the cost of the public improvement projects that are part of the program and the number of jobs created for each \$20,000 of money spent on commercial projects and applicable public improvement projects;

(4) the increase in the tax capacity for the city as a result of the assistance to commercial and housing assistance; and

(5) the amount of private investment that is a result of the use of public money in a targeted neighborhood.

The report must be submitted to the commissioner, the Minnesota housing finance agency, the state planning agency, and the legislative audit commission, and must be available to the public.

Sec. 19. [APPROPRIATION; DISTRIBUTION.]

\$10,000,000 is appropriated from the general fund to the commissioner of trade and economic development for payment to the cities referred to in section 15, subdivision 2. \$5,000,000 is for fiscal year 1989 and \$5,000,000 is for fiscal year 1990.

Sec. 20. [REPEALER.]

Laws 1987, chapter 386, article 6, sections 4, 5, 6, 7, 8, 9, 10 and 11, and Laws 1987, chapter 384, article 3, section 22, are repealed, provided that actions taken under those provisions prior to the effective date of this chapter with respect to any program or to a targeted neighborhood are ratified and affirmed and must be treated as if validly taken under the provisions of sections 12 to 18.

Sec. 21. [EFFECTIVE DATE.]

Sections 12 to 18 and 20 are effective the day after final enactment, provided that the provisions of sections 12 to 15 and 16, subdivisions 2 and 4, shall not apply to any program funded by the state in fiscal year 1988."

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; requiring housing impact statements; revising certain housing receivership provisions; providing a limited right of entry to secure vacant or unoccupied buildings; providing for city housing rehabilitation loan programs; establishing the community and neighborhood development organization program; establishing a child development program; authorizing a neighborhood revitalization program; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 4.071; 282.01, subdivision 1; 462A.03, by adding a subdivision; 462A.05, subdivision 27, and by adding subdivisions; 462A.21, subdivisions 4k, 12, and by adding subdivisions; 462C.02, by adding subdivisions; 462C.05, by adding a subdivision; 463.15, subdivisions 3 and 4; 463.16; 463.161; 463.17; 463.20; 463.21; 463.22; 469.012, subdivision 1; 504.255; 504.26; 566.175, subdivision 1; 566.29, subdivisions 1, 4, and by adding subdivisions; 582.03; Laws 1971, chapter 333, as amended, by adding a section; Laws 1974, chapters 285, sections 2, 3, 4, and by adding a section; and 475, by adding a section; proposing coding for new law in Minnesota Statutes, chapters 116J; 129A; 145; 268; 363; 462A; 469; 471; 504; 566; and 582; repealing Laws 1974, chapter 351, sections 1 to 4, as amended; Laws 1975, chapter 260, sections 1 to 5; and Laws 1987, chapters 384, article 3, section 22; and 386, article 6, sections 4 to 11."

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 18, delete lines 5 to 9 and insert:

“\$213,000 is appropriated from the general fund to the commissioner of commerce to administer Minnesota Statutes, chapter 82B. \$121,000 is for fiscal year 1990 and \$92,000 is for fiscal year 1991. The approved complement of the department of commerce is increased by two positions.”

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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; 446A.07, subdivision 8; and 446A.12, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 115.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 536: A bill for an act relating to consumer protection; providing for enhanced civil penalties for deceptive acts targeted at senior citizens or handicapped persons; 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.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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 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.919; 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.

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

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 786: A bill for an act relating to employment; requiring the hiring of local workers and the payment of wages equal to those of railroad workers 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 do pass. Report adopted.

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

S.F. No. 368: A bill for an act relating to elections; changing provisions relating to candidate reporting requirements and disbursements; modifying lobbyist reporting requirements; 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 and modifying certain exceptions to multicandidate political party expenditure limits; providing a public subsidy for legislative candidates in special elections; clarifying when public money must be returned; making technical corrections to chapter 10A; discontinuing the state ethical practices board responsibility for developing and furnishing certain forms; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; making related changes in the ethics in government act; imposing penalties; amending Minnesota Statutes 1988, sections 10A.01, subdivisions 7, 10, 10b, 10c, 15, and by adding subdivisions; 10A.04, subdivisions 2 and 4a; 10A.18; 10A.19, by adding subdivisions; 10A.20, subdivision 5; 10A.22, subdivision 7, and by adding a subdivision; 10A.24; 10A.241; 10A.25, subdivisions 2, 3, 5, 10, and by adding subdivisions; 10A.255; 10A.27, subdivision 1, and by adding a subdivision; 10A.275; 10A.28; 10A.30, subdivision 2; 10A.31, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 10A.32, subdivision 3; 10A.33; 10A.335; 211A.07; 211B.15, subdivision 2; 383B.055, subdivisions 1 and 2; 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 22, line 27, delete the second "1992" and insert "1994"

Page 34, delete lines 12 and 13

Page 36, line 20, after "that" insert "(a)"

Page 36, line 24, after "10A.255" insert ", and that (b) except for an amount equal to 25 percent of the expenditure limits set forth in section 10A.25, but not exceeding \$15,000, the candidate shall not accept contributions or allow approved expenditures to be made on the candidate's behalf for the period beginning with January 1 of the election year or with the registration of the candidate's principal campaign committee, whichever occurs later, and ending December 31 of the election year, that exceed the difference between the amount that may legally be expended by or for the candidate, and the amount that the candidate receives from the state elections campaign fund. Money in the account of the principal campaign committee of a candidate on January 1 of the election year for the office held or sought shall be considered contributions accepted by that candidate in that year for the purposes of this subdivision. That amount of all contributions accepted by a candidate in an election year that equals the amount of noncampaign disbursements and contributions and expenditures to promote or defeat a ballot question which are made by that candidate in that year shall not count toward the aggregate contributions and approved expenditure limit imposed by this subdivision. Except for an amount equal to 25 percent of the expenditure limits set forth in section 10A.25, but not exceeding \$15,000, any amount by which the aggregate contributions and approved expenditures agreed to exceed the difference shall be returned to the state treasurer. In no case shall the amount returned exceed the amount received from the state elections campaign fund"

Page 40, line 12, after "to" insert "18 and 22 to"

Page 40, line 13, after the period, insert "Sections 19 to 21 are effective for taxable years beginning after December 31, 1988."

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. 522, 1076, 470, 536 and 530 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 786 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Frederickson, D.J. moved that the name of Mr. DeCramer be added as a co-author to S.F. No. 594. The motion prevailed.

Mr. Morse moved that the names of Messrs. Pogemiller and Beckman be added as co-authors to S.F. No. 613. The motion prevailed.

Mr. Solon moved that the names of Messrs. Novak and Johnson, D.J. be added as co-authors to S.F. No. 783. The motion prevailed.

Ms. Berglin moved that the name of Ms. Piper be added as a co-author to S.F. No. 1632. The motion prevailed.

Mr. Beckman moved that S.F. No. 180 be taken from the table. The motion prevailed.

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; 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; proposing coding for new law in Minnesota Statutes, chapter 5.

Mr. Beckman moved that the Senate do not concur in the amendments by the House to S.F. No. 180, 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.

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. 180: Messrs. Beckman; Frederickson, D.J. and Ms. Piper.

H.F. No. 1267: Messrs. Frank, Merriam and Peterson, R.W.

H.F. No. 1530: Messrs. Schmitz, Taylor and Frederickson, D.J.

H.F. No. 1423: Mrs. Lantry, Ms. Berglin and Mrs. Brataas.

H.F. No. 700: Ms. Berglin, Messrs. Spear and Knutson.

H.F. No. 1435: Messrs. Anderson; Frederickson, D.J. and Berg.

H.F. No. 729: Messrs. Spear, Luther, Cohen, Stumpf and Laidig.

H.F. No. 654: Mr. Peterson, R.W.; Ms. Peterson, D.C.; Messrs. Pehler, DeCramer and Hughes.

H.F. No. 472: Messrs. Purfeerst, Frederick and DeCramer.

H.F. No. 831: Messrs. Vickerman, Lessard and Laidig.

H.F. No. 1506: Messrs. Solon, Metzzen and Anderson.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that the following Protest and Dissent be printed in the Journal. The motion prevailed.

PROTEST AND DISSENT

The undersigned members of the Senate dissent and protest the actions of the Chairman of the Committee of the Whole and the Senate majority caucus relative to the Gustafson amendment to Senate File 775 for the following reasons:

1. In clear violation of the accepted and stated practices of the Minnesota Senate and contrary to the spirit of the rules of the Minnesota Senate for the 76th Legislature regarding the question of germaneness, the Chairman ruled that an amendment, whose subject was workers' compensation, to Senate File 775, whose subject was workers' compensation, was not germane. The judgement of the chair was upheld by the majority caucus.

This judgement was in direct contradiction to the language of Rule 37, which defines a non-germane amendment as "one that relates to a substantially different subject." It is difficult to conceive a bill to which this amendment would be germane if it is not germane to Senate File 775.

2. This ruling also ignores several precedents where similar amendments have been held to be germane, even where the subject matter was less related than it was in this instance. When members of the Senate are unable to find consistency in the rulings of the chair, the legislative process is disrupted.

3. This ruling appears to be motivated less by concern for parliamentary procedure than a desire to avoid discussion of workers' compensation reform. It is an effort to silence members of the minority and prevent the Senate from even considering minority proposals.

4. The undersigned members dissent and protest this disregard for the democratic process, the violation of standards of free and open debate and the violation of the constitutional rights of the constituents of minority members to fair and equitable representation in the legislative process.

Legislative Bodies are governed by constitutional restraints, by law and by their own rules and precedents. We the undersigned believe the actions of the Chairman of the Committee of the Whole of the Minnesota Senate and the Senate majority caucus violate the spirit and the letter of the Permanent Rules of the Senate, as well as established precedents.

We wish to make these actions and our dissent to them a matter of public record to be called to the attention of the people of Minnesota. For these reasons, this protest and dissent is entered upon the pages of the Senate Journal.

Dated: May 10, 1989

Duane Benson
Fritz Knaak
Howard A. Knutson
Bob Decker
Cal Larson
Dennis Frederickson

Pat Pariseau
Lyle Mehrkens
Phyllis McQuaid
Jim Ramstad
Glen Taylor
Don Storm

Gen Olson
Mel Frederick
Earl Renneke
John Bernhagen
Gary Laidig

Don Anderson
Dean E. Johnson
Patrick D. McGowan
James Gustafson

MEMBERS EXCUSED

Mr. Anderson was excused from the Session of today from 12:00 noon to 2:45 p.m. Mr. Beckman was excused from the Session of today from 12:00 noon to 2:00 p.m. Mr. McGowan was excused from the Session of today from 12:30 to 1:00 p.m. Mr. Pogemiller was excused from the Session of today from 12:00 noon to 1:05 p.m. Ms. Reichgott was excused from the Session of today from 12:30 to 1:00 p.m. Mr. Dahl was excused from the Session of today at 3:30 p.m. Mr. Belanger was excused from the Session of today at 4:45 p.m. Mr. Hughes was excused from the Session of today at 5:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Thursday, May 11, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTIETH DAY

St. Paul, Minnesota, Thursday, May 11, 1989

The Senate met at 12:00 noon 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. Lawrence R. Johnson.

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	Solon
Bernhagen	Frederick	Lantry	Olson	Spear
Bertram	Frederickson, D.J.	Larson	Pariseau	Storm
Brandl	Frederickson, D.R.	Luther	Pehler	Stumpf
Brataas	Freeman	Marty	Peterson, D.C.	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.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 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
	819	78	1835 hours May 8	May 9
	1351	79	1837 hours May 8	May 9
	100	81	1032 hours May 9	May 9
	595	82	1033 hours May 9	May 9
435		84	1127 hours May 9	May 9
618		85	1130 hours May 9	May 9
134		86	1132 hours May 9	May 9
1106		88	1142 hours May 9	May 9
787		89	1150 hours May 9	May 9
	426	91	1155 hours May 9	May 9
	529	92	1214 hours May 9	May 9
227		93	1215 hours May 9	May 9
	22	95	1216 hours May 9	May 9
	1311	96	1217 hours May 9	May 9

Sincerely,
Joan Anderson Growe
Secretary of State

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Samuelson moved that the following members be excused for a Conference Committee on H.F. No. 1759 at 12:00 noon:

Messrs. Samuelson, Knutson, Mses. Berglin, Piper and Mrs. Lantry. 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. 1191.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 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. 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.

Senate File No. 486 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1989

Ms. Berglin moved that the Senate do not concur in the amendments by the House to S.F. No. 486, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 834: A bill for an act relating to consumer protection; requiring motor vehicle damage disclosures and branding certificates of title; 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.

Senate File No. 834 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1989

CONCURRENCE AND REPASSAGE

Mrs. Lantry moved that the Senate concur in the amendments by the House to S.F. No. 834 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 834 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

Senate File No. 200 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1989

Mr. Moe, R.D. moved that S.F. No. 200 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. 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.

Senate File No. 218 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1989

CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 218 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 218 was read the third time, as amended by the House, and

placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

Senate File No. 391 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1989

CONCURRENCE AND REPASSAGE

Mr. Mehrrens moved that the Senate concur in the amendments by the House to S.F. No. 391 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 391 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

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. 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.

Senate File No. 339 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1989

Mr. Moe, R.D. moved that S.F. No. 339 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 File, herewith transmitted: H.F. No. 415.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 10, 1989

FIRST READING OF HOUSE BILLS

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

H.F. No. 415: 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 Rules and Administration for comparison with S.F. No. 328.

REPORTS OF COMMITTEES

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

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

S.F. No. 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.

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

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

S.F. No. 1067: A bill for an act relating to metropolitan government; providing standards for the development guide; regulating budget reporting; providing tax levy formulas; regulating standards and procedural requirements for determining metropolitan significance; providing for payment of environmental documents from right-of-way loans; amending Minnesota Statutes 1988, sections 473.145; 473.1623, subdivision 4, and by adding subdivisions; 473.167, subdivisions 2, 3, and 5; 473.173, subdivisions 3 and 4; and 473.249, subdivision 1; repealing Minnesota Statutes 1988, section 473.249, subdivision 3.

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

Page 11, line 2, delete the comma and insert a semicolon

Page 11, delete line 3

Page 11, line 9, after "year" insert "; or

(iii) three percent"

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. 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"

Page 1, line 11, delete "levied in 1988 or" and delete "of 2.04 percent for"

Page 1, delete line 12

Page 1, line 13, delete "the district," and insert "computed under this section"

Page 1, after line 13, insert:

"The maximum net tax capacity rate applicable under this section shall be determined as follows:

(a) determine the product of the applicable mill rate limitation imposed

under Minnesota Statutes, section 112.61, subdivision 3, for taxes payable in 1988, multiplied by the total assessed valuation of all taxable property subject to the tax; and, at the election of the district, as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49 for that year;

(b) for taxes payable in 1989, determine the product of (1) the property tax levy limitation for the taxes payable in year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property subject to the tax divided by the assessment year 1987 total market valuation of all taxable property subject to the tax; and

(c) for taxes payable in 1990 and subsequent years, determine the product of (1) the property tax levy limitation for the previous year determined pursuant to this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property subject to the tax for the current assessment year divided by the total market valuation of all taxable property subject to the tax for the previous assessment year.

For the purpose of determining the property tax levy limitation for the taxes payable in year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property subject to the tax without valuation adjustments for tax increment financing under sections 469.174 to 469.179, and high voltage transmission lines under section 273.425."

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. 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.

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 298.2211, subdivision 4, is amended to read:

Subd. 4. [OBLIGATIONS NOT STATE DEBT.] Bonds and other obligations issued by the commissioner pursuant to this section, *along with all related documents*, are not general obligations of the state of Minnesota and are not subject to section 16B.06. The full faith and credit and taxing powers of the state are not and may not be pledged for the payment of these

bonds or other obligations, and no person has the right to compel the levy of any state tax for their payment or to compel the appropriation of any moneys of the state for their payment except as specifically provided herein. These bonds and obligations shall be payable solely from the property and moneys derived by the commissioner pursuant to the authority granted in this section that the commissioner pledges to their payment. All these bonds or other obligations must contain the provisions of this subdivision or words to the same effect on their face.

Sec. 2. Minnesota Statutes 1988, section 469.015, subdivision 4, is amended to read:

Subd. 4. ~~[EXCEPTION; CERTAIN PROJECTS EXCEPTIONS.]~~ (a) An authority need not require either competitive bidding or performance bonds in the following circumstances:

(1) in the case of a contract for the acquisition of a low rent housing project:

(i) for which financial assistance is provided by the federal government; and;

(ii) which does not require any direct loan or grant of money from the municipality as a condition of the federal financial assistance; and

(iii) ~~where for which~~ the contract provides for the construction of ~~such a~~ the project upon land not owned by the authority at the time of the contract, or owned by the authority for redevelopment purposes, and provides for the conveyance or lease to the authority of the project or improvements upon completion of construction; ~~in exercising, pursuant to any general or special law, any power under this chapter, an authority need not require competitive bidding;~~

(2) with respect to a structured parking facility:

(i) constructed in conjunction with, and directly above or below, a development; and

(ii) financed with the proceeds of tax increment or parking ramp revenue bonds; ~~An authority need not require competitive bidding; and~~

(3) in the case of a housing development project that if:

(1) (i) the project is financed with the proceeds of bonds secured by the project and to which the full faith and credit of the authority is not pledged issued under section 469.034;

(2) (ii) the project is located on land that is not owned by the authority at the time the contract is entered into, or is owned by the authority only for development purposes, and provides for conveyance or lease to the authority of the project or improvements upon completion of construction; and

(3) is constructed or rehabilitated under agreements with a developer for the construction of the project, guarantee of the bonds, and management of the property; and (4) is found by the authority to require negotiation rather than use of a competitive bidding procedure

(iii) the authority finds and determines that elimination of the public bidding requirements is necessary in order for the housing development project to be economical and feasible.

(b) An authority need not require a performance bond in the case of a contract described in paragraph (a), clause (1).

Sec. 3. Minnesota Statutes 1988, section 469.174, subdivision 7, is amended to read:

Subd. 7. [ORIGINAL GROSS TAX CAPACITY.] (a) Except as provided in paragraph (b), "original gross tax capacity" means the gross tax capacity of all taxable real property within a tax increment financing district as most recently certified by the commissioner of revenue as of the date of the request by an authority for certification by the county auditor, together with subsequent adjustments as set forth in section 469.177, subdivisions 1 and 4. In determining the original gross tax capacity the gross tax capacity of real property exempt from taxation at the time of the request shall be zero, except for real property which is tax exempt by reason of public ownership by the requesting authority and which has been publicly owned for less than one year prior to the date of the request for certification, in which event the gross tax capacity of the property shall be the gross tax capacity as most recently determined by the commissioner of revenue.

(b) The original gross tax capacity of any designated hazardous substance site or hazardous substance subdistrict shall be determined ~~on January 2 following~~ *as of the date the agency or municipality authority certifies to the county auditor that the agency or municipality has entered a redevelopment or other agreement for the removal actions or remedial actions specified in a development response action plan, or otherwise provided funds to finance the development response action plan. The original gross tax capacity equals (i) the gross tax capacity of the parcel or parcels in the site or subdistrict, as most recently determined by the commissioner of revenue, less (ii) the estimated reasonable and necessary costs of the removal actions and remedial actions as specified in a development response action plan to be undertaken with respect to the parcel as certified to the county auditor by the municipality or agency or parcels, (iii) but not less than zero.*

(c) The original gross tax capacity of a hazardous substance site or subdistrict shall be increased by the amount by which it was reduced pursuant to paragraph (b), clause (ii), upon certification by the municipality that the *cost of the removal and remedial actions specified in the development response action plan, except for long-term monitoring and similar activities, have been completed paid or reimbursed.*

(d) For purposes of this subdivision, "real property" shall include any property normally taxable as personal property by reason of its location on or over publicly owned property.

Sec. 4. Minnesota Statutes 1988, section 469.174, subdivision 16, is amended to read:

Subd. 16. [DESIGNATED HAZARDOUS SUBSTANCE SITE.] "Designated hazardous substance site" means any parcel or parcels with respect to which the authority or municipality has certified to the county auditor that the authority or municipality has entered into a redevelopment or other agreement providing for the removal actions or remedial actions specified in a development response action plan or the municipality or authority will use other available money, including without limitation tax increments, to finance the removal or remedial actions.

Sec. 5. Minnesota Statutes 1988, section 469.175, subdivision 7, is

amended to read:

Subd. 7. [CREATION OF HAZARDOUS SUBSTANCE SUBDISTRICT; RESPONSE ACTIONS.] (a) ~~A municipality or~~ An authority which is creating or has created a tax increment financing district may establish within the district a hazardous substance subdistrict upon the notice and after the discussion, public hearing, and findings required for approval of *or modification* to the original plan. The geographic area of the subdistrict is made up of any parcels in the district designated for inclusion by the municipality or authority that are designated hazardous substance sites, and any additional parcels in the district designated for inclusion that are contiguous except for the interposition of a right-of-way. Before or at the time of approval of the tax increment financing plan *or plan modification providing for the creation of the hazardous substance subdistrict*, the ~~municipality~~ authority must make the findings under paragraphs (b) to (d), and set forth in writing the reasons and supporting facts for each.

(b) Development or redevelopment of the site, in the opinion of the municipality, would not reasonably be expected to occur solely through private investment and tax increment otherwise available, and therefore the hazardous substance district is deemed necessary.

(c) Other parcels that are not designated hazardous substance sites are expected to be developed together with a designated hazardous substance site.

(d) The subdistrict is not larger than, and the period of time during which increments are elected to be received is not longer than, that which is necessary in the opinion of the municipality to provide for the additional costs due to the designated hazardous substance site.

(e) Upon request by a ~~municipality or~~ an authority that has incurred expenses for removal or remedial actions to implement a development response action plan, the attorney general may:

(1) bring a civil action on behalf of the ~~municipality or~~ authority to recover the expenses, including administrative costs and litigation expenses, under section 115B.04 or other law; or

(2) assist the ~~municipality or~~ agency authority in bringing an action as described in clause (1), by providing legal and technical advice, intervening in the action, or other appropriate assistance.

The decision to participate in any action to recover expenses is at the discretion of the attorney general.

(f) If the attorney general brings an action as provided in paragraph (e), clause (1), the ~~municipality or~~ authority shall certify its reasonable and necessary expenses incurred to implement the development response action plan and shall cooperate with the attorney general as required to effectively pursue the action. The certification by the ~~municipality or~~ authority is prima facie evidence that the expenses are reasonable and necessary. The attorney general may deduct litigation expenses incurred by the attorney general from any amounts recovered in an action brought under paragraph (e), clause (1). The ~~municipality or~~ authority shall reimburse the attorney general for litigation expenses not recovered in an action under paragraph (e), clause (1), and for litigation expenses incurred to assist in bringing an action under paragraph (e), clause (1), *but only from amounts recovered*

by the authority in an action brought under paragraph (e). All money recovered or paid to the attorney general for litigation expenses under this paragraph shall be paid to the general fund of the state for deposit to the account of the attorney general. For the purposes of this section, "litigation expenses" means attorney fees and costs of discovery and other preparation for litigation.

(g) The ~~municipality or~~ authority shall reimburse the pollution control agency for its administrative expenses incurred to review and approve a development action response plan and ~~associated activities~~, and for expenses incurred for any services rendered to the attorney general to support the attorney general in actions brought or assistance provided under paragraph (e), *but only from amounts recovered by the municipality or authority in an action brought under paragraph (e) or from the additional tax increment required to be used as described in section 469.176, subdivision 4e*. All money paid to the pollution control agency under this paragraph shall be deposited in the environmental response, compensation and compliance fund.

(h) Actions taken by a ~~municipality or~~ an authority consistent with a development response action plan are deemed to be authorized response actions for the purpose of section 115B.17, subdivision 12. ~~A municipality or agency~~ An authority that takes actions consistent with a development response action plan qualifies for the defenses available under sections 115B.04, subdivision 11, and 115B.05, subdivision 9.

(i) All money recovered by a ~~municipality or~~ authority in an action brought under paragraph (e) in excess of the amounts paid to the attorney general and the pollution control agency must be treated as excess increments and be distributed as provided in section 469.176, subdivision 2, clause (4), to the extent the removal and remedial actions were initially financed with increment revenues.

Sec. 6. Minnesota Statutes 1988, section 471.56, subdivision 5, is amended to read:

Subd. 5. In addition to other authority granted by this section, a county containing a city of the first class, a statutory or home rule charter city of the first or second class, and a metropolitan ~~commission~~ agency, as defined in section 473.121, may:

(1) sell futures contracts but only with respect to securities owned by it, including securities which are the subject of reverse repurchase agreements under section 475.76 which expire at or before the due date of the futures contract; and

(2) enter into option agreements to buy or sell securities described in section 475.66, subdivision 3, clause (a), including option agreements to sell securities owned by it which are the subject of reverse repurchase agreements under section 475.76 which expire at or before the due date of the option agreement.

Sec. 7. [473.132] [SHORT-TERM INDEBTEDNESS.]

The council may issue certificates of indebtedness or capital notes to purchase equipment to be owned and used by the council and having an expected useful life at least as long as the terms of the certificates or notes. The certificates or notes shall be payable in not more than five years and shall be issued on the terms and in the manner the council determines.

For this purpose the council may secure payment of the certificates or notes by resolution or by trust indenture entered into by the council with a corporate trustee within or outside the state, and by a mortgage in the equipment financed. The total principal amount of the notes or certificates issued in a fiscal year should not exceed one-half of one percent of the tax capacity of the metropolitan area for that year. The full faith and credit of the council shall be pledged to the payment of the certificates or notes, and a tax levy shall be made for the payment of the principal and interest on the certificates or notes, in accordance with section 475.61, as in the case of bonds issued by a municipality. The tax levy authorized by this section must be deducted from the amount of taxes the council is otherwise authorized to levy under section 473.249.

Sec. 8. Minnesota Statutes 1988, section 473.541, subdivision 3, is amended to read:

Subd. 3. [GENERAL OBLIGATION BONDS.] The council may by resolution authorize the issuance of general obligation bonds for the acquisition or betterment of any interceptors or treatment works determined to be necessary or desirable for the metropolitan disposal system, or for the refunding of outstanding bonds, certificates of indebtedness, or judgments. The council shall provide for the issuance and sale and for the security of such bonds in the manner provided in chapter 475, and shall have the same powers and duties as a municipality issuing bonds under that law, except that no election shall be required and the net debt limitations in chapter 475 shall not apply to such bonds *and obligations of such issue may mature not later than 40 years from the date of issue.* The council may also pledge for the payment of such bonds any revenues receivable under section 473.517.

Sec. 9. Minnesota Statutes 1988, section 473.541, is amended by adding a subdivision to read:

Subd. 4. [REVENUE BONDS.] (a) *The council may, by resolution, authorize the issuance of revenue bonds for any purpose for which general obligation bonds may be issued under subdivision 3. The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in this subdivision, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds may be sold at public or private sale at such price, bear interest at such rate or rates, mature at such time or times, and be in such form as the council may determine. The bonds shall be payable from and secured by a pledge of all or any part of revenues receivable under section 473.517, shall not, and shall state they do not, represent or constitute a general obligation or debt of the council, and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation. The proceeds of the bonds may be used to pay credit enhancement fees.*

(b) *The bonds may be secured by a bond resolution, or a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the revenues and bond proceeds pledged for the payment and security of the bonds. The pledge shall be a valid charge on the revenues received under section 473.517. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in the revenues and bond proceeds received by the council and pledged to*

the payment of the bonds as against the claims of all persons in tort, contract, or otherwise, irrespective of whether such parties have notice thereof and without possession or filing as provided in the uniform commercial code or any other law, subject, however, to the rights of the holders of any general obligation bonds issued under subdivision 3. In the bond resolution or trust indenture, the council may make such covenants as it determines to be reasonable for the protection of the bondholders, including a covenant to issue general obligation bonds to refund the revenue bonds if and to the extent required to pay principal and interest on the bonds and to certify a deficiency tax levy as provided in section 473.521, subdivision 4.

(c) Neither the council, nor any council member, officer, employee, or agent of the council nor any person executing the bonds shall be liable personally on the bonds by reason of their issuance. The bonds shall not be payable from nor a charge upon any funds other than the revenues and bond proceeds pledged to the payment thereof. The council shall not be subject to any liability on the bonds and shall not pay or obligate itself to pay the bonds from funds other than the revenues and bond proceeds pledged. No holder of bonds shall have the right to compel any exercise of the taxing power of the council, except any deficiency tax levy the council covenants to certify under section 473.521, subdivision 4, or of any other public body, for the payment of principal of or interest on the bonds, nor to enforce payment thereof against any property of the council or other public body other than that expressly pledged for their payment.

Sec. 10. Minnesota Statutes 1988, section 475.51, is amended by adding a subdivision to read:

Subd. 13. [BOND REINVESTMENT PROGRAM.] "Bond reinvestment program" means a program under which a municipality, either directly or through an agent employed for the purpose, offers and sells its obligations to the holders of other obligations of the municipality. These offers and sales are directed at the reinvestment in new obligations of funds derived from maturing principal and interest, and may also include offers and sales of additional newly issued obligations in addition to the reinvestment of principal and interest paid or to be paid on outstanding obligations and provision for the temporary investment of funds received for the purchase of new obligations in tax-exempt securities pending the issuance of the new obligations.

Sec. 11. Minnesota Statutes 1988, section 475.51, is amended by adding a subdivision to read:

Subd. 14. [OTHER GOVERNMENTAL UNIT.] "Other governmental unit" means any public corporation, authority, governmental unit, or other political subdivision of the state of Minnesota that is not a municipality.

Sec. 12. Minnesota Statutes 1988, section 475.54, subdivision 4, is amended to read:

Subd. 4. [REDEMPTION.] Any obligation may be issued reserving the right of redemption and payment thereof prior to maturity, at par and accrued interest or at such premium and at such time or times as shall be determined by the governing body. Notice of the call of any prepayable obligation shall be published in a daily or weekly periodical published in a Minnesota city of the first class, or its metropolitan area, which circulates throughout the state and furnishes financial news as a part of its service;

provided that published notice of the call need not be given if the obligation is in registered form and notice has been mailed to the registered holder of the obligation. When any such obligation has been validly called for redemption in accordance with its terms, and the principal thereof and all interest thereon to the date of redemption have been paid or deposited with the paying agent, interest thereon shall cease; provided that no obligation issued subsequent to July 1, 1967, shall be deemed validly called for redemption unless the notice herein required has been published or so mailed prior to the date fixed for its redemption. If actual notice of the call has been given through a different means of communication, the holder of an obligation may waive published or mailed notice.

Sec. 13. Minnesota Statutes 1988, section 475.54, is amended by adding a subdivision to read:

Subd. 6a. [FOREIGN CURRENCY OBLIGATIONS.] Any obligation issued as part of a series in a principal amount of \$25,000,000 or more may be payable in currency other than currency of the United States if at the time of issue of the obligation the municipality enters into an agreement with a bank or dealer described in section 475.66, subdivision 1, that provides for payments to the municipality in the foreign currency at the times and in the amounts necessary to pay principal and interest on the obligations when due and payable in the foreign currency and corresponding payments by the municipality in United States currency of a determinate amount or amounts and at the times the agreement specifies. For purposes of chapter 475, the outstanding amount of the municipality's obligations payable in a foreign currency is the principal component of all remaining payments to be made by the municipality in United States currency under the agreement and the amount or rate of interest on the obligations is the interest component of the payments.

Sec. 14. Minnesota Statutes 1988, section 475.55, subdivision 6, is amended to read:

Subd. 6. [REGISTRATION DATA PRIVATE.] All information contained in any register maintained by a municipality or by a corporate registrar with respect to the ownership of municipal obligations is nonpublic data as defined in section 13.02, subdivision 9, or private data on individuals as defined in section 13.02, subdivision 12. The information is not public and is accessible only to the individual or entity that is the subject of it, except if disclosure:

(1) is necessary for the performance of the duties of the municipality or the registrar;

(2) is requested by an authorized representative of the state commissioner of revenue or attorney general or of the commissioner of internal revenue of the United States for the purpose of determining the applicability of a tax;

(3) is required under section 13.03, subdivision 4; or

(4) is requested at any time by the corporate trust department of a bank or trust company acting as a tender agent pursuant to documents executed at the time of issuance of the obligations to purchase obligations described in section 475.54, subdivision 5a, or obligations to which a tender option has been attached in connection with the performance of such person's duties as tender agent, or purchaser of the obligations.

A municipality or its agent may use the information in a register for purposes of offering obligations under a bond reinvestment program.

Sec. 15. Minnesota Statutes 1988, section 475.55, is amended by adding a subdivision to read:

Subd. 8. [BOND REINVESTMENT PROGRAMS.] In connection with a bond reinvestment program the governing body may by resolution delegate to any appropriate officer of the municipality authority to establish from time to time the interest rate or rates, subject to limitations imposed by law, on such obligations and other terms of obligations issued under a bond reinvestment program. Obligations issued under a bond reinvestment program may be in any denomination as determined by the governing body or an officer acting pursuant to delegation from the governing body.

Sec. 16. Minnesota Statutes 1988, section 475.60, subdivision 1, is amended to read:

Subdivision 1. [ADVERTISEMENT.] All obligations shall be negotiated and sold by the governing body, except when authority therefor is delegated by the governing body or by the charter of the municipality to a board, department, or officers of the municipality. Except as provided in section 475.56, obligations shall be sold at not less than par value plus accrued interest to date of delivery. Except as provided in subdivision 2 all obligations shall be sold at public sale after notice given at least ten days in advance by publication in a legal newspaper having general circulation in the municipality and ten days in advance by publication in a daily or weekly periodical, published in a Minnesota city of the first class, or its metropolitan area, which circulates throughout the state and furnishes financial news as a part of its service.

Sec. 17. Minnesota Statutes 1988, section 475.60, subdivision 2, is amended to read:

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

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

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

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

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

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

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

(7) *obligations sold pursuant to a bond reinvestment program;*

(8) *obligations sold to a municipality or other governmental unit; and*

(9) *obligations issued in the form of an installment purchase contract, lease purchase agreement, or other similar agreement.*

Sec. 18. Minnesota Statutes 1988, section 475.60, subdivision 3, is amended to read:

Subd. 3. [PUBLISHED NOTICE.] Published notice, where required, shall specify the maximum principal amount of the obligations, the place of receipt and consideration of bids and such other details as to the obligations and terms of sale as the governing body deems suitable. The published notice shall either specify the date and time for receipt of bids or provide that the bids will be received at a date and time not less than ten nor more than 60 days after the date of publication. If the published notice does not state the specific date or amount for the sale, it shall specify the manner in which notice of the date or amount of the sale will be given to prospective bidders. Notification of prospective bidders shall be given by electronic data transmission or other form of communication common to the municipal bond trade at least four days (omitting Saturdays, Sundays, and legal holidays) before the date for receipt of bids. If within five days after the date of publication a prospective bidder requests in writing to be notified by mail, the municipality shall do so. Failure to give the notice as described in the preceding sentence to a bidder shall not affect the validity of the sale or of the obligations. The governing body may employ an agent to receive and open the bids at any place within or outside the corporate limits of the municipality, in the presence of an officer of the municipality *or the officer's designee*, but the obligations shall not be sold except by action of the governing body or authorized officers of the municipality after communication of the bids to them. Additional notice may be given for such time and in such manner as the governing body deems suitable. At the time and place so fixed, the bids shall be opened and the offer complying with the terms of sale and deemed most favorable shall be accepted, but the governing body may reject any and all such offers, in which event, or if no offers have been received, it may award the obligations to any person who within 30 days thereafter presents an offer complying with the terms of sale and deemed more favorable than any received previously, or upon like notice the governing body may invite other bids upon the same or different terms and conditions, except that if the original published notice does not state the specific date or amount for the sale and if the material terms and conditions of the sale remain the same, except for the date and amount, notice of the date or amount may be given in the manner provided above.

Sec. 19. Minnesota Statutes 1988, section 475.66, subdivision 1, is amended to read:

Subdivision 1. All debt service funds shall be deposited and secured as provided in chapter 118, except for amounts invested as authorized in this

section, and may be deposited in interest-bearing accounts, and such deposits may be evidenced by certificates of deposit with fixed maturities. Sufficient cash for payment of principal, interest, and redemption premiums when due with respect to the obligations for which any debt service fund is created shall be provided by crediting to the fund the collections of tax, special assessment, or other revenues appropriated for that purpose, and depositing all such receipts in a depository bank or banks duly qualified according to law or investing and reinvesting such receipts in securities authorized in this section. Time deposits shall be withdrawable and certificates of deposit and investments shall mature and shall bear interest payable at times and in amounts which, in the judgment of the governing body or its treasurer or other officer or committee to which it has delegated investment decisions, will provide cash at the times and in the amounts required for the purposes of the debt service fund, provided however, that the governing body may authorize the purchase of longer term investments subject to an agreement to repurchase such investments at times and prices sufficient to yield the amounts estimated to be so required. Repurchase agreements may be entered into with

(1) a bank qualified as depository of money held in the debt service fund;

(2) any national or state bank in the United States which is a member of the federal reserve system and whose combined capital and surplus equals or exceeds \$10,000,000;

(3) a primary reporting dealer in United States government securities to the federal reserve bank of New York; ~~or~~

(4) a securities broker-dealer having its principal executive office in Minnesota, licensed pursuant to chapter 80A, or an affiliate of it, regulated by the securities and exchange commission and maintaining a combined capital and surplus of \$40,000,000 or more, exclusive of subordinated debt;
or

(5) a wholly owned subsidiary of a dealer or bank which satisfies one of the foregoing criteria and which has guaranteed the payment obligations of the subsidiary under the agreement.

Sec. 20. Minnesota Statutes 1988, section 475.79, is amended to read:

475.79 [POWERS AVAILABLE TO OTHER POLITICAL SUBDIVISIONS.]

Any powers granted to a municipality under this chapter, other than the power to issue general obligation bonds and levy taxes, may be exercised by any other ~~public corporation, authority, governmental unit, or other political subdivision of the state of Minnesota that is not a municipality.~~ This grant of authority does not limit the powers granted to an entity under any other law.

Sec. 21. [CHISAGO, KANABEC, ISANTI, PINE, AND MILLE LACS COUNTIES; SALE OF SOLID WASTE FACILITY BONDS.]

Notwithstanding section 400.101, Chisago, Kanabec, Isanti, Pine, and Mille Lacs counties, acting jointly, may issue and sell bonds at public or private sale prior to May 22, 1990, to finance solid waste facilities in Kanabec county and related facilities.

Sec. 22. [REPEALER.]

Minnesota Statutes 1988, section 474A.081, subdivision 3; is repealed.

Sec. 23. [APPLICATION.]

Sections 7 to 9 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 24. [EFFECTIVE DATE.]

Sections 1 to 23 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "making technical corrections to provisions relating to hazardous substance sites and subdistricts; enabling Chisago, Kanabec, Isanti, Pine, and Mille Lacs counties to sell certain bonds at public or private sale;"

Page 1, line 5, delete "400.101; 430.06, by adding a"

Page 1, line 6, delete "subdivision;" and delete "469.152; 469.153,"

Page 1, delete line 7

Page 1, line 8, delete "subdivisions 2, 3, and 5" and insert "469.174, subdivisions 7 and 16; 469.175, subdivision 7"

Page 1, line 10, delete "473.811, subdivision 2;"

Page 1, line 15, delete "chapters 469 and" and insert "chapter" and after "473" insert "; repealing Minnesota Statutes 1988, section 474A.081, subdivision 3"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1242: A bill for an act relating to state government; extending the expiration date on certain advisory councils; increasing the compensation of members of administrative boards and agencies; eliminating a requirement for appointment of a state employees assistance program advisory committee; amending Minnesota Statutes 1988, sections 15.0575, subdivision 3; 15.059, subdivision 5; and 16B.39, subdivision 2; repealing Minnesota Statutes 1988, sections 84B.11, subdivision 4; 115.54; 121.83; 174.031, subdivision 2; 175.007; 256.73, subdivision 7; and 268.12, subdivision 6.

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

Page 1, lines 17 and 26, delete "\$55" and insert "\$48"

Page 2, after line 7, insert:

"Sec. 2. Minnesota Statutes 1988, section 15.059, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] Members of the advisory councils and committees shall be compensated at the rate of at least \$35 per day spent on council or committee activities, when authorized by the council or committee, plus expenses in the same manner and amount as authorized by the commissioner's plan adopted pursuant to section 43A.18, subdivision

2. The state agency that provides funding for the advisory council or committee may authorize compensation of up to ~~\$\$\$~~ \$48 per day spent on council or committee activities. Members who, as a result of time spent attending council or committee meetings, incur child care expenses that would not otherwise have been incurred, may be reimbursed for those expenses upon council or committee authorization. If members who are state employees or employees of political subdivisions receive the daily compensation, and if the major part of their activities occur during normal working hours for which they are also compensated by the state or political subdivision, the employer shall deduct the daily compensation from the employee's compensation for the day. In no other case shall a member who is an employee of the state or a political subdivision suffer a loss in compensation or benefits from the state or political subdivision as a result of service on the council or committee. 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 section 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 2, delete lines 29 and 30 and insert:

"This act is effective the day following final enactment, except that section 1 is effective July 1, 1989."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "reducing the maximum compensation of members of advisory councils;"

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

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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 1, delete lines 17 to 19

Renumber the subdivisions in sequence

Pages 9 to 11, delete sections 11 and 12

Page 13, delete section 17 and insert:

"Sec. 15. [APPROPRIATION.]

Subdivision 1. \$585,000 is appropriated from the general fund to the commissioner of public safety for the community right-to-know program. \$313,000 is for fiscal year 1990 and \$272,000 is for fiscal year 1991. The approved complement of the department of public safety is increased by three positions.

Subd. 2. \$645,000 is appropriated from the general fund to the commissioner of public safety for disaster relief due to flooding in the Red River valley, to be available until June 30, 1990."

Page 13, line 8, delete "13" and insert "11"

Page 13, line 9, after the period, insert "*Section 15, subdivision 2, is effective the day following final enactment.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 6

Page 1, line 7, delete everything before "providing" and after the second semicolon, insert "providing disaster relief;"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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:

Page 1, line 18, delete "*shall apply*" and insert "*applies*"

Page 1, line 21, delete "*shall*" and insert "*does*"

Page 2, line 19, delete "*and*" and insert "*or*"

Page 2, line 26, delete "*any*" and insert "*an*"

Page 2, lines 29 and 30, delete "*any*" and insert "*a*"

Page 3, line 36, delete "*that*" and insert "*the*"

Page 4, line 1, delete "*that*" and insert "*the*"

Page 4, line 3, delete "*any*" and insert "*an*"

Page 4, line 14, delete "*such*" and insert "*the*"

Page 4, line 17, delete "*which*" and insert "*that*"

Page 4, line 19, delete "*such items*" and insert "*items such*"

Page 5, line 11, delete the second comma and insert a semicolon

Page 6, line 20, delete "*is*"

Page 6, line 34, after "or" insert "with"

Page 7, line 19, delete "Any" and insert "An"

Page 7, lines 20 and 21, delete "shall" and insert "must"

Page 7, delete lines 27 and 28 and insert:

"Subd. 8. [FEES.] (a) An application for a mortgage lender or mortgage broker license must be accompanied by the following fees:

(1) for a mortgage lender with less than five employees, the license fee is \$250;

(2) for a mortgage lender with five or more employees, the license fee is \$750; and

(3) for a mortgage broker, the license fee is \$250.

(b) Fees collected under this subdivision must be deposited in the state treasury and credited to the general fund."

Page 7, line 29, delete "must be retained by the commissioner and"

Page 7, line 31, before the period, insert "to the commissioner"

Page 9, line 16, delete "funds" and insert "money" and delete "are" and insert "is"

Page 10, line 14, delete "; provided the" and insert ", although the lender may require that a"

Page 10, line 15, delete "is" and insert "be"

Page 11, line 2, delete "in United States Code" and insert "under the Code of Federal Regulations"

Page 11, line 14, delete "provided" and insert "although the lender may require"

Page 11, line 15, delete "the" and insert "a" and delete "is" and insert "be"

Page 11, line 18, delete "any" in both places and before "designated" insert "a"

Page 11, lines 28 and 29, after "borrower" insert a comma

Page 11, line 32, after "possesses" insert a comma

Page 12, line 1, delete "that" and insert "the"

Page 12, line 7, delete "any" and insert "a"

Page 12, line 9, delete "prior to" and insert "before"

Page 13, line 5, delete "regular" and insert "regularly"

Page 13, line 7, delete "following" and insert "after"

Page 13, line 8, delete "such" and insert "the"

Page 13, line 27, delete "a" and insert "an"

Page 13, line 28, delete "different" and delete "than" and insert "different from"

Page 15, line 1, delete "prior to the time" and insert "before" and delete "actually"

Page 15, line 2, delete "PRIOR TO" and insert "BEFORE"

Page 15, line 6, delete "which are"

Page 15, line 13, delete "any" and insert "a"

Page 15, line 18, delete "the time"

Page 15, line 19, delete "actually"

Page 15, line 21, delete "on which"

Page 16, line 11, delete "are" and insert "is"

Page 16, line 12, delete "acts" and insert "an act"

Page 16, line 14, delete "may" and insert "does"

Page 16, line 22, delete "that" and insert "the"

Page 16, line 23, delete "may" and insert "is" and delete "be found"

Page 16, lines 24 and 25, delete "any" and insert "a"

Page 16, line 26, delete "which" and insert "that"

Page 16, line 27, delete "that the violation"

Page 16, line 34, after "commissioner" insert "to" and delete "any" and insert "a"

Page 16, line 35, delete "Any" and insert "A"

Page 17, line 1, after the period, insert "*The fee must be deposited in the state treasury and credited to the general fund.*"

Page 20, delete lines 13 to 16 and insert:

"\$109,000 is appropriated from the general fund to the commissioner of commerce to administer sections 1 to 19. \$67,000 is for fiscal year 1990 and \$42,000 is for fiscal year 1991. The approved complement of the department of commerce is increased by one position."

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. 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 be amended as follows:

Page 1, line 9, delete "\$130,000,000" and insert "\$20,000,000"

Page 1, line 10, delete "the" and insert "land" and delete the first "and" and insert "*planning, design, site preparation, and other preliminary work for the*"

Page 1, after line 18, insert:

"Sec. 2. [REPORTS TO THE LEGISLATURE.]

The board of county commissioners of Hennepin county, the judges of

the fourth judicial district, the Hennepin county attorney, and the Hennepin county sheriff shall each prepare a report to the legislature on ways and means to improve the administration of the criminal justice system in the fourth judicial district. The reports shall specifically identify ways to make the criminal justice system more timely and cost effective, including savings from night, weekend, and other additional court sessions. The report of the county commissioners must specifically include a review of the required bed capacity for the facility. The reports shall also identify any state mandates that unduly increase the cost of the criminal justice system. The reports shall be submitted to the legislature on or before January 15, 1990. The reports must be referred to the judiciary committees of the house of representatives and senate. The judiciary committees must review the report and make recommendations on the proposed facilities to the respective committees on taxes of the house of representatives and senate before April 1, 1990."

Renumber the sections in sequence

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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 86, line 29, delete "\$" and insert "\$25"

Page 88, lines 9 and 34, delete "\$" and insert "\$25"

Page 99, line 8, delete "\$" and insert "\$185,000"

Page 99, line 10, after the period, insert "\$93,000 is for fiscal year 1990 and \$92,000 is for fiscal year 1991. The approved complement for the office of the secretary of state is increased by two positions."

Page 99, line 11, delete "\$" and insert "\$160,000"

Page 99, line 13, after the period, insert "\$83,000 is for fiscal year 1990 and \$77,000 is for fiscal year 1991. The approved complement of the office of the attorney general is increased by two positions."

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. 1689 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.
1689	1585				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1689 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1689 and insert the language after the enacting clause of S.F. No. 1585, the first engrossment; further, delete the title of H.F. No. 1689 and insert the title of S.F. No. 1585, the first engrossment.

And when so amended H.F. No. 1689 will be identical to S.F. No. 1585, and further recommends that H.F. No. 1689 be given its second reading and substituted for S.F. No. 1585, 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. 950 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.
950	446				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 950 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 950 and insert the language after the enacting clause of S.F. No. 446, the first engrossment; further, delete the title of H.F. No. 950 and insert the title of S.F. No. 446, the first engrossment.

And when so amended H.F. No. 950 will be identical to S.F. No. 446, and further recommends that H.F. No. 950 be given its second reading and substituted for S.F. No. 446, 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. 1436, 1067, 564, 1582, 1242, 1099, 188, 937 and 525 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1689 and 950 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Moe, D.M. moved that S.F No. 331 be taken from the table. The motion prevailed.

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.

CONCURRENCE AND REPASSAGE

Mr. Moe, D.M. moved that the Senate concur in the amendments by the House to S.F No. 331 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F No. 331 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Frank moved that H.F No. 260, No. 33 on General Orders, be stricken and laid on the table. The motion did not prevail.

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

H.F No. 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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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; amending Minnesota Statutes 1988, section 65B.49, subdivision 5a; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 1221: 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 1355: 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 1560: A bill for an act relating to natural resources; authorizing the Elephant Creek impoundment in St. Louis county.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 35 and nays 27, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Metzen	Pogemiller
Beckman	Davis	Johnson, D.J.	Moe, D.M.	Ramstad
Berglin	Dicklich	Kroening	Moe, R.D.	Reichgott
Bertram	Diessner	Lantry	Morse	Schmitz
Brandl	Frank	Luther	Pehler	Spear
Chmielewski	Frederickson, D.J.	Marty	Peterson, D.C.	Stumpf
Cohen	Freeman	Merriam	Piper	Waldorf

Those who voted in the negative were:

Anderson	Decker	Knaak	McQuaid	Storm
Belanger	DeCramer	Knutson	Mehrrens	Taylor
Benson	Frederick	Laidig	Olson	Vickerman
Berg	Frederickson, D.R.	Langseth	Pariseau	
Bernhagen	Gustafson	Larson	Renneke	
Brataas	Johnson, D.E.	McGowan	Samuelson	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 38 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Moe, D.M.	Reichgott
Beckman	Davis	Johnson, D.J.	Moe, R.D.	Samuelson
Berg	DeCramer	Kroening	Morse	Schmitz
Berglin	Dicklich	Lantry	Novak	Spear
Bertram	Diessner	Luther	Pehler	Stumpf
Brandl	Frank	Marty	Peterson, D.C.	Waldorf
Chmielewski	Frederickson, D.J.	Merriam	Piper	
Cohen	Freeman	Metzen	Pogemiller	

So the bill passed and its title was agreed to.

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; transferring tax increment financing 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, subdivisions 2 and 5; 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.

Was read the third time 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	Moe, D.M.	Samuelson
Belanger	DeCramer	Knutson	Moe, R.D.	Schmitz
Benson	Diessner	Kroening	Morse	Spear
Berg	Frank	Laidig	Novak	Storm
Berglin	Frederick	Lantry	Olson	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Pariseau	Taylor
Bertram	Frederickson, D.R.	Luther	Pehler	Vickerman
Brandl	Freeman	Marty	Peterson, D.C.	Waldorf
Brataas	Gustafson	McGowan	Piper	
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen		Mehrrens	Ramstad	

So the bill passed and its title was agreed to.

S.F No. 1221: A bill for an act relating to the city of Hopkins; authorizing the establishment of special service districts.

Was read the third time 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	Reichgott
Anderson	Davis	Johnson, D.J.	Metzen	Renneke
Beckman	Decker	Knaak	Moe, D.M.	Samuelson
Belanger	DeCramer	Knutson	Moe, R.D.	Schmitz
Benson	Dicklich	Kroening	Morse	Spear
Berg	Diessner	Laidig	Novak	Storm
Berglin	Frank	Langseth	Olson	Stumpf
Bernhagen	Frederick	Lantry	Pariseau	Taylor
Bertram	Frederickson, D.I.	Larson	Pehler	Vickerman
Brandl	Frederickson, D.R.	Luther	Peterson, D.C.	Waldorf
Brataas	Freeman	Marty	Piper	
Chmielewski	Gustafson	McGowan	Pogemiller	
Cohen	Hughes	McQuaid	Ramstad	

So the bill passed and its title was agreed to.

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.

Was read the third time 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 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Merriam and Moe, D.M. voted in the negative.

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

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.

Was read the third time 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 7, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	McQuaid	Pogemiller
Anderson	Decker	Johnson, D.E.	Mehrkens	Renneke
Beckman	DeCramer	Johnson, D.J.	Metzen	Samuelson
Belanger	Dicklich	Knaak	Moe, R.D.	Schmitz
Berg	Diessner	Knutson	Morse	Storm
Bernhagen	Frank	Kroening	Novak	Stumpf
Bertram	Frederick	Laidig	Olson	Taylor
Brandl	Frederickson, D.J.	Langseth	Pariseau	Vickerman
Brataas	Frederickson, D.R.	Lantry	Pehler	Waldorf
Chmielewski	Freeman	Larson	Peterson, D.C.	
Cohen	Gustafson	McGowan	Piper	

Those who voted in the negative were:

Benson	Marty	Ramstad	Reichgott	Spear
Berglin	Merriam			

So the bill passed and its title was agreed to.

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; imposing penalties; appropriating money; amending Minnesota Statutes 1988, section 336.9-302; proposing coding for new law as Minnesota Statutes, chapter 361A.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 42 and nays 19, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Hughes	Mehrkens	Piper
Anderson	Dahl	Johnson, D.E.	Merriam	Ramstad
Beckman	Davis	Knutson	Moe, D.M.	Reichgott
Belanger	Decker	Laidig	Moe, R.D.	Renneke
Berg	Frank	Langseth	Morse	Spear
Berglin	Frederick	Luther	Novak	Storm
Bernhagen	Frederickson, D.R.	Marty	Olson	
Bertram	Freeman	McGowan	Pariseau	
Brandl	Gustafson	McQuaid	Pehler	

Those who voted in the negative were:

Benson	Frederickson, D.J.	Lantry	Pogemiller	Taylor
Brataas	Johnson, D.J.	Larson	Samuelson	Vickerman
DeCramer	Knaak	Metzen	Schmitz	Waldorf
Dicklich	Kroening	Peterson, D.C.	Stumpf	

So the bill passed and its title was agreed to.

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.

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

So the bill passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 1734 at 1:30 p.m.:

Messrs. Brandl, Novak, Pogemiller, Stumpf and Johnson, D.J. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED**SUSPENSION OF RULES**

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. 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. 1323, 1253, 1541, 536, H.F. Nos. 162, 1287, 1502 and 1432, which the committee recommends to pass.

H.F. No. 1160, which the committee recommends to pass with the following amendment offered by Mr. Knaak:

Amend H.F. No. 1160, as amended pursuant to Rule 49, adopted by the Senate April 20, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1102.)

Page 1, after line 19, insert:

"Prior to entering into a contract under this subdivision, the board shall provide published notice of the meeting in which it proposes to award the contract as well as the parties to the proposed contract, and its purpose."

The motion prevailed. So the amendment was adopted.

H.F. No. 260, which the committee recommends to pass with the following amendments offered by Mr. Knaak and Mrs. Brataas:

Mr. Knaak moved to amend H.F. No. 260, as amended pursuant to Rule 49, adopted by the Senate May 3, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 312.)

Page 1, line 15, delete the comma and insert a period

Page 1, line 16, delete everything before "The" and insert "*The term includes any person who has been separated from employment for less than six months.*"

The motion prevailed. So the amendment was adopted.

Mr. Knaak then moved to amend H.F. No. 260, as amended pursuant to Rule 49, adopted by the Senate May 3, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 312.)

Page 1, line 15, delete the comma

Page 1, line 16, delete everything before the period and insert "*for an average of 20 or more hours per week over the last six months*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Frederickson, D.R.	McGowan	Ramstad
Belanger	Brataas	Gustafson	McQuaid	Storm
Benson	Decker	Knaak	Morse	Stumpf
Bernhagen	Diessner	Larson	Olson	

Those who voted in the negative were:

Adkins	Davis	Langseth	Novak	Schmitz
Beckman	DeCramer	Lantry	Pehler	Spear
Berg	Dicklich	Luther	Peterson, D.C.	Taylor
Berglin	Frank	Marty	Piper	Vickerman
Brandl	Frederick	Mehrkens	Pogemiller	Waldorf
Chmielewski	Frederickson, D.J.	Merriam	Purfeerst	
Cohen	Johnson, D.J.	Metzen	Reichgott	
Dahl	Kroening	Moe, R.D.	Samuelson	

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

Mr. Knaak then moved to amend H.F. No. 260, as amended pursuant to Rule 49, adopted by the Senate May 3, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 312.)

Page 1, line 18, delete "20" and insert "50"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Knaak	McQuaid	Ramstad
Belanger	Diessner	Laidig	Novak	Samuelson
Bertram	Frederickson, D.R.	Larson	Olson	
Brataas	Gustafson	McGowan	Pariseau	

Those who voted in the negative were:

Adkins	Dahl	Kroening	Morse	Schmitz
Beckman	Davis	Lantry	Pehler	Spear
Berglin	DeCramer	Luther	Peterson, D.C.	Stumpf
Brandl	Frank	Marty	Piper	Vickerman
Chmielewski	Frederick	Merriam	Pogemiller	Waldorf
Cohen	Frederickson, D.J.	Metzen	Reichgott	

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

Mr. Knaak then moved to amend H.F. No. 260, as amended pursuant to Rule 49, adopted by the Senate May 3, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 312.)

Page 5, line 1, delete ", plus"

Page 5, line 2, delete "*reasonable attorney fees*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 24, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Frederick	Laidig	Olson
Anderson	Brataas	Frederickson, D.R.	Larson	Pariseau
Beckman	Decker	Gustafson	McGowan	Ramstad
Belanger	Diessner	Knaak	McQuaid	Vickerman

Those who voted in the negative were:

Berglin	DeCramer	Lantry	Moe, R.D.	Pogemiller
Chmielewski	Dicklich	Luther	Morse	Reichgott
Cohen	Frank	Marty	Pehler	Schmitz
Dahl	Frederickson, D.J.	Merriam	Peterson, D.C.	Spear
Davis	Kroening	Metzen	Piper	

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

Mrs. Brataas moved to amend H.F. No. 260, as amended pursuant to Rule 49, adopted by the Senate May 3, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 312.)

Page 3, line 12, before the period, insert “; *except that, upon separation from employment, an employee may review the employee’s personnel record at any one time within six months of separation*”

Page 3, delete lines 25 to 28

Page 3, line 36, after “reached” insert “:

(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)”

Page 4, delete lines 10 to 16 and insert:

“Subd. 2. [DEFAMATION ACTION PROHIBITED.] No communication of information contained in an employee’s personnel record may be made the subject of any common law civil action for libel, slander, or defamation, unless the information is disputed pursuant to subdivision 1, 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; except that, an employee is not prohibited from bringing a common law civil action for libel, slander, or defamation, based upon a communication of the disputed information in the employee’s personnel record, if the employee has exercised all of the employee’s rights under subdivision 1 and the employer thereafter communicates the disputed information in the employee’s personnel record with knowledge of its falsity or in reckless disregard of its falsity.”

Mr. Merriam requested division of the amendment as follows:

First portion:

Page 3, line 12, before the period, insert “; *except that, upon separation from employment, an employee may review the employee’s personnel record at any one time within six months of separation*”

Second portion:

Page 3, delete lines 25 to 28

Page 3, line 36, after “reached” insert “:

(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)”

Third portion:

Page 4, delete lines 10 to 16 and insert:

"Subd. 2. [DEFAMATION ACTION PROHIBITED.] No communication of information contained in an employee's personnel record may be made the subject of any common law civil action for libel, slander, or defamation, unless the information is disputed pursuant to subdivision 1, 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; except that, an employee is not prohibited from bringing a common law civil action for libel, slander, or defamation, based upon a communication of the disputed information in the employee's personnel record, if the employee has exercised all of the employee's rights under subdivision 1 and the employer thereafter communicates the disputed information in the employee's personnel record with knowledge of its falsity or in reckless disregard of its falsity."

The question was taken on the adoption of the first portion of the amendment.

The motion prevailed. So the first portion of the amendment was adopted.

The question was taken on the adoption of the second portion of the amendment.

The roll was called, and there were yeas 30 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Gustafson	McGowan	Purfeerst
Anderson	Chmielewski	Johnson, D.E.	McQuaid	Ramstad
Belanger	Decker	Knaak	Metzen	Renneke
Berg	Diessner	Laidig	Olson	Samuelson
Bernhagen	Frank	Langseth	Pariseau	Schmitz
Bertram	Frederick	Larson	Pehler	Vickerman

Those who voted in the negative were:

Beckman	DeCramer	Lantry	Morse	Spear
Berglin	Dicklich	Luther	Peterson, D.C.	Waldorf
Cohen	Frederickson, D.J.	Marty	Piper	
Dahl	Freeman	Merriam	Pogemiller	
Davis	Kroening	Moe, R.D.	Reichgott	

The motion prevailed. So the second portion of the amendment was adopted.

The question was taken on the adoption of the third portion of the amendment.

The roll was called, and there were yeas 24 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Gustafson	McQuaid	Renneke
Anderson	Decker	Knaak	Olson	Samuelson
Belanger	Frank	Laidig	Pariseau	Taylor
Bernhagen	Frederick	Larson	Pehler	Vickerman
Bertram	Frederickson, D.R.	McGowan	Ramstad	

Those who voted in the negative were:

Beckman	Davis	Lantry	Morse	Spear
Berglin	DeCramer	Luther	Piper	
Chmielewski	Frederickson, D.J.	Marty	Pogemiller	
Cohen	Freeman	Merriam	Reichgott	
Dahl	Kroening	Moe, R.D.	Schmitz	

The motion prevailed. So the third portion of the amendment was adopted.

S.F. No. 522, which the committee recommends to pass with the following amendments offered by Ms. Berglin and Mr. Pogemiller:

Ms. Berglin moved to amend S.F. No. 522 as follows:

Page 27, after line 27, insert:

“Sec. 3. [412.223] [INDIAN HOUSING AUTHORITY.]

A home rule charter or statutory city may establish an Indian housing authority as provided in the Code of Federal Regulations, title 24, part 905, with all necessary legal powers to carry out housing projects for low- and moderate-income American Indians.”

Renumber the sections of article 3 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller moved to amend S.F. No. 522 as follows:

Page 48, line 11, after the period, insert “*This is intended to be a nonrecurring appropriation and must not be included in the budget base for the 1992-1993 biennium.*”

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller, for Mr. Solon, moved to amend S.F. No. 522 as follows:

Page 19, after line 36, insert:

“Sec. 8. Minnesota Statutes 1988, section 566.17, is amended to read:
566.17 [EXECUTION OF THE WRIT OF RESTITUTION.]

Subdivision 1. [GENERAL.] The officer holding the writ of restitution shall execute the same by making a demand upon defendant if found in the county or any adult member of the defendant’s family holding possession of the premises, or other person in charge thereof, for the possession of the same, and that the defendant leave, taking family and all personal property from such premises within 24 hours after such demand. If defendant fails to comply with the demand, then the officer shall bring, if necessary, the force of the county and whatever assistance may be necessary, at the cost of the complainant, remove the said defendant, family and all personal property from said premises detained, immediately and place the plaintiff in the possession thereof. In case defendant cannot be found in the county, and there is no person in charge of the premises detained, so that no demand can be made upon the defendant, then the officer shall enter into the possession of the premises, breaking in if necessary, and remove all property of the defendant at the expense of the plaintiff. The plaintiff shall have a lien upon all of the goods upon the premises for the reasonable costs and expenses incurred for removing the personal property and for the proper caring and storing the same, and the costs of transportation of the same to some suitable place of storage, in case defendant shall

fail or refuse to make immediate payment for all the expenses of such removal from the premises and plaintiff shall have the right to enforce such lien by detaining the same until paid, and, in case of nonpayment for 60 days after the execution of the writ, shall have the right to enforce the lien and foreclose the same by public sale as provided for in case of sales under sections 514.18 to 514.22.

Subd. 2. [REMOVAL AND STORAGE OF PROPERTY.] The plaintiff may provide for the removal and storage of the defendant's property on the plaintiff's real property if the plaintiff prepares a property inventory and mails a copy to the defendant's last known address. The property inventory must include a description of the general condition of the property and the name and badge number of the officer required to be present under subdivision 1. The plaintiff is responsible for the proper care and storage of the property and section 504.24 applies to the property."

Renumber the sections of article 2 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Gustafson	McGowan	Samuelson
Anderson	Cohen	Hughes	Metzen	Schmitz
Beckman	Dahl	Kroening	Olson	Solon
Belanger	Davis	Laidig	Peterson, D.C.	Spear
Berg	Dicklich	Langseth	Piper	Storm
Berglin	Diessner	Lantry	Pogemiller	Vickerman
Bernhagen	Frank	Luther	Ramstad	
Bertram	Frederickson, D.R.	Marty	Reichgott	

Those who voted in the negative were:

Benson	Frederick	Knutson	McQuaid	Merriam
Brataas	Freeman	Larson	Mehrkens	Pariseau
Decker	Knaak			

The motion prevailed. So the amendment was adopted.

S.F. No. 1101, which the committee recommends to pass with the following amendment offered by Mr. Solon:

Page 5, line 8, delete the third comma and insert a period

Page 5, delete lines 9 to 11

Page 5, delete section 9

Page 5, line 35, after the period, insert "*The costs must not be apportioned on the value of the property, but on the basis of the services provided.*"

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 166, which the committee recommends to pass, after the following motions:

Mr. Belanger moved to amend H.F. No. 166, as amended pursuant to Rule 49, adopted by the Senate April 24, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 985.)

Page 2, after line 7, insert:

“Sec. 3. Minnesota Statutes 1988, section 16B.13, is amended to read:
16B.13 [ADVERTISEMENT OF HIGHWAY CONTRACTS.]

Subdivision 1. [ADVERTISEMENT OF CONTRACTS.] Notwithstanding anything in this chapter to the contrary, all contracts for the repair, improvement, maintenance, or construction of highways or highway bridges must be advertised and let as provided by law for highway construction contracts.

Subd. 2. [SPECIFICATIONS; WAGE RATES.] (a) A specification for a contract described in subdivision 1 must permit the competitive bidding for all supplies and equipment, including transportation service provided by a truck owner-operator. The specification may not exclude any type or kind of equipment or type or kind of contractor.

(b) No rule adopted by a state agency or department may (1) restrict competitive bidding on a contract described in subdivision 1 or restrict the provision of services or equipment under the contract on any basis, or (2) require the payment of a wage in excess of the minimum wage provided in section 177.24 to a person not an employee of the contractor or to a person who provides transportation services to the contractor.”

Page 10, after line 13, insert:

“Sec. 20. [EFFECTIVE DATE.]

Section 3 is effective the day following final enactment, and applies to contracts described in section 3 and advertised for bid on and after that date.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the first semicolon, insert “imposing requirements on contracts for the repair, improvement, maintenance, and construction of highways and highway bridges;”

Page 1, line 17, after the semicolon, insert “16B.13;”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Knaak	Mehrrens	Renneke
Belanger	Decker	Knutson	Morse	Storm
Benson	Frederick	Langseth	Olson	Vickerman
Berg	Frederickson, D.R.	Larson	Pariseau	
Bernhagen	Gustafson	McGowan	Purfeerst	
Bertram	Johnson, D.E.	McQuaid	Ramstad	

Those who voted in the negative were:

Adkins	DeCramer	Kroening	Novak	Schmitz
Beckman	Dicklich	Lantry	Pehler	Solon
Berglin	Diessner	Luther	Peterson, D.C.	Spear
Brandl	Frank	Marty	Piper	Stumpf
Cohen	Freeman	Merriam	Pogemiller	Waldorf
Dahl	Hughes	Metzen	Reichgott	
Davis	Johnson, D.J.	Moe, R.D.	Samuelson	

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

Mr. Schmitz moved to amend H.F. No. 166, as amended pursuant to Rule 49, adopted by the Senate April 24, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 985.)

Page 4, delete section 8

Pages 8 and 9, delete section 16

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 7:30 p.m. The motion prevailed.

The hour of 7:30 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on S.F. No. 1625 at 7:30 p.m.:

Messrs. Dicklich, DeCramer, Taylor, Waldorf and Mrs. Brataas. 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 take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. No. 262, which the committee recommends to pass, subject to the following motions:

Mr. Renneke moved to amend S.F. No. 262 as follows:

Page 4, line 17, after the period, insert "*Sensitive areas may only be identified in counties with completed and published Minnesota geologic survey county atlases.*"

Page 5, lines 31 and 32, delete "*located in a sensitive area and*"

Page 7, line 2, before the period, insert “for best management practices within specific sensitive areas”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 10 and nays 39, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	McQuaid	Renneke
Bernhagen	Gustafson	McGowan	Pariseau	Storm

Those who voted in the negative were:

Adkins	Davis	Knaak	Merriam	Piper
Beckman	Decker	Kroening	Metzen	Ramstad
Belanger	Diessner	Laidig	Moe, D.M.	Reichgott
Berg	Frank	Langseth	Moe, R.D.	Samuelson
Berglin	Frederickson, D.J.	Lantry	Morse	Schmitz
Bertram	Frederickson, D.R.	Luther	Olson	Solon
Cohen	Freeman	Marty	Pehler	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Peterson, D.C.	

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

Mr. Dahl moved to amend S.F. No. 262 as follows:

Page 2, delete lines 4 to 8 and insert:

“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.”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 26, as follows:

Those who voted in the affirmative were:

Berglin	Frank	Laidig	Metzen	Piper
Cohen	Freeman	Lantry	Moe, D.M.	Ramstad
Dahl	Knaak	Luther	Moe, R.D.	Reichgott
Davis	Knutson	Marty	Morse	Schmitz
Diessner	Kroening	Merriam	Peterson, D.C.	Solon

Those who voted in the negative were:

Adkins	Bernhagen	Frederickson, D.R.	McQuaid	Storm
Anderson	Bertram	Gustafson	Mehrkens	Vickerman
Beckman	Decker	Johnson, D.E.	Olson	
Belanger	DeCramer	Langseth	Pariseau	
Benson	Frederick	Larson	Renneke	
Berg	Frederickson, D.J.	McGowan	Samuelson	

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

Mr. Freeman moved to amend S.F. No. 262 as follows:

Page 145, after line 23, insert:

“The study and report must include a plan for assessing surcharges under section 3, subdivision 5.”

The motion prevailed. So the amendment was adopted.

Mr. Freeman then moved to amend S.F. No. 262 as follows:

Page 137, line 26, after "to" insert "and may not exceed"

The motion prevailed. So the amendment was adopted.

Mr. Benson moved to amend S.F. No. 262 as follows:

Page 133, delete lines 5 to 9

Page 134, delete lines 4 to 14

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 25, as follows:

Those who voted in the affirmative were:

Adkins	Bernhagen	Johnson, D.E.	Olson	Taylor
Anderson	Bertram	Knutson	Pariseau	Vickerman
Beckman	Decker	Laidig	Ramstad	
Belanger	Frederick	Larson	Renneke	
Benson	Frederickson, D.R.	McGowan	Schmitz	
Berg	Gustafson	Mehrkens	Storm	

Those who voted in the negative were:

Berglin	Frank	Langseth	Metzen	Peterson, D.C.
Cohen	Frederickson, D.J.	Lantry	Moe, D.M.	Piper
Dahl	Freeman	Luther	Moe, R.D.	Reichgott
Davis	Knaak	Marty	Morse	Samuelson
Diessner	Kroening	Merriam	Pehler	Solon

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend S.F. No. 262 as follows:

Page 3, delete lines 29 to 36

Re-number the subdivisions in sequence

Page 9, line 6, before "If" insert "(a)"

Page 9, after line 11, insert:

"(b) The pollution control agency or, for agricultural chemicals and practices, the commissioner of agriculture may adopt water resource protection requirements under subdivision 2 that are commensurate with the groundwater pollution if the implementation of best management practices have proven to be ineffective. The water resource protection requirements must be submitted to the joint legislative committee on water before they are adopted."

Page 9, delete lines 12 to 30 and insert:

"Subd. 2. [ADOPTION OF WATER RESOURCE PROTECTION REQUIREMENTS.] (a)"

Page 9, line 31, after "or" insert a comma

Page 9, line 32, after "practices" insert a comma

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 27, as follows:

Those who voted in the affirmative were:

Beckman	Diessner	Luther	Morse	Ramstad
Berglin	Freeman	Marty	Pehler	Reichgott
Cohen	Knaak	Merriam	Peterson, D.C.	Samuelson
Dahl	Kroening	Moe, D.M.	Piper	Solon
Davis	Lantry	Moe, R.D.	Pogemiller	Vickerman

Those who voted in the negative were:

Adkins	Bertram	Gustafson	McGowan	Schmitz
Anderson	Decker	Johnson, D.E.	McQuaid	Storm
Belanger	Frank	Knutson	Mehrkens	Stumpf
Benson	Frederick	Laidig	Olson	
Berg	Frederickson, D.J.	Langseth	Pariseau	
Bernhagen	Frederickson, D.R.	Larson	Renneke	

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

Mr. Frederickson, D.R. moved to amend S.F. No. 262 as follows:

Page 32, line 24, delete the period and insert “, except tubular wells of a diameter of six inches or less that are located outside of municipal boundaries and on land used for farming or agricultural purposes or for use by a single-family dwelling, and all sandpoint wells, are exempt from this permit requirement.”

Page 35, line 10, delete “\$50” and insert “\$100”

Page 35, line 12, delete “\$100” and insert “\$150”

Page 47, line 27, delete “\$250” and insert “\$400”

Page 52, line 7, delete “\$100” and insert “\$125”

Page 52, line 16, delete “\$50” and insert “\$75”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Johnson, D.E.	Mehrkens	Taylor
Belanger	Decker	Laidig	Olson	Vickerman
Benson	Frederick	Langseth	Pariseau	
Berg	Frederickson, D.R.	Larson	Renneke	
Bernhagen	Gustafson	McQuaid	Storm	

Those who voted in the negative were:

Adkins	DeCramer	Knutson	Merriam	Peterson, D.C.
Berglin	Diessner	Kroening	Metzen	Piper
Brataas	Frank	Lantry	Moe, D.M.	Ramstad
Cohen	Frederickson, D.J.	Luther	Moe, R.D.	Reichgott
Dahl	Freeman	Marty	Morse	Schmitz
Davis	Knaak	McGowan	Pehler	Waldorf

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

Mr. Dahl moved to amend S.F. No. 262 as follows:

Page 145, after line 23, insert:

“ARTICLE 10

WATERSHED DISTRICTS

Section 1. [METROPOLITAN LOCAL WATER MANAGEMENT TASK FORCE.]

Subdivision 1. [ESTABLISHMENT AND PURPOSE.] (a) A metropolitan local water management task force is established to study and prepare a report on the following issues:

(1) how to accomplish constructive public participation in and local coordination of local water management;

(2) how to avoid excessive public costs associated with the planning and implementation of capital improvement projects;

(3) whether adequate oversight exists of local water management activities to assure adherence to state law and approved watershed management plans;

(4) the procedures to be used in urbanizing areas to maintain, repair, improve, construct, and abandon public drainage systems;

(5) the appropriate methods for financing capital improvement projects;

(6) whether local water management levies and bonds should be exempt from levy limits and caps on net indebtedness;

(7) whether the metropolitan water management act has met its original expectations; and

(8) what changes are needed in state law or the structure of local watershed management organizations to achieve greater consistency and stability in metropolitan watershed management organizations.

(b) The task force shall elect a chair at its first meeting.

(c) The task force shall be given legal and technical staff support by the board of water and soil resources. The board of water and soil resources shall provide administrative support.

Subd. 2. [MEMBERSHIP] The task force shall consist of:

(1) three members of the senate appointed by the majority leader;

(2) three members of the house of representatives appointed by the speaker;

(3) the chair and two additional members of the board of water and soil resources appointed by the chair;

(4) the state planning commissioner or the commissioner's designee;

(5) the commissioner of the department of natural resources or the commissioner's designee;

(6) the commissioner of the pollution control agency or the commissioner's designee;

(7) the chair of the metropolitan council or the chair's designee;

(8) a member of the association of metropolitan municipalities appointed by the chair of the board of water and soil resources;

(9) a member of the Minnesota association of watershed districts appointed by the chair of the board of water and soil resources;

(10) a member of the association of Minnesota soil and water conservation districts appointed by the chair of the board of water and soil resources;

(11) a member representing watershed management organizations appointed by the chair of the board of water and soil resources;

(12) a member of the association of Minnesota counties appointed by the chair of the board of water and soil resources;

(13) a member of the metropolitan inter-county association appointed by the chair of the board of water and soil resources;

(14) a member representing consulting engineers appointed by the chair of the board of water and soil resources;

(15) a member representing the reinvest in Minnesota coalition appointed by the chair of the board of water and soil resources; and

(16) a resident of the state interested in metropolitan water management issues appointed by the chair of the board of water and soil resources.

Subd. 3. [REPORT.] The task force shall prepare a report and submit it to the governor and the legislature by December 15, 1989.

Sec. 2. [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. 3. [LOCAL APPROVAL.]

Section 2 is effective upon approval of the Coon Creek watershed board.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective June 1, 1989."

Page 145, line 24, delete "10" and insert "11"

Page 146, after line 27, insert:

*"(e) Study and preparation of metropolitan
local water management task force 25,000"*

The motion prevailed. So the amendment was adopted.

Mr. Storm moved to amend S.F. No. 262 as follows:

Page 71, line 5, delete "or" and insert a comma and after "agency" insert ", or consumptive or nonconsumptive uses by hospitals providing health care"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 16 and nays 37, as follows:

Those who voted in the affirmative were:

Belanger	Frederick	Laidig	Mehrkens	Renneke
Benson	Frederickson, D.R.	Larson	Merriam	Storm
Brataas	Knutson	McQuaid	Pariseau	Vickerman
Decker				

Those who voted in the negative were:

Adkins	DeCramer	Kroening	Moe, R.D.	Schmitz
Beckman	Diessner	Langseth	Morse	Solon
Berg	Frank	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Luther	Peterson, D.C.	Taylor
Bertram	Freeman	Marty	Pogemiller	Waldorf
Brandl	Johnson, D.E.	McGowan	Ramstad	
Dahl	Johnson, D.J.	Metzen	Reichgott	
Davis	Knaak	Moe, D.M.	Samuelson	

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

Mr. Samuelson moved to amend S.F. No. 262 as follows:

Page 32, line 22, before "A" insert "*Except as provided in paragraph (d),*"

Page 32, after line 33, insert:

"(d) A permit is not required for a drive point well but the owner of the well must notify the commissioner of the installation and location of the well. The owner must complete the notification form prescribed by the commissioner and mail it to the commissioner by ten days after the well is completed. A fee may not be charged for the notification. A person who sells drive point wells at retail must provide buyers with notification forms and informational materials including requirements regarding wells, their location, construction, and disclosure. The commissioner must provide the notification forms and informational materials to the sellers."

Page 66, line 13, delete "is" and insert "*and section 9, subdivision 1, paragraph (d), relating to notification of drive point wells, are*"

The motion prevailed. So the amendment was adopted.

Mr. Mehrkens moved to amend S.F. No. 262 as follows:

Page 5, line 17, before "is" insert "*and land in or immediately surrounding a sinkhole*"

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend S.F. No. 262 as follows:

Page 7, line 33, delete "*is unlikely to*" and insert "*will not*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 7 and nays 41, as follows:

Those who voted in the affirmative were:

Dahl	Laidig	McQuaid	Merriam	Ramstad
Knaak	Larson			

Those who voted in the negative were:

Adkins	Cohen	Johnson, D.E.	Moe, R.D.	Schmitz
Anderson	Davis	Johnson, D.J.	Morse	Storm
Beckman	Decker	Knutson	Novak	Stumpf
Belanger	DeCramer	Langseth	Pehler	Vickerman
Benson	Diessner	Lantry	Peterson, D.C.	Waldorf
Berglin	Frank	Luther	Piper	
Bertram	Frederick	Marty	Pogemiller	
Brandl	Frederickson, D.J.	McGowan	Reichgott	
Brataas	Frederickson, D.R.	Moe, D.M.	Samuelson	

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

Mr. Waldorf moved to amend S.F. No. 262 as follows:

Page 71, delete lines 4 to 6

The motion prevailed. So the amendment was adopted.

Mr. Morse moved to amend S.F. No. 262 as follows:

Page 12, line 14, delete "COMMITTEES" and insert "SUBCOMMITTEES"

Page 33, line 2, delete "and" and insert "or"

Page 37, line 5, delete "town, range, section,"

Page 37, line 6, after "quartile," insert "section, township, range,"

Page 37, line 15, delete "seller" and insert "buyer"

Page 135, line 6, delete "CHAPTER" and insert "CHAPTERS"

Amend the title as follows:

Page 1, line 36, after "18B;" insert "40;"

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, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 723, 811, 1105, 1498 and 1502.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 11, 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. 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.

Senate File No. 829 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 11, 1989

CONCURRENCE AND REPASSAGE

Mr. Freeman moved that the Senate concur in the amendments by the House to S.F. No. 829 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 829 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 55 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Frederick 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 that the House refuses to concur in the Senate amendments to House File No. 1285:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Skoglund, Burger and Carruthers have been appointed as such committee on the part of the House.

House File No. 1285 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 May 11, 1989

Mr. Brandl moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1285, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 456:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Williams, Pauly and Solberg have been appointed as such committee on the part of the House.

House File No. 456 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 May 11, 1989

Ms. Reichgott moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 456, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 412:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

McEachern, Nelson, K. and Ozment have been appointed as such committee on the part of the House.

House File No. 412 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 May 11, 1989

Mr. Pehler moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 412, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 811:

H.F. No. 811: A bill for an act relating to natural resources; changing certain provisions relating to the taking of turtles; amending Minnesota Statutes 1988, sections 97A.475, subdivision 41; 97C.605, subdivisions 2 and 3; and 97C.611; repealing Minnesota Statutes 1988, section 97C.615.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Pugh; Johnson, R. and Weaver have been appointed as such committee on the part of the House.

House File No. 811 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 May 11, 1989

Mr. Berg moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 811, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 193:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Carruthers, Kelly and Blatz have been appointed as such committee on the part of the House.

House File No. 193 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 May 11, 1989

Ms. Peterson, D.C. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 193, 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. 257, 1448, 607, 1137 and 1143.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 11, 1989

FIRST READING OF HOUSE BILLS

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

H.F. No. 257: A bill for an act relating to state government; regulating markings on state vehicles; 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; regulating certain small business assistance programs; clarifying responsibility for the operation and maintenance of certain buildings; regulating government record keeping; prescribing compensation for certain board members; amending Minnesota Statutes 1988, sections 15.0575, subdivision 3; 15.16; 15.17, subdivision 1; 15.39, subdivision 1; 15A.081, subdivisions 1 and 7; 16A.85, subdivision 2; 16B.06, subdivision 4; 16B.19, subdivision 6; 16B.20, subdivision 2; 16B.22, subdivision 1; 16B.24, subdivisions 1, 5, and 6; 16B.405, subdivision 1; 16B.48; 16B.54, subdivision 2; 138.17, subdivision 1; 214.07, subdivision 2; 214.09, subdivision 3; 473.141, subdivision 3; and 600.135, subdivision 1; repealing Minnesota Statutes 1988, section 15.38.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 257, now on General Orders.

H.F. No. 1448: 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; requiring reports to the legislature.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 937, now on General Orders.

H.F. No. 607: A bill for an act relating to economic development; establishing the capital access program; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Finance.

H.F. No. 1137: 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 subdivisions.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1253, now on the Calendar.

H.F. No. 1143: 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 Rules and Administration for comparison with S.F. No. 920, now on General Orders.

REPORTS OF COMMITTEES

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

Mr. Merriam from the Committee on Finance, to which was re-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 3, line 16, delete "\$" and insert "\$25,000" and delete "form" and insert "from"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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; clarifying provisions of the child abuse reporting act dealing with neglect; requiring the commissioner of health to develop uniform procedures for coroner and medical examiner investigations relating to sudden deaths of infants; amending Minnesota Statutes 1988, sections 256.01, by adding a subdivision; 609.378; 626.556, subdivisions 2 and 10e; and 626.558; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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.

Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-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; amending Minnesota Statutes 1988, section 299D.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 299D and 299E.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 631: 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.

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

Page 3, after line 11, insert:

“Sec. 2. [APPROPRIATION.]

Assessments collected under section 1, subdivision 6, are appropriated to the public utilities commission to cover the costs associated with the task force study required by section 1. The money is available until March 1, 1990. Any money from assessments unexpended on that date remains in the general fund.”

Page 3, line 13, after the period, insert “*Section 2 is effective July 1, 1989.*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, before the period, insert “; appropriating money”

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1198: A bill for an act relating to motor vehicles; requiring dealers acquiring graded vehicles to submit information to the department of public safety within ten days and keep records for three years; setting fee for inspection of certain motor vehicles for which salvage certificate of title has been issued; amending Minnesota Statutes 1988, sections 168A.151, by adding a subdivision; and 168A.152.

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

Page 2, after line 11, insert:

“Sec. 3. [APPROPRIATION.]

\$246,000 is appropriated from the general fund to the commissioner of

public safety to conduct salvage vehicle inspections. \$125,000 is available the day following final enactment and until June 30, 1990, and \$121,000 is for fiscal year 1991."

Page 2, line 12, delete "3" and insert "4"

Page 2, line 13, delete "Section 2 is" and insert "Sections 2 and 3 are"

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "appropriating money:"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 491: A bill for an act relating to health care; creating a health care access commission to plan, implement, and administer a health care access program; appropriating money; 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 1, delete section 1

Page 1, line 13, delete "[62J.01]" and delete "COMMISSION"

Page 1, delete lines 14 to 25

Page 2, delete lines 1 to 8 and insert:

"Subdivision 1. [STUDIES.] The commissioner of state planning, in consultation with the commissioner of employee relations, shall:"

Page 2, line 13, after "groups" insert "and all alternatives to insurance options"

Page 3, delete lines 22 to 36

Page 4, delete lines 1 to 36

Page 5, delete lines 1 to 11

Page 5, line 12, delete "commission" and insert "commissioner of state planning"

Page 5, line 13, delete "its" and insert "the"

Page 5, line 14, delete "its" and delete ", including proposed language" and insert a period

Page 5, delete lines 15 and 16

Renumber the subdivisions in sequence

Page 5, line 18, delete "\$" and insert "\$500,000" and delete "health"

Page 5, line 19, delete "care access commission" and insert "state planning agency" and delete "administrative and" and insert "study in section 1."

Page 5, delete lines 20 to 23

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to health care; requiring a health care access study; appropriating money."

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. 1573: A bill for an act relating to commerce; regulating divesting transactions involving a principal domestic subsidiary; 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, subdivision 10; 268.07, subdivision 2; and 302A.011, subdivision 41, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 290; 300; 302A; and 325E; proposing coding for new law as Minnesota Statutes, chapter 268A.

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

Pages 1 to 16, delete article 1

Page 16, delete lines 3 and 4

Page 19, line 9, delete "3" and insert "8"

Page 20, line 30, before the period, insert ", or if the mass layoff is the result of a natural disaster"

Page 23, line 9, delete "and"

Page 23, line 13, delete the period and insert "; and

(3) the tax imposed under this section on excess parachute payments that do not exceed 300 percent of the individual's base amount will not apply to a person who is a disqualified individual under section 280G(c)(2) of the Internal Revenue Code because that person is a shareholder unless that person is also an officer or a highly compensated individual."

Amend the title as follows:

Page 1, line 2, delete "regulating divesting"

Page 1, delete line 3

Page 1, line 4, delete "subsidiary;"

Page 1, line 7, delete everything after the first comma and insert "section"

Page 1, line 8, delete "10;" and delete everything after the second semicolon

Page 1, line 9, delete "41, and by adding subdivisions;"

Page 1, line 10, delete "; 300;"

Page 1, line 11, delete "302A;"

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 re-referred

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.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

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.

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

Amend the report from the Committee on Environment and Natural Resources, adopted by the Senate April 21, 1989, as follows:

Page 4, delete section 9 and insert:

“Sec. 9. [APPROPRIATION.]

Subdivision 1. \$350,000 is appropriated from the land acquisition account in the special revenue fund to the commissioner of natural resources to acquire lands and interests in lands within High Falls State Park as established in this act.

Subd. 2. \$40,000 is appropriated from the land acquisition account in the special revenue fund to acquire land within the boundaries of Sibley State Park.”

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

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 59: A bill for an act relating to public safety; authorizing bonding for capital improvements; appropriating money to convert a regional treatment center for use as an adult correctional facility and to operate the facility; appropriating money for a variety of correctional and treatment programs; revising and increasing penalties for controlled substance crimes; authorizing increased sentences and juvenile court reference for controlled substance crimes committed within a drug free school or park zone; increasing penalties for a variety of other crimes; providing for life imprisonment without supervised release for persons convicted of first degree murder or a third criminal sexual conduct offense; providing for sex offender treatment

programs; providing that an inmate who completes a sex offender treatment program is eligible for an adjustment to the supervised release date; providing for the collection and admissibility of DNA evidence; modifying certain forfeiture provisions; permitting a school-sponsored alcohol awareness program; requiring reporting of newborns with signs of controlled substance exposure and reporting of certain controlled substance use by pregnant women; providing for toxicology testing; requiring an education program to protect unborn children from such prenatal exposure; providing for civil commitment of pregnant women for certain controlled substance use; establishing a community crime prevention grant program; providing a soft body armor reimbursement program; creating a drug abuse prevention resource council; establishing a child protection system study commission; providing for a community resources program for cities of the first class; appropriating money; amending Minnesota Statutes 1988, sections 152.01, subdivision 7, and 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; 169.09, subdivision 14; 243.05, subdivision 1; 244.05, subdivisions 1, 4, 5, and by adding a subdivision; 244.09, subdivision 5; 253B.02, subdivisions 2 and 10; 256.01, by adding a subdivision; 260.125, subdivision 3; 260.161, subdivision 1; 260.185, subdivision 1; 297D.09, subdivision 1a; 299F80, subdivision 1; 325D.56, subdivision 2; 340A.701; 340A.702; 526.10; 609.11, subdivisions 7 and 9; 609.185; 609.19; 609.195; 609.205; 609.221; 609.222; 609.223; 609.2231, subdivision 1; 609.255, subdivision 3; 609.2665; 609.267; 609.323, subdivision 1; 609.342, subdivision 2; 609.343, subdivision 2; 609.344, subdivision 2; 609.345, subdivision 2; 609.346; 609.377; 609.445; 609.48, subdivision 4; 609.487, subdivision 4; 609.52; 609.53, subdivisions 1 and 4; 609.5311, subdivision 3; 609.5314, subdivision 1; 609.5315, subdivision 1; 609.576; 609.62, subdivision 2; 609.631, subdivision 2; 609.86, subdivision 3; 611A.038; 624.701; 624.712, subdivision 5; and 626.556, subdivisions 2, 3, and 10; proposing coding for new law in Minnesota Statutes, chapters 116K; 121; 144; 152; 241; 242; 244; 299A; 299C; 466A; 609; 626; 634; and 638; repealing Minnesota Statutes 1988, sections 152.09; 152.15, subdivisions 1, 2, 2a, 2b, 3, and 5; 609.53, subdivisions 1a, 3, and 3a; and 609.55.

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

Delete everything after the enacting clause and insert:

“ARTICLE 1

CONTROLLED SUBSTANCE CRIMES

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 payment of 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 phencyclidine or hallucinogen, it is packaged in dosage units, and equals ten or more dosage units;

(3) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule I, II, or III, except a Schedule I or

II narcotic drug, marijuana or Tetrahydrocannabinols, to a person under the age of 18; or

(4) the person conspires with or employs a person under the age of 18 to unlawfully sell one or more mixtures containing a controlled substance listed in Schedule I, II, or III, except a Schedule I or II narcotic drug, marijuana or Tetrahydrocannabinols.

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 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 payment of 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 payment of 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 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. 25. 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. 26. 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. 27. 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. 28. 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. 29. 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. 30. 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. 31. 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. 32. 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. 33. [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. 34. [REPEALER.]

Minnesota Statutes 1988, sections 152.09; and 152.15, subdivisions 1, 2, 2a, 2b, 3, 4a, and 5, are repealed.

Sec. 35. [EFFECTIVE DATE.]

Sections 2 to 32 and 34 are effective August 1, 1989, and apply to crimes and violations occurring on or after that date.

ARTICLE 2

PRENATAL EXPOSURE TO 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 4*, and the legal guardian, spouse, parent, legal counsel, adult child, next of kin, or other person designated by a proposed patient.

Sec. 3. Minnesota Statutes 1988, section 626.556, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Sexual abuse" means the subjection by a person responsible for the child's care, or by a person in a position of authority, as defined in section 609.341, subdivision 10, to any act which constitutes a violation of section 609.342, 609.343, 609.344, or 609.345. Sexual abuse also includes any act which involves a minor which constitutes a violation of sections 609.321 to 609.324 or 617.246.

(b) "Person responsible for the child's care" means (1) an individual functioning within the family unit and having responsibilities for the care of the child such as a parent, guardian, or other person having similar care responsibilities, or (2) an individual functioning outside the family unit and having responsibilities for the care of the child such as a teacher, school administrator, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching, and coaching.

(c) "Neglect" means failure by a person responsible for a child's care to

supply a child with necessary food, clothing, shelter or medical care when reasonably able to do so or failure to protect a child from conditions or actions which imminently and seriously endanger the child's physical or mental health when reasonably able to do so. Nothing in this section shall be construed to (1) mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, or (2) impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter, or medical care, a duty to provide that care. "Neglect" includes prenatal exposure to a controlled substance used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, or medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance. Neglect also means "medical neglect" as defined in section 260.015, subdivision ~~4~~ 2a, clause ~~(e)~~ (5).

(d) "Physical abuse" means any physical injury inflicted by a person responsible for the child's care on a child other than by accidental means, or any physical injury that cannot reasonably be explained by the child's history of injuries, or any aversive and deprivation procedures that have not been authorized under section 245.825.

(e) "Report" means any report received by the local welfare agency, police department, or county sheriff pursuant to this section.

(f) "Facility" means a day care facility, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed pursuant to sections 144.50 to 144.58, 241.021, or 245.781 to 245.812.

(g) "Operator" means an operator or agency as defined in section 245A.02.

(h) "Commissioner" means the commissioner of human services.

(i) "Assessment" includes authority to interview the child, the person or persons responsible for the child's care, the alleged perpetrator, and any other person with knowledge of the abuse or neglect for the purpose of gathering the facts, assessing the risk to the child, and formulating a plan.

(j) "Practice of social services," for the purposes of subdivision 3, includes but is not limited to employee assistance counseling and the provision of guardian ad litem services.

(k) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

Sec. 4. [626.5561] [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. 5. [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.

ARTICLE 3

PREVENTION, TREATMENT, EDUCATION, AND REHABILITATION PROGRAMS

Section 1. [241.81] [PILOT PROBATION PROGRAMS FOR DRUG OFFENDERS.]

The commissioner of corrections, in consultation with the commissioner

of public safety, 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 an assistant commissioner appointed by the commissioner to serve in the unclassified service. The assistant commissioner may appoint other employees in the unclassified service. The assistant commissioner shall coordinate the activities of drug program agencies, 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 assistant commissioner shall:

(1) after consultation with all drug program agencies operating in the state, develop a state drug strategy encompassing the efforts of those agencies and taking into account all money available for demand reduction and supply reduction, from any source;

(2) submit the strategy to the governor and the legislature by January 15 of each year, along with a summary of demand reduction and supply reduction during the preceding calendar year;

(3) assist appropriate professional and occupational organizations,

including organizations of law enforcement officers, prosecutors, and educators, in developing and operating informational and training programs to improve the effectiveness of demand reduction and supply reduction; and

(4) provide information and assistance to drug program agencies, both directly and by functioning as a clearinghouse for information from other drug program agencies.

Sec. 4. [299A.31] [DRUG ABUSE RESISTANCE EDUCATION PROGRAM.]

Subdivision 1. [PROGRAM.] The drug abuse resistance education program assists law enforcement agencies or school districts by providing grants to enable peace officers to undergo the training described in subdivision 3. Grants may be used to cover the cost of the training as well as reimbursement for actual, reasonable travel and living expenses incurred in connection with the training. The commissioner shall administer the program, shall promote it throughout the state, and is authorized to receive money from public and private sources for use in carrying it out. For purposes of this section, "law enforcement agency" means a police department or sheriff's office.

Subd. 2. [MATCHING GRANTS.] A law enforcement agency or a school district may apply to the commissioner for a grant under subdivision 1. The commissioner may award a matching grant, up to a dollar-for-dollar match, to the applicant.

Subd. 3. [TRAINING PROGRAM.] The bureau of criminal apprehension shall develop a program to train peace officers to teach a curriculum on drug abuse resistance in schools. The training program must be approved by the commissioner.

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 commissioner receives grant requests from more than one applicant for programs to be conducted in a single school district, the commissioner shall require the applicants to submit a plan for coordination of their training and programs.

Subd. 6. [REPORTS.] The commissioner 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 commissioner shall develop grant programs to:

(1) assist law enforcement agencies in purchasing equipment, provide undercover buy money, and pay other nonpersonnel costs; and

(2) assist community and neighborhood organizations in efforts to prevent or reduce criminal activities in their areas, particularly activities involving youth and the use and sale of drugs.

(b) The commissioner shall by rule prescribe criteria for eligibility and the award of grants and reporting requirements for recipients.

Subd. 2. [ADVISORY TASK FORCE.] The commissioner 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] [INTERAGENCY TASK FORCE ON CRIMINAL JUSTICE POLICY.]

Subdivision 1. [MEMBERSHIP] The interagency task force on criminal justice policy consists of:

- (1) the commissioner of public safety, who shall serve as the chair;*
- (2) the commissioners of corrections, human services, education, and state planning;*
- (3) the ombudsman for corrections;*
- (4) the state public defender;*
- (5) the attorney general or the attorney general's designee;*
- (6) a representative of the supreme court appointed by the chief justice;*
- (7) three members of the senate, one of whom must be a member of the minority caucus, appointed by the subcommittee on committees of the committee on rules and administration; and*
- (8) three members of the house of representatives, one of whom must be a member of the minority caucus, appointed by the speaker.*

Subd. 2. [STAFF SUPPORT.] The assistant commissioner of public safety assigned to the office of drug policy shall provide staff and administrative support to the task force. Other agencies shall provide information and staff and administrative support upon request.

Subd. 3. [DUTIES.] The task force shall:

- (1) coordinate the development and implementation of criminal justice policies and programs within state government that require interagency cooperation; and*
- (2) advise the governor and the legislature on measures to increase public safety, foster interagency coordination, and improve the workings of the state's criminal justice system.*

Sec. 7. [299A.34] [OTHER DUTIES.]

The assistant commissioner assigned to the office of drug policy 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 assistant commissioner assigned to the office of drug policy and shall provide any information requested by the assistant commissioner assigned to the office of drug policy.

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. [299A.37] [SOFT BODY ARMOR REIMBURSEMENT.]

Subdivision 1. [DEFINITIONS.] As used in this section:

- (a) "Commissioner" means the commissioner of public safety.*
- (b) "Peace officer" means a person who is licensed under section 626.84, subdivision 1, paragraph (c).*
- (c) "Vest" means bullet-resistant soft body armor that is flexible, concealable, and custom fitted to the peace officer to provide ballistic and trauma protection.*

Subd. 2. [STATE AND LOCAL REIMBURSEMENT.] Peace officers and heads of local law enforcement agencies who buy vests for the use of peace officer employees may apply to the commissioner for reimbursement

of funds spent to buy vests. On approving an application for reimbursement, the commissioner shall pay the applicant an amount equal to the lesser of one-third of the vest's purchase price or \$165. The political subdivision that employs the peace officer shall pay at least the lesser of one-third of the vest's purchase price or \$165.

Subd. 3. [ELIGIBILITY REQUIREMENTS.] (a) Only vests that either meet or exceed the requirements of standard 0101.01 of the National Institute of Justice in effect on December 30, 1986, or that meet or exceed the requirements of that standard, except wet armor conditioning, are eligible for reimbursement.

(b) Eligibility for reimbursement is limited to vests bought after December 31, 1986, by or for peace officers (1) who did not own a vest meeting the requirements of paragraph (a) before the purchase, or (2) who owned a vest that was at least six years old.

Subd. 4. [RULES.] The commissioner may adopt rules under chapter 14 to administer this section.

Subd 5. [LIMITATION OF LIABILITY.] A state agency, political subdivision of the state, or state or local government employee is not liable to a peace officer or the peace officer's heirs for the death of or injury to the peace officer resulting from a defect or deficiency in a vest for which reimbursement has been made under this section.

Subd. 6. [RIGHT TO BENEFITS UNAFFECTED.] A peace officer who suffers injury or death because that officer failed to wear a vest for which reimbursement was made under this section may not lose or be denied a benefit or right to which the officer, or the officer's heirs, is otherwise entitled. However, nothing in this section prevents a peace officer from being subjected to a disciplinary proceeding, if applicable, for failure to obey a lawful order of a superior officer requiring the peace officer to wear the vest.

Sec. 11. Minnesota Statutes 1988, section 388.14, is amended to read:
388.14 [CONTINGENT FUND; EXPENSES.]

The county board may set apart yearly a sum, not exceeding ~~\$5,000~~ \$7,500, except in counties containing cities of the first class, where the sum shall not exceed ~~\$7,500~~ \$10,000, as a contingent fund for defraying necessary expenses not especially provided for by law, in preparing and trying criminal cases, conducting investigations by the grand jury, making contributions to a statewide county attorney's organization, and paying the necessary expenses of the county attorney incurred in the business of the county. All disbursements from such fund shall be made upon written request of the county attorney by auditor's warrant, countersigned by a judge of the district court. Any balance remaining at the end of the year shall be transferred to the revenue fund.

Sec. 12. 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. 13. [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 commissioner of corrections or the commissioner's designee 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. 14. [STUDY AND REPORT.]

The interagency task force on criminal justice policy established by section 6 shall review existing drug abuse prevention programs and shall develop and recommend to the governor and the legislature 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 report and recommendations must be submitted before January 1, 1991.

Sec. 15. [TRANSFER OF DRUG PREVENTION PROGRAM.]

Responsibility to administer the federal Anti-Drug Abuse Act in Minnesota is transferred under Minnesota Statutes, section 15.039, from the

commissioner of state planning to the commissioner of public safety.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 8 and 15 are effective the day following final enactment. Section 12 is effective August 1, 1989, and applies to proceedings commenced on or after that date.

ARTICLE 4

SEX OFFENDERS

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 treatment 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 treatment 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 11 or as a condition of supervised release.

Subd. 4. [PROGRAMS FOR JUVENILE OFFENDERS COMMITTED TO THE COMMISSIONER.] The commissioner shall provide for sex offender treatment programs for juveniles committed to the commissioner by the courts under section 260.185, as provided under section 2.

Subd. 5. [PILOT PROGRAMS TO INCREASE ADULT AND JUVENILE SEX OFFENDER TREATMENT.] (a) The commissioner shall designate three or more pilot programs to increase sex offender treatment for:

(1) adults 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 who are sentenced by the court to incarceration in a local correctional facility or to sex offender treatment as a condition of probation; and

(2) juveniles found delinquent or receiving a stay of adjudication for a violation of one of those sections for whom the juvenile court has ordered sex offender treatment.

(b) At least one pilot program must be in the seven-county metropolitan area, at least one program must be outside the seven-county metropolitan area, at least one program must be in a community corrections act county, and at least one program must be in a noncommunity corrections act county.

(c) A public human services or community corrections agency may apply to the commissioner for a pilot program grant. The application must be submitted in a form approved by the commissioner and must include:

(1) a proposal to increase treatment availability for sex offenders sentenced by the district court in the county;

(2) evidence of participation by local correctional, human services, court, and treatment professionals in identifying the current treatment funding level in the county and unmet sex offender treatment needs; and

(3) any other content the commissioner may require.

The commissioner may appoint an advisory task force to assist in the review of applications and the award of grants.

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;

(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 11, 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:

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 11, 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 11, 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, on 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 260.181, 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. 8. 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, 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. 9. [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. 10. [609.1351] [PETITION FOR CIVIL COMMITMENT.]

When a court sentences a person under section 11, 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. 11. [609.1352] [PATTERNED 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. 12. Minnesota Statutes 1988, section 609.341, subdivision 11, is amended to read:

Subd. 11. (a) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (a) to (f), and 609.345, subdivision 1, clauses (a) to (e), and (h) to ~~(j)~~ (k), includes any of the following acts committed without the complainant's consent, except in those cases where consent is not a defense, and committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts, or

(ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts effected by coercion or the use of a position of authority, or by inducement if the complainant is under 13 years of age or mentally impaired, or

(iii) the touching by another of the complainant's intimate parts effected by coercion or the use of a position of authority, or

(iv) in any of the cases above, the touching of the clothing covering the immediate area of the intimate parts.

(b) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (g) and (h), and 609.345, subdivision 1, clauses (f) and (g), includes any of the following acts committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts;

(ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts;

(iii) the touching by another of the complainant's intimate parts; or

(iv) in any of the cases listed above, touching of the clothing covering the immediate area of the intimate parts.

Sec. 13. 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. 14. 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. 15. 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. 16. 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. 17. 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. 18. 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. 19. 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 under~~ person was convicted of a sex offense, before the commission of the present offense of conviction. A person has two previous sex offense convictions if the person was convicted and sentenced for a sex offense committed after the person was earlier convicted and sentenced for a sex offense, and both convictions preceded the commission of the present offense of conviction. A "sex offense" is a violation

of sections 609.342 to 609.345 or ~~under~~ any similar statute of the United States, or this or any other state.

Sec. 20. [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 9. The biological specimen or the results of the analysis shall be maintained by the bureau of criminal apprehension as provided in section 9. 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. 21. 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. 22. [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 9, 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. 23. [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. 24. [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 committees. 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. 25. [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. [PILOT PROGRAM EVALUATION.] The commissioner of corrections and the commissioner of human services shall evaluate the pilot programs designated under section 1, subdivision 5, and include an analysis of the programs in the report required under this section.

Subd. 3. [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 state-wide availability of treatment programs, including recommendations to increase funding.

Sec. 26. [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. 27. [EFFECTIVE DATE.]

Sections 1 to 10, 22, and 23 are effective August 1, 1989. Sections 12 to 20 are effective August 1, 1989, and apply to crimes committed on or after that date. Section 11 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 11, subdivision 3. Section 21 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.

ARTICLE 5

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*, 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: section 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; or 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. [EFFECTIVE DATE OF MODIFICATIONS.] All 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 6

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 299F80, 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 7

MISCELLANEOUS CRIMINAL 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 325F731, subdivision 2, or any person employed by a precious metal dealer as defined in section 325F731, 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 Minnesota Statutes, 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.

ARTICLE 8

APPROPRIATIONS

Section 1. [APPROPRIATION.]

\$14,760,000 is appropriated from the state building fund to the commissioner of administration to remodel and construct facilities at regional treatment centers to accommodate an increased number of prisoners.

To provide the money appropriated in this section 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 \$14,760,000 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. [COMMISSIONER OF CORRECTIONS.]

Subdivision 1. [CORRECTIONAL INSTITUTIONS.] (a) \$17,800,000 is appropriated from the general fund to the commissioner of corrections for the operation of correctional institutions. Of this amount, \$6,500,000 is available for the fiscal year ending June 30, 1990, and \$8,300,000 is available for the fiscal year ending June 30, 1991; and \$3,000,000 is available, along with the necessary complement, with the approval of the governor after consulting the legislative advisory commission, to establish an additional correctional facility if the capacity of existing facilities, including the new Faribault facility, is insufficient.

(b) \$3,600,000 is appropriated from the general fund to the commissioner of corrections to establish a correctional facility at Faribault, to be available until June 30, 1990.

Subd. 2. [SEXUAL ASSAULT COALITION.] \$75,000 each year of the biennium ending June 30, 1991, is appropriated from the general fund to the commissioner of corrections to award a grant to an existing statewide sexual assault coalition of sexual assault programs, providers, and agencies. Grant money may be used to promote the availability of services to all sexual assault victims throughout the state; to educate the general public and professionals in related fields about victimization issues through programs, publications, and the media; to provide training on issues of common concern to sexual assault service programs through conferences, workshops, and forums; and to offer an opportunity for providers, programs, and agencies to share expertise, experience, and knowledge about sexual assault issues.

Subd. 3. [SEX OFFENDER TREATMENT PROGRAMS.] \$400,000 is appropriated from the general fund to the commissioner of corrections to provide sex offender treatment programs in state adult correctional facilities. Of this amount, \$100,000 is available for the fiscal year ending June 30, 1990, and \$300,000 is available for the fiscal year ending June 30, 1991.

Subd. 4. [TREATMENT AND AFTERCARE.] \$600,000 is appropriated from the general fund to the commissioner of corrections for residential and outpatient sex offender treatment and aftercare when required for conditional release or as a condition of supervised release. Of this amount, \$300,000 is available for the fiscal year ending June 30, 1990, and \$300,000 is available for the fiscal year ending June 30, 1991.

Subd. 5. [PILOT PROGRAMS.] \$1,500,000 is appropriated from the general fund to the commissioner of corrections for pilot programs 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. Of this amount, \$500,000 is available for the fiscal year ending June 30, 1990, and \$1,000,000 is available for the fiscal year ending June 30, 1991.

Subd. 6. [PROBATIONARY DRUG TESTING.] \$300,000 is appropriated from the general fund to the commissioner of corrections for county pilot programs for probationary drug testing under article 3, section 1. Of this amount, \$150,000 is available for the fiscal year ending June 30, 1990, and \$150,000 is available for the fiscal year ending June 30, 1991.

Subd. 7. [CHEMICAL USE ASSESSMENTS.] \$100,000 is appropriated from the general fund to the commissioner of corrections to reimburse counties for the cost of chemical use assessments required under article 3, section 12. Of this amount, \$50,000 is available for the fiscal year ending June 30, 1990, and \$50,000 is available for the fiscal year ending June 30, 1991.

Subd. 8. [SUBSTANCE ABUSE TREATMENT.] \$125,000 is appropriated from the general fund to the commissioner of corrections to expand existing substance abuse treatment programs. Of this amount, \$62,500 is available for the fiscal year ending June 30, 1990, and \$62,500 is available for the fiscal year ending June 30, 1991.

Sec. 3. [HUMAN SERVICES.]

\$900,000 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. Of this amount, \$300,000 is available for the fiscal year ending June 30, 1990, and \$600,000 is available for the fiscal year ending June 30, 1991.

Sec. 4. [PUBLIC SAFETY.]

Subdivision 1. [OFFICE OF DRUG POLICY.] \$281,977 is appropriated from the general fund to the commissioner of public safety for use by the office of drug policy in administering article 3, sections 2 to 8. Of this amount, \$149,282 is available for the fiscal year ending June 30, 1990, and \$132,695 is available for the fiscal year ending June 30, 1991.

Subd. 2. [GRANTS.] \$250,000 each year of the biennium ending June 30, 1991, is appropriated from the general fund to the commissioner of public safety for grant programs under article 3, sections 4 and 5. Of this amount, \$20,000 the first year and \$20,000 the second year is for administering the drug abuse resistance education grant programs under article 3, section 4; and \$20,000 the first year and \$20,000 the second year is for administering the community grant program under article 3, section 5.

Subd. 3. [DRUG ABUSE RESISTANCE EDUCATION TRAINING.]

\$200,000 is appropriated from the general fund to the commissioner of public safety for the bureau of criminal apprehension to develop and operate a training program in drug abuse resistance education under article 3, section 4. Of this amount, \$125,000 is available for the fiscal year ending June 30, 1990, and \$75,000 is available for the fiscal year ending June 30, 1991.

Subd. 4. [DNA LABORATORY AND RECORDING SYSTEM.] *\$1,000,000 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.

Of this amount, \$724,000 is available for the fiscal year ending June 30, 1990, and \$276,000 is available for the fiscal year ending June 30, 1991.

Subd. 5. [SOFT BODY ARMOR.] *\$300,000 is appropriated from the general fund to the commissioner of public safety to reimburse peace officers and law enforcement agencies for a portion of the cost of purchasing soft body armor as provided under article 3, section 10. Of this amount, \$150,000 is available for the fiscal year ending June 30, 1990, and \$150,000 is available for the fiscal year ending June 30, 1991.*

Subd. 6. [CRIME VICTIMIZATION SURVEY.] *\$125,000 is appropriated from the general fund to the commissioner of public safety for the crime victimization survey. This appropriation is available for the fiscal year ending June 30, 1990, and any unencumbered balance does not cancel and is available for the fiscal year ending June 30, 1991, if necessary to complete the survey.*

Sec. 5. [COMPLEMENT INCREASES.]

Subdivision 1. [DEPARTMENT OF CORRECTIONS.] *The complement of the department of corrections is increased by 169 positions.*

Subd. 2. [DEPARTMENT OF PUBLIC SAFETY.] *The complement of the department of public safety is increased by ten positions.*

Sec. 6. [ATTORNEY GENERAL.]

\$140,000 is appropriated from the general fund to the attorney general for the alliance for a drug-free Minnesota. Of this amount, \$70,000 is available for the fiscal year ending June 30, 1990, and \$70,000 is available for the fiscal year ending 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. 7. [SENTENCING GUIDELINES COMMISSION.]

\$20,000 is appropriated from the general fund to the sentencing guidelines commission for the study of controlled substance convictions to be available until June 30, 1991.

Sec. 8. [EFFECTIVE DATE.]

Section 2, subdivision 1, paragraph (b), is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to crime; authorizing bonding for capital improvements; increasing penalties for controlled substance offenses; increasing penalties for criminal sexual conduct; permitting courts to sentence dangerous offenders and career criminals to longer periods of incarceration; increasing minimum parole eligibility date for persons serving a life sentence for first degree murder; 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; 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; providing for sex offender treatment programs; providing a mandatory minimum sentence for use of an illegal weapon during a dangerous felony; creating a permissible inference that occupants of a room and drivers of automobiles knowingly possess controlled substances found there; 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 gross misdemeanor penalty for selling tobacco to a minor; establishing an office of drug policy in the department of public safety; requiring testing for and reporting of prenatal exposure to controlled substances; providing for coordination of drug programs; providing for the admissibility of DNA evidence; expanding the theft statute to include unauthorized use of a motor vehicle; 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; 169.09, subdivision 14; 243.18; 243.55, subdivision 1; 244.04, subdivision 1; 244.05, subdivisions 1, 3, and 4; 244.09, subdivision 5; 253B.02, subdivisions 2 and 10; 260.181, subdivision 4; 260.185, subdivision 1; 297D.09, subdivision 1a; 299F80, subdivision 1; 325D.56, subdivision 2; 388.14; 609.11, subdivision 9, and by adding a subdivision; 609.115, by adding a subdivision; 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; 609.341, subdivision 11; 609.342, subdivision 2; 609.343, subdivision 2; 609.344, subdivision 2; 609.345, subdivision 2; 609.346, subdivisions 2 and 3, and by adding a subdivision; 609.377; 609.445; 609.48, subdivision 4; 609.487, subdivision 4; 609.52; 609.53, subdivisions 1 and 4; 609.531, subdivision 1; 609.5311, subdivision 3; 609.5314, subdivision 1; 609.5315, subdivision 1; 609.576; 609.62, subdivision 2; 609.631, subdivision 2; 609.685, subdivision 2, and by adding a subdivision; 609.86, subdivision 3; 626.556, subdivision 2; and 628.26; Laws 1989, chapter 5, section 3; proposing coding for new law in Minnesota Statutes, chapters 152; 241; 242; 244; 299A; 299C; 609; 626; and 634; repealing Minnesota Statutes 1988, sections 152.09; 152.15, subdivisions 1, 2, 2a, 2b, 3, 4a, and 5; 609.53, subdivisions 1a, 3, and 3a; and 609.55."

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. 1548 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.
1548	1355				

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. 907 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.
907	879				

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. 579 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.
579	132				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 579 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 579 and insert the language after the enacting clause of S.F. No. 132, the first engrossment; further, delete the title of H.F. No. 579 and insert the title of S.F. No. 132, the first engrossment.

And when so amended H.F. No. 579 will be identical to S.F. No. 132, and further recommends that H.F. No. 579 be given its second reading and

substituted for S.F. No. 132, 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. 1197, 748, 499, 143, 631, 1198, 491 and 1573 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 951, 450, 59, 1548, 907 and 579 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Marty moved that the name of Ms. Piper be added as a co-author to S.F. No. 1633. The motion prevailed.

Messrs. Laidig and Bertram introduced—

Senate Resolution No. 129: A Senate resolution commending Robert L. Flaherty for his many years of dedicated and effective service for the American Legion.

Referred to the Committee on Rules and Administration.

Mr. Merriam moved that H.F. No. 1046 be withdrawn from the Committee on Finance and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 1198, now on General Orders. 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. 486: Ms. Berglin, Mr. Spear and Mrs. Brataas.

H.F. No. 412: Mr. Pehler, Ms. Peterson, D.C. and Mr. Frederickson, D.J.

H.F. No. 811: Mr. Berg, Ms. Piper and Mr. Frederickson, D.R.

H.F. No. 193: Ms. Peterson, D.C.; Messrs. Spear and Belanger.

H.F. No. 456: Meses. Reichgott, Berglin and Mr. Laidig.

H.F. No. 1285: Messrs. Brandl, Luther and Storm.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Messrs. Lessard and Peterson, R.W. were excused from the Session of today. Mr. Purfeerst was excused from the Session of today from 12:00 noon to 3:00 p.m. Mr. Solon was excused from the Session of today from 12:00 noon to 4:00 p.m. Mr. Moe, D.M. was excused from the Session of today from 2:00 to 4:45 p.m. Mr. Morse was excused from the Session of today from 3:00 to 4:45 p.m. Mrs. Pariseau was excused from the Session of today at 11:20 p.m. Mr. Spear was excused from the Session of today at 7:30 p.m. Mr. Hughes was excused from the Session of today at 9:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Friday, May 12, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-FIRST DAY

St. Paul, Minnesota, Friday, May 12, 1989

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. James D. Gorman.

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

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	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	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 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
	989	76	1330 hours May 9	May 9
	1517	80	1333 hours May 9	May 9
628		83	1334 hours May 9	May 9
1082		87	1332 hours May 9	May 9
	1440	90	1800 hours May 9	May 9
	438	94	1334 hours May 9	May 9
695		97	1810 hours May 9	May 9
	1069	98	1812 hours May 9	May 9
	770	99	1814 hours May 9	May 9
	655	100	1816 hours May 9	May 9
	930	101	1806 hours May 9	May 9
	1389	102	1817 hours May 9	May 9
	1131	103	1801 hours May 9	May 9
	1405	104	1818 hours May 9	May 9
	1352	105	1820 hours May 9	May 9
	1048	106	1802 hours May 9	May 9
	1416	107	1821 hours May 9	May 9
	1459	108	1822 hours May 9	May 9
	765	109	1823 hours May 9	May 9
	1357	110	1824 hours May 9	May 9
	1498	111	1814 hours May 9	May 9

Sincerely,
Joan Anderson Growe
Secretary of State

May 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
321		112	1030 hours May 10	May 10
493		113	1031 hours May 10	May 10
	1387	114	1034 hours May 10	May 10
	1589	115	1033 hours May 10	May 10

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

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

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.

Senate File No. 1020 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 11, 1989

CONCURRENCE AND REPASSAGE

Mr. Pehler moved that the Senate concur in the amendments by the House to S.F. No. 1020 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1020 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Merriam voted in the negative.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 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.

Senate File No. 1039 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 11, 1989

CONCURRENCE AND REPASSAGE

Mr. Merriam moved that the Senate concur in the amendments by the House to S.F. No. 1039 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1039: A bill for an act relating to charitable gambling; permitting organizations to treat legal expenses as an allowable expense; defining lawful purpose; amending Minnesota Statutes 1988, sections 349.12; and 349.15.

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	Cohen	Johnson, D.E.	McQuaid	Piper
Anderson	Davis	Johnson, D.J.	Mehrkens	Purfeerst
Beckman	Decker	Knaak	Merriam	Ramstad
Belanger	DeCramer	Knutson	Metzen	Renneke
Benson	Diessner	Kroening	Moe, D.M.	Schmitz
Berg	Frank	Laidig	Moe, R.D.	Spear
Berglin	Frederick	Lantry	Morse	Storm
Bernhagen	Frederickson, D.J.	Larson	Novak	Stumpf
Bertram	Frederickson, D.R.	Lessard	Olson	Taylor
Brandl	Freeman	Luther	Pariseau	Vickerman
Brataas	Gustafson	Marty	Pehler	Waldorf
Chmielewski	Hughes	McGowan	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 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. 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; providing for a study on the effects of a runway expansion at Airlake airport and the use of certain airports to relieve congestion at Minneapolis-St. Paul international airport; amending Minnesota Statutes 1988, sections 473.604, subdivision 1; 473.608, subdivision 1; and 473.621, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 473.

Senate File No. 1358 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 11, 1989

Mr. Moe, R.D. moved that the Senate do not concur in the amendments by the House to S.F. No. 1358, 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.

REPORTS OF COMMITTEES

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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 2, line 2, after the period, insert "*These payments shall apply only to ethanol or wet alcohol fermented in the state.*"

Page 2, line 17, before the period, insert ", *but not less than 11 cents per gallon*"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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 17, delete "\$25" and insert "\$60" and delete "\$50" and insert "\$15"

Page 1, line 20, delete "\$15" and insert "\$25" and reinstate the stricken "\$15" and delete "\$25"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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; proposing coding for new law in Minnesota Statutes, chapter 30; repealing Minnesota Statutes 1988, section 84.152, 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. [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.] A# (a) Except as provided in paragraph (b), wild rice ~~which~~ containing a portion of wild rice that is ~~planted or~~ cultivated and ~~which~~ is 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. [NATURAL LAKE OR RIVER WILD RICE.] (a) A package containing only 100 percent natural lake or river wild rice 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, if any, who handled the wild rice.

(b) A package that does not contain 100 percent natural lake or river wild rice may not contain a label authorized under paragraph (a).

Subd. 3. [RECORDS.] (a) A person who buys, sells, processes, or markets wild rice not for use in packaged blended rice and ready-to-eat 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. A person who buys, sells, processes, or markets wild rice not for use in packaged blended rice and ready-to-eat rice shall provide the department, on demand, relevant information from the records required under this section.

(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.] Natural lake and river-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 HARVESTED OR PROCESSED.] A wild rice label that implies the wild rice is harvested or processed by Indians is misbranded unless the package contains only 100 percent natural lake or river wild rice.

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 and 5.

Subd. 7. [PENALTY.] Any person who sells wild rice at wholesale or retail which is not labeled as required by this section is guilty of a misdemeanor."

Delete the title and insert:

"A bill for an act relating to wild rice; clarifying requirements on packaging and labeling; requiring disclosure of origin; amending Minnesota Statutes 1988, section 30.49."

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 594: A bill for an act relating to agriculture; maintaining uniformity with certain federal food law provisions; amending Minnesota Statutes 1988, sections 18B.06, by adding a subdivision; 28A.04, subdivision 1; 31.101; 31.102, subdivision 1; 31.103, subdivision 1; 31.104; and 31.11.

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

Page 2, line 15, delete "(a)"

Page 2, delete lines 19 to 25

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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 1, 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; 171.20; 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:

Page 35, line 1, delete "\$" and insert "\$480,000"

Page 35, line 3, delete ", and is"

Page 35, line 4, delete "available until June 30, 1991" and after the period, insert "\$252,000 is for fiscal year 1990 and \$228,000 is for fiscal year 1991."

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1404: A bill for an act relating to rural development; providing for a rural community needs assessment model; providing for research and development; providing mechanisms for agriculture diversification; providing a native grass and wildflower seed loan program; reactivating the agricultural data collection task force; 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; changing the dairy industry checkoff rate; extending the Minnesota dairy task force; providing conditions to accept certain land transfers from the federal government; establishing the board of directors of the agricultural utilization research institute and an advisory board; directing a study and report on community and urban reforestation; providing a policy of preserving basic resource industries; appropriating money; amending Minnesota Statutes 1988, sections 17.49; 17.59, by adding a subdivision; 116O.09, subdivisions 1, 2, and by adding a subdivision; Laws 1985, chapter 19, section 2, subdivision 2, as amended, and section 6, subdivision 6, as amended; and Laws 1988, chapter 688, article 3, sections 1, subdivision 3; 2; and 3; proposing coding for new law in Minnesota Statutes, chapters 17; 17B; and 84.

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

Page 2, line 4, after the period, insert "At least one of the rural communities selected in 1990 must have a population of 1,000 or less."

Pages 11 to 16, delete article 10 and insert:

"ARTICLE 10

GRASSHOPPER CONTROL PROGRAM

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~~ the political subdivision may levy a special tax which, except when levied by a county, ~~shall~~ must not exceed ~~two-thirds mill~~ a gross tax capacity rate of .55 percent or a net tax capacity rate of .68 percent in any year in excess of charter or statutory millage tax capacity rate limitations, but not in any event more than 50 cents per capita, ~~and any such~~ except that the levy for the grasshopper control program under sections 23 to 26 is not subject to the 50

cents per capita limitation. 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 a gross tax capacity rate of 1.1 percent or a net tax capacity rate of 1.36 percent, 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. [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.

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.] (a) 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]

(b) For property that is subject to a public utility easement as defined in section 115B.02, subdivision 14, the person controlling the surface of the land other than the holder of the public utility easement is the person responsible for control of noxious weeds and plant pests under this chapter.

*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 a 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 nonresident 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.

(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 under chapter 14.

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. [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; 18.182; 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. 30. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 11

MEDIATION AND RIGHT OF FIRST REFUSAL

Section 1. Minnesota Statutes 1988, section 500.24, subdivision 6, is amended to read:

Subd. 6. [DISPOSAL OF LAND.] (a) A state or federal agency, limited partnership, or a corporation, other than a family farm corporation or an authorized farm corporation, may not lease or sell agricultural land or a farm homestead that was acquired by enforcing a debt against the agricultural land or farm homestead, including foreclosure of a mortgage, accepting a deed in lieu of foreclosure, terminating a contract for deed, or accepting a deed in lieu of terminating a contract for deed, before offering or making a good faith effort to offer the land for sale or lease to the immediately preceding former owner at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor. The

offer must be made on the notice to offer form under subdivision 7. Selling or leasing property to a third party at a price is prima facie evidence that the price is acceptable to the seller or lessor. The seller must provide written notice to the immediately preceding former owner that the agricultural land or farm homestead will be offered for sale at least 14 days before the agricultural land or farm homestead is offered for sale.

(b) An immediately preceding former owner is the entity with record legal title to the agricultural land or farm homestead before acquisition by the state or federal agency or corporation except: if the immediately preceding former owner is a bankruptcy estate, the debtor in bankruptcy is the immediately preceding former owner; and if the agricultural land or farm homestead was acquired by termination of a contract for deed or deed in lieu of termination of a contract for deed, the immediately preceding former owner is the purchaser under the contract for deed.

(c) An immediately preceding former owner may elect to purchase or lease the entire property or an agreed to portion of the property. If the immediately preceding former owner elects to purchase or lease a portion of the property, the election must be reported in writing to the seller or lessor prior to the time the property is first offered for sale or lease. If election is made to purchase or lease a portion of the property, the portion must be contiguous and compact so that it does not unreasonably reduce access to or the value of the remaining property.

(d) For purposes of this subdivision, the term "a price no higher than the highest price offered by a third party" means the acceptable cash price offered by a third party or the acceptable time-price offer made by a third party. A cash price offer is one that involves simultaneous transfer of title for payment of the entire amount of the offer. If the acceptable offer made by a third party is a time-price offer, the seller or lessor must make the same time-price offer or an equivalent cash offer to the immediately preceding former owner. An equivalent cash offer is equal to the total of the payments made over a period of the time-price offer discounted by yield curve of the United States treasury notes and bonds of *similar maturity* on the first business day of the month in which the offer is personally delivered or mailed for time periods similar to the time period covered by the time-price offer, plus 2.0 percent. A time-price offer is an offer that is financed entirely or partially by the seller and includes an offer to purchase under a contract for deed or mortgage. An equivalent cash offer is not required to be made if the state participates in an offer to a third party through the rural finance authority.

(e) This subdivision applies to a seller when the property is sold and to a lessor each time the property is leased, for five years after the agricultural land is acquired except:

(1) an offer to lease to the immediately preceding former owner is required only until the immediately preceding owner fails to accept an offer to lease the property or the property is sold;

(2) an offer to sell to the immediately preceding former owner is required until the property is sold; and

(3) if the immediately preceding former owner elects to lease or purchase a portion of the property, this subdivision does not apply to the seller with regard to the balance of the property after the election is made under paragraph (c).

(f) The notice of an offer under subdivision 7 that is personally delivered with a signed receipt or sent by certified mail with a receipt of mailing to the immediately preceding former owner's last known address is a good faith offer.

(g) This subdivision does not apply to a sale or lease that occurs after the seller or lessor has held the property for five years or longer.

(h) For purposes of this subdivision, if the immediately preceding former owner is a bankruptcy estate the debtor in the bankruptcy is the immediately preceding owner.

(i) The immediately preceding former owner must exercise the right to lease all or a portion of the agricultural land or a homestead located on agricultural land in writing within 15 days after an offer to lease under this subdivision is mailed with a receipt of mailing or personally delivered. If election is made to lease only the homestead or a portion of the agricultural land, the portion to be leased must be clearly identified in writing. The immediately preceding former owner must exercise the right to buy the agricultural land, a portion of the agricultural land, or a farm homestead located on agricultural land, in writing, within 65 days after an offer to buy under this subdivision is mailed with a receipt of mailing or is personally delivered. Within ten days after exercising the right to lease or buy by accepting the offer, the immediately preceding owner must fully perform according to the terms of the offer including paying the amounts due. A seller may sell and a lessor may lease the agricultural land or farm homestead subject to this subdivision to the third party in accordance with their lease or purchase agreement if:

(1) the immediately preceding former owner does not accept an offer to lease or buy before the offer terminates; or

(2) the immediately preceding former owner does not perform the obligations of the offer, including paying the amounts due, within ten days after accepting the offer.

(j) A certificate indicating whether or not the property contains agricultural land or a farm homestead that is signed by the county assessor where the property is located and recorded in the office of the county recorder or the registrar of titles where the property is located is prima facie evidence of whether the property is agricultural land or a farm homestead.

(k) As prima facie evidence that an offer to sell or lease agricultural land or a farm homestead has terminated, a receipt of mailing the notice under subdivision 7 and an affidavit, signed by a person authorized to act on behalf of a state, federal agency, or corporation selling or leasing the agricultural land or a farm homestead may be filed in the office of the county recorder or registrar of titles of the county where the agricultural land or farm homestead is located. The affidavit must state that:

(1) notice of an offer to buy or lease the agricultural land or farm homestead was provided to the immediately preceding former owner at a price not higher than the highest price offered by a third party that is acceptable;

(2) the time during which the immediately preceding former owner is required to exercise the right to buy or lease the agricultural land or farm homestead has expired;

(3) the immediately preceding former owner has not exercised the right to buy or lease the agricultural land or farm homestead as provided in this

subdivision or has accepted an offer and has not fully performed according to the terms of the offer; and

(4) the offer to the immediately preceding former owner has terminated.

(l) The right of an immediately preceding former owner to receive an offer to lease or purchase agricultural land under this subdivision or to lease or purchase at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor may be extinguished or limited by an express statement signed by the immediately preceding owner that complies with the plain language requirements of section 325G.31. The right may not be extinguished or limited except by:

(1) an express statement in a deed in lieu of foreclosure of the agricultural land;

(2) an express statement in a deed in lieu of a termination of a contract for deed for the agricultural land;

(3) an express statement conveying the right to the state or federal agency or corporation owning the agricultural land that is required to make an offer under this subdivision, however, the preceding former owner may rescind the conveyance by notifying the state or federal agency or corporation in writing within 20 calendar days after signing the express statement;

(4) to cure a title defect, an express statement conveying the right may be made to a person to whom the agricultural land has been transferred by the state or federal agency or corporation; or

(5) an express statement conveying the right to a contract for deed vendee to whom the agricultural land or farm homestead was sold under a contract for deed by the immediately preceding former owner if the express statement and the contract for deed are recorded.

(m) The right of an immediately preceding former owner to receive an offer to lease or purchase agricultural land under this subdivision may not be assigned or transferred except as provided in paragraph (l), but may be inherited.

(n) An immediately preceding former owner, except a former owner who is actively engaged in farming as defined in subdivision 2, paragraph (a), and who agrees to remain actively engaged in farming on a portion of the agricultural land or farm homestead for at least one year after accepting an offer under this subdivision, may not sell agricultural land acquired by accepting an offer under this subdivision if the arrangement of the sale was negotiated or agreed to prior to the former owner accepting the offer under this subdivision. A person who sells property in violation of this paragraph is liable for damages plus reasonable attorney fees to a person who is damaged by a sale in violation of this paragraph. There is a rebuttable presumption that a sale by an immediately preceding former owner is in violation of this paragraph if the sale takes place within ~~180 days~~ *one year* of the former owner accepting the offer under this subdivision. This paragraph does not apply to a sale by an immediately preceding former owner to the owner's spouse, the owner's parents, the owner's sisters and brothers, the owner's spouse's sisters and brothers, or the owner's children.

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.

Sec. 7. Laws 1983, chapter 215, section 16, as amended by Laws 1984, chapter 474, section 7, as amended by Laws 1985, chapter 306, section 26, as amended by Laws 1987, chapter 292, section 36, is amended to read:

Sec. 16. [REPEALER.]

Sections 1 to 15 are repealed effective July 1, ~~1989~~ 1991, but any postponement or other relief ordered by a court continues to be valid for the period ordered by the court.

Sec. 8. Laws 1986, chapter 398, article 1, section 18, as amended by Laws 1987, chapter 292, section 37, is amended to read:

Sec. 18. [REPEALER.]

Sections 1 to 17 and Minnesota Statutes, section 336.9-501, subsections (6) and (7), and sections 583.284, 583.285, and 583.305, are repealed on July 1, ~~1989~~ 1991.

ARTICLE 12
APPROPRIATIONS

Section 1. [17B.33] [INSPECTION COSTS; DULUTH.]

\$35,000 is appropriated annually from the general fund to the commissioner of agriculture to be applied to the mandated cost of state grain inspection of bagged grain at the Seaway Port Authority of Duluth.

Sec. 2. [APPROPRIATIONS.]

Subdivision 1. [MARKET OPPORTUNITY RESEARCH.] \$50,000 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.] \$150,000 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.] \$32,000 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. [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. 6. [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.

Subd. 7. [AQUICULTURE.] \$150,000 is appropriated from the general fund to the commissioner of agriculture to be available until June 30, 1991, for aquiculture research, demonstration, and promotion.

Subd. 8. [SHADE TREE ADVISORY COMMITTEE.] \$25,000 is appropriated from the general fund to the commissioner of agriculture for disbursement to the shade tree advisory committee for the costs of the committee and consulting services in connection with the study directed by article 8, section 1.

Subd. 9. [AGRICULTURE INFORMATION CENTERS.] \$100,000 is appropriated from the general fund to the commissioner of agriculture for agriculture information centers. The appropriation is available until June 30, 1991.

Subd. 10. [BARLEY REFERENDUM.] \$20,000 is appropriated from the general fund to the commissioner of agriculture for the biennium ending June 30, 1991, to conduct a referendum for barley under Minnesota Statutes, section 17.54.

Subd. 11. [BY-PRODUCT SOIL BUFFERING.] \$140,000 is appropriated from the general fund to the commissioner of agriculture for purposes of the demonstration project and study of industry by-product soil buffering materials, to be available until June 30, 1991. The complement of the department of agriculture is increased by one position.

Subd. 12. [AGRICULTURE LAND PRESERVATION AND CONSERVATION.] \$200,000 is appropriated from the general fund to the commissioner of agriculture to administer the agricultural land preservation and conservation responsibilities contained in Minnesota Statutes, chapter 40A, to be available until June 30, 1991. The approved complement of the department of agriculture is increased by one position.

Subd. 13. [FARM ADVOCATES.] \$50,000 is appropriated from the general fund to the commissioner of agriculture to employ farm advocates, to be available until June 30, 1991.

Subd. 14. [GRASSHOPPER CONTROL.] \$100,000 is appropriated from the general fund to the commissioner of agriculture for the grasshopper control program established in article 10, to be available until June 30, 1991.

Subd. 15. [AGRICULTURAL DATA COLLECTION TASK FORCE.] \$30,000 is appropriated from the general fund to the commissioner of agriculture to be available until June 30, 1991, to fund the activities of the agricultural data collection task force. This appropriation is available

only with the approval of the governor after consultation with the legislative advisory commission under Minnesota Statutes, section 3.30.

Subd. 16. [COUNTY AND DISTRICT AGRICULTURAL SOCIETIES.] \$125,000 is appropriated from the general fund to the commissioner of agriculture to provide full statutory levels of state aid to county and district agricultural societies under Minnesota Statutes, section 38.02, during the biennium ending June 30, 1991.

Subd. 17. [COMMUNITY NEEDS ASSESSMENT.] \$150,000 is appropriated from the general fund to the commissioner of trade and economic development for the community needs assessment model project as provided in article 1, section 1, to be available until June 30, 1991.

Subd. 18. [AEROSPACE EXPLORATORIUM.] \$10,000 is appropriated from the general fund to the commissioner of trade and economic development to study the feasibility of an aerospace exploratorium at Sherburn, Minnesota, to be available until June 30, 1991.

Subd. 19. [ON-FARM COMPUTERIZED FERTILIZER RATE APPLICATION.] \$75,000 is appropriated from the general fund to the University of Minnesota to be available until June 30, 1991, for a project by the department of soil science to design, develop, and demonstrate a portable computerized system automatically adapting fertilization rates to soil characteristics using existing on-farm applicators.

Subd. 20. [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. 21. [VOCATIONAL PROGRAMS.] \$52,000 in fiscal year 1990 and \$51,000 in fiscal year 1991 are appropriated from the general fund to the state board of vocational technical education for:

(1) reduced tuition costs for existing farm business management and small business management programs;

(2) support staff and workshops to assist farm business management instructors in providing farmers' assistance with processing FmHA emergency drought loans and farm mediation;

(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.

Subd. 22. [MINNESOTA DAIRY TASK FORCE.] \$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.

Subd. 23. [NONRECURRING APPROPRIATIONS.] The appropriations in subdivisions 6, 17, 19, and 20 are intended to be nonrecurring appropriations. In preparing the 1991 biennial budget document, the commissioner of finance shall not include these amounts in the budget base."

Amend the title as follows:

Page 1, line 19, after the semicolon, insert "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; 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; limiting certain exemptions relating to farm machinery subject to execution; amending certain provisions of the farmer-lender mediation act;”

Page 1, line 21, after the second semicolon, insert “18.022, subdivision 2; 84.0895, subdivision 2;”

Page 1, line 23, after the semicolon, insert “160.02, subdivision 14; 500.24, subdivision 6; 550.37, subdivisions 4a, 5, and 7; 583.24, subdivision 4; and 583.26, subdivision 1; Laws 1983, chapter 215, section 16, as amended;”

Page 1, line 25, after the semicolon, insert “Laws 1986, chapter 398, article 1, section 18, as amended;”

Page 1, line 27, after the second semicolon, insert “18;”

Page 1, line 28, before the period, insert “; repealing Minnesota Statutes 1988, sections 18.171; 18.182 to 18.315; Revised Laws of Minnesota 1905, sections 2385, 2386, 2387, 2388, 2389, and 2390; and Minnesota Rules, parts 1505.0740 and 1505.0750”

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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; 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, after line 12, insert:

“Section 1. Minnesota Statutes 1988, section 4.071, is amended to read:
4.071 [OIL OVERCHARGE MONEY.]

Money received by the state as a result of litigation or settlements of alleged violations of federal petroleum pricing regulations may not be spent until the legislative commission on Minnesota resources has reviewed the proposed projects and the money is specifically appropriated by law. A work plan must be prepared for each proposed project for review by the commission. The commission must recommend specific projects to the legislature.”

Page 9, delete section 7

Page 10, line 7, delete "3" and insert "4"

Page 10, delete sections 10 and 11 and insert:

"Sec. 10. Laws 1988, chapter 686, article 1, section 37, subdivision 10, is amended to read:

Subd. 10. (a) ~~The remainder of the money received under subdivision 1, any further money received by the state as a result of the settlement referred to in subdivision 1 and any investment earnings of this money that is not appropriated by subdivisions 2 to 9~~ \$2,200,000 is appropriated to the commissioner of administration to be used for grants to local units of government, school districts, post-secondary institutions, nonprofit organizations, and other individuals and business entities for research resulting in decreased dependence on fossil fuels and for technology transfer projects with the same purpose.

(b) Money available under this subdivision may not be spent until the ~~legislative commission on~~ Minnesota future resources commission has reviewed the proposed projects. A work plan must be prepared for proposed projects for review by the commission. The commission must recommend specific projects to the commissioner.

Sec. 11. [OIL OVERCHARGE MONEY; APPROPRIATION.]

Money received by the state as a result of litigation or settlements of alleged violations of federal petroleum pricing regulations that is not otherwise appropriated by law or dedicated by court order is appropriated as follows:

(1) half to the commissioner of jobs and training for energy conservation projects that directly serve low-income Minnesotans;

(2) \$3,100,000 for transfer to the housing development fund for home energy loans; and

(3) the remainder to the commissioner of administration to establish a fund, of which the total interest and 20 percent of the principal must be used to finance research and technology transfer projects related to energy conservation and other energy-related issues until the fund is depleted.

The transfer under clause (2) must be made immediately, notwithstanding that it may constitute more than one-half of the balance currently available. The difference, if any, must be restored to the appropriation in clause (1) from money received later.

Money made available to the commissioner of administration under clause (3) may not be spent until the Minnesota future resources commission has reviewed the proposed projects. A work plan must be prepared for proposed projects for review by the commission. The commission must recommend specific projects to the commissioner.

Sec. 12. [APPROPRIATION.]

\$240,000 is appropriated from the general fund to the commissioner of public service for the purposes of this act. \$135,000 is for fiscal year 1990 and \$105,000 is for fiscal year 1991. The approved complement of the department of public service is increased by two positions.

Sec. 13. [EFFECTIVE DATE.]

This act is effective July 1, 1989, except that sections 1, 10, and 11 are

effective the day following final enactment.”

Amend the title as follows:

Page 1, line 9, after “sections” insert “4.071;”

Page 1, line 10, after the fourth semicolon, insert “Laws 1988, chapter 686, article 1, section 37, subdivision 10;”

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

SECOND READING OF SENATE BILLS

S.F. Nos. 328, 659, 1377, 594, 1200, 1404 and 1433 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Frank moved that S.F. No. 1636 be withdrawn from the Committee on General Legislation and Public Gaming and re-referred to the Committee on Rules and Administration. The motion prevailed.

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.

CONCURRENCE AND REPASSAGE

Mr. Frank moved that the Senate concur in the amendments by the House to S.F. No. 163 and that the bill be placed on its repassage as amended. 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 and rear-end protection for other vehicles; providing for strength requirements of wheelchair securement devices; amending Minnesota Statutes 1988, sections 169.19, subdivision 2; 169.44, subdivisions 1a and 2; 169.73; 299A.12; and 299A.13, 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	McGowan	Purfeerst
Anderson	Dahl	Johnson, D.E.	McQuaid	Ramstad
Beckman	Decker	Johnson, D.J.	Mehrkens	Reichgott
Belanger	DeCramer	Knaak	Merriam	Renneke
Benson	Dicklich	Knutson	Metzen	Samuelson
Berg	Diessner	Kroening	Moe, R. D.	Schmitz
Berglin	Frank	Laidig	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	Piper	Waldorf

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Lessard moved that H.F. No. 1454 be taken from the table. The motion prevailed.

H.F. No. 1454: 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.

Mr. Lessard moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1454, 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.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R. D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

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. 527, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 527 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 11, 1989

CONFERENCE COMMITTEE REPORT ON 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.

May 8, 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. 527, 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. 527 be further amended as follows:

Page 1, line 17, after "*must*" insert "*where practicable*"

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

House Conferees: (Signed) Wesley J. Skoglund, Steve Trimble, Teresa Lynch

Senate Conferees: (Signed) Tracy L. Beckman, Pat Piper, David J. Frederickson

Mr. Beckman moved that the foregoing recommendations and Conference Committee Report on H.F. No. 527 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. 527 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 64 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	Kroening	Moe, R.D.	Samuelson
Benson	Dicklich	Laidig	Morse	Schmitz
Berg	Diessner	Lantry	Novak	Solon
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	Gustafson	McQuaid	Piper	Waldorf
Cohen	Hughes	Mehrkens	Purfeerst	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

H.F. No. 146: 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.

Was read the third time 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	Moe, R.D.	Schmitz
Benson	Dicklich	Kroening	Morse	Solon
Berg	Diessner	Laidig	Olson	Spear
Berglin	Frank	Lantry	Pariseau	Storm
Bernhagen	Frederick	Larson	Pehler	Stumpf
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	Purfeerst	
Cohen	Hughes	Mehrkens	Ramstad	

So the bill passed and its title was agreed to.

H.F. No. 1432: A bill for an act relating to transportation; requiring nonrailroad lessors to comply with certain procedures before sale of property interests; amending Minnesota Statutes 1988, sections 222.631, by adding a subdivision; 222.632; and 222.633.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

Was read the third time 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 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Knutson	Larson	Merriam	Olson	Taylor
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So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Knaak	Metzen	Reichgott
Belanger	DeCramer	Knutson	Moe, D.M.	Renneke
Benson	Dicklich	Kroening	Moe, R. D.	Samuelson
Berg	Diessner	Laidig	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	Hughes	McQuaid	Piper	Waldorf

So the bill passed and its title was agreed to.

H.F No. 162: 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 260: 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; regulating use of omitted information; proposing coding for new law in Minnesota Statutes, chapter 181.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Frederick	Knaak	Knutson	Larson	McQuaid
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So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Ramstad
Anderson	Davis	Johnson, D.J.	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	McGowan	Piper	Waldorf
Cohen	Hughes	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

H.F. No. 166: A bill for an act relating to state agencies; providing that certain information submitted to department of transportation is public data; providing for development of internal auditing standards; classifying certain internal auditing data as other than public; 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; providing for suspension of registration of interstate authority for failure to maintain insurance; amending Minnesota Statutes 1988, sections 13.72, by adding subdivisions; 16A.055, subdivision 1; 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 by adding a subdivision; and 221.60, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 13; 65B; and 221.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Metzen	Reichgott
Anderson	Davis	Johnson, D.J.	Moe, D.M.	Renneke
Beckman	Decker	Knaak	Moe, R.D.	Samuelson
Belanger	DeCramer	Knutson	Morse	Schmitz
Benson	Dicklich	Kroening	Novak	Solon
Berg	Diessner	Laidig	Olson	Spear
Berglin	Frank	Lantry	Pariseau	Storm
Bernhagen	Frederick	Lessard	Pehler	Stumpf
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	Purfeerst	
Cohen	Hughes	Mehrkens	Ramstad	

Mr. Larson voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1101: A bill for an act relating to St. Louis county; regulating budget procedures; providing for certain recorder's fees; allowing the county

to assess the cost of maintenance of television relay service; 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Chmielewski voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1541: A bill for an act relating to local government; providing for a chief administrative deputy sheriff in the unclassified service in Hennepin county; authorizing certain county sheriffs to appoint a chief deputy or first assistant; amending Minnesota Statutes 1988, sections 383B.32, subdivision 2; and 387.145.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrrens	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	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	Hughes	McQuaid	Piper	Waldorf

So the bill passed and its title was agreed to.

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.

Was read the third time 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.	Mehrrens	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	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	Hughes	McQuaid	Piper	Waldorf

So the bill passed and its title was agreed to.

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 joint legislative committee 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; 43A.08, subdivision 1; 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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	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.	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

Messrs. Berg and Renneke voted in the negative.

So the bill passed and its title was agreed to.

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 a rent escrow system; providing mandatory building repair fines; authorizing a housing calendar consolidation pilot project in Hennepin and Ramsey counties; requiring housing impact statements; revising certain housing receivership provisions; providing a limited right of entry to secure vacant or unoccupied buildings; providing for city housing rehabilitation loan programs; establishing the community and neighborhood development organization program; establishing a child development program; authorizing a neighborhood revitalization program; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 4.071; 282.01, subdivision 1; 462A.03, by adding a subdivision; 462A.05, subdivision 27, and by adding subdivisions; 462A.21, subdivisions 4k, 12, and by adding subdivisions; 462C.02, by adding subdivisions; 462C.05, by adding a subdivision; 463.15, subdivisions 3 and 4; 463.16; 463.161; 463.17; 463.20; 463.21; 463.22; 469.012, subdivision 1; 504.255; 504.26; 566.175, subdivision 1; 566.29, subdivisions 1, 4, and by adding subdivisions; 582.03; Laws 1971, chapter 333, as amended, by adding a section; Laws 1974, chapters 285, sections 2, 3, 4, and by adding a section; and 475, by adding a section; proposing coding for new law in Minnesota Statutes, chapters 116J; 129A; 145; 268; 363; 462A; 469; 471; 504; 566; and 582; repealing Laws 1974, chapter 351, sections 1 to 4, as amended; Laws 1975, chapter 260, sections 1 to 5; and Laws 1987, chapters 384, article 3, section 22; and 386, article 6, sections 4 to 11.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	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	

Mrs. Adkins voted in the negative.

So the bill passed and its title was agreed to.

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 handicapped persons; 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

Was read the third time 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	Metzen	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.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Kroening moved that the following members be excused for a Conference Committee on H.F. No. 372 at 3:00 p.m.:

Messrs. Kroening; Luther; Solon; Frederickson, D.R. and Merriam. 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.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 141 a Special Order to be heard immediately.

SPECIAL ORDER

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.

Mr. Peterson, R. W. moved to amend H.F. No. 141, the unofficial engrossment, as follows:

Pages 2 and 3, delete section 6

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 141 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:

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

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

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the proceedings on S.F. No. 150. The Sergeant at Arms was instructed to bring in the absent members.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 150 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 150: A bill for an act relating to gambling; creating a division of gambling enforcement within the department of public safety; 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; increasing license fees; changing the requirement relating to distributors and manufacturers of gambling equipment; increasing the penalty for paying off on video games of chance; authorizing the sale of lottery tickets; establishing a state lottery agency; providing for its powers and duties; authorizing transmission of races to

sites on Indian lands and commingling of certain betting pools; 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; 240.02, subdivision 1; 240.06, subdivision 3; 240.07, subdivision 2; 240.08, subdivision 3; 240.13, by adding a subdivision; 240.21; 260.015, subdivisions 5 and 21; 290.92, by adding a subdivision; 297A.25, by adding a subdivision; 340A.410, subdivision 5; 349.11; 349.12, subdivisions 3, 11, 12, 13, 15, 17, 20, and by adding subdivisions; 349.15; 349.151; 349.16, subdivisions 3 and 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; 541.20; 541.21; 609.75, subdivision 3; 609.76, subdivision 1; and 609.761; proposing coding for new law in Minnesota Statutes, chapters 349 and 609; proposing coding for new law as Minnesota Statutes, chapters 299K and 349A; repealing Minnesota Statutes 1988, sections 349.151, subdivisions 3 and 5; 349.212, subdivisions 2 and 4; and 349.2121, subdivision 4; and Minnesota Rules, part 7860.0030.

Mr. Waldorf moved to amend S.F. No. 150 as follows:

Page 50, delete lines 10 and 11 and insert:

"Subd. 2. [CONTENT OF ADVERTISING.] (a) Advertising and promotional materials for the lottery adopted or published by the director may only present factual information on how lottery games are played, the prizes offered, where and how tickets may be purchased, the odds of winning a prize, and the winning numbers in a drawing or the 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 a lottery game as a potential means of relieving a person's financial or economic difficulties or improving a person's financial status;

(2) present the purchase of a lottery ticket as a financial investment or a way to achieve financial security; or

(3) is specifically targeted with the intent to exploit a person, a specific group, or an economic class of people."

Page 50, after line 36, insert:

"(c) The commissioner may not expend more than one percent of gross revenues in a biennium for advertising.

(d) Prior to using or publishing any advertisement, the commissioner must submit the advertisement to the Minnesota news council for its review and comment."

Mr. Marty moved to amend the Waldorf amendment to S.F. No. 150 as follows:

Page 1, line 16, delete the second "or"

Page 1, line 18, before the period, insert "; or

(4) present the lottery as a form of entertainment or recreation"

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

Mr. Marty then moved to amend the Waldorf amendment to S.F. No. 150 as follows:

Page 1, line 16, delete the second "or"

Page 1, line 18, before the period, insert "; or

(4) induces or encourages a person to purchase a lottery ticket"

The question was taken on the adoption of the Marty amendment to the Waldorf amendment.

The roll was called, and there were yeas 19 and nays 47, as follows:

Those who voted in the affirmative were:

Belanger	Brandl	Johnson, D.E.	Marty	Spear
Berg	Decker	Laidig	Piper	Storm
Berglin	Frank	Larson	Reichgott	Taylor
Bernhagen	Frederick	Luther	Renneke	

Those who voted in the negative were:

Adkins	DeCramer	Knutson	Moe, R.D.	Ramstad
Anderson	Dicklich	Kroening	Morse	Samuelson
Beckman	Diessner	Langseth	Novak	Schmitz
Benson	Frederickson, D.J.	Lantry	Olson	Solon
Bertram	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Brataas	Freeman	McGowan	Pehler	Vickerman
Chmielewski	Gustafson	McQuaid	Peterson, D.C.	Waldorf
Cohen	Hughes	Mehrkens	Peterson, R.W.	
Dahl	Johnson, D.J.	Merriam	Pogemiller	
Davis	Knaak	Metzen	Purfeerst	

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the adoption of the Waldorf amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Mr. Frederickson, D.R. moved to amend S.F. No. 150 as follows:

Page 11, line 28, after the period, insert "*No more than three members of the board may belong to the same political party.*"

Page 39, line 30, after the period, insert "*No more than four members of the board may belong to the same political party.*"

The motion prevailed. So the amendment was adopted.

Mr. Solon moved to amend S.F. No. 150 as follows:

Page 40, line 9, delete "(a)"

Page 40, delete lines 19 to 21

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Pogemiller
Anderson	DeCramer	Knaak	Metzen	Purfeerst
Beckman	Dicklich	Kroening	Moe, R. D.	Samuelson
Bertram	Diessner	Langseth	Morse	Schmitz
Chmielewski	Frederickson, D.J.	Lantry	Novak	Solon
Cohen	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Dahl	Hughes	Mehrkens	Pehler	Vickerman

Those who voted in the negative were:

Belanger	Decker	Laidig	Olson	Spear
Benson	Frank	Larson	Peterson, D.C.	Storm
Berg	Frederick	Luther	Peterson, R. W.	Taylor
Berglin	Freeman	Marty	Piper	Waldorf
Bernhagen	Gustafson	McGowan	Ramstad	
Brandl	Johnson, D.E.	McQuaid	Reichgott	
Brataas	Knutson	Moe, D.M.	Renneke	

The motion prevailed. So the amendment was adopted.

Mr. Cohen moved to amend S.F. No. 150 as follows:

Page 49, delete lines 11 and 12

Re-number the subdivisions in sequence

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 31, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knutson	Metzen	Purfeerst
Beckman	Diessner	Kroening	Moe, R. D.	Samuelson
Bertram	Frederickson, D.J.	Langseth	Morse	Schmitz
Brataas	Freeman	Lantry	Novak	Solon
Cohen	Hughes	Lessard	Pehler	Stumpf
Dahl	Johnson, D.J.	McGowan	Peterson, D.C.	Vickerman
DeCramer	Knaak	Mehrkens	Pogemiller	

Those who voted in the negative were:

Anderson	Chmielewski	Johnson, D.E.	Moe, D.M.	Storm
Belanger	Davis	Laidig	Peterson, R. W.	Taylor
Benson	Decker	Larson	Piper	Waldorf
Berg	Frank	Luther	Ramstad	
Berglin	Frederick	Marty	Reichgott	
Bernhagen	Frederickson, D.R.	McQuaid	Renneke	
Brandl	Gustafson	Merriam	Spear	

The motion prevailed. So the amendment was adopted.

Mr. Marty moved to amend S.F. No. 150 as follows:

Page 40, after line 21, insert:

“(c) The board may not approve a procedure for any game that would allow a person to win a prize greater than \$10,000,000.”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 36 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Knutson	Moe, D.M.	Spear
Beckman	Decker	Laidig	Olson	Storm
Belanger	Frank	Larson	Peterson, R. W.	Taylor
Benson	Frederick	Luther	Piper	Waldorf
Berg	Frederickson, D.R.	Marty	Ramstad	
Berglin	Freeman	McGowan	Reichgott	
Bernhagen	Gustafson	McQuaid	Renneke	
Brandl	Johnson, D.E.	Merriam	Schmitz	

Those who voted in the negative were:

Adkins	DeCramer	Knaak	Moe, R.D.	Purfeerst
Bertram	Dicklich	Kroening	Morse	Samuelson
Chmielewski	Diessner	Langseth	Novak	Solon
Cohen	Frederickson, D.J.	Lantry	Pehler	Stumpf
Dahl	Hughes	Lessard	Peterson, D.C.	Vickerman
Davis	Johnson, D.J.	Mehrkens	Pogemiller	

The motion prevailed. So the amendment was adopted.

Mr. Waldorf moved to amend S.F. No. 150 as follows:

Page 2, line 33, delete "CHARITABLE"

Page 3, lines 1 and 22, delete "*charitable*"

Page 4, line 27, delete "*charitable*"

Page 6, line 17, delete "CHARITABLE"

Page 6, line 33, delete "*charitable*"

Page 7, line 13, delete "CHARITABLE"

Page 9, after line 10, insert:

"Sec. 8. Minnesota Statutes 1988, section 349.12, subdivision 16, is amended to read:

Subd. 16. "Board" is the ~~charitable~~ gambling control board."

Page 9, line 33, delete "*charitable*"

Page 11, line 6, strike "CHARITABLE"

Page 11, line 7, strike "*charitable*"

Page 12, line 20, strike "*charitable*"

Page 14, line 6, delete "*charitable*"

Page 26, line 19, delete "*charitable*"

Page 30, line 2, strike "*charitable*"

Page 30, line 14, strike "*charitable*"

Page 31, after line 10, insert:

"Sec. 41. Minnesota Statutes 1988, section 349.2121, subdivision 10, is amended to read:

Subd. 10. [UNTAXED PULL-TABS OR TIPBOARDS.] It is a gross misdemeanor for any person to possess pull-tabs or tipboards for resale in this state that have not been registered with the board, for which a registration stamp has not been affixed to the flare, and upon which the taxes imposed by section 349.212, subdivision 4, or chapter 297A have not been paid. The executive secretary of the ~~charitable~~ gambling control board or the commissioner of revenue or their designated inspectors and employees

may seize in the name of the state of Minnesota any unregistered or untaxed pull-tabs or tipboards.”

Page 36, line 20, delete “CHARITABLE”

Page 36, lines 21 and 31, delete “charitable”

Page 37, line 16, delete “charitable”

Renumber the sections of article 2 in sequence and correct the internal references

Page 67, line 7, strike “charitable”

Amend the title as follows:

Page 1, lines 5 and 6, delete “charitable”

Page 1, line 25, after “15,” insert “16.”

Page 1, line 32, delete “and 3” and insert “, 3, and 10”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 43 and nays 24, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Hughes	Mehrrens	Reichgott
Beckman	DeCramer	Johnson, D.E.	Moe, D.M.	Renneke
Belanger	Dicklich	Johnson, D.J.	Moe, R.D.	Spear
Benson	Frank	Knutson	Morse	Storm
Berg	Frederick	Kroening	Olson	Taylor
Berglin	Frederickson, D.J.	Laidig	Peterson, D.C.	Vickerman
Bernhagen	Frederickson, D.R.	Larson	Peterson, R.W.	Waldorf
Brandl	Freeman	Luther	Piper	
Brataas	Gustafson	Marty	Pogemiller	

Those who voted in the negative were:

Adkins	Davis	Lessard	Novak	Samuelson
Bertram	Diessner	McGowan	Pariseau	Schmitz
Chmielewski	Knaak	McQuaid	Pehler	Solon
Cohen	Langseth	Merriam	Purfeerst	Stumpf
Dahl	Lantry	Metzen	Ramstad	

The motion prevailed. So the amendment was adopted.

Mr. Benson moved to amend S.F. No. 150 as follows:

Page 61, after line 20, insert:

“Sec. 6. 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; and

(5) gifts, donations, and bequests made to the corporation; and

~~(6) through the first five full fiscal years, during which proceeds from the lottery are received, one-half of the net proceeds of the state-operated lottery must be credited to the greater Minnesota corporation 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. 7. [129B.81] [CITATION.]

Sections 129B.81 to 129B.85 may be cited as the "education initiatives grant act."

Sec. 8. [129B.82] [APPROVAL AUTHORITY; APPLICATION FORMS.]

Subdivision 1. [APPROVAL BY BOARD.] The state board of education may approve or disapprove applications under section 9 that provide for creation of an innovative program, instructional model, or process to improve education in a school district or group of school districts.

Subd. 2. [APPLICATION FORMS.] The state board of education must prepare application forms and adopt rules under chapter 14 to govern the application process.

Sec. 9. [129B.83] [GRANT APPLICATION PROCESS.]

Subdivision 1. [CRITERIA.] The state board of education shall adopt rules to establish the criteria to be used to qualify for a grant under this section. The rules must require that the district describe its goals for the grant, how the grant will be used to achieve those goals, and measures to assess the success of the program. The board shall consider the following goals in establishing criteria for awarding grants:

(1) teacher mentorship;

(2) incorporating alternative learning models that use technology in instruction and administration, including instruction and administration, including personalized, individualized learning;

(3) incorporating alternative patterns of staff assignments and roles, including a career teacher program, teacher monitoring, and teacher sharing of instructional areas;

(4) developing multiple measures to assess whether pupils have met or exceeded levels of attainment of state and district learner outcomes; and

(5) enhancing community involvement.

Subd. 2. [AWARD OF GRANTS.] The state board of education shall examine all applications, and if a school district or group of school districts is found not qualified under the criteria established under subdivision 1, the state board must promptly notify the school board or boards that applied for the grant. The board shall award grants with the funds available under section 10 and may not prorate available money among qualified applicants. The state board of education shall promptly notify each district of the amount, if any, of the grant awarded to it.

Subd. 3. [REDUCTION OF OTHER REVENUE.] Any amount received by a school district under this section may not be used to reduce any other

money to be received by the district.

Subd. 4. [MAXIMUM AMOUNT OF GRANTS.] A grant awarded under this section may not exceed \$1,000,000. A school district may not receive more than \$2,500,000 under this section in a fiscal year.

Subd. 5. [SCHOOL DISTRICT REPORT.] A school district that receives a grant under this subdivision must file a report with the state board of education 24 months after receipt of the grant on the success of the district in meeting the goals described in subdivision 1 and identify the areas where the goals were not achieved, along with an explanation of the reasons for not meeting the goals.

Subd. 6. [USE OF STAFF] The state board of education may use staff of the department of education to implement this section.

Sec. 10. [129B.84] [EDUCATION INITIATIVES FUND.]

Subdivision 1. [ESTABLISHMENT OF ACCOUNT.] An education initiatives fund is established as an account in the state treasury. The commissioner of finance shall credit to the fund the amounts authorized under this section. All money earned from money in the education initiatives fund must be credited to the education initiatives fund.

Subd. 2. [LOTTERY PROCEEDS.] The commissioner of finance shall credit one-half of the net lottery proceeds from the state-operated lottery to the education initiatives fund.

Subd. 3. [USE OF FUNDS.] Money in the education initiatives fund may only be used for grants under section 9.

Sec. 11. [129B.85] [REPORT.]

The state board of education must report to the education committees of the legislature every two years beginning January 15, 1992, on the implementation of sections 7 to 10."

Page 68, line 7, delete "20" and insert "26"

Page 68, line 23, delete "9 and 11 to 22" and insert "15 and 17 to 28"

Page 68, line 24, delete "10" and insert "16"

Re-number the sections of article 4 in sequence

Amend the title as follows:

Page 1, line 15, after the first semicolon, insert "eliminating lottery appropriation to the greater Minnesota corporation; appropriating lottery profits for education; establishing an education initiatives grant program;"

Page 1, line 19, after the first semicolon, insert "116O.12;"

Page 1, line 38, after "chapters" insert "129B," and after "349" insert a comma

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 46, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Knutson	McQuaid	Ramstad
Belanger	Frederick	Laidig	Mehrkens	Storm
Benson	Gustafson	Larson	Olson	Taylor
Bernhagen	Johnson, D.E.	McGowan	Pariseau	

Those who voted in the negative were:

Adkins	Davis	Knaak	Moe, R.D.	Samuelson
Beckman	DeCramer	Kroening	Morse	Schmitz
Berg	Dicklich	Langseth	Novak	Solon
Berglin	Diessner	Lantry	Pehler	Stumpf
Bertram	Frank	Lessard	Peterson, D.C.	Vickerman
Brandl	Frederickson, D.J.	Luther	Peterson, R.W.	Waldorf
Brataas	Frederickson, D.R.	Marty	Piper	
Chmielewski	Freeman	Merriam	Pogemiller	
Cohen	Hughes	Metzen	Purfeerst	
Dahl	Johnson, D.J.	Moe, D.M.	Reichgott	

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

S.F. No. 150 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 40 and nays 27, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.J.	Mehrkens	Peterson, D.C.
Berglin	Dicklich	Knaak	Merriam	Piper
Bertram	Diessner	Kroening	Metzen	Pogemiller
Brataas	Frederick	Langseth	Moe, R.D.	Purfeerst
Cohen	Frederickson, D.J.	Lantry	Morse	Reichgott
Dahl	Freeman	Lessard	Novak	Samuelson
Davis	Gustafson	McGowan	Pariseau	Solon
Decker	Hughes	McQuaid	Pehler	Stumpf

Those who voted in the negative were:

Anderson	Brandl	Laidig	Peterson, R.W.	Taylor
Beckman	Chmielewski	Larson	Ramstad	Vickerman
Belanger	Frank	Luther	Renneke	Waldorf
Benson	Frederickson, D.R.	Marty	Schmitz	
Berg	Johnson, D.E.	Moe, D.M.	Spear	
Bernhagen	Knutson	Olson	Storm	

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Freeman moved that the following members be excused for a Conference Committee on H.F. No. 46 at 4:45 p.m.:

Messrs. Freeman; Waldorf; Samuelson; Johnson, D.E. and Morse. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 1734 at 5:00 p.m.:

Messrs. Brandl, Novak, Pogemiller, Stumpf and Johnson, D.J. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 277 a Special Order to be heard immediately.

SPECIAL ORDER

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.

Mr. Purfeerst moved to amend S.F. No. 277 as follows:

Page 2, delete section 2 and insert:

“Sec. 2. [APPROPRIATION.]

\$600,000 is appropriated to the commissioner of human services for fiscal years 1990 and 1991 to operate the compulsive gamblers program required by section 1. Money not expended in one fiscal year may be used in the other fiscal year. Of the \$300,000 appropriated each year:

(1) *\$100,000 is from the state lottery fund;*

(2) *\$100,000 is from the general fund from the tax collected from charitable gambling under Minnesota Statutes, section 349.212; and*

(3) *\$100,000 is from the general fund from the amount recovered by the state from unredeemed pari-mutuel tickets under Minnesota Statutes, section 240.15, subdivision 5.”*

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

S.F. No. 277 was read the third time 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	Davis	Knutson	Metzen	Reichgott
Anderson	Decker	Kroening	Moe, D.M.	Renneke
Beckman	DeCramer	Laidig	Moe, R.D.	Schmitz
Belanger	Dicklich	Langseth	Olson	Solon
Benson	Diessner	Lantry	Pariseau	Spear
Berg	Frank	Larson	Pehler	Storm
Berglin	Frederick	Lessard	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.I.	Luther	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Marty	Piper	
Chmielewski	Gustafson	McGowan	Pogemiller	
Cohen	Hughes	McQuaid	Purfeerst	
Dahl	Knaak	Merriam	Ramstad	

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. Hughes reported that the committee had considered the following:

S.F. No. 95, which the committee reports progress, after the following

motions:

Ms. Peterson, D.C. moved to amend S.F. No. 95 as follows:

Page 30, delete section 19

Renumber the sections of article 3 in sequence and correct the internal references

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 35, as follows:

Those who voted in the affirmative were:

Beckman	Frederickson, D.J.	Marty	Peterson, D.C.	Spear
Berglin	Freeman	Merriam	Peterson, R.W.	Taylor
Brandl	Johnson, D.J.	Moe, D.M.	Piper	Waldorf
Cohen	Knaak	Moe, R.D.	Pogemiller	
Davis	Kroening	Morse	Purfeerst	
DeCramer	Lantry	Novak	Reichgott	
Dicklich	Luther	Pehler	Samuelson	

Those who voted in the negative were:

Adkins	Brataas	Frederickson, D.R.	Larson	Pariseau
Anderson	Chmielewski	Gustafson	Lessard	Ramstad
Belanger	Dahl	Hughes	McGowan	Renneke
Benson	Decker	Johnson, D.E.	McQuaid	Schmitz
Berg	Diessner	Knutson	Mehrkens	Storm
Bernhagen	Frank	Laidig	Metzen	Stumpf
Bertram	Frederick	Langseth	Olson	Vickerman

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

Mr. Knaak moved to amend S.F. No. 95 as follows:

Page 37, after line 15, insert:

"Sec. 29. [REPEALER.]

Section 19 is repealed effective June 30, 1990."

Mr. Stumpf moved to amend the Knaak amendment to S.F. No. 95 as follows:

Page 1, line 4, delete "*June 30, 1990*" and insert "*December 30, 1992*"

The question was taken on the adoption of the Stumpf amendment to the Knaak amendment.

The roll was called, and there were yeas 23 and nays 35, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Frank	Lessard	Schmitz
Anderson	Brataas	Frederickson, D.R.	Olson	Storm
Benson	Chmielewski	Gustafson	Ramstad	Stumpf
Berg	Dahl	Laidig	Renneke	
Bernhagen	Diessner	Larson	Samuelson	

Those who voted in the negative were:

Beckman	Frederick	Lantry	Metzen	Peterson, R.W.
Belanger	Frederickson, D.J.	Luther	Moe, D.M.	Piper
Berglin	Hughes	Marty	Moe, R.D.	Purfeerst
Brandl	Johnson, D.E.	McGowan	Morse	Reichgott
Cohen	Knaak	McQuaid	Novak	Spear
Davis	Kroening	Mehrkens	Pehler	Taylor
Decker	Langseth	Merriam	Peterson, D.C.	Vickerman

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the adoption of the Knaak amendment.

The roll was called, and there were yeas 39 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Luther	Moe, R.D.	Purfeerst
Beckman	Frederickson, D.J.	Marty	Morse	Ramstad
Berglin	Hughes	McGowan	Novak	Reichgott
Brandl	Johnson, D.E.	McQuaid	Olson	Schmitz
Cohen	Knaak	Mehrkens	Pehler	Spear
Dahl	Kroening	Merriam	Peterson, D.C.	Taylor
Davis	Langseth	Metzen	Peterson, R.W.	Vickerman
Decker	Lantry	Moe, D.M.	Piper	

Those who voted in the negative were:

Anderson	Bertram	Frederick	Lessard	Stumpf
Belanger	Brataas	Frederickson, D.R.	Pariseau	
Benson	Chmielewski	Gustafson	Renneke	
Berg	Dicklich	Laidig	Samuelson	
Bernhagen	Diessner	Larson	Storm	

The motion prevailed. So the amendment was adopted.

Mr. Pehler moved to amend S.F No. 95 as follows:

Page 11, line 27, delete "board" and insert "department of revenue"

Page 42, delete lines 1 to 30 and insert:

<i>"(a) To the waste management board for solid waste reduction, recycling, market development, grants for litter prevention control and abatement, public education, and for problem materials collection and disposal</i>	\$2,000,000	\$2,500,000
<i>(b) To the pollution control agency for programs to identify and manage problem materials and for recycling programs</i>	820,000	859,000
<i>(c) To the department of administration for waste reduction, procurement, and recycling</i>	100,000	100,000
<i>(d) To the department of revenue:</i>		
<i>(1) to administer the taxes</i>	37,000	-0-
<i>(2) for distribution to the counties directly for solid waste reduction and recycling</i>	13,140,000	15,220,000"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Kroening	Metzen	Reichgott
Beckman	Diessner	Laidig	Moe, D.M.	Renneke
Belanger	Frank	Lantry	Olson	Schmitz
Benson	Frederickson, D.J.	Larson	Pariseau	Spear
Berglin	Frederickson, D.R.	Luther	Pehler	Storm
Bertram	Hughes	McGowan	Peterson, D.C.	Vickerman
Brataas	Johnson, D.E.	McQuaid	Purfeerst	
Cohen	Knaak	Mehrkens	Ramstad	

Those who voted in the negative were:

Anderson	Davis	Lessard	Moe, R.D.	Piper
Bernhagen	Gustafson	Marty	Morse	Solon
Chmielewski	Langseth	Merriam	Peterson, R.W.	Stumpf
Dahl				

The motion prevailed. So the amendment was adopted.

S.F. No. 95 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 Messages From the House, First Reading of House Bills, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce 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. 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.

There has been appointed as such committee on the part of the House: Rest, Seaberg and Vellenga.

Senate File No. 486 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 1989

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 333:

H.F. No. 333: A bill for an act relating to recreational vehicles; regulating all-terrain vehicles; setting fees; revising liability provisions regarding county administered lands, recreational areas and the Minnesota zoological garden; 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; 169.02, subdivision 1; and 171.03; repealing Minnesota Statutes 1988, sections 84.922, subdivision 8; 84.925, subdivision 2; 84.928, subdivision 7; and 466.03, by adding a subdivision.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Begich, Pugh and Schafer have been appointed as such committee on the part of the House.

House File No. 333 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 May 12, 1989

Mr. Vickerman moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 333, 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 File, herewith transmitted: H.F. No. 1764.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 12, 1989

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 1764: 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 city streets and town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; 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; and 297B.09, subdivision 1.

Mr. Moe, R.D. moved that H.F. No. 1764 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 895: 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.

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

Page 10, lines 32 and 33, delete "*is appropriated from the general fund*" and insert "*must be paid from appropriations to acquire conservation easements*"

Pages 17 to 19, delete sections 13 and 14

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 24, delete from "authorizing" through page 1, line 25, to the semicolon

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. 1448 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.
1448	937				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1448 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1448 and insert the language after the enacting clause of S.F. No. 937, the first engrossment; further, delete the title of H.F. No. 1448 and insert the title of S.F. No. 937, the first engrossment.

And when so amended H.F. No. 1448 will be identical to S.F. No. 937, and further recommends that H.F. No. 1448 be given its second reading and substituted for S.F. No. 937, 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. 341 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.
341	1099				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 341 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 341 and insert the language after the enacting clause of S.F. No. 1099, the fourth engrossment; further, delete the title of H.F. No. 341 and insert the title of S.F. No. 1099, the fourth engrossment.

And when so amended H.F. No. 341 will be identical to S.F. No. 1099, and further recommends that H.F. No. 341 be given its second reading and substituted for S.F. No. 1099, 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. 1143 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.
1143	920				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1143 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1143 and insert the language after the enacting clause of S.F. No. 920, the first engrossment; further, delete the title of H.F. No. 1143 and insert the title of S.F. No. 920, the first engrossment.

And when so amended H.F. No. 1143 will be identical to S.F. No. 920, and further recommends that H.F. No. 1143 be given its second reading and substituted for S.F. No. 920, 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. 257 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.
257	257				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 257 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 257 and insert the language after the enacting clause of S.F. No. 257, the first engrossment; further, delete the title of H.F. No. 257 and insert the title of S.F. No. 257, the first engrossment.

And when so amended H.F. No. 257 will be identical to S.F. No. 257, and further recommends that H.F. No. 257 be given its second reading and substituted for S.F. No. 257, 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. 1137 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.
				1137	1253

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1137 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1137 and insert the language after the enacting clause of S.F. No. 1253, the first engrossment; further, delete the title of H.F. No. 1137 and insert the title of S.F. No. 1253, the first engrossment.

And when so amended H.F. No. 1137 will be identical to S.F. No. 1253, and further recommends that H.F. No. 1137 be given its second reading and substituted for S.F. No. 1253, 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. 1046 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.
1046	1198				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1046 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1046 and insert the language after the enacting clause of S.F. No. 1198, the second engrossment; further, delete the title of H.F. No. 1046 and insert the title of S.F. No. 1198, the second engrossment.

And when so amended H.F. No. 1046 will be identical to S.F. No. 1198, and further recommends that H.F. No. 1046 be given its second reading and substituted for S.F. No. 1198, 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. 895 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1448, 341, 1143, 257, 1137 and 1046 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 59 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 59: A bill for an act relating to public safety; authorizing bonding for capital improvements; appropriating money to convert a regional treatment center for use as an adult correctional facility and to operate the facility; appropriating money for a variety of correctional and treatment programs; revising and increasing penalties for controlled substance crimes; authorizing increased sentences and juvenile court reference for controlled substance crimes committed within a drug free school or park zone; increasing penalties for a variety of other crimes; providing for life imprisonment without supervised release for persons convicted of first degree murder or a third criminal sexual conduct offense; providing for sex offender treatment programs; providing that an inmate who completes a sex offender treatment program is eligible for an adjustment to the supervised release date; providing for the collection and admissibility of DNA evidence; modifying certain forfeiture provisions; permitting a school-sponsored alcohol awareness program; requiring reporting of newborns with signs of controlled substance exposure and reporting of certain controlled substance use by pregnant women; providing for toxicology testing; requiring an education program to protect unborn children from such prenatal exposure; providing for civil commitment of pregnant women for certain controlled substance use; establishing a community crime prevention grant program; providing a soft body armor reimbursement program; creating a drug abuse prevention resource council; establishing a child protection system study commission; providing for a community resources program for cities of the first class; appropriating money; amending Minnesota Statutes 1988, sections 152.01, subdivision 7, and 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; 169.09, subdivision 14; 243.05, subdivision 1; 244.05, subdivisions 1, 4, 5, and by adding a subdivision; 244.09, subdivision 5; 253B.02, subdivisions 2 and 10; 256.01, by adding a subdivision; 260.125, subdivision 3; 260.161, subdivision 1; 260.185, subdivision 1; 297D.09, subdivision 1a; 299F.80, subdivision 1; 325D.56, subdivision 2; 340A.701; 340A.702; 526.10; 609.11, subdivisions 7 and 9; 609.185; 609.19; 609.195; 609.205; 609.221; 609.222; 609.223; 609.2231, subdivision 1; 609.255, subdivision 3; 609.2665; 609.267; 609.323, subdivision 1; 609.342, subdivision 2; 609.343, subdivision 2; 609.344, subdivision 2; 609.345, subdivision 2; 609.346; 609.377; 609.445; 609.48, subdivision 4; 609.487, subdivision 4; 609.52; 609.53, subdivisions 1 and 4; 609.5311, subdivision 3; 609.5314, subdivision 1; 609.5315, subdivision 1; 609.576; 609.62, subdivision 2; 609.631, subdivision 2; 609.86, subdivision 3; 611A.038; 624.701; 624.712, subdivision 5; and 626.556, subdivisions 2, 3, and 10; proposing coding for new law in Minnesota Statutes, chapters 116K; 121; 144; 152; 241; 242; 244; 299A; 299C; 466A; 609; 626; 634; and 638; repealing Minnesota Statutes 1988, sections 152.09; 152.15, subdivisions 1, 2, 2a, 2b, 3, and 5; 609.53, subdivisions 1a, 3, and 3a; and 609.55.

Mr. Spear moved to amend H.F. No. 59, the unofficial engrossment, as follows:

Page 55, after line 22, insert:

“Section 1. Minnesota Statutes 1988, section 14.02, subdivision 4, is amended to read:

Subd. 4. [RULE.] “Rule” means every agency statement of general applicability and future effect, including amendments, suspensions, and repeals of rules, adopted to implement or make specific the law enforced or administered by it or to govern its organization or procedure. It does not include (a) rules concerning only the internal management of the agency or other agencies, and which do not directly affect the rights of or procedure available to the public; (b) rules of the commissioner of corrections relating to *the placement and supervision of inmates serving a supervised release term*, the internal management of institutions under the commissioner’s control and those rules governing the inmates thereof prescribed pursuant to section 609.105; (c) rules of the division of game and fish published in accordance with section 97A.051; (d) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs; (e) opinions of the attorney general; (f) the systems architecture plan and long-range plan of the state education management information system provided by section 121.931; (g) the data element dictionary and the annual data acquisition calendar of the department of education to the extent provided by section 121.932; (h) the occupational safety and health standards provided in section 182.655.”

Page 56, after line 7, insert:

“Sec. 3. Minnesota Statutes 1988, section 244.05, subdivision 2, is amended to read:

Subd. 2. [RULES.] The commissioner of corrections shall ~~promulgate rules for the placement and supervision of inmates serving a supervised release term. The rules shall also provide~~ adopt by rule standards and procedures for the revocation of supervised release, and shall specify the period of revocation for each violation of supervised release. Procedures for the revocation of supervised release shall provide due process of law for the inmate.”

Page 59, line 22, delete “2 and 4” and insert “4 and 6”

Page 59, line 23, delete everything after the period and insert “*Sections 1 and 3 are effective the day following final enactment. Section 7 is effective*”

Renumber the sections of article 5 in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Knaak imposed a call of the Senate for the balance of the proceedings on H.F. No. 59. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Merriam moved to amend H.F. No. 59, the unofficial engrossment, as follows:

Page 82, line 2, delete “\$250,000” and insert “\$150,000”

Page 82, line 12, delete “\$200,000” and insert “\$400,000”

Page 82, line 16, delete "\$125,000" and insert "\$250,000"

Page 82, line 17, delete "\$75,000" and insert "\$150,000"

The motion prevailed. So the amendment was adopted.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Samuelson moved that the following members be excused for a Conference Committee on H.F. No. 1759 at 7:30 p.m.:

Mrs. Lantry, Mses. Berglin, Piper and Mr. Samuelson. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on S.F. No. 1625 at 6:30 p.m.:

Messrs. DeCramer, Dicklich, Taylor, Waldorf and Mrs. Brataas. The motion prevailed.

Mr. Frederick moved to amend H.F. No. 59, the unofficial engrossment, as follows:

Page 33, delete lines 20 to 32 and insert "*employee that provides reimbursement for purchase of a vest under this section is not liable to a peace officer or the peace officer's heirs for negligence in the death of or injury to the peace officer because the vest was defective or deficient.*"

Subd. 6. [RIGHT TO BENEFITS UNAFFECTED.] A peace officer who is reimbursed for the purchase of a vest under this section and who suffers injury or death because the officer failed to wear the vest, or because the officer wore a vest that was defective or deficient, may not lose or be denied a benefit or right, including a benefit under section 176B.04, to which the officer, or the officer's heirs, is otherwise entitled."

The motion prevailed. So the amendment was adopted.

Mr. Ramstad moved to amend H.F. No. 59, the unofficial engrossment, as follows:

Pages 56 and 57, delete section 3 and insert:

"Sec. 3. [244.091] [ABOLITION OF SENTENCING GUIDELINES.]

The Minnesota sentencing guidelines adopted under section 244.09 are abolished."

Page 59, after line 20, insert:

"Sec. 6. [REPEALER.]

Minnesota Statutes 1988, sections 244.08, 244.09, and 244.10, are repealed."

Page 59, line 23, after the period, insert "*Sections 3 and 6 are effective on adoption by the Minnesota legislature of a system of mandatory minimum sentences for all felony offenses under Minnesota law."*

Renumber the sections of article 5 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

Mr. Benson moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 31 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Frederickson, D.R.	Metzen	Stumpf
Beckman	Chmielewski	Gustafson	Olson	Taylor
Belanger	Dahl	Johnson, D.E.	Pariseau	Vickerman
Benson	Davis	Knaak	Ramstad	
Berg	Decker	Laidig	Renneke	
Bernhagen	Frank	McGowan	Schmitz	
Bertram	Frederick	McQuaid	Storm	

Those who voted in the negative were:

Adkins	Frederickson, D.J.	Luther	Pehler	Samuelson
Berglin	Freeman	Marty	Peterson, D.C.	Spear
Brandl	Hughes	Merriam	Peterson, R.W.	Waldorf
Cohen	Johnson, D.J.	Moe, D.M.	Piper	
DeCramer	Kroening	Moe, R.D.	Pogemiller	
Dicklich	Langseth	Morse	Purfeerst	
Diessner	Lantry	Novak	Reichgott	

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

Mr. Knaak moved to amend H.F. No. 59, the unofficial engrossment, as follows:

Page 59, after line 16, insert:

“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.”

Page 59, line 17, delete “3” and insert “4” and after “All” insert “other”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Knaak	Novak	Taylor
Belanger	Decker	Kroening	Olson	Vickerman
Benson	Frank	Laidig	Pariseau	Waldorf
Berg	Frederick	Larson	Pehler	
Bernhagen	Frederickson, D.R.	McGowan	Ramstad	
Bertram	Gustafson	McQuaid	Renneke	
Brataas	Johnson, D.E.	Metzen	Storm	

Those who voted in the negative were:

Adkins	DeCramer	Langseth	Morse	Samuelson
Beckman	Dicklich	Lantry	Peterson, D.C.	Schmitz
Berglin	Diessner	Luther	Peterson, R.W.	Spear
Brandl	Frederickson, D.J.	Marty	Piper	Stumpf
Chmielewski	Freeman	Merriam	Pogemiller	
Cohen	Hughes	Moe, D.M.	Purfeerst	
Davis	Johnson, D.J.	Moe, R.D.	Reichgott	

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

Mr. Ramstad moved to amend H.F. No. 59, the unofficial engrossment,

as follows:

Page 5, delete lines 12 to 20 and insert:

"Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 shall be sentenced to imprisonment for not less than five years nor 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 ten years nor more than 40 years or to a fine of not more than \$1,000,000, or both."

Page 6, delete lines 19 to 27 and insert:

"Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 shall be sentenced to imprisonment for not less than four years nor 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 eight years nor more than 40 years or to a fine of not more than \$500,000, or both."

Page 7, delete lines 23 to 31 and insert:

"Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 shall be sentenced to imprisonment for not less than three years nor more than 20 years or to 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 six years nor more than 30 years or to a fine of not more than \$250,000, or both."

Page 8, delete lines 24 to 32 and insert:

"Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 shall be sentenced to imprisonment for not less than two years nor 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 four years nor more than 30 years or to a fine of not more than \$100,000, or both."

Page 9, delete lines 21 to 29 and insert:

"Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 shall be sentenced to imprisonment for not less than one year nor more than ten 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 two years nor more than ten years or to payment of a fine of not more than \$20,000, or both."

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "imposing mandatory minimum sentences for controlled substance offenses;"

The question was taken on the adoption of the amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 30 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Frederick	Larson	Ramstad
Beckman	Bertram	Frederickson, D.R.	McGowan	Reichgott
Belanger	Brataas	Gustafson	McQuaid	Renneke
Benson	Dahl	Johnson, D.E.	Olson	Storm
Berg	Decker	Knaak	Pariseau	Taylor
Berglin	Frank	Laidig	Pehler	Vickerman

Those who voted in the negative were:

Adkins	Diessner	Luther	Peterson, D.C.	Solon
Brandl	Frederickson, D.J.	Marty	Peterson, R.W.	Spear
Chmielewski	Freeman	Merriam	Piper	Stumpf
Cohen	Johnson, D.J.	Moe, D.M.	Pogemiller	Waldorf
Davis	Kroening	Moe, R.D.	Purfeerst	
DeCramer	Langseth	Morse	Samuelson	
Dicklich	Lantry	Novak	Schmitz	

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

Mr. Laidig moved to amend H.F. No. 59, the unofficial engrossment, as follows:

Page 57, after line 18, insert:

“Sec. 4. Minnesota Statutes 1988, section 244.09, subdivision 11, is amended to read:

Subd. 11. [MODIFICATION.] The commission shall meet as necessary for the purpose of modifying and improving the guidelines. Any modification which amends the sentencing guidelines grid, including severity levels and criminal history scores, or which would result in the reduction of any sentence or in the early release of any inmate, with the exception of a modification mandated or authorized by the legislature or relating to a crime created or amended by the legislature in the preceding session, shall be submitted to the legislature by January 1 of any year in which the commission wishes to make the change ~~and shall be effective on August 1 of that year, unless the legislature by law provides otherwise.~~ *The proposed change is effective on August 1 of that year if it has been specifically ratified by the legislature.* All other modifications shall take effect according to the procedural rules of the commission. On or before January 1 of each year, the commission shall submit a written report to the judiciary committees of the senate and the house of representatives that identifies and explains all modifications made during the preceding 12 months and all proposed modifications that are being submitted to the legislature that year.”

Renumber the sections of article 5 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 24 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Gustafson	McGowan	Renneke
Belanger	Decker	Johnson, D.E.	McQuaid	Storm
Benson	Frank	Knaak	Olson	Taylor
Bernhagen	Frederick	Laidig	Pariseau	Waldorf
Brataas	Frederickson, D.R.	Larson	Ramstad	

Those who voted in the negative were:

Adkins	Davis	Johnson, D.J.	Moe, R.D.	Purfeerst
Beckman	DeCramer	Kroening	Morse	Reichgott
Berg	Dicklich	Langseth	Novak	Schmitz
Bertram	Diessner	Luther	Pehler	Solon
Brandl	Frederickson, D.J.	Marty	Peterson, D.C.	Spear
Chmielewski	Freeman	Merriam	Peterson, R.W.	Stumpf
Cohen	Hughes	Moe, D.M.	Pogemiller	Vickerman

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

Mrs. Pariseau moved to amend H.F. No. 59, the unofficial engrossment, as follows:

Page 56, delete section 2 and insert:

“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~~ *for conviction of murder in the first degree under section 609.185 or treason under section 609.385 must not be given supervised release under this section without having served a minimum term of imprisonment of 17 years.*”

Page 59, after line 20, insert:

“Sec. 6. [REPEALER.]

Minnesota Statutes 1988, section 244.05, subdivision 5, is repealed.”

Renumber the sections of article 5 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Frederick	McQuaid	Taylor
Beckman	Chmielewski	Frederickson, D.R.	Olson	Vickerman
Belanger	Dahl	Johnson, D.E.	Pariseau	
Benson	Davis	Knaak	Ramstad	
Bernhagen	Decker	Larson	Renneke	
Bertram	Frank	McGowan	Storm	

Those who voted in the negative were:

Adkins	Frederickson, D.J.	Luther	Pehler	Samuelson
Berglin	Freeman	Marty	Peterson, D.C.	Schmitz
Brandl	Gustafson	Merriam	Peterson, R.W.	Solon
Cohen	Johnson, D.J.	Moe, D.M.	Piper	Spear
DeCramer	Kroening	Moe, R.D.	Pogemiller	Stumpf
Dicklich	Langseth	Morse	Purfeerst	Waldorf
Diessner	Lantry	Novak	Reichgott	

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

Mr. Belanger moved to amend H.F. No. 59, the unofficial engrossment, as follows:

Page 56, line 6, delete the first comma and insert "or" and delete everything after "disability" and insert a period

Page 56, delete line 7

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Chmielewski	Frederickson, D.R.	Larson	Renneke
Beckman	Dahl	Gustafson	McGowan	Storm
Belanger	Davis	Johnson, D.E.	McQuaid	Taylor
Benson	Decker	Knaak	Olson	Vickerman
Bernhagen	Frederick	Kroening	Pariseau	Waldorf
Brataas	Frederickson, D.J.	Laidig	Ramstad	

Those who voted in the negative were:

Adkins	Diessner	Luther	Peterson, D.C.	Schmitz
Berglin	Frank	Marty	Peterson, R.W.	Solon
Bertram	Freeman	Merriam	Piper	Spear
Brandl	Hughes	Moe, R.D.	Pogemiller	
Cohen	Johnson, D.J.	Morse	Purfeerst	
DeCramer	Langseth	Novak	Reichgott	
Dicklich	Lantry	Pehler	Samuelson	

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

Ms. Reichgott moved to amend H.F. No. 59, the unofficial engrossment, as follows:

Page 25, delete lines 8 and 9

Page 25, after line 33, insert:

"Subd. 4. [CONTROLLED SUBSTANCES.] For purposes of this section and section 5, "controlled substance" means a controlled substance classified in schedule I or II under chapter 152."

The motion prevailed. So the amendment was adopted.

Ms. Peterson, D.C. moved to amend H.F. No. 59, the unofficial engrossment, as follows:

Page 68, after line 25, insert:

"Section 1. Minnesota Statutes 1988, section 609.26, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTS.] Whoever intentionally does any of the following acts may be charged with a felony and, upon conviction, may be sentenced as provided in subdivision 6:

(1) conceals a minor child from the child's parent where the action manifests an intent substantially to deprive that parent of parental rights or conceals a minor child from another person having the right to visitation or custody where the action manifests an intent to substantially deprive that person of rights to visitation or custody;

(2) takes, obtains, retains, or fails to return a minor child in violation of a court order which has transferred legal custody under chapter 260 to the commissioner of human services, a child placing agency, or the county

welfare board;

(3) takes, obtains, retains, or fails to return a minor child from or to the parent in violation of a court order, where the action manifests an intent substantially to deprive that parent of rights to visitation or custody; or

(4) takes, obtains, retains, or fails to return a minor child from or to a parent after commencement of an action relating to child visitation or custody but prior to the issuance of an order determining custody or visitation rights, where the action manifests an intent substantially to deprive that parent of parental rights; or

(5) retains a child in this state with the knowledge that the child was removed from another state in violation of any of the above provisions, whether or not the act is a crime under the law of the other state.

Sec. 2. Minnesota Statutes 1988, section 609.26, subdivision 6, is amended to read:

Subd. 6. [PENALTY.] Except as otherwise provided in subdivision 5, whoever violates this section may be sentenced to imprisonment for not more than two years or to payment of a fine of \$4,000, or both, as follows:

(1) to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both; or

(2) to imprisonment for not more than four years or to payment of a fine of not more than \$8,000, or both, if the court finds that:

(i) the defendant committed the violation while armed with a dangerous weapon or caused substantial bodily harm to effect the taking;

(ii) the defendant abused or neglected the child during the concealment, detention, or removal of the child;

(iii) the defendant inflicted or threatened to inflict physical harm on a parent or lawful custodian of the child or on the child with intent to cause the parent or lawful custodian to discontinue criminal prosecution;

(iv) the defendant demanded payment in exchange for return of the child or demanded to be relieved of the financial or legal obligation to support the child in exchange for return of the child; or

(v) the defendant has previously been convicted under this section or a similar statute of another jurisdiction."

Page 79, line 11, delete "9" and insert "11"

Re-number the sections of article 7 in sequence and correct the internal references

Amend the title as follows:

Page 2, line 8, after the first semicolon, insert "609.26, subdivisions 1 and 6;"

The motion prevailed. So the amendment was adopted.

Mr. Benson moved to amend H.F. No. 59, the unofficial engrossment, as follows:

Page 57, line 4, after "the" insert "primary consideration of the" and strike "take into substantial consideration" and insert "be"

Page 57, line 5, delete the first comma and insert ". The commission

may also consider" and delete the second comma

The motion prevailed. So the amendment was adopted.

Mr. Cohen moved to amend H.F. No. 59, the unofficial engrossment, as follows:

Page 83, after line 28, insert:

"ARTICLE 9
FIRE DEPARTMENT ACCESS
TO CRIMINAL HISTORY DATA

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 299F092, 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.~~

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. McGowan moved to amend H.F. No. 59, the unofficial engrossment, as follows:

Page 59, line 1, delete "six" and insert "four"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 47 and nays 13, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Gustafson	Morse	Schmitz
Anderson	Decker	Johnson, D.E.	Novak	Solon
Beckman	DeCramer	Johnson, D.J.	Olson	Storm
Belanger	Dicklich	Knaak	Pariseau	Stumpf
Benson	Diessner	Kroening	Pehler	Taylor
Berglin	Frank	Laidig	Purfeerst	Vickerman
Bernhagen	Frederick	Langseth	Ramstad	Waldorf
Bertram	Frederickson, D.J.	Lantry	Reichgott	
Brataas	Frederickson, D.R.	Larson	Renneke	
Dahl	Freeman	McQuaid	Samuelson	

Those who voted in the negative were:

Brandl	Hughes	McGowan	Peterson, D.C.	Spear
Chmielewski	Luther	Merriam	Peterson, R.W.	
Cohen	Marty	Moe, R.D.	Piper	

The motion prevailed. So the amendment was adopted.

Mrs. McQuaid moved to amend H.F. No. 59, the unofficial engrossment, as follows:

Page 59, after line 1, insert:

“Sec. 5. [609.154] [ADDITIONAL SENTENCE FOR CRIME AGAINST ELDERLY AND HANDICAPPED.]

If a person is convicted of violating or attempting to violate section 609.185, clause (2); 609.342; 609.343; 609.344; or 609.345, against a person who is 65 years or older, is handicapped, as defined in section 297A.01, subdivision 14, or is a vulnerable adult as defined in section 626.557, the court shall impose an additional mandatory one-year sentence, notwithstanding sections 242.19, 243.05, 609.11, 609.12, and 609.135. The two sentences must be imposed to run consecutively.”

Renumber the sections of article 5 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	McGowan	Ramstad
Belanger	Decker	Knaak	McQuaid	Renneke
Benson	Frederick	Laidig	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pariseau	Taylor

Those who voted in the negative were:

Adkins	Dicklich	Kroening	Morse	Schmitz
Beckman	Diessner	Langseth	Novak	Solon
Bertram	Frank	Luther	Pehler	Spear
Brandl	Frederickson, D.J.	Marty	Peterson, D.C.	Stumpf
Cohen	Freeman	Merriam	Peterson, R.W.	Vickerman
Dahl	Hughes	Moe, D.M.	Pogemiller	Waldorf
Davis	Johnson, D.J.	Moe, R.D.	Reichgott	

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

Mr. Ramstad moved to amend H.F. No. 59, the unofficial engrossment, as follows:

Page 56, after line 7, insert:

“Sec. 2. Minnesota Statutes 1988, section 243.53, is amended to read:
243.53 [SEPARATE CELLS.]

When there are cells sufficient, each convict shall be confined in a separate cell. However, the commissioner shall incarcerate two persons per cell whenever necessary to accommodate correctional facility population.”

Renumber the sections of article 5 in sequence and correct the internal references

Page 79, line 29, delete “\$17,800,000” and insert “\$14,800,000”

Page 79, line 33, delete everything after “1991” and insert a period

Page 79, delete lines 34 to 36

Page 80, delete lines 1 and 2

Page 80, after line 5, insert:

“(c) \$3,000,000 is appropriated from the general fund to the commissioner of corrections to convert the correctional facilities at Stillwater,

Oak Park Heights, and St. Cloud to accommodate two persons per cell. This appropriation is available for the fiscal year ending June 30, 1990, and any unencumbered balance does not cancel and is available for the fiscal year ending June 30, 1991."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 38, as follows:

Those who voted in the affirmative were:

Anderson	Brandl	Frederickson, D.R.	McGowan	Renneke
Beckman	Brataas	Gustafson	McQuaid	Schmitz
Belanger	Dahl	Johnson, D.E.	Olson	Storm
Benson	Decker	Knaak	Pariseau	Taylor
Bernhagen	Frederick	Larson	Ramstad	

Those who voted in the negative were:

Adkins	Diessner	Langseth	Novak	Samuelson
Berglin	Frank	Lantry	Pehler	Solon
Bertram	Frederickson, D.J.	Luther	Peterson, D.C.	Spear
Chmielewski	Freeman	Marty	Peterson, R. W.	Stumpf
Cohen	Hughes	Merriam	Piper	Vickerman
Davis	Johnson, D.J.	Moe, D.M.	Pogemiller	Waldorf
DeCramer	Kroening	Moe, R. D.	Purfeerst	
Dicklich	Laidig	Morse	Reichgott	

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

Mr. Diessner moved to amend H.F. No. 59, the unofficial engrossment, as follows:

Page 55, after line 8, insert:

"Sec. 27. [CORRECTIONS SYSTEM DATA PLAN.]

Subdivision 1. [GENERAL.] The commissioner of corrections shall prepare a plan for establishing a centralized statewide system for the collection and analysis of data on felony offenders in the corrections system, including data maintained by the department of corrections, community corrections programs, the bureau of criminal apprehension, and court systems. The plan must include procedures for reporting consistent and accurate data on offenders, including reporting responsibilities, methods and frequency of reporting data, maintenance and access to data, analysis of data, and staff and resources required for implementing the system. The plan must include at least the following data analysis on offenders: monitoring of offenders in the corrections system for three years after release from prison, relationship of length of sentence and type of rehabilitation with rate of recidivism, and relationship of type of rehabilitation with lifestyle, such as employment and chemical abuse. The plan must include short-term and long-term objectives. The commissioner shall coordinate preparation of the plan with the activities of the sentencing guidelines commission under section 6. The commissioner shall consult with the task force established under subdivision 2 in preparing the plan.

Subd. 2. [TASK FORCE.] A task force is created to advise the commissioner of corrections in developing the plan under subdivision 1. The task force consists of seven members appointed by the governor. The members must include representatives of the department of corrections, a community corrections program, the supreme court information system, the sentencing

guidelines commission, the bureau of criminal apprehension, the information policy office in the department of administration, and the state planning agency. The commissioner may invite legislators to attend and participate in the task force. Upon receiving the commissioner's invitation, the majority leader of the senate may appoint three senators and the speaker of the house of representatives may appoint three representatives to attend and participate in the task force.

Subd. 3. [REPORT.] The commissioner of corrections shall submit the plan prepared under subdivision 1, including recommendations for legislative action, to the legislature by January 15, 1990."

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title accordingly

Mr. Knaak questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question recurred on the motion of Mr. Diessner.

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

Mr. Merriam moved to amend H.F. No. 59, the unofficial engrossment, as follows:

Page 23, line 2, delete the new language and insert ". *Chemically dependent person*" also means a pregnant woman who has engaged during the pregnancy in habitual and excessive use, for a nonmedical purpose, of any schedule I or II narcotic as defined in section 152.01, subdivision 10"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 45 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Johnson, D.E.	McQuaid	Ramstad
Anderson	Dicklich	Johnson, D.J.	Merriam	Renneke
Beckman	Frank	Knaak	Novak	Schmitz
Belanger	Frederick	Kroening	Olson	Solon
Benson	Frederickson, D.J.	Langseth	Pariscau	Storm
Bernhagen	Frederickson, D.R.	Larson	Pehler	Stumpf
Bertram	Freeman	Luther	Peterson, D.C.	Taylor
Brandl	Gustafson	Marty	Peterson, R.W.	Vickerman
Brataas	Hughes	McGowan	Purfeerst	Waldorf

Those who voted in the negative were:

Chmielewski	DeCramer	Moe, D.M.	Morse	Reichgott
Cohen	Diessner	Moe, R.D.	Pogemiller	Spear
Davis	Laidig			

The motion prevailed. So the amendment was adopted.

Mr. McGowan moved to amend H.F. No. 59, the unofficial engrossment, as follows:

Page 40, after line 11, insert:

"Sec. 3. [243.161] [NOTICE OF SEX OFFENDER'S ADDRESS.]

Subdivision 1. [TERMS.] (a) For purposes of this section, the following terms have the meanings given.

(b) "Law enforcement authority" means with respect to a home rule charter or statutory city, the chief of police, and with respect to an unincorporated area, the sheriff of the county.

(c) "Sex offender" means a person who has been convicted and sentenced under section 12, section 609.185, clause (2); 609.342; 609.343; 609.344; or 609.345 and is serving or is being released to serve the supervised release portion of the sentence imposed for that conviction.

Subd. 2. [LOCATION REPORT REQUIRED.] A probation officer shall report to the appropriate law enforcement authority the address of a sex offender who is assigned to that probation officer:

(1) when the sex offender is released from a correctional institution to serve the supervised release term; and

(2) when the sex offender changes addresses. A sex offender is deemed to change addresses when the sex offender remains at a new address for longer than two weeks and evinces an intent to take up residence there."

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mrs. Brataas moved to amend H.F No. 59, the unofficial engrossment, as follows:

Pages 49 and 50, delete sections 13 to 16 and insert:

"Sec. 13. 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 years or shall be committed to the commissioner of corrections for a term of imprisonment of not less than 20 years nor more than 40 years, and may be sentenced to a payment of a fine of not more than \$35,000, or both \$75,000.~~

Sec. 14. 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 years or shall be committed to the commissioner of corrections for a term of imprisonment of not less than 15 years nor more than 30 years, and may be sentenced to a payment of a fine of not more than \$30,000, or both \$60,000.~~

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "imposing mandatory minimum sentences for criminal sexual conduct;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	Olson	Taylor
Beckman	Decker	Knaak	Pariseau	Vickerman
Belanger	Frederick	Laidig	Purfeerst	
Benson	Frederickson, D.J.	Larson	Ramstad	
Bernhagen	Frederickson, D.R.	McGowan	Renneke	
Bertram	Gustafson	McQuaid	Storm	

Those who voted in the negative were:

Adkins	Diessner	Luther	Pehler	Spear
Brandl	Frank	Marty	Peterson, D.C.	Stumpf
Chmielewski	Freeman	Merriam	Peterson, R. W.	Waldorf
Cohen	Hughes	Moe, D.M.	Pogemiller	
Davis	Johnson, D.J.	Moe, R. D.	Reichgott	
DeCramer	Kroening	Morse	Schmitz	
Dicklich	Langseth	Novak	Solon	

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

Mr. Knaak moved to amend H.F. No. 59, the unofficial engrossment, as follows:

Page 52, after line 7, insert:

“Sec. 21. [609.3485] [CRIMINAL SEXUAL CONDUCT CRIMES; MANDATORY TESTING FOR HIV ANTIBODY.]

Subdivision 1. [TEST REQUIRED.] A person convicted of violating sections 609.342 to 609.345 must undergo a blood test to determine the presence of human immunodeficiency virus (HIV) antibody. The test results shall be forwarded to the department of health. The department of health shall make reasonable and good faith efforts to contact identified victims of criminal sexual conduct crimes and provide those victims with information relating to results of HIV blood tests.

Subd. 2. [CLASSIFICATION OF TEST RESULTS.] The results of the test required by subdivision 1 are classified as private data under chapter 13, except that the results are available to the department of health, the sentencing court, the commissioner of corrections, victims of the offender's criminal sexual conduct, and to a treatment program if treatment is made a condition of probation or supervised release.”

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Frederickson, D.J.	McGowan	Schmitz
Anderson	Chmielewski	Frederickson, D.R.	McQuaid	Storm
Beckman	Decker	Gustafson	Novak	Taylor
Belanger	Dicklich	Johnson, D.J.	Olson	Vickerman
Benson	Diessner	Knaak	Pariseau	Waldorf
Bernhagen	Frank	Laidig	Ramstad	
Bertram	Frederick	Larson	Renneke	

Those who voted in the negative were:

Brandl	Hughes	Merriam	Peterson, D.C.	Spear
Cohen	Kroening	Moe, D.M.	Peterson, R. W.	Stumpf
Davis	Langseth	Moe, R. D.	Pogemiller	
DeCramer	Luther	Morse	Reichgott	
Freeman	Marty	Pehler	Solon	

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend H.F. No. 59, the unofficial engrossment, as follows:

Page 79, after line 12, insert:

"ARTICLE 8

Section 1. [144.4235] [PROTECTION OF VIABLE FETUS.]

Subdivision 1. [LEGISLATIVE PURPOSE AND FINDINGS.] The legislature finds that there exists an important and compelling state interest in the life of a viable fetus.

The legislature finds that abortions are performed when the fetus may be viable; that some fetuses are born alive as a result of abortion; that some fetuses do survive the abortion procedure; and that the state has a compelling interest in protecting the life of the child born alive as a result of abortion.

Subd. 2. [DEFINITIONS.] For the purposes of this section, the following definitions apply:

(a) "Abortion" means the use of any instrument, medicine, drug, or any other substance or device to terminate the pregnancy of a woman known to be pregnant with an intention other than to increase the probability of a live birth, to preserve the life or health of the child after live birth, or to remove a dead fetus.

(b) "Born alive" means the complete expulsion or extraction from its mother of a fetus, irrespective of the duration of pregnancy, which after the separation, breathes or shows any other evidence of life such as beating of the heart, pulsation of the umbilical cord, or definite movement of voluntary muscles, whether or not the umbilical cord has been cut or the placenta is attached.

(c) "Fetus" or "unborn child" means an individual organism of the species homo sapiens from fertilization until birth.

(d) "Physician" means any person licensed to practice medicine under the medical practice act of this state.

(e) "Viability" or "viable" means that stage of fetal development when, in the medical judgment of the attending physician based on the particular facts of the case before the physician, there is a reasonable likelihood of sustained survival of the fetus outside the womb, with or without artificial support.

Subd. 3. [DUTY OF PHYSICIAN TO DETERMINE VIABILITY.] Before a physician performs an abortion on a woman whom the physician has reason to believe is carrying a fetus of 20 or more weeks gestational age, the physician shall first determine whether the fetus is viable by using and exercising that degree of care, skill, and proficiency commonly exercised by the ordinarily skillful, careful, and prudent physician.

Subd. 4. [POST-VIABILITY ABORTIONS NECESSARY TO PRESERVE THE LIFE OR HEALTH OF THE MOTHER.] No abortion of a viable fetus shall be performed unless, in the medical judgment of the attending or referring physician, based on the particular facts of the case before the physician, it is necessary to preserve the life or health of the woman. The physician shall certify in writing that the abortion is necessary to preserve the life or health of the woman and shall further certify in writing the medical indications for the abortion.

Subd. 5. [METHOD OF POST-VIABLE ABORTION.] Any physician who intentionally performs an abortion upon a woman carrying a viable fetus must use the available method of abortion that, in the physician's medical judgment, is most likely to preserve the life and health of the fetus.

Nothing in this section requires a physician to employ a method of abortion that, in the medical judgment of the physician performing the abortion, based on the particular facts of the case before the physician, would increase the medical risk to the mother. In all cases where the physician performs an abortion upon a viable fetus, the physician shall certify in writing the available methods of abortion considered and the reasons for choosing the method used.

Subd. 6. [SECOND PHYSICIAN REQUIRED.] An abortion of a viable fetus shall be performed only when there is in attendance a physician other than the physician performing the abortion. The second physician shall take control of and provide immediate medical care for any child born alive as a result of the abortion. This requirement shall not apply when, in the medical judgment of the physician performing the abortion, based on the particular facts of the case before the physician, there exists a medical emergency which would prevent the physician from securing a second physician.

Subd. 7. [STANDARD OF CARE.] During the performance of the abortion, the physician performing it, and after the abortion, the second physician required by subdivision 6 to be in attendance, shall take all reasonable steps in keeping with good medical practice, consistent with the procedure used, to preserve the life and health of the viable fetus.

Subd. 8. [PROTECTION OF CHILD BORN ALIVE.] A child born alive as a result of abortion shall be fully recognized as a human person and given immediate protection under the law. All reasonable measures consistent with good medical practice shall be taken to preserve the life and health of the child born alive as a result of abortion.

Subd. 9. [EXCEPTIONS.] Nothing in this section requires a physician to take any action which, in the medical judgment of the physician performing the abortion, based on the particular facts before the physician, would increase the medical risk to the mother.

Subd. 10. [SEVERABILITY.] If any provision, word, phrase, or clause of this section or its application to any person or circumstance is held invalid, the invalidity shall not affect the provisions, words, phrases, clauses, or application of this section that can be given effect without the invalid provision, word, phrase, clause, or application. The provisions, words, phrases, and clauses of this section are declared to be severable.

Subd. 11. [PENALTY.] A physician who intentionally, knowingly, or recklessly violates this section is subject to license revocation or suspension under section 147.141."

Renumber the articles in sequence and correct the internal references
Amend the title accordingly

Ms. Peterson, D.C. questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

H.F. No. 59 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

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

Those who voted in the affirmative were:

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

So the bill, as amended, was 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. 1358: Messrs. Moe, R.D.; Knutson and Brandl.

H.F. No. 1454: Messrs. Lessard, Schmitz and Ms. Olson.

H.F. No. 333: Messrs. Vickerman; Peterson, R.W. and Knaak.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mr. Pogemiller was excused from the Session of today from 12:00 noon to 1:20 p.m. Ms. Reichgott was excused from the Session of today from 12:00 noon to 12:45 p.m. Mr. Dahl was excused from the Session of today from 12:00 noon to 12:40 and at 11:30 p.m. Mr. Freeman was excused from the Session of today from 6:15 to 7:45 p.m. Mr. Solon was excused from the Session of today from 5:30 to 9:45 p.m. Mr. Lessard was excused from the Session of today at 7:00 p.m. Mr. Metzen was excused from the Session of today at 9:30 p.m. Mr. Knutson was excused from the Session of today at 7:00 p.m. Mr. Berg was excused from the Session of today at 10:00 p.m. Mr. Mehrkens was excused from the Session of today at 7:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Monday, May 15, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-SECOND DAY

St. Paul, Minnesota, Monday, May 15, 1989

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Daniel M. Cloeter.

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

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	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	

The President declared a quorum present.

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

REPORTS OF COMMITTEES

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 272: A bill for an act relating to veterans; providing for the establishment of a veterans home in Luverne; changing medical assistance income and asset limitations for veterans in community nursing homes to conform with those used for the veterans nursing homes; authorizing the commissioner of administration to conduct a study of the need for additional veterans homes in the state; appropriating money; amending Minnesota Statutes 1988, section 256B.056, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 198.

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.056, is amended by adding a subdivision to read:

Subd. 3a. [ASSET LIMITATIONS FOR VETERANS.] (a) Notwithstanding subdivision 3, the income and asset limitations for a veteran who is otherwise eligible for medical assistance are the income and asset limitations established by the board of directors of the Minnesota nursing homes for veterans applying for admission to a veterans home. The provisions concerning transfers of property in section 256B.17 do not apply to a veteran. For purposes of this subdivision, “veteran” has the meaning given in section 197.447.

(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).

Sec. 2. [VETERANS HOMES SITING STUDY.]

Subdivision 1. [STUDY AUTHORIZATION.] The commissioner of administration, in cooperation with the veterans home board of directors and the interagency board for quality assurance, 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, unless the region has been previously studied by the commissioner of administration. The study must recommend, in rank order within each affected region, sites for new veterans homes.

Subd. 4. [SOUTHWEST MINNESOTA SITE.] If the need for a veterans home is found to exist in southwest Minnesota, the site of the home shall be in Luverne. This determination expires on July 1, 1992, unless the United States Veterans Administration has approved the request to establish a veterans home in Luverne.

Sec. 3. [APPROPRIATION.]

\$200,000 is appropriated from the general fund to the commissioner of administration to conduct the study required by section 2."

Delete the title and insert:

"A bill for an act relating to veterans; changing medical assistance income and asset limitations for veterans in community nursing homes to conform with those used for the veterans nursing homes; authorizing the commissioner of administration to conduct a study of the need for additional veterans homes in the state; appropriating money; amending Minnesota Statutes 1988, section 256B.056, by adding a subdivision."

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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 be amended as follows:

Page 1, line 24, after the period, insert "*\$41,000 is for fiscal year 1990, and \$59,000 is for fiscal year 1991.*"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1416: 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.

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

Page 10, line 8, delete "and" and insert ". *The assessment under subdivision 4 must be credited to the account and is appropriated to the commissioner to make the payment required by subdivision 6.*"

Page 10, delete lines 9 and 10

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1081: A bill for an act relating to courts; providing for a study by the supreme court of racial bias in the judicial system; appropriating money.

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

Page 2, line 8, delete "\$" and insert "\$200,000"

Page 2, line 9, after the period, insert "\$50,000 is for fiscal year 1991, and \$75,000 for fiscal year 1992, and \$75,000 for fiscal year 1993."

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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, sections 388.051, subdivision 2; and 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 9, after the period, insert "'Generator" does not include a person who produces sharps as a result of administering medication to oneself."

Page 2, line 22, delete "certified"

Page 5, line 18, after the period, insert "*The commissioner of health shall prepare a summary of the quantities of infectious and pathological waste generated, by facility type.*"

Page 5, line 26, delete "\$150" and insert "\$225"

Page 5, line 27, delete "\$25" and insert "\$40"

Page 5, delete line 28 and insert "*deposited in the state treasury and credited to the general fund.*"

Page 6, line 14, delete from "\$150" through page 6, line 17, to "account" and insert "\$225. A person who incinerates on site at a hospital must submit a fee of \$100. The fee must be deposited in the state treasury and credited to the general fund"

Page 6, line 19, delete "90" and insert "180"

Page 7, line 20, delete "90" and insert "180"

Page 7, line 28, delete "\$150" and insert "\$225" and delete "credited to"

Page 7, line 29, delete "*an infectious waste account*" and insert "*deposited in the state treasury and credited to the general fund*"

Pages 10 and 11, delete section 12 and insert:

"Sec. 12. [APPROPRIATIONS.]

Subdivision 1. [POLLUTION CONTROL AGENCY.] \$265,000 is appropriated from the general fund to the commissioner of the pollution control agency for the biennium ending June 30, 1991, to carry out the requirements of sections 1 to 9. The approved complement of the pollution control agency is increased by two positions in fiscal year 1990 and one additional position in fiscal year 1991.

Subd. 2. [DEPARTMENT OF HEALTH.] \$200,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of sections 1 to 9. The approved complement of the department of health is increased by two and one-half positions.

Subd. 3. [HEALTH DEPARTMENT.] \$10,000 is appropriated from the general fund to the commissioner of health 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."

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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 be amended as follows:

Page 2, line 5, delete "*assure*" and insert "*ensure*"

Page 3, line 17, delete "7" and insert "6"

Page 4, line 3, delete "2" and insert "1"

Page 4, line 4, delete "*in*" and insert "*under*" and delete "3" and insert "2"

Page 4, line 18, delete the second "*the*" and insert "*an*"

Page 5, line 8, delete "\$452,000" and insert "\$200,000"

Page 5, line 9, delete "\$218,000" and insert "\$100,000"

Page 5, line 11, delete "\$234,000" and insert "\$100,000"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 345: A bill for an act relating to health; providing for the distribution of maternal and child health block grant funds; appropriating money; 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, line 33, delete ". *If*"

Page 2, delete lines 34 to 36

Page 3, lines 1 and 2, delete the new language

Pages 4 and 5, 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. Merriam from the Committee on Finance, 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 5, after line 24, insert:

"Sec. 10. [APPROPRIATION.]

\$324,000 is appropriated from the special revenue fund to the commissioner of labor and industry to conduct elevator inspections under this act. \$162,000 is for fiscal year 1990 and \$162,000 is for fiscal year 1991. The approved complement of the department of labor and industry is increased by four positions."

Amend the title as follows:

Page 1, line 3, after the second semicolon, insert "appropriating money;"

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

Mr. Merriam from the Committee on Finance, to which was referred

S.F. No. 1254: A bill for an act relating to appropriations; appropriating money for real estate chair at institutions of higher learning.

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

Page 1, line 10, delete from "*establishing*" through page 1, line 11, to "*learning*" and insert "*the continued, current-level funding of the Minnesota chair in real estate at St. Cloud state university*"

Amend the title as follows:

Page 1, delete line 3 and insert "the Minnesota chair in real estate."

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 161: 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.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 548: 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.

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

Page 1, after line 20, insert:

"Money contributed from a constitutionally or statutorily dedicated fund must be used only for purposes consistent with the purposes of the dedicated fund."

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 556: A bill for an act relating to elections; providing for handicap access to precinct caucuses and party conventions; providing for interpreters at precinct caucuses and party conventions; making convention and caucus materials available to the visually impaired; appropriating money; 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 4, line 26, delete "\$" and insert "\$39,000"

Page 4, line 27, delete "to" and insert ", who must"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 575: A bill for an act relating to resource development; establishing a legislative task force on minerals; appropriating money.

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

Page 2, line 2, delete "legislative"

Page 2, line 3, delete "commission on Minnesota resources" and insert "Minnesota future resources commission"

Page 2, line 9, delete "\$" and insert "\$10,000"

Page 2, line 10, delete "commissioner of natural resources" and insert "legislative coordinating commission"

Page 2, line 11, delete everything after the comma

Page 2, delete lines 12 to 15

Page 2, line 16, delete "section 1, and" and delete "expenses of the task force other than"

Page 2, line 17, after "of" insert "task force"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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; appropriating money.

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

Page 2, line 13, delete "3" and insert "31"

Page 3, line 10, delete "Section 1 is" and insert "Sections 1 and 2 are" and delete "January 4" and insert "February 1"

Page 3, delete section 4 and insert:

“Sec. 4. [APPROPRIATION.]

\$25,000 is appropriated from the general fund to the legislative coordinating commission for the small business procurements commission created in section 1.

\$75,000 is appropriated from the general fund to the commissioner of administration to study small business procurement programs under section 2.”

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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 be amended as follows:

Page 1, line 26, delete “\$” and insert “\$113,000” and delete “special revenue” and insert “general”

Page 2, line 3, after the period, insert “The approved complement of the office of the secretary of state is increased by two positions until June 30, 1991.”

Page 2, line 4, delete “\$” and insert “\$11,000”

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1036: A bill for an act relating to dislocated workers; providing procedures to assist workers dislocated by permanent closures or substantial layoffs; appropriating money; amending Minnesota Statutes 1988, section 268.08, subdivision 1; 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 8, insert:

“Section 1. Minnesota Statutes 1988, section 16B.06, is amended by adding a subdivision to read:

Subd. 2a. [EXCEPTION.] The requirements of subdivision 2 do not apply to state contracts distributing state or federal funds pursuant to the federal economic dislocation and worker adjustment assistance act, United States Code, title 29, section 1651 et seq., or sections 6 and 7. For these contracts, the commissioner of jobs and training is authorized to directly enter into state contracts with approval of the governor’s job training council, and encumber available funds to ensure a rapid response to the needs of dislocated workers. The commissioner shall adopt internal procedures to administer and monitor funds distributed under these contracts.”

Page 2, lines 5 and 30, delete “2” and insert “3”

Page 2, line 31, delete "7" and insert "8"

Page 3, lines 6 and 17, delete "5" and insert "6"

Page 5, lines 8 and 17, delete "5" and insert "6"

Page 5, line 34, delete the second "2" and insert "3"

Page 8, line 18, delete "4" and insert "5"

Page 8, line 25, delete "\$" and insert "\$350,000"

Page 8, line 30, delete "6" and insert "7"

Page 8, delete lines 33 to 36

Page 9, delete line 1

Page 9, line 2, delete "3" and insert "2" and delete "\$" and insert "\$50,000"

Page 9, line 6, delete "5" and insert "6"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "section" and insert "sections 16B.06, by adding a subdivision;"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 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; 488A.119; 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.

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

Delete everything after the enacting clause and insert:

“ARTICLE 1
JUDICIAL SYSTEM

Section 1. Minnesota Statutes 1988, section 3.732, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) “State” includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the housing finance agency, the higher education coordinating board, the higher education facilities authority, the armory building commission, the zoological board, the iron range resources and rehabilitation board, the state agricultural society, the University of Minnesota, state universities, community colleges, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) “Employee of the state” means all present or former officers, members, directors, or employees of the state, members of the Minnesota national guard, members of a bomb disposal unit approved by the commissioner of public safety and employed by a municipality defined in section 466.01 when engaged in the disposal or neutralization of bombs outside the jurisdiction of the municipality but within the state, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation. It does not include either an independent contractor or members of the Minnesota national guard while engaged in training or duty under United States Code, title 10, or title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. “Employee of the state” includes a public defender appointed by the state board of public defense or a ~~court appointed guardian ad litem, whether paid by the state or by a political subdivision.~~

(3) “Scope of office or employment” means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

(4) “Judicial branch” has the meaning given in section 43A.02, subdivision 25.

Sec. 2. Minnesota Statutes 1988, section 43A.02, subdivision 25, is amended to read:

Subd. 25. [JUDICIAL BRANCH.] “Judicial branch” means all judges of the appellate courts, all employees of the appellate courts, including commissions, boards and committees established by the supreme court, the board of law examiners, the law library, the office of the public defender, ~~and~~ all judges of all courts of law, *district court law clerks, district administration employees under section 484.68, and other agencies placed in the judicial branch by law. Judicial branch does not include district court referees or judicial officers, court reporters, district administration employees in the second and fourth judicial districts, court administrators or their staff under chapter 485, guardians ad litem, or other employees within the court system whose salaries are paid by the county, other than employees who remain on the county payroll under section 7, subdivision 2.*

Sec. 3. Minnesota Statutes 1988, section 43A.24, subdivision 2, is amended

to read:

Subd. 2. [OTHER ELIGIBLE PERSONS.] The following persons are eligible for state paid life insurance and hospital, medical, and dental benefits as determined in applicable collective bargaining agreements or by the commissioner or by plans pursuant to section 43A.18, subdivision 6, or by the board of regents for employees of the University of Minnesota not covered by collective bargaining agreements. Coverages made available, including optional coverages, are as contained in the plan established pursuant to section 43A.18, subdivision 2.

(a) a member of the state legislature, provided that changes in benefits resulting in increased costs to the state shall not be effective until expiration of the term of the members of the existing house of representatives. An eligible member of the state legislature may decline to be enrolled for state paid coverages by filing a written waiver with the commissioner. The waiver shall not prohibit the member from enrolling the member or dependents for optional coverages, without cost to the state, as provided for in section 43A.26. A member of the state legislature who returns from a leave of absence to a position previously occupied in the civil service shall be eligible to receive the life insurance and hospital, medical, and dental benefits to which the position is entitled;

(b) a permanent employee of the legislature or a permanent employee of a permanent study or interim committee or commission or a state employee on leave of absence to work for the legislature, during a regular or special legislative session;

(c) a judge of the appellate courts or an officer or employee of these courts; a judge of the district court, a judge of county court, a judge of county municipal court, or a judge of probate court; a *district court law clerk*; a district administrator; and an employee of the office of the district administrator of the fifth or the eighth judicial districts that is not in the second or fourth judicial district;

(d) a salaried employee of the public employees retirement association;

(e) a full-time military or civilian officer or employee in the unclassified service of the department of military affairs whose salary is paid from state funds;

(f) a salaried employee of the Minnesota historical society, whether paid from state funds or otherwise, who is not a member of the governing board;

(g) an employee of the regents of the University of Minnesota;

(h) notwithstanding section 43A.27, subdivision 3, an employee of the state of Minnesota or the regents of the University of Minnesota who is at least 60 and not yet 65 years of age on July 1, 1982, who is otherwise eligible for employee and dependent insurance and benefits pursuant to section 43A.18 or other law, who has at least 20 years of service and retires, earlier than required, within 60 days of March 23, 1982; or an employee who is at least 60 and not yet 65 years of age on July 1, 1982, who has at least 20 years of state service and retires, earlier than required, from employment at Rochester state hospital after July 1, 1981; or an employee who is at least 55 and not yet 65 years of age on July 1, 1982, and is covered by the Minnesota state retirement system correctional employee retirement plan or the state patrol retirement fund, who has at least 20 years of state service and retires, earlier than required, within 60 days of March

23, 1982. For purposes of this clause, a person retires when the person terminates active employment in state or University of Minnesota service and applies for a retirement annuity. Eligibility shall cease when the retired employee attains the age of 65, or when the employee chooses not to receive the annuity that the employee has applied for. The retired employee shall be eligible for coverages to which the employee was entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established pursuant to section 43A.18, for employees in positions equivalent to that from which retired, provided that the retired employee shall not be eligible for state-paid life insurance. Coverages shall be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program; and

(i) An employee of an agency of the state of Minnesota identified through the process provided in this paragraph who is eligible to retire prior to age 65. The commissioner and the exclusive representative of state employees shall enter into agreements under section 179A.22 to identify employees whose positions are in programs that are being permanently eliminated or reduced due to federal or state policies or practices. Failure to reach agreement identifying these employees is not subject to impasse procedures provided in chapter 179A. The commissioner must prepare a plan identifying eligible employees not covered by a collective bargaining agreement in accordance with the process outlined in section 43A.18, subdivisions 2 and 3. For purposes of this paragraph, a person retires when the person terminates active employment in state service and applies for a retirement annuity. Eligibility ends as provided in the agreement or plan, but must cease at the end of the month in which the retired employee chooses not to receive an annuity, or the employee is eligible for employer-paid health insurance from a new employer. The retired employees shall be eligible for coverages to which they were entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established under section 43A.18 for employees in positions equivalent to that from which they retired, provided that the retired employees shall not be eligible for state-paid life insurance.

Sec. 4. Minnesota Statutes 1988, section 352.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] "State employee" does not include:

- (1) elective state officers;
- (2) students employed by the University of Minnesota, the state universities, and community colleges unless approved for coverage by the board of regents, the state university board, or the state board for community colleges, as the case may be;
- (3) employees who are eligible for membership in the state teachers retirement association except employees of the department of education who have chosen or may choose to be covered by the Minnesota state retirement system instead of the teachers retirement association;
- (4) employees of the University of Minnesota who are excluded from coverage by action of the board of regents;
- (5) officers and enlisted personnel in the national guard and the naval militia who are assigned to permanent peacetime duty and who under federal law are or are required to be members of a federal retirement system;

(6) election officers;

(7) persons engaged in public work for the state but employed by contractors when the performance of the contract is authorized by the legislature or other competent authority;

(8) officers and employees of the senate and house of representatives or a legislative committee or commission who are temporarily employed;

(9) ~~court employees~~, referees, receivers, jurors, ~~and~~ notaries public, ~~and court employees who are not in the judicial branch as defined in section 43A.02, subdivision 25~~, except employees of the appellate courts and referees and adjusters employed by the department of labor and industry;

(10) patient and inmate help in state charitable, penal, and correctional institutions including the Minnesota veterans home;

(11) persons employed for professional services where the service is incidental to regular professional duties and whose compensation is paid on a per diem basis;

(12) employees of the Sibley House Association;

(13) employees of the Grand Army of the Republic and employees of the ladies of the G.A.R.;

(14) operators and drivers employed under section 16.07, subdivision 4;

(15) the members of any state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those boards if their compensation is \$500 or less per year, or, if they are legally prohibited from serving more than two consecutive terms and their total service is required by law to be less than ten years; and the board of managers of the state agricultural society and its treasurer unless the treasurer is also its full-time secretary;

(16) state troopers;

(17) temporary employees of the Minnesota state fair employed on or after July 1 for a period not to extend beyond October 15 of that year; and persons employed at any time by the state fair administration for special events held on the fairgrounds;

(18) emergency employees in the classified service; except that if an emergency employee, within the same pay period, becomes a provisional or probationary employee on other than a temporary basis, the employee shall be considered a "state employee" retroactively to the beginning of the pay period;

(19) persons described in section 352B.01, subdivision 2, clauses (b) and (c) formerly defined as state police officers;

(20) temporary employees in the classified service, temporary employees in the unclassified service appointed for a definite period of not more than six months and employed less than six months in any one-year period and seasonal help in the classified service employed by the department of revenue;

(21) trainees paid under budget classification number 41, and other trainee employees, except those listed in subdivision 2a, clause (10);

(22) persons whose compensation is paid on a fee basis;

(23) state employees who in any year have credit for 12 months service as teachers in the public schools of the state and as teachers are members of the teachers retirement association or a retirement system in St. Paul, Minneapolis, or Duluth;

(24) employees of the adjutant general employed on an unlimited intermittent or temporary basis in the classified and unclassified service for the support of army and air national guard training facilities;

(25) chaplains and nuns who have taken a vow of poverty as members of a religious order;

(26) labor service employees employed as a laborer 1 on an hourly basis;

(27) examination monitors employed by departments, agencies, commissions, and boards to conduct examinations required by law;

(28) members of appeal tribunals, exclusive of the chair, to which reference is made in section 268.10, subdivision 4;

(29) persons appointed to serve as members of fact-finding commissions or adjustment panels, arbitrators, or labor referees under chapter 179;

(30) temporary employees employed for limited periods under any state or federal program for training or rehabilitation including persons employed for limited periods from areas of economic distress except skilled and supervisory personnel and persons having civil service status covered by the system;

(31) full-time students employed by the Minnesota historical society intermittently during part of the year and full-time during the summer months;

(32) temporary employees, appointed for not more than six months, of the metropolitan council and of any of its statutory boards, if the board members are appointed by the metropolitan council;

(33) persons employed in positions designated by the department of employee relations as student workers;

(34) any person who is 65 years of age or older when appointed and who does not have allowable service credit for previous employment, unless the employee gives notice to the director within 60 days after appointment that coverage is desired;

(35) members of trades employed by the metropolitan waste control commission with trade union pension plan coverage under a collective bargaining agreement first employed after June 1, 1977;

(36) persons employed in subsidized on-the-job training, work experience, or public service employment as enrollees under the federal Comprehensive Employment and Training Act after March 30, 1978, unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement system to meet the minimum vesting requirements for a deferred annuity, or the employer agrees in writing on forms prescribed by the director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal Comprehensive Employment and Training Act, or the person agrees in writing on forms prescribed by the director to make the required employer contribution in addition to the required employee contribution;

(37) off-duty peace officers while employed by the metropolitan transit commission under section 629.40, subdivision 5; and

(38) persons who are employed as full-time firefighters by the department of military affairs and as firefighters are members of the public employees police and fire fund.

Sec. 5. 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 *and persons who elect to remain members under section 7, subdivision 2*;
- (3) officers and employees of the public employees retirement association;
- (4) employees of the league of Minnesota cities;
- (5) officers and employees of public hospitals owned or operated by, or an integral part of, a governmental subdivision or governmental subdivisions;
- (6) employees of a school district who receive separate salaries for driving their own buses;
- (7) employees of the association of Minnesota counties;
- (8) employees of the metropolitan intercounty association;
- (9) employees of the Minnesota municipal utilities association;
- (10) employees of the metropolitan airports commission if employment initially commenced after June 30, 1979;
- (11) employees of the Minneapolis employees retirement fund, if employment initially commenced after June 30, 1979;
- (12) employees of the range association of municipalities and schools;
- (13) employees of the soil and water conservation districts;
- (14) employees of a county historical society who are county employees;
- (15) employees of a county historical society located in the county whom the county, at its option, certifies to the executive director to be county employees for purposes of retirement coverage under this chapter, which status must be accorded to all similarly situated county historical society employees and, once established, must continue as long as a person is an employee of the county historical society and is not excluded under subdivision 2b;
- (16) employees of an economic development authority created under sections 458C.01 to 458C.23;
- (17) employees of the department of military affairs of the state of Minnesota who are full-time firefighters.

Sec. 6. Minnesota Statutes 1988, section 466.01, subdivision 6, is amended to read:

Subd. 6. [EMPLOYEE, OFFICER, OR AGENT.] For the purposes of sections 466.01 to 466.15, "employee," "officer," or "agent" means a present or former employee, officer, or agent of a municipality, or other

person acting on behalf of the municipality in an official capacity, temporarily or permanently, with or without compensation, but does not include an independent contractor. "Employee" includes district court referees and judicial officers, court reporters, court administrators and their staff under chapter 485, district administration staff in the second and fourth judicial districts, guardians ad litem, and other employees within the court system whose salaries are paid by the county, other than employees who remain on the county payroll under section 7, subdivision 2.

Sec. 7. [480.181] [TRANSFER OF EMPLOYEES TO JUDICIAL BRANCH.]

Subdivision 1. [STATE EMPLOYEES; COMPENSATION.] District court law clerks and district administration staff, other than district administration staff in the second and fourth judicial districts, are state employees and are governed by the judicial branch personnel rules adopted by the supreme court. The supreme court, in consultation with the conference of chief judges, shall establish the salary range of these employees under the judicial branch personnel rules. In establishing the salary ranges, the supreme court shall consider differences in the cost of living in different areas of the state.

Subd. 2. [ELECTION TO RETAIN INSURANCE AND BENEFITS; RETIREMENT.] (a) Before a person becomes a state employee under this section, the person may elect to do either or both of the following:

(1) keep life insurance; hospital, medical, and dental insurance; vacation and sick leave benefits and accumulated time; and other benefits provided by the county for similarly situated employees under the terms of a collective bargaining agreement or personnel policy, instead of receiving benefits from the state under the judicial branch personnel rules; or

(2) remain a member of the public employees retirement association or the Minneapolis employees retirement fund instead of joining the Minnesota state retirement system.

Employees who make an election under clause (1) remain on the county payroll, but the state shall reimburse the county on a quarterly basis for the salary and cost of the benefits provided by the county. The state shall make the employer contribution to the public employees retirement association or the Minneapolis employees retirement fund on behalf of employees who make an election under clause (2).

(b) An employee who makes an election under paragraph (a), clause (1), may revoke the election at any time. An employee who makes an election under paragraph (a), clause (2), may revoke the election at any time before the employee becomes a state employee. Once an employee revokes an election, the employee may not make another election under the same clause.

(c) The supreme court, after consultation with the conference of chief judges, the commissioner of employee relations, and the executive directors of the public employees retirement association and the Minnesota state retirement association, shall adopt procedures for making elections under this section.

(d) The supreme court shall notify all affected employees of the options available under this section. The executive directors of the public employees retirement association and the Minnesota state retirement system shall

provide counseling to affected employees on the effect of making an election to remain a member of the public employees retirement association.

Subd. 3. [ACCUMULATED BENEFITS.] A person who begins to receive benefits from the state under the judicial branch personnel rules under this section must receive credit for accumulated vacation and sick leave time, as certified by the county auditor and district administrator.

Subd. 4. [DATE OF EMPLOYMENT.] A person who is transferred from county or judicial district employment to state employment under this section is considered to have begun employment with the state on the date the person became a county or judicial district employee for purposes of determining eligibility for benefits.

Sec. 8. Minnesota Statutes 1988, section 480.235, is amended to read:
480.235 [TRIAL COURT INFORMATION SYSTEM.]

The cost of operating the trial court information system in a judicial district ~~must be shared between the state and the participating counties of a judicial district. The state share of operating costs is limited to the following categories: computer and terminal equipment hardware, computer and terminal equipment maintenance, software acquisition and maintenance, durable supplies, communications equipment acquisition and maintenance, data communications, and new judicial district systems personnel. The participating counties of a judicial district must pay all other operating costs, including but not limited to: space rental for computer equipment, utilities, consumable supplies, postage, off-site computer disk file storage, and all personnel-related expenses, other than salaries and fringe benefits for judicial district systems personnel will be paid by the state.~~

Sec. 9. Minnesota Statutes 1988, section 484.545, subdivision 1, is amended to read:

Subdivision 1. ~~The district judges regularly assigned to hold court in each judicial district except for the second, fourth, and tenth judicial districts may by orders filed with the court administrator and county auditor of each county in the district appoint a competent law clerk for every two district court judges of the judicial district. The district judges regularly assigned to hold court in the first and tenth judicial districts may by orders filed with the court administrator and county auditor of each county in the district appoint a competent law clerk for each district court judge of the district.~~

Sec. 10. Minnesota Statutes 1988, section 484.545, subdivision 2, is amended to read:

Subd. 2. ~~Notwithstanding any law to the contrary, in all judicial districts, except the fourth judicial district, a salary range for law clerks shall be established annually by the judicial district administrator with the approval of a majority of judges of the district. the salary for each law clerk shall be set within that range annually by the district administrator after consultation with the chief judge chief judge, after consultation with the judges of the district, within the range established under section 7, as provided in the judicial branch personnel rules.~~

~~Nothing herein shall change the manner by which law clerk salaries are paid, the proportions among the various counties of a judicial district by which the funds are allocated or any statutory provision related to law~~

clerk compensation other than the manner of setting salary. Each county shall be required by the order to pay a specified amount thereof in monthly installments which shall be such proportion of the whole salaries as the population of the county is to the total population of the counties to which the judge is assigned as determined by the last census.

Sec. 11. Minnesota Statutes 1988, section 484.64, subdivision 3, is amended to read:

Subd. 3. The board of county commissioners of Ramsey county shall provide suitable chambers and courtroom space, clerks, reporters, bailiffs, and one or more referees and other personnel to assist said judge, together with necessary library, supplies, stationery and other expenses necessary thereto. *The state shall provide law clerks.*

Sec. 12. Minnesota Statutes 1988, section 484.65, subdivision 3, is amended to read:

Subd. 3. The board of county commissioners of Hennepin county shall provide suitable chambers and courtroom space, clerks, secretaries or reporters, bailiffs, and one or more referees and other personnel to assist said judge, together with necessary library, supplies, stationery and other expenses necessary thereto. *The state shall provide law clerks.*

Sec. 13. Minnesota Statutes 1988, section 484.68, subdivision 5, is amended to read:

Subd. 5. [BUDGET FOR OFFICE.] The office budget of the district administrator shall be ~~set by the chief judge of the judicial district and apportioned among the counties of the district paid by the state.~~ The budget must include sufficient money for the staff authorized by this section and other staff and expenses authorized under law. *A county shall provide office facilities for the district administrator. In multicounty districts, the state shall pay rent for the office facilities of the district administrator.*

Sec. 14. Minnesota Statutes 1988, section 488A.119, is amended to read:

488A.119 [BAILIFFS; AND DEPUTY COURT ADMINISTRATORS AND LAW CLERKS; APPOINTMENT, TENURE; OATH AND BOND; SALARIES.]

A majority of the judges may appoint an individual or individuals to perform the function of court room bailiff; ~~or deputy court administrator and law clerk~~ or any combination thereof. The appointment may be terminated by a majority of the judges without hearing or notice. A majority of the judges may establish requirements as to oath and bond. The salary or salaries of said individual or individuals shall be set by the Hennepin county board of commissioners and shall be paid by the Hennepin county treasurer.

Sec. 15. [TRANSITIONAL PROVISIONS.]

Subdivision 1. [HIRING AND SALARY MORATORIUM.] *A county or a court may not increase the number of law clerks or district administration employees in the county, other than district administration employees in the second or fourth judicial district, without approval of the supreme court, unless the increase was authorized before January 30, 1989. A county or a court may not increase the salaries of these employees without the approval of the supreme court, unless the increase is made under a*

plan adopted before January 30, 1989.

Subd. 2. [TRANSFER OF PROPERTY.] The title to all personal property owned by the county that is used by law clerks and district administration employees, other than district administration employees in the second and fourth judicial districts, in the scope of their employment is transferred to the state effective July 1, 1990.

Subd. 3. [RULES.] The supreme court, in consultation with the conference of chief judges, may adopt rules to implement this article.

Sec. 16. [CONTINUED STUDY BY SUPREME COURT.]

The supreme court shall continue to study the county-funded components of the district courts and make recommendations to the legislature by February 1, 1991, regarding their control and financing. The supreme court shall also study practices regarding legal counsel for juveniles and make recommendations to the legislature by December 31, 1990.

Sec. 17. [REPEALER.]

Minnesota Statutes 1988, sections 487.31, subdivision 4; and 525.012, subdivisions 1, 2, 3, and 4, are repealed.

Sec. 18. [EFFECTIVE DATES.]

Sections 1 and 6 are effective July 1, 1990, and apply to claims made on or after that date.

Sections 2 to 5 and 7 to 14 are effective July 1, 1990.

Section 15 is effective the day following final enactment.

Section 17 is effective July 1, 1989.

ARTICLE 2

PUBLIC DEFENDER SYSTEM

Section 1. Minnesota Statutes 1988, section 611.26, subdivision 2, is amended to read:

Subd. 2. The state board of public defense shall appoint a district public defender. When appointing a district public defender, the state board of public defense membership shall be increased to include two judges of the district and two county commissioners of the counties within the district. The additional members shall serve only in the capacity of selecting the district public defender. The judges within the district shall elect their two ad hoc members. The two county commissioners within the district shall be selected by the county boards of the counties within the district. The ad hoc state board of public defense shall appoint a district public defender only after requesting and giving reasonable time to receive any recommendations from the public, the local bar association, the judges of the district, and the county commissioners within the district. Each district public defender shall be a qualified attorney, licensed to practice law in this state. The district public defender shall be appointed for a term of four years, beginning August 1, pursuant to the following staggered term schedule: (1) in 1987, the third and eighth districts; (2) in 1988, the first and tenth districts; (3) in 1989, the fifth and ninth districts; ~~and~~ (4) in 1990, the sixth and seventh districts; (5) in 1991, the third and eighth districts; and (6) in 1992, the first, second, fourth, and tenth districts. The district public defenders shall serve for staggered four-year terms and may be

removed for cause upon the order of the state board of public defense. Vacancies in the office shall be filled by the appointing authority for the unexpired term.

Sec. 2. [611.263] [SECOND AND FOURTH JUDICIAL DISTRICTS; DISTRICT PUBLIC DEFENDERS; EMPLOYEES OF RAMSEY AND HENNEPIN COUNTIES; PUBLIC EMPLOYER.]

Subdivision 1. [EMPLOYEES.] (a) The district public defender and assistant public defenders of the second judicial district are employees of Ramsey county in the unclassified service under section 383A.286.

(b) The district public defender and assistant public defenders of the fourth judicial district are employees of Hennepin county under section 383B.63, subdivision 6.

Subd. 2. [PUBLIC EMPLOYER.] (a) Notwithstanding section 179A.03, subdivision 15, clause (c), the Ramsey county board is the public employer under the public employment labor relations act for the district public defender and assistant public defenders of the second judicial district.

(b) Notwithstanding section 179A.03, subdivision 15, clause (c), the Hennepin county board is the public employer under the public employment labor relations act for the district public defender and assistant public defenders of the fourth judicial district.

Sec. 3. [TRANSITION.]

The district public defender of the second judicial district serving on July 1, 1989, shall continue in office until the expiration of the term to which appointed or until August 1, 1992, whichever date is later.

The district public defender of the fourth judicial district serving on July 1, 1989, shall continue in office until the expiration of the term to which appointed or until August 1, 1992, whichever date is later.

Sec. 4. [REPEALER.]

Minnesota Statutes 1988, sections 383B.63, subdivisions 4 and 5; 611.12; and 611.214; and Laws 1975, chapter 258, section 6, subdivisions 1, 3, 4, and 5, are repealed.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective July 1, 1990.

ARTICLE 3

FEEs

Section 1. Minnesota Statutes 1988, section 357.021, subdivision 1a, is amended to read:

Subd. 1a. Every person, including the state of Minnesota and all bodies politic and corporate, who shall transact any business in the district court, shall pay to the court administrator of said court, for the use of said county, the sundry fees hereinafter prescribed; provided, however, that no county to which this section applies, being a party to any action or proceeding in the district court established in such county, shall be required to pay fees to the court administrator thereof in subdivision 2. The court administrator shall transmit the fees monthly to the county treasurer. Effective July 1, 1989, the county treasurer shall forward \$20 of each fee collected under subdivision 2, clauses (1)(a) and (1)(b), to the state treasurer for deposit

in the state treasury and credit to the general fund. Effective July 1, 1990, the county treasurer shall forward all of the fees collected under subdivision 2, clauses (1)(a) and (1)(b), to the state treasurer for deposit in the state treasury and credit to the general fund or credit to the special revenue fund as required under subdivision 2a. Except as provided in subdivision 2a, the remaining fees under subdivision 2 must be deposited in the county general fund.

Sec. 2. Minnesota Statutes 1988, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) (a) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of ~~\$30~~ \$50, except that in an action for marriage dissolution, the fee is ~~\$55~~ \$90.

(b) The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of ~~\$30~~ \$50.

(c) The party requesting a trial by jury shall pay \$30.

(d) The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under sections 106A.005 to 106A.811, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding \$5, plus 25 cents per page after the first page and \$3.50, plus 25 cents per page after the first page for an uncertified copy.

(3) Issuing a subpoena \$3 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$5.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$5.

(6) Filing and entering a satisfaction of judgment, partial satisfaction or assignment of judgment, \$5.

(7) Certificate as to existence or nonexistence of judgments docketed, \$1 for each name certified to and \$3 for each judgment certified to.

(8) Filing and indexing trade name; or recording notary commission; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians or optometrists, \$5.

(9) For the filing of each partial, final, or annual account in all trusteeships, \$10.

(10) All other services required by law for which no fee is provided such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

Sec. 3. Minnesota Statutes 1988, section 357.021, subdivision 4, is amended to read:

Subd. 4. Nothing in this section shall be construed as amending, modifying, *redistributing*, or repealing the provisions as to library fees contained in chapter 140.

Sec. 4. [357.022] [CONCILIATION COURT FEE.]

The court administrator in every county shall charge and collect a filing fee of \$10 from every plaintiff and from every defendant when the first paper for that party is filed in any conciliation court action. The court administrator shall transmit the fees monthly to the county treasurer who shall forward the funds to the state treasurer for deposit in the state treasury and credit to the general fund.

Sec. 5. Minnesota Statutes 1988, section 357.08, is amended to read:

357.08 [PAID BY APPELLANT IN APPEAL.]

There shall be paid to the clerk of the appellate courts by the appellant, or moving party or person requiring the service, in all cases of appeal, certiorari, habeas corpus, mandamus, injunction, prohibition, or other original proceeding, when initially filed with the clerk of the appellate courts, the sum of ~~\$50~~ \$60 to the clerk of the appellate courts. ~~In addition, there shall be paid by the appellant or moving party or person the sum of \$10 to the court or agency whose decision is sought to be reviewed.~~ No additional filing fee shall be required for a petition for accelerated review by the supreme court. A filing fee of \$50 shall be paid to the clerk of the appellate courts upon the filing of a petition for review from a decision of the court of appeals. *The clerk shall transmit the fees to the state treasurer for deposit in the state treasury and credit to the general fund.*

The clerk shall not file any paper, issue any writ or certificate, or perform any service enumerated herein, until the payment has been made for it. The clerk shall pay the sum into the state treasury as provided for by section 15A.01.

The charges provided for shall not apply to disbarment proceedings, nor to an action or proceeding by the state taken solely in the public interest, where the state is the appellant or moving party, nor to copies of the opinions of the court furnished by the clerk to the parties before judgment, or furnished to the district judge whose decision is under review, or to such law library associations in counties having a population exceeding 50,000, as the court may direct.

Sec. 6. Minnesota Statutes 1988, section 480.058, is amended to read:

480.058 [RIGHT RESERVED.]

Subdivision 1. [BY LEGISLATURE.] Sections 480.051 to 480.058 shall not abridge the right of the legislature to enact, modify, or repeal any statute or modify or repeal any rule of the supreme court adopted pursuant thereto.

Subd. 2. [APPELLATE FEES AND FORFEITS.] Appellate court fees collected under Minnesota Rules of Civil Appellate Procedure Numbers 103, 115, 120, 121, or other law or rule, and bond amounts or security deposits forfeited under Minnesota Rules of Civil Appellate Procedure Numbers 107 and 108 must be transmitted to the state treasurer for deposit in the state treasury and credit to the general fund.

Sec. 7. Minnesota Statutes 1988, section 485.018, subdivision 5, is amended to read:

Subd. 5. [COLLECTION OF FEES.] The court administrator of district court shall charge and collect all fees as prescribed by law and all such fees collected by the court administrator as court administrator of district court shall be paid to the county treasurer. *The county treasurer shall forward revenues from fees collected under section 357.021, subdivision 2, clauses (1)(a) and (1)(b), and section 4 to the state treasurer for deposit in the state treasury and credit to the general fund or the special revenue fund, in the manner and at the times prescribed by the county board state treasurer, but not less often than once each month. All other money must be deposited in the county general fund unless otherwise provided by law.* The court administrator of district court shall not retain any additional compensation, per diem or other emolument for services as court administrator of district court, but may receive and retain mileage and expense allowances as prescribed by law.

Sec. 8. Minnesota Statutes 1988, section 487.31, subdivision 1, is amended to read:

Subdivision 1. The fees payable to the court administrator for the following services in civil actions are:

In all civil actions within the jurisdiction of the county court, the fees payable to the court administrator shall be the same as in district court. ~~The county court shall determine by rule the fees payable in cases heard in the conciliation division of the county court. The fee payable for cases heard in the conciliation court division is established under section 4. The conciliation court filing fees must be transmitted to the county treasurer who shall forward them to the state treasurer for deposit in the state treasury and credit to the general fund.~~

The fees payable to the court administrator for the following services in petty misdemeanors or criminal actions are governed by the following provisions:

In the event the court takes jurisdiction of a prosecution for the violation of a statute or ordinance by the state or a governmental subdivision other than a city or town within the county court district; all fines, penalties and forfeitures collected shall be paid over to the treasurer of the governmental subdivision which submitted a case for prosecution except where a different disposition is provided by law, in which case payment shall be made to the public official entitled thereto. The following fees for services in petty misdemeanor or criminal actions shall be taxed to the state or governmental subdivision which would be entitled to payment of the fines, forfeiture or penalties in any case, and shall be retained by the court administrator for disposing of the matter but in no case shall the fee that is taxed exceed the fine that is imposed. The court administrator shall deduct the fees from any fine collected and transmit the balance in accordance with the law, and the deduction of the total of such fees each month from the total of all such fines collected is hereby expressly made an appropriation of funds for payment of such fees:

(1) In all cases where the defendant pleads guilty at or prior to first appearance and sentence is imposed or the matter is otherwise disposed of without a trial \$5

(2) Where the defendant pleads guilty after first appearance or prior to

trial \$10

(3) In all other cases where the defendant is found guilty by the court or jury or pleads guilty during trial \$15

(4) The court shall have the authority to waive the collection of fees in any particular case.

The fees set forth in this subdivision shall not apply to parking violations for which complaints and warrants have not been issued.

Sec. 9. Minnesota Statutes 1988, section 488A.14, subdivision 1, is amended to read:

Subdivision 1. [COMMENCEMENT OF ACTION.] An action is commenced against each defendant when the complaint is filed with the court administrator of conciliation court and a *the* filing fee of \$9 is paid to the court administrator or the prescribed affidavit in lieu of *the* filing fee is filed. *The filing fees must be transmitted to the county treasurer who shall forward them to the state treasurer for deposit in the state treasury and credit to the general fund.*

Sec. 10. Minnesota Statutes 1988, section 488A.17, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE FOR REMOVAL OF CAUSE.] No cause shall be removed by the aggrieved party unless all of the following acts are performed within 20 days after the date the court administrator mailed to the aggrieved party notice of the order for judgment:

(a) Serving on the opposing party or the opposing party's attorney a demand for removal of the cause to the municipal court for trial de novo stating whether trial by a jury of six persons or by the court without a jury is demanded. Service shall be made upon a party by mail or by personal service in accordance with the provisions for personal service of a summons in the municipal court or shall be made upon the party's attorney in accordance with the provisions for service of a notice of motion upon an attorney in the municipal court. The demand shall show the office address of the attorney for each party and the residence address of each party who does not have an attorney.

(b) Filing with the court administrator of conciliation court the original demand for removal and proof of service thereof. If the opposing party or the opposing party's attorney cannot be found and service of the demand is made within the 20 day period, the aggrieved party may file with the court administrator within the 20 day period the original and a copy of the demand, together with an affidavit by the aggrieved party or the party's attorney showing that due and diligent search has been made and that the opposing party or the opposing party's attorney cannot be found. The filing of this affidavit shall serve in lieu of making service and filing proof of service. When an affidavit is filed, the court administrator shall mail the copy of the demand to the opposing party at the opposing party's last known residence address.

(c) Filing with the court administrator of conciliation court an affidavit by the aggrieved party or the aggrieved party's attorney stating that the removal is made in good faith and not for the purpose of delay.

(d) Paying to the court administrator of conciliation court \$2 ~~when the demand is for trial by court or \$7 when the demand is for trial by a jury of six persons as the fee for removal the amount of the filing fee for a civil action in district court.~~ *The fees must be transmitted to the county treasurer who*

shall forward them to the state treasurer for deposit in the state treasury and credit to the general fund.

Sec. 11. Minnesota Statutes 1988, section 488A.31, subdivision 1, is amended to read:

Subdivision 1. [FILING FEE.] An action is commenced against each defendant when the complaint is filed with the administrator of conciliation court and ~~a the filing fee set by the board of Ramsey county commissioners is paid to the administrator or the prescribed affidavit in lieu of filing fee is filed. No filing fee is payable by the county. The fees must be transmitted to the county treasurer who shall forward them to the state treasurer for deposit in the state treasury and credit to the general fund.~~

Sec. 12. Minnesota Statutes 1988, section 488A.34, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE FOR REMOVAL OF CAUSE.] No cause shall be removed by the aggrieved party unless all of the following acts are performed within 20 days after the date the administrator mailed to the aggrieved party notice of the order for judgment:

(a) Serving on the opposing party or the opposing party's attorney a demand for removal of the cause to the municipal court for trial de novo stating whether trial by a jury of six persons or by the court without a jury is demanded. Service shall be made upon a party by mail or by personal service in accordance with the provisions for personal service of a summons in the municipal court or shall be made upon the party's attorney in accordance with the provisions for service of a notice of motion upon an attorney in the municipal court. The demand shall show the office address of the attorney for each party and the residence address of each party who does not have an attorney.

(b) Filing with the administrator of conciliation court the original demand for removal and proof of service thereof. If the opposing party or the opposing party's attorney cannot be found and service of the demand is made within the 20 day period, the aggrieved party may file with the administrator within the 20 day period the original and a copy of the demand, together with an affidavit by the aggrieved party or the aggrieved party's attorney showing that due and diligent search has been made and that the opposing party or the opposing party's attorney cannot be found. The filing of this affidavit shall serve in lieu of making service and filing proof of service. When an affidavit is filed, the administrator shall mail the copy of the demand to the opposing party at the opposing party's last known address.

(c) Filing with the administrator of conciliation court an affidavit by the aggrieved party or the opposing party's attorney stating that the removal is made in good faith and not for the purpose of delay.

(d) Paying to the administrator of conciliation court ~~as the fee set by the board of Ramsey County commissioners when the demand is for trial by court, and the fee as set by the Ramsey County commissioners when the demand is for trial by a jury of six for removal the amount of the filing fee for a civil action in district court. The above fee is not payable by the county. The fees shall be forwarded to the state treasurer for deposit in the state treasury and credited to the general fund.~~

Sec. 13. Minnesota Statutes 1988, section 525.033, is amended to read:

525.033 [FEES FOR FILING PETITIONS.]

The probate court shall collect a fee as established by section 357.021, subdivision 2, clause (1), for filing a petition to commence a proceeding under this chapter and chapter 524. The fee for copies of all documents in probate proceedings must be the same as the fee established for certified copies in civil proceedings under section 357.021, subdivision 2. *Fees collected under this section and section 525.031 must be transmitted to the county treasurer who shall forward them to the state treasurer for deposit in the state treasury and credit to the general fund.*

Sec. 14. [DE NOVO HEARINGS FROM CONCILIATION COURT.]

Fees collected under county court rule No. 1.21, and special rules of procedure for county court of St. Louis county No. 29.21, shall be forwarded to the state treasurer for deposit in the state treasury and credit to the general fund.

Sec. 15. [EFFECTIVE DATES.]

*Sections 1 to 3 are effective July 1, 1989.
Sections 4 to 14 are effective July 1, 1990.*

ARTICLE 4

TRANSITION AID AND LOCAL GOVERNMENT AID

Section 1. Minnesota Statutes 1988, section 273.1398, subdivision 2, is amended to read:

Subd. 2. [TRANSITION AID.] (a) Transition aid for each unique taxing jurisdiction for taxes payable in 1990 equals the total gross taxes levied on all properties, minus the unique taxing jurisdiction's subtraction factor. Transition aid cannot be less than zero. The transition aid so determined for school districts for purposes of general education and transportation levies shall be multiplied by the ratio of the adjusted gross tax capacity based upon the 1988 adjusted gross tax capacity to the estimated 1987 adjusted gross tax capacity based upon the 1987 adjusted assessed value. Each county assessor and the city assessors of Minneapolis, Duluth, and St. Cloud shall furnish the commissioner of revenue with the 1988 market values for taxes payable in 1989 for any new classes of property established in this article. The commissioner shall use those values, and estimate values where needed, in developing the 1988 tax capacity for each unique taxing jurisdiction under this section.

(b)(1) The transition aid is allocated to each local government levying taxes in the unique taxing jurisdiction in the proportion that the local government's gross taxes bears to the total gross taxes levied within the unique taxing jurisdiction.

(2) If a local government's total tax capacity rate for all funds for taxes payable in 1989 varies within the area in which it exercises taxing authority, the local government's allocated transition aid must be further allocated between the part of its levy in respect to which the tax capacity rate is constant throughout the area in which it exercises taxing authority and the part of its levy in respect to which the tax capacity rate varies throughout the area in which it exercises taxing authority.

(c) In 1991 and subsequent years, a local government shall receive transition aid equal to that it received in 1990 subject to the requirement of the last sentence of subdivision 6.

(d) The difference between (1) the income maintenance aids payable to a county and (2) the income maintenance aids that would be payable to the county pursuant to the rates in effect for calendar year 1989 shall be reduced by the sum of the amount of transition aid a county receives under this subdivision for all unique taxing jurisdictions located within its borders. The reduction must not reduce the difference to less than zero. The reduction shall be prorated among all payments of the increased income maintenance aids so that each payment is reduced by an equal percentage amount. The commissioner of revenue shall certify each county's transition aid to the commissioner of human services for purposes of this adjustment.

(e) *Payments under this subdivision to counties in 1991 and subsequent years shall be reduced by the amount provided in section 477A.012, subdivision 3, paragraph (e).*

Sec. 2. Minnesota Statutes 1988, section 477A.012, is amended by adding a subdivision to read:

Subd. 3. [AID OFFSET FOR COURT COSTS.] (a) There shall be deducted from the payment to a county under this section an amount representing the cost to the state for assumption of the cost of operation of the district courts and public defense activities in the county. The amount of the deduction shall be computed as provided in this subdivision.

(b) By June 15, 1990, the board of public defense shall determine and certify to the supreme court the pro rata share for each county of the state-financed public defense services as provided in this act during the fiscal year beginning the following July 1. By June 30, 1990, the supreme court shall determine and certify to the department of revenue for each county the sum of the amounts certified by the board of public defense and the pro rata share for each county of district court costs as provided in this act during the fiscal year beginning on the following July 1.

(c) The amount deducted from each payment to each county under subdivisions 1 and 2 shall be reduced by the amount certified by the supreme court under paragraph (b) less the amount of fees that would have been collected by courts in that county during fiscal year 1990 if the fees for civil and probate filings had been \$30 and the fee for a marriage dissolution had been \$55.

(d) Twenty-five percent of the amount computed under paragraph (c) for each county shall be deducted from each payment to the county under section 477A.015 in 1990. One-half of the amount computed under paragraph (c) for each county shall be deducted from each payment to the county under section 477A.015 in 1991 and each subsequent year.

(e) If the amount computed under paragraph (c) exceeds the amount payable to a county under subdivisions 1 and 2, the excess shall be deducted from the aid payable to the county under section 273.1398, subdivision 2.

ARTICLE 5

APPROPRIATIONS

Section 1. [JUDICIAL SYSTEM.]

Subdivision 1. [DISTRICT COURT.] \$8,203,000 is appropriated from the general fund for funding the district court law clerks, district administration staff, and the trial court information system, to be available for

fiscal year 1991.

Subd. 2. [SUPREME COURT.] \$304,000 is appropriated from the general fund to the supreme court for administrative costs under this act. \$100,000 is for fiscal year 1990 and \$204,000 is for fiscal year 1991.

Sec. 2. [STATE BOARD OF PUBLIC DEFENSE.]

Subdivision 1. [PUBLIC DEFENDER SYSTEM.] \$11,837,000 is appropriated from the general fund to the state board of public defense for purposes of implementing this act, to be available for fiscal year 1991.

Subd. 2. [WEIGHTED CASELOAD STUDY.] \$100,000 is appropriated from the general fund to the state board of public defense to make a weighted caseload study of the public defender system."

Delete the title and insert:

"A bill for an act relating to judicial administration; providing for the transfer of 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 state funding of the trial court information system; 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; providing for conciliation court fees and transferring certain fees to the state; 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; 273.1398, subdivision 2; 352.01, subdivision 2b; 353.01, subdivision 2a; 357.021, subdivisions 1a, 2, and 4; 357.08; 466.01, subdivision 6; 477A.012, by adding a subdivision; 480.058; 480.235; 484.545, subdivisions 1 and 2; 484.64, subdivision 3; 484.65, subdivision 3; 484.68, subdivision 5; 485.018, subdivision 5; 487.31, subdivision 1; 488A.119; 488A.14, subdivision 1; 488A.17, subdivision 2; 488A.31, subdivision 1; 488A.34, subdivision 2; 525.033; and 611.26, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 357; 480; and 611; repealing Minnesota Statutes 1988, sections 383B.63, subdivisions 4 and 5; 487.31, subdivision 4; 525.012, subdivisions 1, 2, 3, and 4; 611.12; and 611.214; and Laws 1975, chapter 258, section 6, subdivisions 1, 3, 4, and 5."

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. Merriam from the Committee on Finance, to which was referred

H.F. No. 892: 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 and 9.

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 299F.362, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following definitions shall apply:

(a) "Apartment house" is any building, or portion thereof, which is designed, built, rented, leased, let, or hired out to be occupied, or which is occupied as the home or residence of three or more families living independently of each other and doing their own cooking in the building, and shall include buildings containing three or more flats or apartments.

(b) "Dwelling" is any building ~~constructed, remodeled, rented, or offered for rent after January 1, 1980,~~ or any portion thereof which is not an apartment house, lodging house or a hotel and which contains one or two "dwelling units" which are, or are intended or designed to be, occupied for living purposes.

(c) "Dwelling unit" is a single unit providing complete, independent living facilities for one or more persons including permanent provisions for living, sleeping, eating, cooking and sanitation, or a single unit used by one or more persons for sleeping and sanitation pursuant to a work practice or labor agreement.

(d) "Hotel" is any building or portion thereof containing six or more guest rooms intended or designed to be used, or which are used, rented or hired out to be occupied, or which are occupied for sleeping purposes by guests.

(e) "Lodging house" is any building or portion thereof, containing not more than five guest rooms which are used or are intended to be used for sleeping purposes by guests and where rent is paid in money, goods, labor or otherwise.

Sec. 2. Minnesota Statutes 1988, section 299F362, is amended by adding a subdivision to read:

Subd. 3a. [NEW CONSTRUCTION; DWELLINGS.] In construction of a new dwelling, each smoke detector must be attached to a centralized power source.

Sec. 3. Minnesota Statutes 1988, section 299F362, subdivision 6, is amended to read:

Subd. 6. [PENALTIES.] (a) Any person who violates any provision of this section shall be subject to the same penalty ~~incurred and the enforcement mechanism that is provided~~ for violation of the uniform fire code, as specified in section 299F011, subdivision 6.

(b) An occupant who willfully disables a smoke detector or causes it to be nonfunctioning, resulting in damage or injury to persons or property, is guilty of a misdemeanor.

Sec. 4. Minnesota Statutes 1988, section 299F362, subdivision 7, is amended to read:

Subd. 7. [LOCAL UNITS OF GOVERNMENT; VARIANCES.] This section prohibits a local unit of government from adopting standards different from those provided in this section; ~~except that, as to new construction, a local unit of government may require that smoke detectors be attached to a centralized electrical power source.~~

Sec. 5. Minnesota Statutes 1988, section 299F362, subdivision 9, is amended to read:

Subd. 9. Notwithstanding subdivision 7, or other law, ~~the~~ a local governing body of ~~the city of Saint Paul~~ may adopt, by ordinance, rules for the installation of a smoke detector in single-family homes in the city that are more restrictive than the standards provided by this section. Rules adopted pursuant to this subdivision ~~shall~~ may be enforced through ~~the~~ a truth-in-housing inspection.

Sec. 6. Minnesota Statutes 1988, section 299F.362, is amended by adding a subdivision to read:

Subd. 10. [PUBLIC FIRE SAFETY EDUCATOR.] The position of Minnesota public fire safety educator is established in the department of public safety.

Sec. 7. [APPROPRIATION; INCREASED COMPLEMENT.]

Subdivision 1. [APPROPRIATION.] \$114,000 is appropriated from the general fund to the commissioner of public safety to carry out Minnesota Statutes, section 299F.362. Of this amount, \$60,000 is for the fiscal year ending June 30, 1990, and \$54,000 is for the fiscal year ending June 30, 1991.

Subd. 2. [PUBLIC FIRE SAFETY EDUCATOR.] The complement of the department of public safety is increased by one position for the purposes of section 6.

Sec. 8. [REPEALER.]

Section 6 is repealed June 30, 1991.

Sec. 9. [EFFECTIVE DATE.]

Sections 6 and 7 are effective July 1, 1989. Section 2 is effective August 1, 1989, for construction of dwellings begun on or after that date."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "requiring certain types of smoke detectors in new construction;"

Page 1, line 7, delete "and 9" and insert ", 6, 7, 9, and by adding subdivisions"

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. 415 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.
415	328				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 415 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 415 and insert the language after the enacting clause of S.F. No. 328, the second engrossment; further, delete the title of H.F. No. 415 and insert the title of

S.F. No. 328, the second engrossment.

And when so amended H.F. No. 415 will be identical to S.F. No. 328, and further recommends that H.F. No. 415 be given its second reading and substituted for S.F. No. 328, 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. 272, 539, 1416, 1081, 237, 1001, 345, 431, 1254, 161, 548, 556, 575, 1383, 532 and 1036 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 892 and 415 were read the second time.

MOTIONS AND RESOLUTIONS

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

H.F. No. 1137: 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 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 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Davis introduced—

S.F. No. 1638: A bill for an act relating to state and local government; regulating construction permits; amending Minnesota Statutes 1988, section 15.41; proposing coding for new law in Minnesota Statutes, chapter 386.

Referred to the Committee on Local and Urban Government.

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

S.F. No. 1639: A bill for an act relating to taconite taxation; deferring the imposition of a tax escalator for a year upon meeting a production goal; amending Minnesota Statutes 1988, section 298.24, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Frederick introduced—

S.F. No. 1640: A bill for an act relating to insurance; regulating midterm cancellations of commercial property insurance; amending Minnesota Statutes 1988, section 60A.36, by adding a subdivision.

Referred to the Committee on Commerce.

Mr. Pogemiller introduced—

S.F. No. 1641: A bill for an act relating to taxation; providing that the fiscal disparities law applies to growth in value of all types of taxable property; amending Minnesota Statutes 1988, sections 469.177, subdivision 3; 473F02, subdivision 3; 475F05; 473F06; 473F08, subdivisions 2, 4, 6, and 10; and 473F10, subdivisions 2 and 3.

Referred to the Committee on Taxes and Tax Laws.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 756, 1087, 38, 481, 564, 499, 748, H.F. Nos. 1548, 740, 786, 1448 and 907, which the committee recommends to pass.

H.F. No. 796, which the committee recommends to pass with the following amendment offered by Mr. Chmielewski:

Amend H.F. No. 796, as amended pursuant to Rule 49, adopted by the

Senate April 20, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 712.)

Page 2, after line 36, insert:

"Sec. 2. [CARLTON-CLOQUET GOVERNMENT BUILDING.]

Carlton county and the city of Cloquet may jointly provide a county and city building in the city of Cloquet for any county and city government purposes. The county and city may submit to the voters of the county and city at the same election the questions whether or not to issue county bonds and city bonds for the building, each question conditioned on the approval of both. Except as provided in this section, the building shall be subject to Minnesota Statutes, sections 374.25 to 374.38.

Sec. 3. Laws 1974, chapter 400, section 4, subdivision 2, as amended by Laws 1980, chapter 507, section 6, is amended to read:

Subd. 2. [MEMBERS AND SELECTION.] The board shall be composed of two members appointed by the Moose Lake town board, two members appointed by the Windemere town board, two members appointed by the governing body of each municipality subsequently annexed to the district, and one member who shall reside in the municipalities that compose the district, appointed by ~~majority vote of the foregoing members~~ *a joint meeting of the town boards and other governing bodies of the municipalities in the district.* Each member shall have one vote on matters coming before the board."

Page 3, line 1, after "DATE" insert "; LOCAL APPROVAL"

Page 3, after line 2, insert:

"Section 2 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing bodies of Carlton county and the city of Cloquet.

Section 3 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the town boards of both the towns of Moose Lake and Windemere."

Amend the title as follows:

Page 1, line 2, delete "state lands" and insert "local government"

Page 1, line 4, after "county" insert "; permitting Carlton county and the city of Cloquet to jointly provide a government building; 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"

The motion prevailed. So the amendment was adopted.

H.F. No. 1155, which the committee recommends to pass with the following amendments offered by Ms. Peterson, D.C. and Mr. Metzen:

Ms. Peterson, D.C. moved to amend H.F. No. 1155, the unofficial engrossment, as follows:

Page 22, delete lines 30 to 33 and insert:

"An insurer, health maintenance organization, or a third-party administrator may not request more than three years of loss or claims experience as a condition of submitting an application or providing coverage."

The motion prevailed. So the amendment was adopted.

Ms. Peterson, D.C. then moved to amend H.F. No. 1155, the unofficial engrossment, as follows:

Page 24, line 11, after "shall" insert "*name.*"

Page 24, line 12, delete "*under section 149.11.*" and insert "*for the purpose of providing payment to a*"

Page 24, line 14, strike the first "or" and insert a comma and after "burial" insert "*, or cremation*"

Page 24, line 24, delete "*under section 149.11.*" and insert "*for the purpose of providing payment to a*"

Page 24, line 25, delete the second "or" and insert a comma and after "burial" insert "*, or cremation*"

Page 24, line 27, strike the first "or" and after "employee" insert "*, affiliate, associate*"

Page 24, line 28, delete the first comma and insert "or" and delete "*or employee.*"

Page 24, line 29, strike "a direct" and insert "an"

Page 24, line 32, after "insurance" insert "*endorsement, promotion, or*"

Page 24, line 33, after "sale" insert "*of insurance policies, plans, or services*"

Page 24, line 34, strike the old language

Page 24, line 35, strike the old language and delete the new language

Page 24, line 36, strike the old language

Page 25, delete lines 1 to 5 and insert "*An insurance company or agent may not sell life insurance to facilitate funeral, burial, or cremation services if the company or agent:*

(1) is an affiliate or associate of a mortician, funeral director, funeral establishment, cemetery, or person offering funeral, burial, or cremation services or supplies; or

(2) pays a fee or commission to a mortician, funeral director, funeral establishment, cemetery, or person offering funeral, burial, or cremation services or supplies in connection with the sale of the insurance."

Page 25, line 6, delete "(e)" and insert "(d)"

The motion prevailed. So the amendment was adopted.

Mr. Metzen moved to amend H.F. No. 1155, the unofficial engrossment, as follows:

Page 15, delete section 22 and insert:

"Sec. 22. Minnesota Statutes 1988, section 62B.04, subdivision 1, is amended to read:

Subdivision 1. [CREDIT LIFE INSURANCE.] (4) (a) The initial amount of credit life insurance shall not exceed the total amount repayable under the contract of indebtedness. Thereafter, if the indebtedness is repayable in substantially equal installments, the amount of insurance shall not exceed

the scheduled or actual amount of indebtedness, whichever is greater.

~~(2)~~ (b) Notwithstanding paragraph (a), the amount of credit life insurance written in connection with credit transactions repayable over a specified term exceeding 63 months, or at the option of the insurer for any term, may not exceed the actual amount of unpaid indebtedness as it exists from time to time, less any unearned interest or finance charges. If the amount of credit life insurance is based on a predetermined schedule, the amount of credit life insurance may not exceed the scheduled amount of unpaid indebtedness, less any unearned interest or finance charges, plus an amount for delinquencies, extensions, or other contingencies equal to four monthly payments.

(c) Notwithstanding ~~clause (1)~~ paragraphs (a) and (b), insurance on educational, agricultural and horticultural credit transaction commitments may be written on a nondecreasing or level term plan for the amount of the loan commitment."

The motion prevailed. So the amendment was adopted.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 1734 at 3:30 p.m.:

Messrs. Johnson, D.J.; Brandl; Novak; Pogemiller and Stumpf. The motion prevailed.

GENERAL ORDERS - CONTINUED

H.F. No. 950, which the committee recommends to pass after the following motions offered by Ms. Reichgott and Mr. Peterson, R.W.:

Ms. Reichgott moved to amend H.F. No. 950, as amended pursuant to Rule 49, adopted by the Senate May 11, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 446.)

Amend the title as follows:

Page 1, line 4, delete everything after the first semicolon and insert "modifying the definition of familial status; limiting certain exceptions for age discrimination; modifying requirements dealing with reasonable accommodations in employment and requiring reasonable accommodations by public accommodations under certain circumstances; expanding the prohibition of credit discrimination; prohibiting discrimination in certain services because of social or economic conditions in an area; requiring disclosure of medical information that adversely affects an employment decision;"

Page 1, line 10, delete everything after the semicolon

Page 1, line 11, delete everything before "striking"

The motion prevailed. So the amendment was adopted.

Ms. Reichgott then moved to amend H.F. No. 950, as amended pursuant to Rule 49, adopted by the Senate May 11, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 446.)

Page 12, line 23, delete "employment" and insert "hiring, firing, or promotional"

The motion prevailed. So the amendment was adopted.

Ms. Reichgott then moved to amend H.F. No. 950, as amended pursuant to Rule 49, adopted by the Senate May 11, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 446.)

Page 16, line 9, after "*business*" insert "*with ten or more employees*"

Page 16, line 14, after the period, insert "*A person may refuse to go to the immediate area where the person has recently experienced a threat to personal safety or has had business property stolen or maliciously damaged.*"

The motion prevailed. So the amendment was adopted.

Mr. Peterson, R.W. moved to amend H.F. No. 950, as amended pursuant to Rule 49, adopted by the Senate May 11, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 446.)

Pages 12 to 16, delete section 11

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 18, delete the second "2,"

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend H.F. No. 950, as amended pursuant to Rule 49, adopted by the Senate May 11, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 446.)

Page 18, line 15, after "*accommodation*" insert "*with ten or more employees*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 42, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Knaak	McQuaid	Samuelson
Beckman	Chmielewski	Langseth	Mehrkens	Stumpf
Belanger	Decker	Larson	Olson	Vickerman
Benson	Gustafson	Lessard	Renneke	

Those who voted in the negative were:

Anderson	Frank	Kroening	Novak	Schmitz
Berglin	Frederick	Laidig	Pehler	Solon
Bernhagen	Frederickson, D.J.	Lantry	Peterson, D.C.	Spear
Brandl	Frederickson, D.R.	Marty	Peterson, R.W.	Storm
Cohen	Freeman	McGowan	Piper	Taylor
Davis	Hughes	Merrittam	Pogemiller	Waldorf
DeCramer	Johnson, D.E.	Moe, D.M.	Purfeerst	
Dicklich	Johnson, D.J.	Moe, R.D.	Ramstad	
Diessner	Knutson	Morse	Reichgott	

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

S.F. No. 470, which the committee recommends to pass with the following amendment offered by Mr. Frederickson, D.R.:

Page 6, after line 35 insert:

"Sec. 7. [REIMBURSEMENT OF CERTAIN MUNICIPAL WASTE-WATER TREATMENT PLANTS.]

Subdivision 1. [APPLICATION.] (a) Municipalities that constructed wastewater treatment plants between the years of 1985 and 1988, paid the entire cost of the project with local funds, and elected to not remain on the reimbursement list may apply to the commissioner of the pollution control agency to be placed on the reimbursement list. A municipality must apply to be on the list by January 15, 1990, or the opportunity to apply is terminated. A municipality submitting an application to be placed on the list must provide the commissioner of the pollution control agency with the planning, contracting, construction, and operating records of the project as requested by the commissioner.

(b) The commissioner of the pollution control agency must compile a list of the municipalities that make application under paragraph (a) and report the list to the chairs of the house of representatives and senate environment and natural resources committees by February 1, 1990. The commissioner's report to the legislature must indicate where the projects met or differed from the requirements of projects constructed under the state loan program.

Subd. 2. [LEGISLATIVE APPROVAL REQUIRED.] Municipalities applying to be placed on the reimbursement list may not be placed on the list without legislative approval."

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

S.F. No. 530, which the committee recommends to pass, subject to the following motions:

Mr. Merriam moved to amend S.F. No. 530 as follows:

Page 48, after line 8, insert:

"Sec. 71. [ASH DEMONSTRATION PROJECTS.]

Subdivision 1. [SEWAGE SLUDGE ASH DEMONSTRATION PROJECT.] The metropolitan waste control commission and the commissioner of transportation shall jointly conduct one or more demonstration projects to determine the long-term potential and effects of the use of sewage sludge ash generated by the commission as a fine aggregate in asphalt for use in state paving projects. The metropolitan waste control commission and the commissioners of transportation and the pollution control agency shall assess the practicality, costs, and potential environmental effects of use of the ash in asphalt and shall report to the legislative commission on waste management by November 1, 1990. The report must include a description of the projects undertaken, findings, and recommendations for further research needs and the future use of ash in asphalt.

Subd. 2. [SOLID WASTE ASH PROJECT; REPORT.] The Hennepin county board and the commissioner of transportation shall jointly conduct a demonstration project to determine the long-term potential and effects of using solid waste ash as an aggregate in asphalt for use in road projects. The commissioners of transportation and the pollution control agency shall assess the practicality, costs, and potential effects of the use of the ash in asphalt and shall submit a report to the legislative commission on waste management by November 1, 1990. The report must include a description of the projects undertaken, findings, and recommendations for the future research needs and future use of ash in asphalt.

Subd. 3. [STATE LIABILITY.] (a) Subject to paragraph (b), the state assumes any and all liability arising under Minnesota Statutes, chapters 115, 115A, 115B, and 466, Minnesota Statutes, section 3.736, and any other law related to the projects authorized in subdivisions 1 and 2, to the metropolitan waste control commission, the department of transportation, the county of Hennepin, and their employees, agents, and contractors, if the liability is based on classification of the ash as hazardous waste or a pollutant or contaminant under state or federal law.

(b) The state assumes the liability only if:

(1) the project is conducted in compliance with a permit issued by the pollution control agency; and

(2) the entity held liable used reasonable care in implementing the project.

(c) The liability under this section shall be paid from the general fund.

(d) The commissioner of transportation and the commissioner's agents and contractors are not responsible parties under Minnesota Statutes, chapters 115 and 115B, for a release that occurs as a result of a project authorized under this section."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Metzen moved to amend S.F. No. 530 as follows:

Page 35, after line 23, insert:

"Sec. 54. Minnesota Statutes 1988, section 473.811, subdivision 4, is amended to read:

Subd. 4. [COUNTY CONTRACTS.] Each metropolitan county may contract for the acquisition or use of existing public or private solid waste facilities or any facilities deemed necessary or useful for resource recovery from solid waste and may contract with any person for the operation or maintenance, or both, of any solid waste facility owned by the county. The contract shall provide for the operation or maintenance, or both, of the facility in accordance with any regulations, criteria, and standards of the agency, the metropolitan council and the county relating thereto. Any contract for the operation or maintenance of a solid waste facility may provide for the sale of solid waste, materials, electric energy, steam or other product to the operator or for a fee payable to the operator, which may be a fixed fee, or a fee based on tonnage or a percentage of income or other measure, or any combination thereof. A metropolitan county may warrant to the operator of a solid waste facility or contract purchaser of any solid waste, materials, electric energy, steam or other product the quality, composition and available quantity of the solid waste, materials, electric energy, steam or other product to be sold or delivered. A metropolitan county may enter into an agreement with any local government unit or the University of Minnesota for the purpose of compensating for the local risks, costs, or other effects of a waste processing facility."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend S.F. No. 530 as follows:

Page 30, after line 36, insert:

"Sec. 47. Minnesota Statutes 1988, section 400.04, subdivision 3, is amended to read:

Subd. 3. [ACQUISITION, CONSTRUCTION AND OPERATION OF PROPERTY AND FACILITIES.] A county may acquire, construct, enlarge, improve, repair, supervise, control, maintain, and operate any and all solid waste facilities and other property and facilities needed, used, or useful for solid waste management purposes. Notwithstanding any other law to the contrary, a county may *contract for recycling services, and purchase and lease materials, equipment, machinery and such other personal property as is necessary for such purposes upon terms and conditions determined by the board, with or without advertisement for bids including the use of conditional sales contracts and lease-purchase agreements.* If a county contract is let by negotiation, without advertising for bids, the county shall conduct such negotiation and award the contract using a fair and open procedure and in full compliance with section 471.705. If a county contract is to be awarded by bid, the county may, after notice to the public and prospective bidders, conduct a fair and open process of prequalification of bidders prior to advertisement for bids. A county may employ such personnel as are reasonably necessary for the care, maintenance and operation of such property and facilities. A county shall contract with private persons for the construction, maintenance, and operation of solid waste facilities where the facilities are adequate and available for use and competitive with other means of providing the same service."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Lessard then moved to amend S.F. No. 530 as follows:

Pages 46 and 47, delete section 69 and insert:

"Sec. 69. [CLOSED MUNICIPAL LANDFILLS; FINANCIAL ASSURANCE AND CLOSURE REQUIREMENTS.]

A mixed municipal solid waste disposal facility that is open to the public and stops accepting waste before July 1, 1990, is exempt from Minnesota Rules, parts 7035.2665 to 7035.2805, relating to financial assurance requirements.

A mixed municipal solid waste disposal facility that is open to the public and is not permitted by the pollution control agency may close under agency rules that were in effect before November 14, 1988, if the facility does not accept solid waste after May 14, 1990, and completes closure activities as approved by the agency before November 14, 1990.

This section does not eliminate public owner or operator responsibility and liability for closure or postclosure care required of facilities under Minnesota Statutes, section 116.07 and the rules promulgated under it.

The pollution control agency shall study additional alternatives within the financial assurance requirements in Minnesota Rules, parts 7035.2665

to 7035.2805, and report to the legislative commission on waste management by January 1, 1990."

The motion prevailed. So the amendment was adopted.

Mr. Freeman moved to amend S.F. No. 530 as follows:

Page 3, line 8, before "The" insert "(a)"

Page 3, line 10, strike "and" and insert a comma

Page 3, line 11, after "council" insert ", and a market development coordinating council, that are"

Page 3, line 13, before "The" insert "(b)"

Page 3, line 21, before "The" insert "(c)"

Page 3, line 25, after "firms." insert:

"(d) The market development coordinating council shall consist of one representative from the department of trade and economic development, the department of administration, the pollution control agency, the Greater Minnesota Corporation, the metropolitan council, the Minnesota future resources commission, and the legislative commission on waste management. The other members shall represent local government units, private recycling markets, and private recycling collectors. The market development coordinating council expires June 30, 1994.

(e)"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Gustafson moved to amend S.F. No. 530 as follows:

Page 6, after line 6, insert:

"Sec. 7. Minnesota Statutes 1988, section 115A.54, subdivision 2a, is amended to read:

Subd. 2a. [SOLID WASTE MANAGEMENT PROJECTS.] (a) The board shall provide technical and financial assistance for the acquisition and betterment of solid waste management projects as provided in this subdivision and section 115A.52. Money appropriated for the purposes of this subdivision must be distributed as grants.

(b) Except as provided in paragraph (c), a project may receive grant assistance up to 25 percent of the capital cost of the project or \$2,000,000, whichever is less.

(c) A recycling project or a project to compost or co-compost waste may receive grant assistance up to 50 percent of the capital cost of the project or \$2,000,000, whichever is less.

(d) *Notwithstanding paragraph (e), the agency may award grants for transfer stations that will initially transfer waste to landfills if the transfer stations are part of a planned resource recovery project, the county where the planned resource recovery facility will be located has a comprehensive solid waste management plan approved by the agency, and the solid waste management plan proposes the development of the resource recovery facility. If the proposed resource recovery facility is not in place and operating within five years of the date of the grant award, the recipient shall repay*

the grant amount to the state.

(e) Projects without resource recovery are not eligible for assistance.

(f) In addition to any assistance received under clause (b) or (c), a project may receive grant assistance for the cost of tests necessary to determine the appropriate pollution control equipment for the project or the environmental effects of the use of any product or material produced by the project.

(g) In addition to the application requirements of section 115A.51, an application for a project serving eligible jurisdictions in only a single county must demonstrate that cooperation with jurisdictions in other counties to develop the project is not needed or not feasible. Each application must also demonstrate that the project is not financially prudent without the state assistance, because of the applicant's financial capacity and the problems inherent in the waste management situation in the area, particularly transportation distances and limited waste supply and markets for resources recovered.

(h) For the purposes of this subdivision, a "project" means a processing facility, together with any transfer stations, transmission facilities, and other related and appurtenant facilities primarily serving the processing facility. The board shall adopt rules for the program by July 1, 1985."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Stumpf moved to amend S.F. No. 530 as follows:

Page 48, after line 8, insert:

"Sec. 71. [EVALUATION OF GREATER MINNESOTA LANDFILL CLEANUP FUND.]

The legislative commission on waste management shall evaluate the effectiveness of the greater Minnesota landfill cleanup fund and the fees deposited in the fund to meet the needs for closure and post-closure care and provide recommendations for any legislative changes regarding the fee or the fund."

Renumber the sections in sequence and correct the internal references

The motion prevailed. So the amendment was adopted.

Mr. Stumpf then moved to amend S.F. No. 530 as follows:

Page 48, after line 8, insert:

"Sec. 71. [USE OF GREATER MINNESOTA LANDFILL CLEANUP FEE UNTIL JANUARY 1, 1990.]

Notwithstanding section 19, subdivisions 2 and 3, and section 20, the entire amount of the fee imposed under section 19, subdivision 1, until January 1, 1990, shall be paid by the operator of facilities to the county where the facilities are located. The fees received by the counties may be spent only as provided in Minnesota Statutes, section 115A.919."

Page 48, after line 19, insert:

"Section 6 is effective January 1, 1990."

Page 48, line 20, delete "6 and" and delete "January 1, 1990" and insert "August 1, 1989"

Renumber the sections in sequence and correct the internal references

The motion prevailed. So the amendment was adopted.

Mr. Dahl moved to amend S.F. No. 530 as follows:

Page 6, after line 6, insert:

"Sec. 7. [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 within the metropolitan area shall have a goal to recycle a minimum of 35 percent by weight of total solid waste generation. Each county shall 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 MONITORING.] The metropolitan council 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 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. 4. [FAILURE TO MEET GOAL.] (a) A county failing to progress toward the goal in subdivision 2 as determined by the metropolitan council 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 3, the metropolitan council finds that a county will be unable to meet the recycling goal established in subdivision 2, the 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. 5. [COUNTY SOLID WASTE PLANS.] Each county shall include

in 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."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Storm moved to amend S.F. No. 530 as follows:

Pages 34 and 35, delete sections 52 and 53

Pages 37 and 38, delete section 55

Page 38, line 22, after "(ii)" insert "*the acquisition of development rights for all or part of the period that the development limitation imposed by section 473.806 is in effect, (iii)*"

Page 38, line 28, delete "(iii)" and insert "(iv)"

Page 40, delete section 58

Page 48, line 10, delete the semicolon and insert "and"

Page 48, line 11, delete everything after "*subdivision 2*" and insert a comma

Page 48, line 12, delete everything before "*are*"

Page 48, line 30, delete everything after the semicolon

Page 48, line 31, delete "*effective July 1, 1989;*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 14 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Frank	Gustafson	Storm
Belanger	Davis	Frederick	Knutson	Taylor
Bernhagen	Decker	Frederickson, D.R.	Ramstad	

Those who voted in the negative were:

Adkins	Freeman	Luther	Olson	Solon
Beckman	Hughes	Marty	Pariseau	Spear
Berg	Johnson, D.E.	McGowan	Pehler	Stumpf
Bertram	Knaak	McQuaid	Peterson, R. W.	Vickerman
Cohen	Kroening	Merriam	Piper	
Dahl	Laidig	Metzen	Purfeerst	
Dicklich	Lantry	Moe, D.M.	Reichgott	
Diessner	Lessard	Morse	Schmitz	

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

Mr. Freeman moved to amend S.F. No. 530 as follows:

Page 6, after line 6, insert:

"Sec. 7. [115A.556] [MATERIALS USED FOR RECYCLING.]

Materials and products used for recycling such as containers, receptacles, and storage bins with short life cycles must be recyclable and made at least in part from recycled materials from this state, if available."

Page 48, after line 20, insert:

"Section 7 is effective August 1, 1990."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Morse moved to amend S.F. No. 530 as follows:

Page 25, line 12, delete "and"

Page 25, line 13, delete the period and insert "; and

(5) pesticide as defined in chapter 18B, or fertilizer, plant amendment, or soil amendment as defined in chapter 17."

The motion prevailed. So the amendment was adopted.

Ms. Reichgott moved to amend S.F. No. 530 as follows:

Page 20, delete lines 10 to 17 and insert:

"Subd. 7. [ANTICOMPETITIVE CONDUCT.] (a) A political subdivision that organizes collection under this section is authorized to engage in anticompetitive conduct to the extent necessary to plan and implement its chosen organized collection system and is immune from liability under state laws relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce.

(b) An organization of solid waste collectors, an individual collector, and their officers, members, employees, and agents who cooperate with a political subdivision that organizes collection under this section are authorized to engage in anticompetitive conduct to the extent necessary to plan and implement the organized collection system, provided that the political subdivision actively supervises the participation of each entity. An organization, entity, or person covered by this paragraph is immune from liability under state law relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce."

The motion prevailed. So the amendment was adopted.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Freeman moved that the following members be excused for a Conference Committee on H.F. No. 46 from 5:00 to 7:00 p.m.:

Messrs. Freeman, Morse, Waldorf, Samuelson and Johnson, D.E. The motion prevailed.

GENERAL ORDERS - CONTINUED

H.F. No. 341, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Amend H.F. No. 341, as amended pursuant to Rule 49, adopted by the Senate May 12, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1099.)

Page 6, line 4, delete "*commissioner*" and insert "*commission*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1122, which the committee recommends to pass with the following amendment offered by Mr. Chmielewski:

Page 1, line 20, delete "*earning*" and insert "*able to earn*"

Page 1, line 23, delete everything after "*exceeds*" and insert "*300 percent of the statewide average weekly wage.*"

Page 1, delete line 24

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. Chmielewski moved that S.F. No. 1293, No. 21 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Moe, R.D. moved that H.F. No. 1764 be taken from the table. The motion prevailed.

H.F. No. 1764: 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 city streets and town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; 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; and 297B.09, subdivision 1.

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. 1764 and that the rules of the Senate be so far suspended as to give H.F. No. 1764 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1764 was read the second time.

Mr. Langseth moved to amend H.F. No. 1764 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1764, and insert the language after the enacting clause, and the title, of S.F. No. 852, the third engrossment.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Langseth	Moe, R.D.	Reichgott
Beckman	DeCramer	Lantry	Novak	Schmitz
Berg	Dicklich	Lessard	Pehler	Solon
Bertram	Diessner	Luther	Peterson, D.C.	Spear
Brandl	Frank	Marty	Peterson, R.W.	Stumpf
Chmielewski	Frederickson, D.R.	Merriam	Piper	Vickerman
Cohen	Hughes	Metzen	Pogemiller	
Dahl	Johnson, D.J.	Moe, D.M.	Purfeerst	

Those who voted in the negative were:

Anderson	Decker	Kroening	Mehrkens	Storm
Belanger	Frederick	Laidig	Pariseau	
Benson	Gustafson	Larson	Ramstad	
Bernhagen	Knutson	McGowan	Renneke	

The motion prevailed. So the amendment was adopted.

H.F. No. 1764 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 35 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Lessard	Novak	Reichgott
Beckman	DeCramer	Luther	Pehler	Schmitz
Berg	Diessner	Marty	Peterson, D.C.	Solon
Bertram	Frederickson, D.R.	Merriam	Peterson, R.W.	Spear
Brandl	Hughes	Metzen	Piper	Stumpf
Chmielewski	Langseth	Moe, D.M.	Pogemiller	Vickerman
Cohen	Lantry	Moe, R.D.	Purfeerst	Waldorf

Those who voted in the negative were:

Anderson	Decker	Johnson, D.J.	Mehrkens	Taylor
Belanger	Dicklich	Knutson	Pariseau	
Benson	Frank	Laidig	Ramstad	
Bernhagen	Frederick	Larson	Renneke	
Dahl	Gustafson	McGowan	Storm	

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on S.F. No. 1625 at 6:00 p.m.:

Messrs. Waldorf, Dicklich, Taylor, DeCramer and Mrs. Brataas. The motion prevailed.

MEMBERS EXCUSED

Mr. Bertram was excused from the Session of today from 12:00 noon to 12:50 p.m. Mr. Laidig was excused from the Session of today from 12:00 noon to 1:00 p.m. Mr. Ramstad and Ms. Reichgott were excused from the Session of today from 12:00 noon to 12:45 p.m. Ms. Berglin was excused from the Session of today at 4:45 p.m. Mr. Frederickson, D.J. was excused from the Session of today at 4:20 p.m. Mrs. Pariseau was excused from the Session of today from 3:25 to 4:00 p.m. Mr. Knaak was excused from the Session of today at 5:15 p.m. Mrs. McQuaid was excused from the Session of today at 5:30 p.m. Ms. Olson was excused from the Session of today at 5:35 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, May 16, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-THIRD DAY

St. Paul, Minnesota, Tuesday, May 16, 1989

The Senate met at 12:00 noon 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. Gilbert Seddon.

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

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	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	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 15, 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. 827, 858 and 1258.

Sincerely,
Rudy Perpich, Governor

May 15, 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. 281, 583, 590, 847 and 886.

Sincerely,
Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 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; 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; proposing coding for new law in Minnesota Statutes, chapter 5.

There has been appointed as such committee on the part of the House: Hugoson, Sarna and Heap.

Senate File No. 180 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 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. 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; providing for a study on the effects of a runway expansion at Airlake airport and the use of certain airports to relieve congestion at Minneapolis-St. Paul international airport; amending Minnesota Statutes 1988, sections 473.604, subdivision 1; 473.608, subdivision 1; and 473.621, subdivision 1a; proposing coding for new law in

Minnesota Statutes, chapter 473.

There has been appointed as such committee on the part of the House:
Wynia, Lieder and Boo.

Senate File No. 1358 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1989

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 245:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Jennings, Neuenschwander and Ozment have been appointed as such committee on the part of the House.

House File No. 245 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 May 15, 1989

Mr. Stumpf moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 245, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 761:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Simoneau, Orenstein and Dempsey have been appointed as such committee on the part of the House.

House File No. 761 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 May 15, 1989

Mr. Frank moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 761, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1016:

H.F. No. 1016: A bill for an act relating to juvenile justice; 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; removing certain limitations on parental liability for thefts by minors; removing a repealer; amending Minnesota Statutes 1988, sections 171.04; 260.195, subdivision 3, and by adding subdivisions; and 332.51, subdivision 3; repealing Laws 1985, chapter 278, section 2.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Morrison, Kelly and Pugh have been appointed as such committee on the part of the House.

House File No. 1016 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 May 15, 1989

Mr. Cohen moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1016, 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. 66 and 629.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1989

FIRST READING OF HOUSE BILLS

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

H.F. No. 66: A bill for an act relating to gambling; creating a department of gaming; authorizing a state lottery to be conducted by a department of

state lottery; creating a division of inspection and enforcement in the department of public safety and providing for its duties; prescribing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 10A.09, subdivision 1; 15.06, subdivision 1; 15A.081, subdivision 1; 43A.08, subdivision 1a; 240.01, by adding subdivisions; 240.02, subdivisions 1 and 2; 240.04, subdivisions 1, 3, and 7; 240.06, subdivisions 3 and 8; 240.07, subdivision 2; 240.08, subdivision 3; 240.21; 240.28; 340A.410, subdivision 5; 349.12, subdivisions 11, 17, 20, and by adding subdivisions; 349.151, subdivisions 1, 2, 4, and 5; 349.16, subdivisions 3 and 4; 349.161, subdivision 4; 349.162, subdivisions 1, 2, 4, and 5; 349.163; 349.18, subdivision 1; 349.19, subdivisions 5 and 6; 349.212; 349.2121, subdivisions 2, 3, 4, 4a, 6, 7, 8, and 10; 349.2122; 349.2125, subdivisions 1, 2, and 3; 349.2127, subdivision 2; 349.213, subdivision 1; 349.214, subdivision 2; 349.22, subdivisions 1 and 3; 541.20; 541.21; 609.75, subdivision 3; 609.76, subdivision 1; 609.761; 626.05, subdivision 2; 626.13; and 626.84, subdivision 1; proposing coding for new law as Minnesota Statutes, chapters 299K; 349A; and 349B; proposing coding for new law in Minnesota Statutes, chapters 240; 245; and 349; repealing Minnesota Statutes 1988, sections 240.02, subdivision 7; 349.151, subdivisions 3 and 5; 349.161, subdivision 7; 349.164, subdivision 5; 349.171; and 349.22, subdivision 4.

Mr. Moe, R.D. moved that H.F. No. 66 be laid on the table. The motion prevailed.

H.F. No. 629: A bill for an act relating to elections; ethics in government; clarifying and modifying certain exceptions to multicandidate political party expenditure limitations; modifying lobbyist reporting requirements; expanding certain reports by certain political committees and political funds; discontinuing the state ethical practices board responsibility for developing and furnishing certain forms; limiting contributions and solicitations during a regular legislative session; providing a public subsidy for legislative candidates in special elections; providing an income tax credit for contributions to state candidates and political parties; requiring candidates to match funds received from the state elections campaign fund; providing a schedule for distribution of political campaign checkoff money to political parties; requiring deer licenses to include an application for absentee ballots; requiring county auditors to provide a sample ballot for classroom use; specifying a time period for preparing a candidate's affidavit; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.04, subdivision 2; 10A.20, subdivision 3; 10A.27, subdivision 4; 10A.275; 10A.31, subdivision 5, and by adding a subdivision; 10A.32, subdivision 3, and by adding subdivisions; 10A.33; 97A.485, by adding a subdivision; 204B.09, subdivision 1; 290.06, by adding a subdivision; and 383B.055, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 10A and 204D; repealing Minnesota Statutes, section 211B.11, subdivision 2.

Referred to the Committee on Finance.

REPORTS OF COMMITTEES

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

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.

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

Delete everything after the enacting clause and insert:

“ARTICLE 1

LEVEL BENEFIT ACCRUAL FORMULA
AND RELATED CHANGES

Section 1. Minnesota Statutes 1988, section 352.04, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employee contribution to the fund must be equal to ~~3.73~~ 4.5 percent of salary, beginning with the first full pay period after June 30, 1984. These contributions must be made by deduction from salary as provided in subdivision 4.

Sec. 2. Minnesota Statutes 1988, section 352.04, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS.] The employer contribution to the fund must be equal to ~~3.90~~ percent of salary beginning with the first full pay period after June 30, 1984.

Sec. 3. Minnesota Statutes 1988, section 352.115, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] The employee's average salary, as defined in subdivision 2, multiplied by ~~one percent per year of allowable service for the first ten years~~ and 1.5 percent for each later year of allowable service and pro rata for completed months less than a full year ~~shall determine~~ *determines* the amount of the *normal* retirement annuity to which the employee is entitled *at the normal retirement age*.

Sec. 4. Minnesota Statutes 1988, section 353.27, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTION.] The employee contribution ~~shall be~~ *is* an amount (a) for a “basic member” equal to ~~eight~~ *nine* percent of total salary; and (b) for a “coordinated member” equal to ~~four~~ *five* percent of total salary. These contributions ~~shall must~~ be made by deduction from salary ~~in the manner~~ *as* provided in subdivision 4. Where ~~any~~ *a* portion of a member's salary is paid from other than public funds, ~~such~~ *the* member's employee contribution ~~shall must~~ be based on the total salary received from all sources.

Sec. 5. Minnesota Statutes 1988, section 353.27, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTION.] The employer contribution ~~shall be~~ *is* an amount equal to the employee contribution under subdivision 2. This contribution ~~shall must~~ be made from funds available to the employing subdivision ~~by the means and in the manner~~ *as* provided in section 353.28.

Sec. 6. Minnesota Statutes 1988, section 353.29, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] The “*normal*”

retirement annuity is the average salary as defined in subdivision 2, multiplied by two percent for each year of allowable service for the first ten years and thereafter, for a "basic member," by 2.5 percent per for each year of allowable service and a proportional amount for completed months less than a full year for the "basic member"; and one percent for each year of allowable service for the first ten years and thereafter or, for a "coordinated member," by 1.5 percent per for each year of allowable service and a proportional amount for completed months less than a full year for the "coordinated member," shall determine. The "normal" retirement annuity is the amount of the "normal" retirement annuity to which the member is entitled at the normal retirement age.

Sec. 7. Minnesota Statutes 1988, section 353.30, subdivision 1, is amended to read:

Subdivision 1. Upon separation from public service any a person who has attained the at least age of at least 58 years but not more than 65 years 55 and who has received credit for not less than 20 ten years of allowable service, or a person who has received credit for not less than 30 years of allowable service, is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29, subdivisions 2 and 3, reduced by one-quarter of one percent for each month that the member is under age 65 at the time of retirement so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the person if the person deferred receipt of the annuity from the day the annuity begins to accrue to age 65 if the person has credit for less than 30 years of allowable service, or to age 62 if the person has credit for at least 30 years of allowable service.

Sec. 8. Minnesota Statutes 1988, section 353.34, subdivision 3b, is amended to read:

Subd. 3b. [DEFERRED ANNUITY; CERTAIN FORMER MUNICIPAL COURT JUDGES.] ~~Any~~ A person who qualified for membership in the association solely because of service as a municipal court judge, whose service as a municipal court judge was terminated by Laws 1971, chapter 951, section 9, and who elected to leave accumulated deductions in the fund to qualify for a deferred annuity, may receive a deferred early retirement annuity under section 353.30, subdivision 1, ~~1a, 1b,~~ or 1c, or section 18, notwithstanding the law in effect on the date of termination of public service.

Sec. 9. Minnesota Statutes 1988, section 354.42, subdivision 2, is amended to read:

Subd. 2. The employee contribution to the fund ~~shall be~~ is an amount equal to ~~4-1/2~~ 5.7 percent of the salary of every coordinated member and ~~8-1/2~~ 9.7 percent of the salary of every basic member. This contribution ~~shall must~~ be made by deduction from salary. Where any portion of a member's salary is paid from other than public funds, such member's employee contribution ~~shall must~~ be based on the entire salary received. For purposes of financing the various options related to the variable annuity division, employee variable annuity contributions will be credited in accordance with section 354.62, subdivision 2.

Sec. 10. Minnesota Statutes 1988, section 354.42, subdivision 3, is amended to read:

Subd. 3. The employer contribution to the fund ~~shall be~~ is an amount equal to 4-1/2 percent of the salary of each coordinated member and 8-1/2 percent

of the salary of each basic member. This contribution ~~shall must~~ be made in the manner as provided in section 354.43. For purposes of financing the various options related to the variable annuity division, employer contributions equal to the employee variable annuity contributions prescribed in section 354.62, subdivision 2, ~~shall must~~ be allocated at the same time to the employer variable annuity contribution account in section 354.62, subdivision 3.

Sec. 11. Minnesota Statutes 1988, section 354.44, subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF FORMULA PROGRAM RETIREMENT ANNUITY.] ~~(1)~~ (a) The formula retirement annuity ~~hereunder shall must~~ be computed in accordance with the applicable provisions of the formula stated in ~~clause (2) hereof~~ paragraph (b) on the basis of each member's average salary for the period of the member's formula service credit. For the purposes of computing the formula benefits under the formula and variable program, if a combination of these formulas is used, the formula percentages used ~~will must~~ be those percentages in each formula as continued for the respective years of service from one formula to the next.

For all years of formula service credit, "average salary," for the purpose of determining the member's retirement annuity, means the average salary upon which contributions were made and upon which payments were made to increase the salary limitation provided in Minnesota Statutes 1971, section 354.511, for the highest five successive years of formula service credit ~~provided however that such~~. "Average salary" ~~shall may~~ not include any more than the equivalent of 60 monthly salary payments.

~~(2)~~ (b) The average salary as defined in ~~clause (1) paragraph (a)~~, multiplied by the following percentages per year of formula service credit ~~shall determine, determines~~ the amount of the annuity to which the member qualifying ~~therefor for an annuity~~ is entitled:

	Coordinated Member	Basic Member
Each year of service during first ten	4.0 percent per year	2.0 percent per year
Each year of service thereafter	1.5 percent per year	2.5 percent per year

~~(3)~~ Where ~~any~~ (c) If a member retires ~~prior to before~~ age 65 under a formula annuity, the member ~~shall be paid is entitled~~ to a retirement annuity in an amount equal to the normal annuity provided in this subdivision and subdivision 7, reduced by ~~one-half of one percent for each month that the member is under age 65 to and including age 60 and reduced by one-fourth of one percent for each month under age 60 at the time of retirement except that for any member who has 30 or more years of allowable service credit, the reduction shall be applied only for each month which the member is under so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt of the annuity from the day the annuity begins to accrue to age 65 if the person has credit for less than 30 years of allowable service, or to age 62 if the person has credit for at least 30 years of allowable service.~~

Sec. 12. Minnesota Statutes 1988, section 354.44, subdivision 7, is amended to read:

Subd. 7. [COMPUTATION OF FORMULA AND VARIABLE PROGRAM RETIREMENT ANNUITY.] The benefits provided in this subdivision are the sum of the following benefits ~~provided by the following~~:

(1) The benefits provided in subdivision 6, ~~clause (2) paragraph (b)~~, for formula service credit ~~prior to before~~ the effective date of the original election of this subdivision and ~~subsequent to after~~ June 30, 1978, unless the member ~~elects has elected~~ continued participation in the variable program ~~pursuant to under Minnesota Statutes 1984, section 354.621, and.~~

(2) The benefits for service credit ~~subsequent to after~~ the effective date of the original election of the formula and variable program but ~~prior to before~~ July 1, 1978, and the benefits for service credit ~~subsequent to after~~ June 30, 1978, if the member ~~elects has elected~~ continued participation in the variable program ~~pursuant to under Minnesota Statutes 1984, section 354.621, shall be constitute~~ the average salary as defined in subdivision 6, ~~clause (4) paragraph (a)~~, of ~~any a~~ member, multiplied by the following percentages per year of formula service credit:

	Coordinated Member	Basic Member
Each year of service during first ten	5 percent per year	4.0 percent per year
Each year of service thereafter	.75 percent per year	1.25 percent per year, and

(3) The benefits provided in section 354.62, subdivision 5.

Sec. 13. Minnesota Statutes 1988, section 354A.12, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYEE CONTRIBUTIONS.] The contribution required to be paid by each member of a teachers retirement fund association ~~shall may~~ not be less than the percentage of total salary specified below for ~~the applicable~~ each association and program:

Association and Program	Percentage of Total Salary
Duluth teachers retirement association	
old law and new law coordinated programs	4.5 6.09 percent
Minneapolis teachers retirement association	
basic program	8.5 8.82 percent
coordinated program	4.5 4.82 percent
St. Paul teachers retirement association	
basic program	8 8.25 percent
coordinated program	4.5 4.75 percent

Sec. 14. Minnesota Statutes 1988, section 354A.12, subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Notwithstanding any law to the contrary, levies for teachers retirement fund associations in cities of the first class, including levies for any employer social security taxes for teachers covered by the Duluth teachers retirement fund association or the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association, are disallowed.

The employing units shall make the following employer contributions to teachers retirement fund associations:

(a) For any coordinated member of a teachers retirement fund association

in a city of the first class, the employing unit shall pay the employer social security taxes in accordance with section 355.46, subdivision 3, clause (b);

(b) For any coordinated member of one of the following teachers retirement fund associations in a city of the first class, the employing unit shall make a contribution to the respective retirement fund association in an amount equal to the designated percentage of the salary of the coordinated member as provided below:

Duluth teachers retirement fund association	5.79 percent
Minneapolis teachers retirement fund association	4.50 percent
St. Paul teachers retirement fund association	4.50 percent

(c) For any basic member of one of the following teachers retirement fund associations in a city of the first class, the employing unit shall make a contribution to the respective retirement fund in an amount equal to the designated percentage of the salary of the basic member as provided below:

Minneapolis teachers retirement fund association	13.35 percent
St. Paul teachers retirement fund association	12.63 percent

The employer contributions shall be remitted directly to each teachers retirement fund association each month.

Payments for school district or technical institute employees who are paid from normal operating funds, shall be made from the appropriate fund of the district or technical institute.

Sec. 15. Minnesota Statutes 1988, section 354A.31, subdivision 4, is amended to read:

Subd. 4. [COMPUTATION OF THE NORMAL COORDINATED RETIREMENT ANNUITY.] The normal coordinated retirement annuity ~~shall be~~ is an amount equal to a retiring coordinated member's average salary multiplied by the retirement annuity formula percentage. Average salary for purposes of this section ~~shall mean~~ means an amount equal to the average salary upon which contributions were made for the highest five successive years of service credit, but ~~which shall~~ may not in any event include ~~any~~ more than the equivalent of 60 monthly salary payments. The retirement annuity formula percentage for purposes of this section ~~shall mean one percent per year for each year of coordinated service for the first ten years and 1-1/2 is 1.5 percent for each year of coordinated service thereafter after ten years.~~

Sec. 16. Minnesota Statutes 1988, section 354A.31, subdivision 6, is amended to read:

Subd. 6. [REDUCED RETIREMENT ANNUITY.] Upon retirement at an age ~~prior to~~ before age 65 with five years of service credit or ~~prior to~~ before age 62 with at least 30 years of service credit, a coordinated member ~~shall be~~ is entitled to a retirement annuity in an amount equal to the normal retirement annuity reduced by ~~one-half of one percent for each month that the coordinated member is under the age of 65 if the coordinated member has less than 30 years of service credit or is under the age of 62 if the~~

coordinated member has at least 30 years of service credit but is over the age of 59, and reduced by one fourth of one percent for each month that the coordinated member is under the age of 60 so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt of the annuity from the day the annuity begins to accrue to age 65 if the person has credit for less than 30 years of allowable service, or to age 62 if the person has credit for at least 30 years of allowable service, with augmentation for the period of constructive deferral at the applicable rate as provided in section 354.55, subdivision 11.

Sec. 17. [OPTIONAL RETIREMENT FORMULA AND BENEFITS; MINNESOTA STATE RETIREMENT SYSTEM.]

Subdivision 1. [ELIGIBILITY.] Notwithstanding section 3, a person who is an active member of the Minnesota state retirement system on the effective date of this section may elect, on a form provided by the executive director of the system, to be eligible upon retirement for benefits determined under this section. An election must be made before July 1, 1992, and is irrevocable.

Subd. 2. [RETIREMENT ANNUITY FORMULA.] For a member electing coverage by this section, the normal retirement annuity is the average salary of the member, as defined in Minnesota Statutes, section 352.115, subdivision 2, multiplied by one percent for each year of allowable service for the first ten years and, after ten years, by 1.5 percent for each year of allowable service and a proportional amount for completed months less than a full year. The normal retirement annuity is the retirement annuity to which the member is entitled at the normal retirement age. Except as provided in subdivision 3, a member electing coverage under this section who retires before attaining the normal retirement age is governed by Minnesota Statutes, section 352.116, subdivision 1.

Subd. 3. [EARLY RETIREMENT WITHOUT REDUCTION.] Notwithstanding Minnesota Statutes, section 352.116, subdivision 1, a member electing coverage under this section whose attained age plus credited allowable service totals 90 years is entitled upon application to a retirement annuity in an amount equal to the normal retirement annuity determined under subdivision 2 without any reduction in annuity by reason of the early retirement age.

Sec. 18. [OPTIONAL RETIREMENT FORMULA AND BENEFITS; PUBLIC EMPLOYEES RETIREMENT ASSOCIATION.]

Subdivision 1. [ELIGIBILITY.] Notwithstanding sections 6 and 7, a person who is an active basic or coordinated member of the public employees retirement association on the effective date of this section may elect, on a form provided by the executive director of the association, to be eligible upon retirement for benefits determined under this section. An election must be made before July 1, 1992, and is irrevocable.

Subd. 2. [RETIREMENT ANNUITY FORMULA.] For a basic member electing coverage by this section, the normal retirement annuity is the average salary of the member, as defined in Minnesota Statutes, section 353.29, subdivision 2, multiplied by two percent for each year of allowable service for the first ten years and, after ten years, by 2.5 percent for each year of allowable service and a proportional amount for completed months less than a full year. For a coordinated member electing coverage by this

section, the normal retirement annuity is the average salary of the member, as defined in Minnesota Statutes, section 353.29, subdivision 2, multiplied by one percent for each year of allowable service for the first ten years and, after ten years, by 1.5 percent for each year of allowable service and a proportional amount for completed months less than a full year. The normal retirement annuity is the retirement annuity to which the member is entitled at the normal retirement age.

Subd. 3. [EARLY RETIREMENT REDUCTION.] A member electing coverage by this section who has attained at least age 55 and has received credit for not less than ten years of allowable service, or who has received credit for not less than 30 years of allowable service, is entitled upon separation from public service and upon application to the association to a retirement annuity in an amount equal to the normal retirement annuity determined under subdivision 2 reduced by one quarter of one percent for each month that the member is under age 65 at the time of retirement.

Subd. 4. [EARLY RETIREMENT WITHOUT REDUCTION.] A member electing coverage under this section whose attained age plus credited allowable service totals 90 years is entitled upon application to a retirement annuity in an amount equal to the normal retirement annuity determined under subdivision 2 without any reduction in annuity by reason of the early retirement age.

Sec. 19. [OPTIONAL RETIREMENT FORMULA AND BENEFITS; TEACHERS RETIREMENT ASSOCIATION.]

Subdivision 1. [ELIGIBILITY.] Notwithstanding section 11, a person who is an active basic or coordinated member of the teachers retirement association on the effective date of this section may elect, on a form provided by the executive director of the association, to be eligible upon retirement for benefits determined under this section. An election must be made before July 1, 1992, and is irrevocable.

Subd. 2. [RETIREMENT ANNUITY FORMULA.] For a basic member electing coverage by this section, the normal retirement annuity is the average salary of the member, as defined in Minnesota Statutes, section 354.44, subdivision 6, multiplied by two percent for each year of allowable service for the first ten years and, after ten years, by 2.5 percent for each year of allowable service and a proportional amount for completed months less than a full year. For a coordinated member electing coverage by this section, the normal retirement annuity is the average salary of the member, as defined in Minnesota Statutes, section 354.44, subdivision 6, multiplied by one percent for each year of allowable service for the first ten years and, after ten years, by 1.5 percent for each year of allowable service and a proportional amount for completed months less than a full year. For a member who has elected continued participation in the variable program, the normal retirement annuity is the average salary of the member, as defined in Minnesota Statutes, section 354.44, subdivision 6, multiplied by .5 percent for a coordinated member or one percent for a basic member for each year of allowable service for the first ten years and, after ten years, by .75 percent for a coordinated member or 1.25 percent for a basic member and a proportional amount for completed months less than a full year. The normal retirement annuity is the retirement annuity to which the member is entitled at the normal retirement age.

Subd. 3. [EARLY RETIREMENT REDUCTION.] If a member electing coverage by this section retires before age 65 under a formula annuity,

the member is entitled upon separation from public service and upon application to the association to a retirement annuity in an amount equal to the normal retirement annuity determined under subdivision 2 reduced by one-half of one percent for each month that the member is under age 65 to age 60 and reduced by one fourth of one percent for each month under age 60 at the time of retirement, except that, for a member who has 30 or more years of allowable service credit, the reduction applies only for each month that the member is under age 62.

Subd. 4. [EARLY RETIREMENT WITHOUT REDUCTION.] A member electing coverage by this section whose attained age plus credited allowable service totals 90 years is entitled upon application to a retirement annuity equal to the normal retirement annuity determined under subdivision 2 without any reduction in annuity by reason of the early retirement age.

Sec. 20. [OPTIONAL RETIREMENT FORMULA AND BENEFITS; TEACHERS IN CITIES OF THE FIRST CLASS.]

Subdivision 1. [ELIGIBILITY.] Notwithstanding section 15, a person who is an active coordinated member of a teachers retirement association governed by Minnesota Statutes, chapter 354A, on the effective date of this section may elect, on a form provided by the person's association, to be eligible upon retirement for benefits determined under this section. An election must be made before July 1, 1992, and is irrevocable.

Subd. 2. [RETIREMENT ANNUITY FORMULA.] For a person electing coverage by this section, the normal retirement annuity is the average salary of the member multiplied by one percent for each year of coordinated service for the first ten years and, after ten years, by 1.5 percent for each year of coordinated service and a proportional amount for completed months less than a full year. Average salary for purposes of this subdivision means an amount equal to the average salary upon which contributions were made for the highest five successive years of service credit, but may not in any event include more than the equivalent of 60 monthly salary payments.

Subd. 3. [EARLY RETIREMENT OPTION.] A member electing coverage by this section who is entitled, upon retirement at an age before age 65 with three years of service credit or before age 62 with at least 30 years of service credit, to a retirement annuity in an amount equal to the normal retirement annuity determined under subdivision 2 reduced by one-half of one percent for each month that the member is under age 65 if the member has less than 30 years of service credit or is under the age of 62 if the coordinated member has at least 30 years of service credit but is over age 59, and reduced by one-fourth of one percent for each month that the member is under age 60.

Subd. 4. [EARLY RETIREMENT WITHOUT REDUCTION.] A member electing coverage under this section whose attained age plus credited allowable service totals 90 years is entitled upon application to a retirement annuity in an amount equal to the normal retirement annuity determined under subdivision 2 without any reduction in annuity by reason of the early retirement age.

Sec. 21. [REPEALER.]

Minnesota Statutes 1988, section 353.30, subdivisions 1a and 1b, are repealed.

Sec. 22. [EFFECTIVE DATE.]

Sections 1 to 21 are effective July 1, 1989.

ARTICLE 2**ONGOING PRE-1973 RETIREE
POSTRETIREMENT ADJUSTMENT****Section 1. [356.85] [POSTRETIREMENT ADJUSTMENT; LUMP SUM PAYMENTS.]**

Subdivision 1. [ENTITLEMENT.] A person who is receiving a retirement annuity, a disability benefit, or a surviving spouse's annuity or benefit from a retirement fund specified in subdivision 3, clauses (1) to (8), is entitled to receive a postretirement adjustment from the person's retirement fund in the amount specified in subdivision 2, if the annuity or benefit was computed under:

(1) the laws in effect before June 1, 1973, if the person is receiving an annuity or benefit from the retirement fund specified in subdivision 3, clause (4); or

(2) the laws in effect before July 1, 1973, if the person is receiving an annuity or benefit from a retirement fund specified in subdivision 3, clause (1), (2), (3), or (5); or

(3) the metropolitan transit commission-transit operating division employees retirement fund plan document in effect on or before December 31, 1977, if the person is receiving a retirement annuity, a disability benefit, or a surviving spouse's annuity or benefit from the retirement fund specified in subdivision 3, clause (5); or

(4) the laws in effect before May 1, 1974, and before any adjustment under Laws 1987, chapter 372, article 3, if the person is receiving an annuity or benefit from the retirement fund specified in subdivision 3, clause (6); or

(5) the laws in effect before January 1, 1970, if the person is receiving an annuity or benefit from the retirement fund specified in subdivision 3, clause (7); or

(6) the laws in effect before June 30, 1971, if the person is receiving an annuity or benefit from the retirement fund specified in subdivision 3, clause (8).

Subd. 2. [AMOUNT OF POSTRETIREMENT ADJUSTMENT; PAYMENT.] *(a) For a person receiving an annuity or benefit on the November 30 immediately before the postretirement adjustment payment date and entitled to receive a postretirement adjustment under subdivision 1, the postretirement adjustment is a lump sum payment calculated under paragraph (b), (c), or (d).*

(b) For a coordinated plan member, the postretirement adjustment is:

(1) in 1989, \$25 for each full year of allowable service credited to the person by the person's retirement fund;

(2) in 1990 and each following year, the amount payable in the preceding year increased by the same percentage as postretirement adjustments paid from the postretirement fund under section 11A.18 on the preceding January 1.

(c) For a basic plan member, the postretirement adjustment in 1989 is the greater of:

(1) \$25 for each full year of allowable service credited to the person by the person's retirement fund; or

(2) the difference between:

(i) the product of \$400 times the number of full years of allowable service credited to the person by the retirement fund; and

(ii) the sum of the benefits payable to the person from any Minnesota public employee pension plan and the cash benefits payable to the person from the Social Security Administration.

(d) For a basic plan member, the amount payable in 1990 and each following year is the amount payable in the preceding year increased by the same percentage as postretirement adjustments paid from the postretirement fund under section 11A.18 on the preceding January 1.

(e) The postretirement adjustment provided for in this section is payable on December 1, 1989, to persons receiving an annuity or benefit on November 30, 1989. In subsequent years the adjustment must be paid on December 1, for persons receiving an annuity or benefit on the prior November 30, unless the beneficiary is entitled to participate in an optional benefit receipt schedule under subdivision 4. This section does not authorize the payment of a postretirement adjustment to an estate. Notwithstanding section 356.18, the postretirement adjustment provided for in this section is payable automatically unless the intended recipient files a written notice with the chief administrative officer of the retirement fund requesting that the postretirement adjustment not be paid.

Subd. 3. [COVERED RETIREMENT FUNDS.] The postretirement adjustment provided in this section applies to the following retirement funds:

(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;

(6) Minneapolis teachers retirement fund association, established under chapter 354A;

(7) St. Paul teachers retirement fund association, established under chapter 354A; and

(8) Duluth teachers retirement fund association, established under chapter 354A.

Subd. 4. [OPTIONAL BENEFIT PAYMENT SCHEDULE.] A basic plan benefit recipient receiving an adjustment under subdivision 2, paragraph (c), clause (2), and whose adjustment exceeds 20 percent of the person's prior Minnesota plan benefit, may elect to have the amount of the benefit adjustment paid in equal monthly amounts instead of receiving a benefit adjustment on December 1 of each year. Selection of this option must be

made by the recipient in writing on a form prepared by the chief administrative officer of the applicable retirement association.

Subd. 5. [SOCIAL SECURITY INFORMATION.] To be eligible for a benefit adjustment calculated under subdivision 2, paragraph (c), clause (2), a person must authorize the Social Security Administration to release to the retirement association information on the person's social security cash benefits.

Subd. 6. [REPORT.] By September 30, 1990, the chief administrative officers of the retirement funds listed in subdivision 3 shall report to the chairs of the house of representatives governmental operations committee, the house appropriations committee, the senate governmental operations committee, and the senate finance committee, the executive director of the legislative commission on pensions and retirement, and the commissioner of finance on the number of benefit recipients eligible for each adjustment established in subdivision 2, the annual current disbursements cost of each adjustment, and the estimated actuarial accrued liability associated with each.

Sec. 2. [POSTRETIREMENT ADJUSTMENT; LUMP SUM PAYMENTS; MINNEAPOLIS EMPLOYEES RETIREMENT FUND.]

Subdivision 1. [ENTITLEMENT.] A person who is receiving either an annuity that was computed under the laws in effect before March 5, 1974, or a "\$2 bill and annuity" annuity from the Minneapolis employees retirement fund is entitled to receive a postretirement adjustment from the person's retirement fund in the amount specified in subdivision 2.

Subd. 2. [AMOUNT OF POSTRETIREMENT ADJUSTMENT; PAYMENT.] For any person receiving an annuity or benefit on November 30, 1989, or on November 30, 1990, and entitled to receive a postretirement adjustment under subdivision 1, the postretirement adjustment is a lump sum payment in an amount equal to \$25 during 1989 and \$25 during 1990 for each full year of allowable service credited to the person by the respective retirement fund.

The postretirement adjustment provided in this section is payable on December 1, 1989, to persons receiving an annuity or benefit on November 30, 1989, and on December 1, 1990, to persons receiving an annuity or benefit on November 30, 1990. This section does not authorize the payment of a postretirement adjustment to an estate. Notwithstanding section 356.18, the postretirement adjustment provided for in this section is payable automatically unless the intended recipient files a written notice with the chief administrative officer of the retirement fund requesting that the postretirement adjustment not be paid.

Subd. 3. [APPROPRIATION AND TERMINAL AUDIT.] To fund the postretirement benefits provided in this section for eligible benefit recipients of the Minneapolis employees retirement fund, \$773,000 for fiscal year 1990 and \$773,000 for fiscal year 1991 is appropriated from the general fund. The Minneapolis employees retirement fund shall, as soon as is practicable following the payment of the postretirement adjustment, calculate the amount of any appropriation apportioned to it that is in excess of the amounts required to pay the postretirement adjustments provided in this section. The calculations required by this subdivision must be reported to and verified by the commissioner of finance. Amounts equal to reported excess appropriations must be returned to the general fund as

soon as is practicable following the calculation reporting and verification.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1989.

ARTICLE 3

PARTIAL AUTOMATIC POSTRETIREMENT ADJUSTMENTS

Section 1. Minnesota Statutes 1988, section 11A.18, subdivision 9, is amended to read:

Subd. 9. [CALCULATION OF POSTRETIREMENT ADJUSTMENT.]

(a) Annually, following June 30, the state board shall determine whether a postretirement adjustment ~~shall be~~ is payable and shall determine the amount of any postretirement adjustment ~~which shall be~~ that is payable.

(~~1~~) The state board shall determine whether a postretirement adjustment ~~shall be~~ is payable using the ~~following~~ procedure: *prescribed in paragraphs (b) to (d).*

(~~a~~) (b) The state board shall determine the amount of dividends, interest, accruals, and realized capital gains or losses applicable to the most recent fiscal year ending June 30;

(~~b~~) (c) *The commission-retained actuary shall determine the amount of reserves required for the annuity or benefit payable to an annuitant and benefit recipient of the participating public pension plans or funds shall be determined by the commission-retained actuary as of the current June 30. An annuitant or benefit recipient who has been receiving an annuity or benefit for at least one year 12 full months as of the current June 30 shall be is eligible to receive a full postretirement adjustment. An annuitant or benefit recipient who has been receiving an annuity or benefit for at least one full month, but less than 12 full months, as of the current June 30 is eligible to receive a partial postretirement adjustment. Each fund shall report separately the amount of the reserves for those annuitants and benefit recipients who are eligible to receive a full postretirement benefit adjustment and. This amount is known as "eligible reserves." Each fund shall also report separately the amount of the reserves for those annuitants and benefit recipients who are not eligible to receive a postretirement adjustment shall be reported separately. This amount is known as "non-eligible reserves." For an annuitant or benefit recipient who is eligible to receive a partial postretirement adjustment, each fund shall report separately as additional "eligible reserves" an amount that bears the same ratio to the total reserves required for the annuitant or benefit recipient as the number of full months of annuity or benefit receipt as of the current June 30 bears to 12 full months. The remainder of the annuitant's or benefit recipient's reserves must be separately reported as additional "noneligible reserves." The amount of the "eligible" and "noneligible" required reserves shall must be certified to the board by the commission-retained actuary as soon as is practical following the current June 30;*

(~~e~~) (d) The state board shall determine the amount of investment income required to equal five percent of the total amount of the required reserves as of the preceding June 30 adjusted by five percent of each transfer in or transfer out multiplied by the fraction of a year from the date of transfer to the current June 30. This amount of required investment income shall must be subtracted from the actual amount of investment income determined according to ~~clause (1)(a)~~, paragraph (b) to determine the amount of excess

investment income. If this amount is positive, then a postretirement adjustment may be paid.

(2) (e) The state board shall determine the amount of any postretirement adjustment ~~which that~~ is payable using the ~~following~~ procedures: ~~prescribed in paragraphs (f) to (j).~~

(a) (f) The state board shall determine the amount of excess investment income by the method indicated in ~~clause (1);~~ paragraphs (b) to (d).

(b) (g) The total "eligible" required reserves as of the first of January next following the end of the fiscal year for the annuitants and benefit recipients eligible to receive ~~the a full or partial~~ postretirement adjustment as determined by ~~clause (1)(b) shall~~ paragraph (c) must be certified to the state board by the commission-retained actuary. The total "eligible" required reserves ~~shall must~~ be determined by the commission-retained actuary on the assumption that all annuitants and benefit recipients eligible to receive ~~the a full or partial~~ postretirement adjustment will be alive on the January 1 in question.

(e) (h) If the state board determines that the book value of the assets of the fund is less than an amount equal to the total amount of the current June 30 required reserves, with the book value and required reserves to be determined after the adjustments provided for in subdivision 11, ~~then~~ the state board shall allocate five percent of the excess investment income as an asset of the fund. The excess investment income allocated as an asset of the fund ~~shall may~~ not exceed the difference between book value and required reserves. The remaining amount ~~shall must~~ be termed available for distribution. The book value of assets on any given date ~~shall be~~ is the net assets at cost less the excess investment income determined ~~pursuant to clause (1)(e);~~ under paragraph (d).

(d) (i) The resulting total amount available for distribution ~~shall must~~ be increased by 2-1/2 percent, and the result ~~shall must~~ be stated as a percentage of the total amount of the required reserves ~~pursuant to clause (2)(b) determined under paragraph (f).~~ and, if the percentage is equal to or greater than one percent, the amount ~~shall must~~ be certified to each participating public pension fund or plan as the ~~amount of the full~~ postretirement adjustment amount. If the percentage is less than one percent, no postretirement adjustment ~~shall may~~ be payable in that year and the amount otherwise available for distribution ~~shall must~~ be credited to a separate reserve established for this purpose. The reserve ~~shall must~~ be invested in the same manner as all other assets of the fund and ~~shall must~~ be credited with any investment income as specified in ~~clause (1)(a) paragraph (b).~~ Amounts credited to the reserve ~~shall must~~ be utilized in determining a postretirement adjustment in the subsequent year. The amount of any full postretirement adjustment certified by the state board as payable to the participating public pension plans or funds ~~shall must~~ be carried to five decimal places and stated as a percentage.

(e) (j) A retirement annuity payable in the event of retirement before becoming eligible for social security benefits as provided in section 352.116, subdivision 3; 353.29, subdivision 6; or 354.35 must be treated as the sum of a period certain retirement annuity and a life retirement annuity for the purposes of any postretirement adjustment. The period certain retirement annuity plus the life retirement annuity ~~shall must~~ be the annuity amount payable until age 62 or 65, whichever applies. A postretirement adjustment granted on the period certain retirement annuity must terminate when the

period certain retirement annuity terminates.

Sec. 2. Minnesota Statutes 1988, section 11A.18, subdivision 10, is amended to read:

Subd. 10. [PAYMENT OF POSTRETIREMENT ADJUSTMENT.] Upon receiving the certification of the amount of the full postretirement adjustment from the state board, each participating public pension fund or plan shall determine the amount of the postretirement adjustment payable to each eligible annuitant and benefit recipient. The dollar amount of the postretirement adjustment payable to each annuitant or benefit recipient shall be calculated by applying the certified postretirement adjustment percentage to the amount of the monthly annuity or benefit payable to each eligible annuitant or benefit recipient eligible for a full adjustment.

The dollar amount of the partial postretirement adjustment payable to each annuitant or benefit recipient eligible for a partial adjustment must be calculated by determining a partial percentage amount that bears the same ratio to the certified full adjustment percentage amount as the number of full months of annuity or benefit receipt as of the current June 30 bears to 12 full months. The partial percentage amount determined must be applied to the amount of the monthly annuity or benefit payable to each annuitant or benefit recipient eligible to receive a partial postretirement adjustment. The Payment of postretirement adjustment shall adjustments must commence to be paid on January 1 following the calculations required pursuant to by this section and shall thereafter must afterward be included in the monthly annuity or benefit paid to the recipient. Notwithstanding section 356.18, any an adjustment pursuant to under this section shall be paid is payable automatically unless the intended recipient files a written notice with the applicable participating public pension fund or plan requesting that the adjustment not be paid.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective on the day following final enactment.

ARTICLE 4

OPTIONAL ANNUITY FORM WITH AUTOMATIC BOUNCEBACK FEATURE

Section 1. Minnesota Statutes 1988, section 136.82, subdivision 2, is amended to read:

Subd. 2. [REDEMPTION OF SHARES AS AN ANNUITY.] (a) 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 under subdivision 1, paragraph (2), 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 under subdivision 1, paragraph (3), 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 in this subdivision. 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 may not be made prior to before the date upon which the person would be entitled to make the request.

(b) The annuity purchase rates ~~shall~~ must 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~~ is the amount ~~which~~ that 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.

(c) 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~~ after that period, 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 joint and survivor annuity must provide that the elected monthly annuity amount will be reinstated to the monthly single life annuity amount if the person who has the designated remainder interest under the optional annuity dies before the person electing the optional annuity, with reinstatement occurring on the first day of the month next following the date of death of the person who has the designated remainder interest.* The optional forms of annuity ~~shall~~ must 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~~ must be a part of the permanent records of the board of trustees.

Sec. 2. Minnesota Statutes 1988, section 352.116, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL ANNUITIES.] (a) 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~~ after that period. *The optional joint and survivor annuity providing must provide that; the elected monthly annuity amount will be reinstated to the monthly single life annuity amount if after the joint and survivor annuity becomes payable, the person with the designated remainder interest in under the optional annuity dies before the former member, the annuity amount must be reinstated to a normal single life annuity amount as of person electing the optional annuity, with reinstatement occurring on the first day of the month after next following the day the person dies date of death of the person who has the designated remainder interest.*

(b) 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.

(c) 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. 3. Minnesota Statutes 1988, section 352B.08, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL ANNUITY FORMS.] (a) ~~In lieu~~ *Instead of* the single life annuity provided in subdivision 2, the member or former member with ten years or more of service may elect an optional annuity form.

(b) 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 joint and survivor annuity with an actuarial equivalent value of the single life annuity in the form of a joint and survivor annuity which provides~~ *must provide* that the elected monthly annuity amount will be reinstated to the ~~monthly~~ single life annuity ~~provided in subdivision 2,~~ amount if ~~after commencing the elected joint and survivor annuity,~~ the person who has the designated beneficiary remainder interest under the optional annuity dies before the ~~member~~ person electing the optional annuity, ~~which with reinstatement is not retroactive but takes effect for occurring on the first full day of the month occurring after the date of death of the person who has the designated beneficiary remainder interest.~~ The board may also establish other actuarial equivalent value optional annuity forms.

(c) In establishing actuarial equivalent value optional annuity forms, each optional annuity form ~~shall~~ *must* 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~~ *must* be a part of the permanent records of the board.

Sec. 4. Minnesota Statutes 1988, section 353.30, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL RETIREMENT ANNUITY FORMS.] (a) The board of trustees shall establish optional annuities ~~which shall take~~ in the form of a joint and survivor annuity. ~~The optional joint and survivor annuity must provide that the elected monthly annuity amount will be reinstated to the monthly single life annuity amount if the person who has the designated remainder interest under the optional annuity dies before the person electing the optional annuity, with reinstatement occurring on the first day of the month next following the date of death of the person who has the designated remainder interest.~~

(b) The optional annuity forms ~~shall~~ *must* be actuarially equivalent to the forms provided in section 353.29 and subdivisions 1, 1a, 1b, and 1c of this section. In establishing those optional forms, the board shall obtain the written recommendation of the commission-retained actuary. The recommendations ~~shall~~ *must* be a part of the permanent records of board.

(c) A member or former member may select an optional form of annuity

~~in lieu~~ instead of accepting any other form of annuity which might otherwise be available.

Sec. 5. Minnesota Statutes 1988, section 354.45, subdivision 1, is amended to read:

Subdivision 1. [OPTIONAL ANNUITY FORMS.] *(a) The retirement board shall establish optional annuities at retirement ~~which shall take in the form of an annuity payable for a period certain and for life thereafter after that period~~ or the form of a joint and survivor annuity. The board shall also establish an optional annuity ~~which shall take in the form of a guaranteed refund annuity paying the annuitant a fixed amount for life with the guarantee that in the event of death the balance of the accumulated deductions and interest accrued to the date of retirement will be paid to the designated beneficiary. The optional joint and survivor annuity must provide that the elected monthly annuity amount will be reinstated to the monthly single life annuity amount if the person who has the designated remainder interest under the optional annuity dies before the person electing the optional annuity, with reinstatement occurring on the first day of the month next following the date of death of the person who has the designated remainder interest.~~*

~~Any~~ *(b) Optional annuity forms shall must be actuarially equivalent to the normal forms provided in section 354.44. In establishing these optional annuity forms, the board shall obtain the written recommendation of the commission-retained actuary. The recommendations shall must be a part of the permanent records of the board.*

Sec. 6. Minnesota Statutes 1988, section 354A.32, is amended to read:
354A.32 [OPTIONAL RETIREMENT ANNUITIES.]

Subdivision 1. [OPTIONAL FORMS GENERALLY.] *(a) The boards of the Minneapolis and the St. Paul teachers retirement fund associations shall each establish for the coordinated program and the board of the Duluth teachers retirement fund association shall establish for the new law coordinated program an optional retirement annuity ~~which shall take in the form of a joint and survivor annuity as provided in subdivision 2.~~ Each board may also in its discretion establish an optional annuity ~~which shall take in the form of an annuity payable for a period certain and for life thereafter after that period.~~ Each board shall also establish an optional retirement annuity ~~which shall take in the form of a guarantee that in the event of death the balance of the accumulated deductions shall will be paid to a designated beneficiary.~~*

~~(b) Optional annuity forms shall must be the actuarial equivalent of the normal forms provided in section 354A.31. In establishing these optional annuity forms, the board shall obtain the written recommendation of the commission-retained actuary. The recommendation shall must be a part of the permanent records of the board.~~

Subd. 2. [~~SPECIAL~~ OPTIONAL JOINT AND SURVIVOR ANNUITY PROVISIONS.] ~~In the event of the death of the designated beneficiary of a retired member who had elected an optional annuity in the form of a The optional joint and survivor annuity under subdivision 1; the retired member shall thereafter receive the unreduced amount of the earned benefit computed pursuant to 354A.31; must provide that the elected monthly annuity amount will be reinstated to the monthly single life annuity amount if the~~

person who has the designated remainder interest under the optional annuity dies before the person electing the optional annuity, with reinstatement occurring on the first day of the month next following the date of death of the person who has designated remainder interest. The effect of this provision ~~shall~~ must be reflected in calculating the actuarial equivalent joint and survivor annuity under subdivision 1.

Sec. 7. Minnesota Statutes 1988, section 422A.17, is amended to read:
422A.17 [RETIREMENT ALLOWANCE; OPTIONS.]

(a) At retirement, ~~any~~ an employee who is eligible to receive a service allowance may elect to receive benefits in a retirement allowance payable throughout life or may on retirement elect to receive the actuarial equivalent at that time of annuity, pension, or retirement allowance in a lesser annuity, or a lesser pension, or a lesser retirement allowance, payable throughout life, with the provisions that:

Option I. if the benefit recipient dies before receiving in payments an amount equal to the present value of the benefit recipient's annuity, pension, or retirement allowance, as of the date of the benefit recipient's retirement, the balance ~~shall~~ will be paid to the benefit recipient's legal representatives or to ~~such~~ the person, having an insurable interest in the benefit recipient's life, ~~as that~~ the benefit recipient ~~shall nominate~~ has nominated by written designation duly acknowledged and filed with the retirement board as of the date of retirement; or

Option II. upon the death of the benefit recipient, the benefit recipient's annuity, pension, or retirement allowance ~~shall~~ will be continued throughout the life of and paid to the person, having an insurable interest in the benefit recipient's life, ~~as that~~ the benefit recipient ~~shall nominate~~ has nominated by written designation duly acknowledged and filed with the retirement board as of the date of retirement; or

Option III. upon death of the benefit recipient, one-half of the benefit recipient's annuity, pension, or retirement allowance ~~shall~~ will be continued throughout the life of and paid to the person, having an insurable interest in the benefit recipient's life, ~~as that~~ the benefit recipient ~~shall nominate~~ has nominated by written designation duly acknowledged and filed with the retirement board as of the date of retirement; or

Option IV. other optional retirement allowance forms ~~shall~~ will be paid to the benefit recipient or other person or persons the benefit recipient nominates, provided that the optional annuity is of equivalent actuarial value to the applicable single life annuity calculated under section 422A.15 and is approved by the retirement board.

(b) *The option II or option III retirement allowance form must provide that the elected monthly allowance amount will be reinstated to the monthly single life retirement allowance amount if the person who has the designated remainder interest under the optional retirement allowance dies before the person electing the optional retirement allowance, with reinstatement occurring on the first day of the month next following the date of death of the person who has the designated remainder interest.*

(c) ~~Any~~ An optional retirement allowance ~~shall~~ must be computed and determined under a procedure specified by the commission-retained actuary utilizing the ~~appropriate~~ mortality table established by the board of

trustees based on the experience of the fund as recommended by the commission-retained actuary and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

(d) In adopting optional annuity forms, the board of trustees shall obtain the written recommendation of the commission-retained actuary. The recommendations ~~shall~~ must be a part of the permanent records of the board of trustees.

Sec. 8. Minnesota Statutes 1988, section 490.124, subdivision 11, is amended to read:

Subd. 11. [OPTIONAL ANNUITIES.] (a) No survivor or death benefits may be paid in connection with the death of a judge who retires after December 31, 1973, except as otherwise provided in sections 490.121 to 490.132.

(b) Within 30 days before retirement, except as provided in subdivision 10, a judge may elect to ~~receive~~, instead of the normal retirement annuity, to receive an optional retirement annuity in the form of an annuity payable for a period certain and for life after that period; ~~a joint and survivor annuity without reinstatement in the event of the designated beneficiary predeceasing the retired judge; or a joint and survivor annuity with reinstatement in the event of the designated beneficiary predeceasing the retired judge.~~ The optional joint and survivor annuity must provide that the elected monthly annuity amount will be reinstated to the monthly single life annuity amount if the person who has the designated remainder interest under the optional annuity dies before the person electing the optional annuity, with reinstatement occurring on the first day of the month next following the date of death of the person who has the designated remainder interest.

(c) An optional retirement annuity must be actuarially equivalent to a single life annuity with no term certain and must be established by the board of directors of the Minnesota state retirement system. In establishing these optional retirement annuity forms, the board shall obtain the written recommendation of the actuary retained by the legislative commission on pensions and retirement. The recommendations must be a part of the permanent records of the board.

Sec. 9. [356.93] [APPLICATION TO CERTAIN OPTIONAL ANNUITY ELECTIONS.]

Subdivision 1. [PROSPECTIVE ANNUITY OPTIONS.] After July 1, 1989, no joint and survivor optional annuity may be elected by a retiring active or deferred member other than in a form that complies with sections 1 to 8.

Subd. 2. [CURRENT ANNUITY OPTIONS.] A person who is receiving an optional joint and survivor annuity under section 136.82, subdivision 2; 352.116, subdivision 3; 352B.08, subdivision 3; 353.30, subdivision 3; 354.45, subdivision 1; 354A.32; 422A.17; or 490.124, subdivision 11, as of July 1, 1989, that does not have the reinstatement requirement provided for prospective optional joint and survivor annuities under sections 1 to 8, may, with the written consent of the person who has the designated remainder interest under the optional joint and survivor annuity, elect to convert the current optional joint and survivor annuity form to an optional joint and survivor annuity form of an identical remainder percentage with the reinstatement requirement provided for prospective optional joint and survivor annuities under sections 1 to 8. The primary and remainder

amounts of the converted optional annuity, exclusive of the percentage of the base annuity amount of any postretirement adjustments under section 11A.18 or 422A.06, subdivision 8, must be the amounts that, as of the date of retirement, would have been the actuarial equivalent of the single life annuity otherwise payable as of the date of retirement, plus the compounded percentage postretirement adjustments granted since the date of retirement.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective on July 1, 1989.

ARTICLE 5

INCREASED INTEREST ON REFUNDS OF ACCUMULATED MEMBER CONTRIBUTIONS

Section 1. Minnesota Statutes 1988, section 352.12, subdivision 6, is amended to read:

Subd. 6. [DEATH AFTER SERVICE TERMINATION.] Except as provided in subdivision 1, if a former employee covered by the system dies and has not received an annuity, a retirement allowance, or a disability benefit, a refund must be made to the last designated beneficiary or, if there is none, to the surviving spouse or, if none, to the employee's surviving children in equal shares or, if none, to the employee's surviving parents in equal shares or, if none, to the representative of the estate in an amount equal to accumulated employee contributions. The refund must include interest at the rate of ~~five~~ six percent per year compounded annually. The interest must be computed to the first day of the month in which the refund is processed and be based on fiscal year balances.

Sec. 2. Minnesota Statutes 1988, section 352.22, subdivision 2, is amended to read:

Subd. 2. [AMOUNT OF REFUND.] Except as provided in subdivision 3, ~~any~~ a person who ceased to be a state employee after June 30, 1973, by reason of termination of state service ~~shall~~ must receive a refund in an amount equal to employee accumulated contributions plus interest at the rate of ~~five~~ six percent per year compounded annually. 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.

Sec. 3. Minnesota Statutes 1988, section 352B.11, subdivision 1, is amended to read:

Subdivision 1. [REFUND OF PAYMENTS.] A member who has not received other benefits under this chapter is entitled to a refund of payments made by salary deduction, plus interest, if the member is separated, either voluntarily or involuntarily, from state service that entitled the member to membership. In the event of the member's death, the member's estate is entitled to the refund. Interest must be computed at the rate of ~~five~~ six percent a year, compounded annually. To receive a refund, the member must apply on a form prescribed by the executive director.

Sec. 4. 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 is entitled to~~ 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~~ ceases 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~~ instead of the annuity prescribed in paragraph (b).

(d) The surviving spouse of ~~any a~~ member who had credit for five years or more and who was not 55 years of age at death, ~~shall is entitled to~~ 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 does~~ not affect the payment of the benefit.

(e) Each dependent child ~~shall is entitled to~~ receive a monthly annuity equal to ten percent of ~~that the~~ 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~~ ceases at the end of the month of separation. In addition, a payment of \$20 per month ~~shall must~~ 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, 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 six percent per year compounded annually.

Sec. 5. Minnesota Statutes 1988, section 353.32, subdivision 1, is amended to read:

Subdivision 1. [BEFORE RETIREMENT.] If a member or former member who terminated public service dies before retirement or before receiving any retirement annuity and no other payment of any kind is or may become payable to any person, a refund shall ~~must~~ be paid to the designated beneficiary or, if there ~~be~~ is none, to the surviving spouse, or, if none, to the legal representative of the decedent's estate. ~~Such~~ The refund shall ~~must~~ be in an amount equal to accumulated deductions plus interest ~~thereon~~ at the rate of five six percent ~~per annum~~ a year compounded annually less the sum of any disability or survivor benefits, if ~~any~~, that may have been paid by the fund; provided that a survivor who has a right to benefits ~~pursuant to~~ under section 353.31 may waive ~~such~~ the benefits in writing, except ~~such~~ that benefits for a dependent child under the age of 18 years may only be waived ~~pursuant to~~ under an order of the district court.

Sec. 6. Minnesota Statutes 1988, section 353.34, subdivision 2, is amended to read:

Subd. 2. [REFUND WITH INTEREST.] Except as provided in subdivision 1, ~~any~~ a person who ceases to be a public employee shall ~~must~~ receive a refund in an amount equal to accumulated deductions with interest to the first day of the month in which the refund is processed at the rate of five six percent ~~per annum~~ a year compounded annually based on fiscal year balances.

Sec. 7. Minnesota Statutes 1988, section 354.47, subdivision 1, is amended to read:

Subdivision 1. [DEATH BEFORE RETIREMENT.] (1) (a) If a member dies before retirement and is covered ~~pursuant to the provisions of~~ by section 354.44, subdivision 2, and neither an optional annuity, nor a reversionary annuity, nor a benefit ~~pursuant to~~ under section 354.46, subdivision 1, is payable to the survivors if the member was a basic member, the surviving spouse, or if there is no surviving spouse, the designated beneficiary shall ~~be~~, is entitled to an amount equal to the member's accumulated deductions with interest credited to the account of the member to the date of death.

(2) (b) If a member dies before retirement and is covered ~~pursuant to the provisions of~~ by section 354.44, subdivisions 6 and 7, and neither an optional annuity, nor reversionary annuity, nor the benefit described in section 354.46, subdivision 1, is payable to the survivors if the member was a basic member, the surviving spouse, or if there is no surviving spouse, the designated beneficiary shall ~~be~~, is entitled to an amount equal to the member's accumulated deductions credited to the account of the member as of June 30, 1957, and from July 1, 1957, to the date of death the member's accumulated deductions plus interest at the rate of five six percent ~~per annum~~ a year compounded annually.

(3) (c) The amounts payable in ~~clause (1) or (2)~~ paragraph (a) or (b)

are in addition to the amount payable in section 354.62, subdivision 5, for the member's variable annuity account.

Sec. 8. Minnesota Statutes 1988, section 354.49, subdivision 2, is amended to read:

Subd. 2. Except as provided in section 354.44, subdivision 1, ~~any~~ a person who ceases to be a member by reason of termination of teaching service, ~~shall must~~ receive a refund in an amount equal to the accumulated deductions credited to the account as of June 30, 1957, and after July 1, 1957, the accumulated deductions with interest at the rate of ~~five six~~ ~~percent~~ ~~per annum~~ ~~a year~~ compounded annually plus any variable annuity account accumulations payable ~~pursuant to under~~ section 354.62, subdivision 5, clause (4). For the purpose of this subdivision, interest ~~shall must~~ be computed on fiscal year end balances to the first day of the month in which the refund is issued.

Sec. 9. Minnesota Statutes 1988, section 354.49, subdivision 3, is amended to read:

Subd. 3. ~~Any~~ A person who has attained ~~the at least age of at least~~ 65 with less than five years of credited allowable service ~~shall be is~~ entitled to receive a refund in an amount equal to the person's accumulated deductions plus interest ~~in lieu instead~~ of a proportionate annuity ~~pursuant to under~~ section 356.32 except those covered under ~~the provisions of~~ section 354.44, subdivision 6 or 7, in which case the refund ~~shall must~~ be an amount equal to the accumulated deductions credited to the person's account as of June 30, 1957, and after July 1, 1957, the accumulated deductions plus interest at the rate of ~~five six~~ percent compounded annually.

Sec. 10. Minnesota Statutes 1988, section 354A.35, subdivision 1, is amended to read:

Subdivision 1. [DEATH BEFORE RETIREMENT; REFUND.] If a coordinated member or former coordinated member dies ~~prior to before~~ retirement or ~~prior to before~~ the receipt of any retirement annuity or other benefit payment ~~which that~~ is or may be payable and a surviving spouse optional annuity is not payable ~~pursuant to under~~ subdivision 2, a refund ~~shall must~~ be paid to the person's surviving spouse, or, if there is none, to the person's designated beneficiary, or, if there is none, to the legal representative of the person's estate. The refund ~~shall must~~ be in an amount equal to the person's accumulated contributions plus interest at the rate of ~~five six~~ percent ~~per annum~~ ~~a year~~ compounded annually.

Sec. 11. Minnesota Statutes 1988, section 354A.37, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF REFUND AMOUNT.] A former coordinated member who qualifies for a refund ~~pursuant to under~~ subdivision 1 ~~shall must~~ receive a refund equal to the amount of the former coordinated member's accumulated contributions with interest at the rate of ~~five six~~ percent ~~per annum~~ ~~a year~~ compounded annually.

Sec. 12. Minnesota Statutes 1988, section 354A.37, subdivision 4, is amended to read:

Subd. 4. [CERTAIN REFUNDS AT AGE 65.] ~~Any~~ A coordinated member who has attained ~~the age of at least age~~ 65 with less than ten years of allowable service credit and has terminated active teaching service ~~shall be is~~ entitled to a refund ~~in lieu instead~~ of a proportionate annuity ~~pursuant~~

~~to~~ under section 356.32. The refund ~~shall~~ *must* be equal to the coordinated member's accumulated employee contributions plus interest at the rate of ~~five~~ *six* percent compounded annually.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 12 are effective on July 1, 1989.

ARTICLE 6

THREE-YEAR VESTING REQUIREMENT

Section 1. Minnesota Statutes 1988, section 352.113, subdivision 1, is amended to read:

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] ~~Any~~ *An* employee covered by the system who is less than 65 years old who becomes totally and permanently disabled after ~~five~~ *three* or more years of allowable service is entitled to a disability benefit in an amount provided in subdivision 3. If the disabled employee's state service has terminated at any time, the employee must have at least ~~three~~ *two* years of allowable service after last becoming a state employee covered by the system.

Sec. 2. Minnesota Statutes 1988, section 352.115, subdivision 1, is amended to read:

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] After separation from state service, ~~any~~ *an* employee (1) who has attained the age of at least 55 years and who is entitled to credit for at least ~~five~~ *three* years allowable service, or (2) who has received credit for at least 30 years allowable service regardless of age, is entitled upon application to a retirement annuity.

Sec. 3. Minnesota Statutes 1988, section 352.115, subdivision 2, is amended to read:

Subd. 2. [AVERAGE SALARY.] The retirement annuity ~~hereunder~~ payable at age 65 or ~~thereafter~~ *older* must be computed ~~in accordance with the applicable provisions of~~ *under* the formula ~~stated~~ in subdivision 3, on the basis of the employee's average salary for the period of allowable service. This retirement annuity is known as the "normal" retirement annuity.

For each year of allowable service, "average salary" of an employee in determining a retirement annuity means the average of the highest five successive years of salary upon which the employee has made contributions to the retirement fund by payroll deductions. *Average salary must be based upon all allowable service if this service is less than five years.*

"Average salary" does not include the payment of accrued unused annual leave or overtime paid at time of final separation from state service if paid in a lump sum, nor does it include ~~the~~ *any* reduced salary, ~~if any,~~ paid during ~~the~~ *a* period the employee is entitled to workers' compensation benefit payments for temporary disability.

Sec. 4. Minnesota Statutes 1988, section 352.12, subdivision 2, is amended to read:

Subd. 2. [SURVIVING SPOUSE BENEFIT.] If an employee or former employee is at least 50 years old and has credit for at least ~~five~~ *three* years allowable service or who has credit for at least 30 years of allowable service, regardless of age, dies before an annuity or disability benefit has become payable, notwithstanding any designation of beneficiary to the contrary,

the surviving spouse of the employee may elect to receive, *in lieu instead* of the refund with interest provided in subdivision 1, an annuity equal to the joint and 100 percent survivor annuity *for* which the employee could have qualified ~~for~~ had the employee terminated service on the date of death. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The annuity must be computed as provided in sections 352.115, subdivisions 1, 2, and 3, and 352.116, subdivisions 1 and 3. Sections 352.22, subdivision 3, and 352.72, subdivision 2, apply to a deferred annuity payable under this subdivision. The annuity must cease with the last payment received by the surviving spouse in the lifetime of the surviving spouse. An amount equal to ~~the any~~ excess, ~~if any,~~ of the accumulated contributions credited to the account of the deceased employee in excess of the total of the benefits paid and payable to the surviving spouse must be paid to the deceased employee's last designated beneficiary or, if none, to the surviving children of the deceased spouse in equal shares or, if none, to the surviving parents of the deceased spouse or, if none, to the representative of the estate of the deceased spouse. ~~Any~~ An employee may request in writing that this subdivision not apply and that payment be made only to a designated beneficiary as otherwise provided by this chapter.

Sec. 5. Minnesota Statutes 1988, section 352.22, subdivision 3, is amended to read:

Subd. 3. [DEFERRED ANNUITY.] (a) Any employee with at least ~~five~~ *three* years of allowable service when termination occurs may elect to leave the accumulated contributions in the fund and ~~thereby~~ be entitled to a deferred retirement annuity. This annuity must be computed as provided by the law in effect when state service terminated, on the basis of allowable service before termination of service.

(b) An employee on layoff or on leave of absence without pay, except a leave of absence for health reasons, who does not return to state service ~~shall~~ *must* have any annuity, deferred annuity, or other benefit to which the employee may become entitled computed under the law in effect on the last working day.

(c) No application for a deferred annuity ~~shall~~ *may* be made more than 60 days before the time the former employee reaches the required age for entitlement to the payment of the annuity. The deferred annuity ~~shall~~ *begin* *begins* to accrue no earlier than 60 days before the date the application is filed in the office of the system, but not (1) before the date the employee reaches the required age for entitlement to the annuity, nor (2) before the day following the termination of state service in a position not covered by the retirement system, nor (3) before the day following the termination of employment in a position that requires the employee to be a member of either the public employees retirement association or the teachers retirement association.

(d) Application for the accumulated contributions left on deposit with the fund may be made at any time after 30 days following the date of termination of service.

Sec. 6. Minnesota Statutes 1988, section 352.72, subdivision 1, is amended to read:

Subdivision 1. [ENTITLEMENT TO ANNUITY.] (a) ~~Any~~ A person who

has been an employee covered by a retirement system listed in paragraph (b) is entitled when qualified to an annuity from each fund if total allowable service in all funds or in any two of these funds totals ~~five~~ *three* or more years.

(b) This section applies to the Minnesota state retirement system, the public employees retirement association including the public employees retirement association police and firefighters fund, the teachers retirement association, the state patrol retirement association, or any other public employee retirement system in the state with a similar provision, except as noted in paragraph (c).

(c) This section does not apply to other funds providing benefits for police officers or firefighters.

(d) No portion of the allowable service upon which the retirement annuity from one fund is based ~~shall~~ *may* be again used in the computation for benefits from another fund. No refund may have been taken from any one of these funds since service entitling the employee to coverage under the system or the employee's membership in any of the associations last terminated. The annuity from each fund must be determined by ~~the appropriate provisions of the law~~ except that the requirement that a person must have at least ~~five~~ *three* years allowable service in the respective system or association does not apply for the purposes of this section if the combined service in two or more of these funds equals ~~five~~ *three* or more years.

Sec. 7. Minnesota Statutes 1988, section 352.93, subdivision 1, is amended to read:

Subdivision 1. [BASIS OF ANNUITY; WHEN TO APPLY.] After separation from state service, an employee covered under section 352.91 who has reached age 55 years and has credit for at least ~~five~~ *three* years of covered correctional service and regular Minnesota state retirement system service is entitled upon application to a retirement annuity under this section based only on covered correctional employees' service. Application may be made no earlier than 60 days before the date the employee is eligible to retire by reason of both age and service requirements.

In this section, "average salary" means the average of the monthly salary during the employees' highest five successive years of salary as an employee covered by the Minnesota state retirement system. *Average salary must be based upon all allowable service if this service is less than five years.*

Sec. 8. Minnesota Statutes 1988, section 352.95, subdivision 2, is amended to read:

Subd. 2. [NON-JOB-RELATED DISABILITY.] ~~Any~~ A covered correctional employee who, after at least ~~five~~ *three* years of covered correctional service, before reaching the age of 55 becomes disabled and physically unfit to perform the duties of the position because of sickness or injury occurring while not engaged in covered employment, is entitled to a disability benefit based on covered correctional service only. The disability benefit must be computed as provided in section 352.93, subdivisions 1 and 2, and computed as though the employee had at least ten years of covered correctional service.

Sec. 9. Minnesota Statutes 1988, section 352B.01, subdivision 11, is amended to read:

Subd. 11. [AVERAGE SALARY.] "Average monthly salary" means the

average of the highest monthly salaries for five years of service as a member. *Average monthly salary must be based upon all allowable service if this service is less than five years.* It does not include any amounts of severance pay or any reduced salary paid during the period the person is entitled to workers' compensation benefit payments for temporary disability.

Sec. 10. Minnesota Statutes 1988, section 352B.08, subdivision 1, is amended to read:

Subdivision 1. [WHO IS ELIGIBLE; WHEN TO APPLY; ACCRUAL.] ~~Every~~ A member who is credited with ~~five~~ *three* or more years of allowable service is entitled to separate from state service and, upon ~~becoming~~ *reaching age 55 years old*, is entitled to receive a life annuity, upon separation from state service. Members ~~shall~~ *must* apply for an annuity in a form and manner prescribed by the executive director. No application may be made more than 60 days before the date the member is eligible to retire by reason of both age and service requirements. An annuity begins to accrue no earlier than 90 days before the date the application is filed with the executive director.

Sec. 11. 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~~ *three* 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~~ *three* years of service ~~shall is entitled to~~ receive, for life, a monthly annuity equal to 20 percent of ~~that the~~ 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~~ *ceases* as of the date of the remarriage.

(c) The surviving spouse of a member who had credit for at least ~~five~~ *three* years service and who died after attaining ~~age 55 years of age~~, may elect to receive a 100 percent joint and survivor annuity, for life, notwithstanding a subsequent remarriage, ~~in lieu~~ *instead* of the annuity prescribed in paragraph (b).

(d) The surviving spouse of any member who had credit for ~~five~~ *three* years or more and who was not 55 years of age at death, ~~shall is entitled to~~ 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~~ *does* not affect the payment of the benefit.

(e) Each dependent child ~~shall~~ *is entitled to* receive a monthly annuity equal to ten percent of ~~that the~~ part of the average monthly salary of the former member from which deductions were made for retirement. A dependent child over *age 18* and under *age 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~~ *ceases* at the end of the month of separation. In addition, a payment of \$20 per month ~~shall must~~ 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 may~~ 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~~ *three* or more years of allowable service, but not the spouse of a former member receiving a disability benefit under section 352B.10, subdivision 3, 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~~ a year compounded annually.

Sec. 12. Minnesota Statutes 1988, section 352B.30, subdivision 1, is amended to read:

Subdivision 1. [ENTITLEMENT TO ANNUITY.] Any person who has been an employee covered by the Minnesota state retirement system, or a member of the public employees retirement association including the public employees retirement association police and firefighters' fund, or the teachers retirement association, or the state patrol retirement fund, or any other public employee retirement system in Minnesota having a like provision, but excluding all other funds providing benefits for police or firefighters, is entitled when qualified to an annuity from each fund if total allowable service in all funds or in any two of these funds totals ~~five~~ *three* or more years. No part of the allowable service upon which the retirement annuity from one fund is based may again be used in the computation for benefits from another fund. The member must not have taken a refund from any one of these funds since service entitling the member to coverage under the system or membership in any of the associations last terminated. The annuity from each fund must be determined by the ~~appropriate~~ law except that the requirement that a person must have at least ~~five~~ *three* years allowable service in the ~~respective~~ system or association does not apply for the purposes of this section if the combined service in two or more of these funds equals ~~five~~ *three* or more years.

Sec. 13. Minnesota Statutes 1988, section 353.29, subdivision 1, is

amended to read:

Subdivision 1. [AGE AND ALLOWABLE SERVICE REQUIREMENTS.] Upon separation from public service ~~any~~ a person who has attained ~~the age of~~ at least ~~age~~ 65 years and who received credit for not less than ~~five~~ three years of allowable service is entitled upon application to a retirement annuity. ~~Such~~ The retirement annuity is known as the "normal" retirement annuity.

Sec. 14. Minnesota Statutes 1988, section 353.29, subdivision 2, is amended to read:

Subd. 2. [AVERAGE SALARY.] In calculating the annuity under subdivision 3, "average salary" means an amount equivalent to the average of a member's highest salary upon which employee contributions were paid for any five successive years of allowable service, based on dates of salary periods as listed on salary deduction reports. *Average salary must be based upon all allowable service if this service is less than five years.* The ~~five~~ successive years average salary may not include any reduced salary paid during a period in which the employee is entitled to benefit payments from workers' compensation for temporary disability, unless the average salary is higher, including this period.

Sec. 15. Minnesota Statutes 1988, section 353.32, subdivision 1a, is amended to read:

Subd. 1a. [SURVIVING SPOUSE OPTIONAL ANNUITY.] If a member or former member who has attained at least age 50 and has credit for not less than ~~five~~ three years of allowable service or who has credit for not less than 30 years of allowable service, regardless of age attained, dies before the annuity or disability benefit begins to accrue in accordance with section 353.29, subdivision 7, or 353.33, subdivision 2, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, instead of a refund with interest provided in subdivision 1, or survivor benefits otherwise payable under section 353.31, an annuity equal to the 100 percent joint and survivor annuity that the member could have qualified for had the member terminated service on the date of death. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The annuity must be computed as provided in sections 353.29, subdivisions 2 and 3; and 353.30, subdivisions 1, 1a, 1b, and 1c. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision. No payment may accrue beyond the end of the month in which entitlement to the annuity has terminated. An amount equal to any excess of the accumulated contributions that were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse must be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of the deceased member. A member may specify in writing that this subdivision does not apply and that payment may be made only to the designated beneficiary as otherwise provided by this chapter.

Sec. 16. Minnesota Statutes 1988, section 353.33, subdivision 1, is amended to read:

Subdivision 1. [AGE, SERVICE AND SALARY REQUIREMENTS.]

~~Any~~ A member who becomes totally and permanently disabled before ~~normal~~ retirement age 65 and after ~~five~~ *three* years of allowable service ~~shall~~ be ~~is~~ entitled to a disability benefit in an amount provided in subdivision 3. If ~~such~~ *the* disabled person's public service has terminated at any time, at least ~~three~~ *two* of the required ~~five~~ *three* years of allowable service must have been rendered after last becoming a member. ~~Any~~ A member whose average salary is less than \$75 per month ~~shall~~ *is* not be entitled to a disability benefit. No repayment of a refund otherwise authorized ~~pursuant to~~ *under* section 353.34 and no purchase of prior service or payment made ~~in lieu~~ *instead* of salary deductions otherwise authorized ~~pursuant to~~ *by* section 353.01, subdivision 16, 353.017, subdivision 4, or 353.36, subdivision 2, may be made after the occurrence of the disability for which an application ~~pursuant to~~ *under* this section is filed.

Sec. 17. Minnesota Statutes 1988, section 353.34, subdivision 3, is amended to read:

Subd. 3. [DEFERRED ANNUITY; ELIGIBILITY; COMPUTATION.] A member with at least ~~five~~ *three* years of allowable service when termination of public service occurs has the option of leaving the accumulated deductions in the fund and being entitled to a deferred retirement annuity commencing at age 65 or to a deferred early retirement annuity under section 353.30, subdivision 1, 1a, 1b, or 1c. The deferred annuity must be computed under section 353.29, subdivisions 2 and 3, on the basis of the law in effect on the date of termination of public service and must be augmented as provided in section 353.71, subdivision 2. A former member qualified to apply for a deferred retirement annuity may revoke this option at any time before the commencement of deferred annuity payments by making application for a refund. The person is entitled to a refund of accumulated member contributions within 30 days following *the* date of receipt of the application by the executive director.

Sec. 18. Minnesota Statutes 1988, section 353.34, subdivision 3a, is amended to read:

Subd. 3a. [DEFERRED ANNUITY; CERTAIN HOSPITAL EMPLOYEES.] ~~Any~~ A member employed by a public hospital, as defined in section 355.71, subdivision 3, who has at least ~~five~~ *three* years of allowable service credit on the date the public hospital is taken over by a private corporation or organization, may elect to receive a deferred annuity ~~pursuant to~~ *under* subdivision 3 notwithstanding the length of service requirement contained ~~therein~~ *in that subdivision*.

Sec. 19. Minnesota Statutes 1988, section 353.651, subdivision 1, is amended to read:

Subdivision 1. [AGE AND ALLOWABLE SERVICE REQUIREMENTS.] Upon separation from public service, ~~any~~ *a* police officer or firefighter member who has attained ~~the age of~~ at least *age* 55 years and who received credit for not less than ~~five~~ *three* years of allowable service is entitled upon application to a retirement annuity. ~~Such~~ *The* retirement annuity is known as the "normal" retirement annuity.

Sec. 20. Minnesota Statutes 1988, section 353.651, subdivision 2, is amended to read:

Subd. 2. [AVERAGE SALARY.] In calculating the annuity under subdivision 3, "average salary" means an amount equivalent to the average of the highest salary earned as a police officer or firefighter upon which

employee contributions were paid for any five successive years of allowable service. *Average salary must be based upon all allowable service if this service is less than five years.*

The ~~five successive years~~ average salary may not include any reduced salary paid during a period in which the employee is entitled to benefit payments from workers' compensation for temporary disability unless the average salary is higher, including this period.

Sec. 21. Minnesota Statutes 1988, section 353.657, subdivision 2a, is amended to read:

Subd. 2a. [DEATH WHILE ELIGIBLE SURVIVOR BENEFIT.] If a member or former member who has attained ~~the age of~~ at least *age 50 years* and has credit for not less than ~~five~~ *three* years allowable service or who has credit for at least 30 years of allowable service, regardless of age attained, dies before public service has terminated, or if an employee who has filed a valid application for an annuity or disability benefit prior to termination of public service dies before the annuity or benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive a death while eligible survivor benefit. The benefit ~~shall be in lieu~~ *is instead* of a refund with interest provided in section 353.32, subdivision 1, or survivor benefits otherwise payable ~~pursuant to~~ *under* subdivisions 1 and 2. The benefit must be an annuity equal to the 100 percent joint and survivor annuity *for* which the member could have qualified ~~for~~ on the date of death, computed as provided in sections 353.651, subdivisions 2 and 3, and 353.30, subdivision 3. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision. No payment ~~shall accrue~~ *accrues* beyond the end of the month in which entitlement to ~~such~~ *the* annuity has terminated. An amount equal to ~~the any excess,~~ *if any,* of the accumulated contributions ~~which were~~ credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse ~~shall~~ *must* be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of ~~such~~ *the* deceased member. ~~Any~~ *A* member may request in writing that this subdivision not apply and that payment be made only to the designated beneficiary, as otherwise provided by this chapter. For a member who is employed as a full-time firefighter by the department of military affairs of the state of Minnesota, allowable service as a full-time state military affairs department firefighter credited by the Minnesota state retirement system may be used in meeting the minimum allowable service requirement of this subdivision.

Sec. 22. Minnesota Statutes 1988, section 353.71, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] ~~Any~~ *A* person who has been a member of the public employees retirement association, or the Minnesota state retirement system, or the teachers retirement association, or any other public retirement system in the state of Minnesota having a like provision, except a fund providing benefits for police officers or firefighters governed by sections 69.77 or 69.771 to 69.776, ~~shall be~~ *is* entitled when qualified to an annuity from each fund if the total allowable service in all funds or

in any two of these funds totals ~~five~~ *three* or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund and provided further that the person has not taken a refund from any one of these funds since the person's membership in that association or system last terminated. The annuity from each fund ~~shall~~ *must* be determined by the appropriate provisions of the law except that the requirement that a person must have at least ~~five~~ *three* years of allowable service in the respective association or system ~~shall~~ *does* not apply for the purposes of this section provided the combined service in two or more of these funds equals ~~five~~ *three* or more years.

Sec. 23. Minnesota Statutes 1988, section 353C.06, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY REQUIREMENTS.] After separation from public employment, an employee covered under section 353C.02 who has attained ~~the age of~~ at least ~~age 55 years~~ and has credit for not less than ~~five~~ *three* years of coverage in the local government correctional service plan is entitled, upon application, to a normal retirement annuity. Instead of a normal retirement annuity, a retiring employee may elect to receive the optional annuity provided in section 353.30, subdivision 3.

Sec. 24. Minnesota Statutes 1988, section 353C.06, subdivision 2, is amended to read:

Subd. 2. [AVERAGE SALARY BASE.] In calculating the annuity under subdivision 3, "average salary" means an amount equivalent to the average of the highest salary earned as a local government correctional employee upon which employee contributions were paid for any five successive years of allowable service. *Average salary must be based on all allowable service if this service is less than five years.*

Sec. 25. Minnesota Statutes 1988, section 354.41, subdivision 3, is amended to read:

Subd. 3. ~~(1)~~ *(a)* Each annuitant, age 60 or over, who is drawing an annuity ~~pursuant to~~ *under* Minnesota Statutes 1953, section 135.10, and Minnesota Statutes 1965, sections 354.44 and 354.33 ~~shall have~~, *has* the right to have membership in the fund restored upon resumption of teaching service, for the purpose of having deductions made in accordance with sections 354.42 and 355.48. Upon completion of ~~five~~ *three* years of allowable service, under this subdivision the member ~~shall be~~ *is* entitled to a coordinated annuity provided in section 354.44, subdivision 6. This annuity is in addition to any annuity previously granted under this chapter.

~~(2)~~ *Any* ~~(b)~~ *An* annuitant qualifying for membership in the fund under ~~clause (1) paragraph (a)~~ may file a written notice with the executive director of the teachers retirement association requesting that deductions provided for in section 354.42 be made from compensation paid for subsequent teaching services. ~~Such~~ *The* notice ~~shall remain~~ *remains* in effect until the annuitant requests in writing that this membership be revoked. After July 1, 1967, deductions ~~pursuant to~~ *under* section 355.48 are required for ~~any~~ *an* annuitant eligible for membership in the fund under ~~clause (1) paragraph (a)~~. Teaching service rendered by an annuitant for which no deductions were made ~~pursuant to~~ *under* section 354.42, ~~shall~~ *may* not be included in any additional annuity granted ~~pursuant to clause (1) of this subdivision under paragraph (a)~~.

~~(2)~~ (c) Teachers retirement deductions made ~~prior to before~~ July 1, 1973, from the salary of ~~any~~ an annuitant who was qualified for membership in the fund under ~~clause (1) of this subdivision paragraph (a)~~ at the time ~~such~~ the deductions were made, ~~shall be~~ are applicable to the computation of an annuity as ~~provided~~ under ~~clause (1) of this subdivision paragraph (a)~~ even if the written notice required in ~~clause (2) of this subdivision paragraph (b)~~ has not been filed. The teaching service related to ~~such~~ the retirement deductions ~~shall be~~ is deemed to be allowable service credit ~~which that~~ is applicable to the completion of the ~~five~~ three years of allowable service required in ~~clause (2) of this subdivision paragraph (b)~~.

Sec. 26. Minnesota Statutes 1988, section 354.44, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS AS TO AGE AND SERVICE.] ~~Any~~ A member or former member who ceases or has ceased to render teaching services in ~~any~~ a school or institution covered by the provisions of this chapter, and who has attained the age of at least age 55 years with not less than ~~five~~ three years allowable service, or who has received credit for not less than 30 years allowable service regardless of age, is entitled upon written application to a retirement annuity.

Sec. 27. Minnesota Statutes 1988, section 354.44, subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF FORMULA PROGRAM RETIREMENT ANNUITY.] ~~(1)~~ (a) The formula retirement annuity ~~hereunder shall~~ must be computed in accordance with the applicable provisions of the formula ~~stated in clause (2) hereof paragraph (b)~~ on the basis of each member's average salary for the period of the member's formula service credit. For the purposes of computing the formula benefits under the formula and variable program, if a combination of these formulas is used, the formula percentages used ~~will~~ must be ~~those~~ the percentages in each formula as continued for the respective years of service from one formula to the next.

For all years of formula service credit "average salary" for the purpose of determining the member's retirement annuity means the average salary upon which contributions were made and upon which payments were made to increase the salary limitation provided in Minnesota Statutes 1971, section 354.511, for the highest five successive years of formula service credit, provided, however, that ~~such~~ the "average salary" ~~shall~~ may not include ~~any~~ more than the equivalent of 60 monthly salary payments. *Average salary must be based upon all years of formula service credit if this service credit is less than five years.*

~~(2)~~ (b) The average salary as defined in ~~clause (1) paragraph (a)~~, multiplied by the following percentages ~~per for each~~ year of formula service credit ~~shall~~, determine the amount of the annuity to which the member qualifying therefor is entitled:

	Coordinated Member	Basic Member
Each year of service during first ten	1.0 percent per year	2.0 percent per year
Each year of service thereafter	1.5 percent per year	2.5 percent per year

~~(2)~~ (c) Where any member retires ~~prior to before~~ age 65 under a formula annuity, the member ~~shall~~ must be paid a retirement annuity in an amount equal to the normal annuity provided in ~~this subdivision paragraph (b)~~ and

subdivision 7, reduced by one-half of one percent for each month that the member is under age 65 to and including age 60 and reduced by one-fourth of one percent for each month under age 60 at the time of retirement, except that, for ~~any~~ a member who has 30 or more years of allowable service credit, the reduction ~~shall~~ *may* be applied only for each month ~~which~~ *that* the member is under age 62.

Sec. 28. Minnesota Statutes 1988, section 354.46, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE DESIGNATED BENEFICIARY BENEFIT.] The surviving spouse of ~~any~~ a member or former member who has attained ~~the age of~~ at least age 50 years and has credit for at least ~~five~~ *three* years of allowable service or who has credit for at least 30 years of allowable service irrespective of age ~~shall be is~~ entitled to joint and survivor annuity coverage in the event of death of the member prior to retirement. If the surviving spouse does not elect to receive a surviving spouse benefit provided ~~pursuant to under~~ subdivision 1, ~~if applicable,~~ or does not elect to receive a refund of accumulated member contributions provided ~~pursuant to under~~ section 354.47, subdivision 1, or 354.62, subdivision 5, clause (3), ~~whichever is applicable,~~ the surviving spouse ~~shall be is~~ entitled to receive, upon written application on a form prescribed by the executive director, a benefit equal to the second portion of a 100 percent joint and survivor annuity as provided ~~pursuant to under~~ section 354.45 and computed ~~pursuant to under~~ section 354.44, subdivision 2, 6, or 7, ~~whichever is applicable.~~ The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. Sections 354.44, subdivisions 6 and 7, and 354.60 apply to a deferred annuity payable under this section. If the member was a participant in the variable annuity division, the applicable portion of the benefit ~~shall must~~ be computed ~~pursuant to under~~ section 354.62, subdivision 5, clause (1). The benefit ~~shall be is~~ payable for life.

Sec. 29. 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 at least ~~five~~ *three* years of allowable service ~~shall be is~~ entitled to a disability benefit in an amount provided in subdivision 3. If ~~such the~~ disabled person's teaching service has terminated at any time, at least ~~three~~ *two* of the required ~~five~~ *three* years of allowable service must have been rendered after last becoming a member. ~~Any~~ A member whose average salary is less than \$75 per month ~~shall not be is not~~ entitled to disability benefits.

Sec. 30. Minnesota Statutes 1988, section 354.49, subdivision 3, is amended to read:

Subd. 3. ~~Any~~ A person who has attained ~~the age of~~ at least age 65 with less than ~~five~~ *three* years of credited allowable service ~~shall be is~~ entitled to receive a refund in an amount equal to the person's accumulated deductions plus interest ~~in lieu~~ *instead* of a proportionate annuity ~~pursuant to under~~ section 356.32, except those covered under the provisions of section 354.44, subdivision 6 or 7, in which case the refund ~~shall must~~ be an amount equal to the accumulated deductions credited to the person's account as of June 30, 1957, and after July 1, 1957, the accumulated deductions plus interest at the rate of five percent compounded annually.

Sec. 31. Minnesota Statutes 1988, section 354.60, is amended to read:

354.60 [SERVICE IN OTHER PUBLIC RETIREMENT FUNDS; ANNUITY.]

~~Any~~ A person who has been a member of the Minnesota state retirement system or the public employees retirement association including the public employees retirement association police and fire fund or the teachers retirement association or the Minnesota state patrol retirement association, or any other public employee retirement system in the state of Minnesota having a like provision, but excluding all other funds providing benefits for police officers or firefighters ~~shall be~~, is entitled when qualified to an annuity from each fund if the person's total allowable service in all three funds or in any two of these funds totals ~~five~~ *three* or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund and provided further that the person has not taken a refund from any one of these three funds since the person's membership in that association has terminated. The annuity from each fund ~~shall~~ *must* be determined by the appropriate provisions of the law, except that the requirement that an annuitant have at least ~~five~~ *three* years' membership service or ~~five~~ *three* years of allowable service in the respective association ~~shall~~ *does* not apply for the purposes of this section provided the combined service in two or more of these funds equals ~~five~~ *three* or more years.

Sec. 32. Minnesota Statutes 1988, section 354A.31, subdivision 1, is amended to read:

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] ~~Any~~ A coordinated member or former coordinated member who has ceased to render teaching service for the school district in which the teachers retirement fund association exists and who has either attained ~~the age of~~ at least ~~age~~ *55 years* with not less than ~~five~~ *three* years of allowable service credit or received credit for not less than 30 years of allowable service regardless of age, ~~shall be~~ *is* entitled upon written application to a retirement annuity.

Sec. 33. Minnesota Statutes 1988, section 354A.31, subdivision 4, is amended to read:

Subd. 4. [COMPUTATION OF THE NORMAL COORDINATED RETIREMENT ANNUITY.] The normal coordinated retirement annuity ~~shall be~~ *is* an amount equal to a retiring coordinated member's average salary multiplied by the retirement annuity formula percentage. Average salary for purposes of this section ~~shall mean~~ *means* an amount equal to the average salary upon which contributions were made for the highest five successive years of service credit, but ~~which shall~~ *may* not in any event include ~~any~~ more than the equivalent of 60 monthly salary payments. *Average salary must be based upon all years of service credit if this service credit is less than five years.*

The retirement annuity formula percentage for purposes of this section ~~shall mean~~ *paragraph is* one percent ~~per~~ a year for each year of coordinated service for the first ten years and 1-1/2 percent for each year of coordinated service ~~thereafter~~ *after ten years*.

Sec. 34. Minnesota Statutes 1988, section 354A.31, subdivision 5, is amended to read:

Subd. 5. [UNREDUCED NORMAL RETIREMENT ANNUITY.] Upon

retirement at age 65 with at least ~~five~~ *three* years of service credit or at age 62 with at least 30 years of service credit, a coordinated member ~~shall be is~~ entitled to a normal retirement annuity calculated ~~pursuant to under~~ subdivision 4.

Sec. 35. Minnesota Statutes 1988, section 354A.31, subdivision 6, is amended to read:

Subd. 6. [REDUCED RETIREMENT ANNUITY.] Upon retirement at an age prior to age 65 with ~~five~~ *three* years of service credit or prior to age 62 with at least 30 years of service credit, a coordinated member ~~shall be is~~ entitled to a retirement annuity in an amount equal to the normal retirement annuity reduced by one-half of one percent for each month that the coordinated member is under the age of 65 if the coordinated member has less than 30 years of service credit or is under the age of 62 if the coordinated member has at least 30 years of service credit but is over the age of 59, and reduced by one-fourth of one percent for each month that the coordinated member is under the age of 60.

Sec. 36. Minnesota Statutes 1988, section 354A.35, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE TO RETIRE; SURVIVING SPOUSE OPTIONAL ANNUITY.] The surviving spouse of any coordinated member who has attained the age of at least 50 years and has credit for at least ~~five~~ *three* years of service or has credit for at least 30 years of service regardless of age ~~shall be is~~ entitled to joint and survivor annuity coverage in the event of death of the member prior to retirement. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The member's surviving spouse ~~shall must~~ be paid a joint and survivor annuity as provided in section 354A.32 and computed ~~pursuant to under~~ section 354A.31. Sections 354A.37, subdivision 2, and 354A.39 apply to a deferred annuity payable under this section. The benefits ~~shall be are~~ payable for life.

Sec. 37. Minnesota Statutes 1988, section 354A.36, subdivision 1, is amended to read:

Subdivision 1. [MINIMUM AGE, SERVICE AND SALARY REQUIREMENTS.] ~~Any~~ A coordinated member who has at least ~~five~~ *three* years of allowable service credit, has an average salary of at least \$75 per month, and has become totally and permanently disabled ~~shall be is~~ entitled to a disability benefit. If the disabled coordinated member's allowable service credit has not been continuous, at least ~~three~~ *two* years of the required allowable service ~~shall be required to must~~ have been rendered subsequent to the last interruption in service.

Sec. 38. Minnesota Statutes 1988, section 354A.39, is amended to read:

354A.39 [SERVICE IN OTHER PUBLIC RETIREMENT FUNDS; ANNUITY.]

~~Any~~ A person who has been a member of the Minnesota state retirement system, the public employees retirement association including the public employees retirement association police and fire fund, the teachers retirement association, the Minnesota state patrol retirement association, the legislators retirement plan, the constitutional officers retirement plan, the Minneapolis employees retirement fund, the Duluth teachers retirement

fund association new law coordinated program, the Minneapolis teachers retirement fund association coordinated program, the St. Paul teachers retirement fund association coordinated program, or any other public employee retirement system in the state of Minnesota having a like provision, but excluding all other funds providing retirement benefits for police officers or firefighters ~~shall be~~, is entitled when qualified to an annuity from each fund if the person's total allowable service in all of the funds or in any two or more of the funds totals ~~five~~ *three* or more years, provided that no portion of the allowable service upon which the retirement annuity from one fund is based is used again in the computation for a retirement annuity from another fund and provided further that the person has not taken a refund from any of funds or associations since the person's membership in the fund or association has terminated. The annuity from each fund or association ~~shall must~~ be determined by the ~~appropriate provisions of~~ the law governing each fund or association, except that the requirement that a person must have at least ~~five~~ *three* years of allowable service in the respective fund or association ~~shall does~~ not apply for the purposes of this section, provided that the aggregate service in two or more of these funds equals ~~five~~ *three* or more years.

Sec. 39. Minnesota Statutes 1988, section 356.30, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY; COMPUTATION OF ANNUITY.] ~~(a)~~ (a) Notwithstanding any provisions to the contrary of the laws governing the funds ~~enumerated listed~~ in subdivision 3, a person who has met the qualifications of ~~clause (2) paragraph (b)~~ may elect to receive a retirement annuity from each fund in which the person has at least six months allowable service, based on the allowable service in each fund, subject to the ~~provisions of clause (3) paragraph (c)~~.

~~(2)~~ (b) A person may receive upon retirement, ~~in lieu of any~~ *instead of* an augmentation of deferred annuities provided by laws governing the funds ~~enumerated listed~~ in subdivision 3, a retirement annuity from each fund in which the person has at least six months allowable service if:

~~(a)~~ (1) the person has allowable service totaling ~~five or more years~~ *an amount that allows the person to receive an annuity* in any two or more of the enumerated funds;

~~(b)~~ (2) the person has at least six months of allowable service with the last ~~such~~ fund earned during the last period of employment; and

~~(c)~~ (3) the person has not begun to receive an annuity from any enumerated fund or the person has made application for benefits from all funds within a six-month period.

~~(3)~~ (c) The retirement annuity from each fund ~~shall must~~ be based upon the allowable service in each fund, except that:

~~(a)~~ (1) the laws governing annuities ~~shall be~~ *is* the law in effect on the date of final termination from the last public service under a covered fund-;

~~(b)~~ (2) the "average salary" on which the annuity from each covered fund in which the employee has credit in a formula plan ~~shall must~~ be based on the employee's highest five successive years of covered salary during the entire service in covered funds-;

~~(c)~~ (3) the formula percentages to be used by each fund ~~shall be those~~ *are the* percentages prescribed by each fund's formula as continued for the

respective years of allowable service from one fund to the next, recognizing all previous allowable service with the other covered funds-;

(d) (4) allowable service in all the funds ~~shall~~ *must* be combined in determining eligibility for and the application of each fund's provisions in respect to actuarial reduction in the benefit amount for retirement prior to normal retirement-;

(e) (5) the benefit amount payable for any allowable service under a nonformula plan of a covered fund ~~shall~~ *may* not be affected, but ~~such that~~ service and covered salary ~~shall~~ *must* be used in the above calculation-;

(f) (6) this section ~~shall~~ *does* not apply to ~~any~~ a person whose final termination from the last public service under a covered fund is prior to May 1, 1975-;

(g) (7) for the purpose of computing benefits under this section the formula percentages used by ~~any~~ a covered fund ~~shall~~ *may* in no event exceed 2-1/2 percent ~~per~~ for each year of service for any year or fraction of a year of service ~~or fraction thereof~~;

(h) (8) any period of time for which a person has credit in more than one of the covered funds ~~shall~~ *may* be used only once for the purpose of determining total allowable service-;

(i) (9) if the period of duplicated service credit is more than six months, or the person has credit for more than six months with each of the funds, each fund ~~shall~~ *must* apply its formula to a prorated service credit for the period of duplicated service based on a fraction of the salary on which deductions were paid to that fund for the period divided by the total salary on which deductions were paid to all funds for the period-; *and*

(j) (10) if the period of duplicated service credit is less than six months, or when added to other service credit with that fund is less than six months, the service credit ~~shall~~ *must* be ignored and a refund of contributions made to the person in accord with that fund's refund provisions.

Sec. 40. [EFFECTIVE DATE.]

Sections 1 to 39 are effective on July 1, 1989."

Delete the title and insert:

"A bill for an act relating to retirement; various retirement plans; providing various retirement annuity and benefit increases; appropriating money; providing optional retirement benefits for current active members; amending Minnesota Statutes 1988, sections 11A.18, subdivisions 9 and 10; 136.82, subdivision 2; 352.04, subdivisions 2 and 3; 352.113, subdivision 1; 352.115, subdivisions 1, 2, and 3; 352.116, subdivision 3; 352.12, subdivisions 2 and 6; 352.22, subdivisions 2 and 3; 352.72, subdivision 1; 352.93, subdivision 1; 352.95, subdivision 2; 352B.01, subdivision 11; 352B.08, subdivisions 1 and 3; 352B.11, subdivisions 1 and 2; 352B.30, subdivision 1; 353.27, subdivisions 2 and 3; 353.29, subdivisions 1, 2, and 3; 353.30, subdivisions 1 and 3; 353.32, subdivisions 1 and 1a; 353.33, subdivision 1; 353.34, subdivisions 2, 3, 3a, and 3b; 353.651, subdivisions 1 and 2; 353.657, subdivision 2a; 353.71, subdivision 1; 353C.06, subdivisions 1 and 2; 354.41, subdivision 3; 354.42, subdivisions 2 and 3; 354.44, subdivisions 1, 6, and 7; 354.45, subdivision 1; 354.46, subdivision 2; 354.47, subdivision 1; 354.48, subdivision 1; 354.49, subdivisions 2 and 3; 354.60; 354A.12, subdivisions 1 and 2; 354A.31, subdivisions

1, 4, 5, and 6; 354A.32; 354A.35, subdivisions 1 and 2; 354A.36, subdivision 1; 354A.37, subdivisions 3 and 4; 354A.39; 356.30, subdivision 1; 422A.17; and 490.124, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 356; repealing Minnesota Statutes 1988, section 353.30, subdivisions 1a and 1b.”

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

Pursuant to Joint Rule 2.03, the bill was re-referred to the Committee on Rules and Administration.

MOTIONS AND RESOLUTIONS

Mr. Peterson, R.W. moved that his name be stricken as chief author, and the name of Mr. Stumpf be added as chief author to S.F. No. 552. The motion prevailed.

Mr. Stumpf moved that the names of Messrs. Langseth, Morse, Beckman and Berg be added as co-authors to S.F. No. 552. The motion prevailed.

Mr. Solon moved that the names of Messrs. Ramstad and Frederickson, D.R. be added as co-authors to S.F. No. 783. The motion prevailed.

Mr. Johnson, D.J. moved that the name of Mr. Lessard be added as a co-author to S.F. No. 1639. The motion prevailed.

Mrs. McQuaid introduced—

Senate Resolution No. 130: A Senate resolution congratulating the Hopkins Fire Department on being named Fire Department of the Year by the Fire Information, Research and Education (F.I.R.E.) Center.

Referred to the Committee on Rules and Administration.

S.F. No. 169 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

May 15, 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. 169, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 169 be further amended as follows:

Page 1, line 10, before “When” insert “(a)”

Page 1, line 21, before the period insert “, or proof of physical handicap

provided for in that section”

Page 1, after line 21, 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.”

Page 2, after line 16, insert:

“Sec. 3. Minnesota Statutes 1988, section 169.345, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purpose of this section, “physically handicapped person” means a person who:

- (1) because of disability cannot walk without significant risk of falling;
- (2) because of disability cannot walk 200 feet without stopping to rest;
- (3) because of disability cannot walk without the aid of another person, a walker, a cane, crutches, braces, a prosthetic device, or a wheelchair;
- (4) is restricted by a respiratory disease to such an extent that the person’s forced (respiratory) expiratory volume for one second, when measured by spirometry, is less than one meter;
- (5) has an arterial oxygen tension (PAO₂) of less than 60 mm/hg on room air at rest;
- (6) uses portable oxygen; or
- (7) has a cardiac condition to the extent that the person’s functional limitations are classified in severity as class III or class IV according to standards set by the American Heart Association; or
- (8) *has lost an arm or a leg and does not have or cannot use an artificial limb.*

Sec. 4. Minnesota Statutes 1988, section 169.345, subdivision 2a, is amended to read:

Subd. 2a. [PHYSICIAN’S OR CHIROPRACTOR’S STATEMENT.] (a) The commissioner shall develop a form for the physician’s or chiropractor’s statement. The statement must be signed by a licensed physician or chiropractor who certifies that the applicant is a physically handicapped person as defined in subdivision 2. The commissioner may request additional information from the physician or chiropractor if needed to verify the applicant’s eligibility. The statement that the applicant is a physically handicapped person must specify whether the disability is permanent or temporary, and if temporary, the opinion of the physician or chiropractor as to the duration of the disability. A physician or chiropractor who fraudulently certifies to the commissioner that a person is a physically handicapped person as defined in subdivision 2, and that the person is entitled to the license plates authorized by section 168.021 or to the certificate authorized by this section, is guilty of a misdemeanor and is subject to a fine of \$500.

(b) The commissioner may waive the requirement of providing a statement of a licensed physician or chiropractor, if 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.

Sec. 5. Minnesota Statutes 1988, section 169.345, subdivision 3, is amended to read:

Subd. 3. [IDENTIFYING CERTIFICATE.] (a) The division of driver and vehicle services in the department of public safety shall issue a special identifying certificate for a motor vehicle when a physically handicapped applicant submits a ~~statement of a physician or chiropractor~~ *proof of physical handicap under subdivision 2a*. The commissioner shall design separate certificates for persons with permanent and temporary disabilities that can be readily distinguished from each other from outside a vehicle at a distance of 25 feet. The certificate is valid for the duration of the person's disability, as specified in the physician's or chiropractor's statement, up to a maximum of six years. A person with a disability of longer duration will be required to renew the certificate for additional periods of time, up to six years each, as specified in the physician's or chiropractor's statement.

(b) When the commissioner is satisfied that a motor vehicle is used primarily for the purpose of transporting physically handicapped persons, the division may issue without charge a special identifying certificate for the vehicle. The operator of a vehicle displaying the certificate has the parking privileges provided in subdivision 1 while the vehicle is in use for transporting physically handicapped persons. The certificate issued to a person transporting physically handicapped persons must be renewed every third year. On application and renewal, the person must present evidence that the vehicle continues to be used for transporting physically handicapped persons.

(c) A certificate must be made of plastic or similar durable material, must be distinct from certificates issued before January 1, 1988, and must bear its expiration date prominently on its face. A certificate issued to a temporarily disabled person must display the date of expiration of the duration of the disability, as determined under paragraph (a). Each certificate must have printed on the back a summary of the parking privileges and restrictions that apply to each vehicle in which it is used. The commissioner may charge a fee of \$5 for issuance or renewal of a certificate, and a fee of \$5 for a duplicate to replace a lost, stolen, or damaged certificate.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment.

Amend the title as follows:

Page 1, line 4, after the semicolon insert "allowing second set of handicapped license plates to be issued to physically handicapped person who is furnished a vehicle as part of employment; defining a handicapped person for purposes of parking privileges; allowing commissioner of public safety to waive requirement of physician's statement in certain circumstances;"

Page 1, line 5, delete "section" and insert "sections" and before the period insert "; and 169.345, subdivisions 2, 2a, and 3"

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

Senate Conferees: (Signed) Mel Frederick, Marilyn M. Lantry, A. W. "Bill" Diessner

House Conferees: (Signed) Dean Hartle, Pat Beard, Harold Lasley

Mr. Frederick moved that the foregoing recommendations and Conference Committee Report on S.F. No. 169 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. 169 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	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	Spear
Bernhagen	Frederickson, D.J.	Larson	Olson	Storm
Bertram	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, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 486 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

May 15, 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. 486, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 486 be further amended as follows:

Page 2, line 4, after "Act" insert "of 1978"

Page 2, delete lines 32 to 36 and insert:

"(d) This section does not prevent out-of-home placement for treatment of a child with a mental disability when the child's diagnostic assessment or individual treatment plan indicates that appropriate and necessary treatment cannot be effectively provided outside of a residential or inpatient treatment program."

Page 3, line 16, delete "that shall be" and insert "as"

Page 3, line 21, delete "shall be defined consistent with" and insert "has the meaning given in"

Page 4, line 1, after "or" insert "who is"

Page 6, line 4, delete everything after the colon

Page 6, delete lines 5 to 7 and insert:

"(1) whether a person is available who is the same racial or ethnic heritage as the child or, if that is not possible;

(2) whether a person is available who knows and appreciates the child's racial or ethnic heritage."

Page 7, line 16, strike "such" and insert "the"

Page 7, line 19, after "child" insert "into custody"

Page 10, line 33, strike "or"

Page 12, delete lines 21 and 22

Reorder the remaining clauses in sequence

Page 12, after line 31, insert:

"Sec. 21. Minnesota Statutes 1988, section 260.231, subdivision 3, is amended to read:

Subd. 3. The court shall have notice of the time, place, and purpose of the hearing served on the parents, as defined in sections 257.51 to 257.74 or 259.26, subdivision 1, clause (2), and upon the child's grandparent if the child has lived with the grandparent within the two years immediately preceding the filing of the petition. Notice must be served in the manner provided in sections 260.135 and 260.141, except that personal service shall be made at least ten days before the day of the hearing. Published notice shall be made for three weeks, the last publication to be at least ten days before the day of the hearing; and notice sent by certified mail shall be mailed at least 20 days before the day of the hearing. A parent who consents to the termination of parental rights under the provisions of section 260.221, clause (a), may waive in writing the notice required by this subdivision; however, if the parent is a minor or incompetent the waiver shall be effective only if the parent's guardian ad litem concurs in writing."

Amend the title as follows:

Page 1, line 15, after the semicolon, insert "providing for notice to certain grandparents;"

Page 1, line 22, delete the first "and" and before the period, insert "; and 260.231, subdivision 3"

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

Senate Conferees: (Signed) Linda Berglin, Allan H. Spear, Nancy Brataas

House Conferees: (Signed) Ann H. Rest, Art Seaberg, Kathleen Vellenga

Ms. Berglin moved that the foregoing recommendations and Conference Committee Report on S.F. No. 486 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. 486 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

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

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

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 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. 956, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 956 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1989

CONFERENCE COMMITTEE REPORT ON 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.

May 10, 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. 956, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 956 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 65B.49, subdivision 3a, is amended to read:

Subd. 3a. [UNINSURED AND UNDERINSURED MOTORIST COVERAGES.] (1) No plan of reparation security may be renewed, delivered or issued for delivery, or executed in this state with respect to any motor vehicle registered or principally garaged in this state unless *separate* uninsured and underinsured motorist coverages are provided therein. ~~The coverages combined~~ *Each coverage*, at a minimum, must provide limits of \$25,000 because of injury to or the death of one person in any accident and \$50,000 because of injury to or the death of two or more persons in any accident. In the case of injury to, or the death of, two or more persons in any accident, the amount available to any one person must not exceed the coverage limit provided for injury to, or the death of, one person in any accident. ~~For purposes of this subdivision, uninsured motorist coverage and underinsured motorist coverage shall be a single coverage.~~

(2) Every owner of a motor vehicle registered or principally garaged in this state shall maintain uninsured and underinsured motorist coverages as provided in this subdivision.

(3) No reparation obligor is required to provide limits of uninsured and underinsured motorist coverages in excess of the bodily injury liability limit provided by the applicable plan of reparation security.

(4) No recovery shall be permitted under the uninsured and underinsured motorist coverages of this section for basic economic loss benefits paid or payable, or which would be payable but for any applicable deductible.

(5) If at the time of the accident the injured person is occupying a motor vehicle, the limit of liability for uninsured and underinsured motorist coverages available to the injured person is the limit specified for that motor vehicle. However, if the injured person is occupying a motor vehicle of which the injured person is not an insured, the injured person may be entitled to excess insurance protection afforded by a policy in which the injured party is otherwise insured. The excess insurance protection is limited to the extent of covered damages sustained, and further is available only to the extent by which the limit of liability for like coverage applicable

to any one motor vehicle listed on the automobile insurance policy of which the injured person is an insured exceeds the limit of liability of the coverage available to the injured person from the occupied motor vehicle.

If at the time of the accident the injured person is not occupying a motor vehicle, the injured person is entitled to select any one limit of liability for any one vehicle afforded by a policy under which the injured person is insured.

(6) Regardless of the number of policies involved, vehicles involved, persons covered, claims made, vehicles or premiums shown on the policy, or premiums paid, in no event shall the limit of liability for uninsured and underinsured motorist coverages for two or more motor vehicles be added together to determine the limit of insurance coverage available to an injured person for any one accident.

(7) The uninsured and underinsured motorist coverages required by this subdivision do not apply to bodily injury of the insured while occupying a motor vehicle owned by the insured, unless the occupied vehicle is an insured motor vehicle.

Sec. 2. Minnesota Statutes 1988, section 65B.49, subdivision 4a, is amended to read:

Subd. 4a. [LIABILITY ON UNDERINSURED MOTOR VEHICLES.] With respect to underinsured motor ~~vehicles coverage~~, the maximum liability of an insurer is ~~the lesser of the difference between the limit of underinsured motorist coverage and the amount paid to the insured by or for any person or organization who may be held legally liable for the bodily injury; or the amount of damages sustained but not recovered-~~ *from the insurance policy of the driver or owner of any underinsured at fault vehicle. If a person is injured by two or more vehicles, underinsured motorist coverage is payable whenever any one of those vehicles meets the definition of underinsured motorist vehicle in Minnesota Statutes, section 65B.43, subdivision 17. However, in no event shall the underinsured motorist carrier have to pay more than the amount of its underinsured motorist limits.*

Sec. 3. [EFFECTIVE DATE.]

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."

Delete the title and insert:

"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."

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

House Conferees: (Signed) Phil Carruthers, Randy C. Kelly, Terry Dempsey, Wayne Simoneau, Dave Bishop

Senate Conferees: (Signed) Donna C. Peterson, William P. Luther, Sam G. Solon, Fritz Knaak, Gen Olson

Ms. Peterson, D.C. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 956 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. 956 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

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

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1107, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1107 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 12, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1107

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.

May 10, 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. 1107, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

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

House Conferees: (Signed) Richard H. Jefferson, Tom Osthoff, Sally Olsen

Senate Conferees: (Signed) John J. Marty, Steven Morse, Fritz Knaak

Mr. Marty moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1107 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. 1107 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	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	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	Hughes	McGowan	Piper	Waldorf
Cohen	Johnson, D.E.	McQuaid	Pogemiller	
Dahl	Johnson, D.J.	Mehrkins	Purfeerst	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 943, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 943 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1989

CONFERENCE COMMITTEE REPORT ON 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, 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.

May 11, 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. 943, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that H.F. No. 943, the unofficial engrossment, be further amended as follows:

Page 6, line 13, after "*institutions*" insert "*having an enrollment of more than 100 persons during any quarter, term, or semester during the preceding year*"

Page 6, line 15, after "*four-year*" insert "*, professional*"

Page 6, line 17, before "*chapter*" insert "*either*" and delete "*and*" and insert "*or*"

Page 6, line 18, before the period insert "*, and which offer educational programs within the state for an academic year greater than six consecutive months. An institution's report to the Minnesota higher education coordinating board or the Minnesota department of education may be considered when determining enrollment*"

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

House Conferees: (Signed) Howard R. Orenstein, Gloria M. Segal, Douglas G. Swenson

Senate Conferees: (Signed) Jim M. Vickerman, James C. Pehler, Howard A. Knutson

Mr. Vickerman moved that the foregoing recommendations and Conference Committee Report on H.F. No. 943 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. 943 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	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	Spear
Bernhagen	Frederickson, D.J.	Larson	Olson	Storm
Bertram	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Brataas	Freeman	Luther	Pehler	Taylor
Chmielewski	Gustafson	Marty	Peterson, D.C.	Vickerman
Cohen	Hughes	McGowan	Piper	Waldorf
Dahl	Johnson, D.E.	McQuaid	Pogemiller	
Davis	Johnson, D.J.	Mehrkens	Purfeerst	

So the bill, as amended by the Conference Committee, was repassed and

its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 949, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 949 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 949

A bill for an act relating to traffic safety; increasing penalties for persons convicted of DWI after a previous conviction for criminal vehicular operation or for another impaired driving crime; amending Minnesota Statutes 1988, section 169.121, subdivision 3.

May 10, 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. 949, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that H.F. No. 949 be further amended as follows:

Page 2, line 4, after the first "1" insert "*, paragraph (a)*"

Page 2, line 6, after the semicolon insert "*609.21, subdivision 4, clause (2) or (3);*"

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

House Conferees: (Signed) Marcel "Sal" Frederick, Randy C. Kelly, Phil Carruthers

Senate Conferees: (Signed) Glen Taylor, Allan H. Spear, Lawrence J. Pogemiller

Mr. Taylor moved that the foregoing recommendations and Conference Committee Report on H.F. No. 949 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. 949 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 66 be taken from the table. The motion prevailed.

H.F. No. 66: A bill for an act relating to gambling; creating a department of gaming; authorizing a state lottery to be conducted by a department of state lottery; creating a division of inspection and enforcement in the department of public safety and providing for its duties; prescribing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 10A.09, subdivision 1; 15.06, subdivision 1; 15A.081, subdivision 1; 43A.08, subdivision 1a; 240.01, by adding subdivisions; 240.02, subdivisions 1 and 2; 240.04, subdivisions 1, 3, and 7; 240.06, subdivisions 3 and 8; 240.07, subdivision 2; 240.08, subdivision 3; 240.21; 240.28; 340A.410, subdivision 5; 349.12, subdivisions 11, 17, 20, and by adding subdivisions; 349.151, subdivisions 1, 2, 4, and 5; 349.16, subdivisions 3 and 4; 349.161, subdivision 4; 349.162, subdivisions 1, 2, 4, and 5; 349.163; 349.18, subdivision 1; 349.19, subdivisions 5 and 6; 349.212; 349.2121, subdivisions 2, 3, 4, 4a, 6, 7, 8, and 10; 349.2122; 349.2125, subdivisions 1, 2, and 3; 349.2127, subdivision 2; 349.213, subdivision 1; 349.214, subdivision 2; 349.22, subdivisions 1 and 3; 541.20; 541.21; 609.75, subdivision 3; 609.76, subdivision 1; 609.761; 626.05, subdivision 2; 626.13; and 626.84, subdivision 1; proposing coding for new law as Minnesota Statutes, chapters 299K; 349A; and 349B; proposing coding for new law in Minnesota Statutes, chapters 240; 245; and 349; repealing Minnesota Statutes 1988, sections 240.02, subdivision 7; 349.151, subdivisions 3 and 5; 349.161, subdivision 7; 349.164, subdivision 5; 349.171; and 349.22, subdivision 4.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 66 and that the rules of the Senate be so far suspended as to give H.F. No. 66 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 66 was read the second time.

Mr. Lessard moved to amend H.F. No. 66 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 66, and insert the language after the enacting clause, and the title, of S.F. No. 150, the seventh engrossment.

The motion prevailed. So the amendment was adopted.

H.F. No. 66 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 38 and nays 27, as follows:

Those who voted in the affirmative were:

Berglin	Dicklich	Kroening	Metzen	Pogemiller
Bertram	Diessner	Langseth	Moe, R.D.	Purfeerst
Brataas	Frederick	Lantry	Morse	Reichgott
Cohen	Frederickson, D.J.	Lessard	Novak	Samuelson
Dahl	Freeman	McGowan	Pariseau	Solon
Davis	Hughes	McQuaid	Pehler	Stumpf
Decker	Johnson, D.J.	Mehrrens	Peterson, D.C.	
DeCramer	Knaak	Merriam	Piper	

Those who voted in the negative were:

Anderson	Brandl	Laidig	Peterson, R.W.	Taylor
Beckman	Chmielewski	Larson	Ramstad	Vickerman
Belanger	Frank	Luther	Renneke	Waldorf
Benson	Frederickson, D.R.	Marty	Schmitz	
Berg	Johnson, D.E.	Moe, D.M.	Spear	
Bernhagen	Knutson	Olson	Storm	

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

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

H.F. No. 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.

Was read the third time 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.	Moe, D.M.	Reichgott
Anderson	Decker	Knutson	Moe, R. D.	Renneke
Beckman	DeCramer	Kroening	Morse	Schmitz
Belanger	Dicklich	Laidig	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
Brataas	Freeman	McGowan	Piper	Waldorf
Chmielewski	Gustafson	McQuaid	Pogemiller	
Cohen	Hughes	Mehrkens	Purfeerst	
Dahl	Johnson, D.E.	Metzen	Ramstad	

So the bill passed and its title was agreed to.

H.F. No. 1548: 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 51A.01; 51A.02, subdivision 14; 51A.38, subdivision 3; 51A.385, subdivisions 4, 5, 6, 7, 8, 9, 11, 12, and 13; 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.

Was read the third time 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	Metzen	Ramstad
Belanger	DeCramer	Knutson	Moe, D.M.	Reichgott
Benson	Dicklich	Kroening	Moe, R. D.	Renneke
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	McGowan	Piper	Waldorf

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 50 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Pogemiller
Anderson	Decker	Kroening	Merriam	Purfeerst
Beckman	DeCramer	Laidig	Metzen	Reichgott
Benson	Diessner	Langseth	Moe, R.D.	Renneke
Berg	Frank	Lantry	Morse	Samuelson
Bernhagen	Frederickson, D.J.	Larson	Novak	Schmitz
Bertram	Frederickson, D.R.	Lessard	Pehler	Solon
Chmielewski	Freeman	Luther	Peterson, D.C.	Stumpf
Cohen	Hughes	Marty	Peterson, R.W.	Taylor
Dahl	Johnson, D.E.	McGowan	Piper	Vickerman

Those who voted in the negative were:

Belanger	Dicklich	Knutson	Pariseau	Waldorf
Berglin	Frederick	McQuaid	Ramstad	
Brandl	Gustafson	Moe, D.M.	Spear	
Brataas	Knaak	Olson	Storm	

So the bill passed and its title was agreed to.

S.F. No. 756: 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.

Was read the third time 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 8, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin	Frank	Lantry	Peterson, D.C.	Piper
Dahl	Kroening	Marty		

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 8, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin	Dicklich	Frank	Lantry	Peterson, D.C.
Dahl	Diessner	Kroening		

So the bill passed and its title was agreed to.

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 504.23; 566.18, subdivision 7, and by adding a subdivision; 566.19; 566.20, subdivision 1; 566.25; 566.28; and 566.29, subdivisions 1, 3, and 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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	Dicklich	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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Purfeerst
Anderson	Davis	Knaak	Metzen	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	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. 38: 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.

Was read the third time 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	Metzen	Ramstad
Belanger	DeCramer	Knutson	Moe, D.M.	Reichgott
Benson	Dicklich	Kroening	Moe, R.D.	Renneke
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	McGowan	Piper	Waldorf

So the bill passed and its title was agreed to.

H.F No. 950: A bill for an act relating to human rights; adopting federal fair housing amendments; 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; clarifying 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; changing

contract compliance certification; clarifying the time period allowed for filing a private lawsuit; modifying notice requirements in certain human rights appeals; amending Minnesota Statutes 1988, sections 363.01, subdivisions 25, 25a, 31, and by adding a subdivision; 363.02, subdivisions 1, 2, 2a, 2b, and 6; 363.03, subdivisions 1, 3, 7, 8, and by adding subdivisions; 363.05, subdivision 2; 363.073, subdivisions 1 and 3; 363.117; 363.123; 363.14, subdivision 1; and 363.15; repealing Minnesota Statutes 1988, section 363.01, subdivisions 30 and 32.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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, subdivisions 1 and 3; 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; 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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

H.F. No. 907: 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, 10, and by adding a subdivision; 299F56, subdivisions 5 and 6a; 299F57; 299F59, subdivision 1; 299F60; 299F61; 299F62; 299F63; 299F63I; 299F64I; 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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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; 446A.07, subdivision 8; and 446A.12, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 115.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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 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.54, subdivision 2a; 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.919; 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; 400.04, subdivision 3; 466.04, subdivision 1; 473.149, subdivisions 2d and 2e, and by adding a subdivision; 473.803, by adding a subdivision; 473.811, subdivisions 1a and 4; 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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

H.F. No. 786: A bill for an act relating to employment; requiring the hiring of local workers and the payment of wages equal to those of railroad workers on certain railroad projects assisted with state money; amending Minnesota Statutes 1988, section 222.50, subdivision 5.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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
Brand	Freeman	Marty	Piper	Waldorf
Brataas	Gustafson	McGowan	Pogemiller	
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 341: 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, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299F.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

H.F. No. 1448: 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; requiring reports to the legislature.

Was read the third time 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 6, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Metzen	Reichgott
Anderson	Davis	Johnson, D.J.	Moe, D.M.	Renneke
Beckman	Decker	Knaak	Moe, R.D.	Samuelson
Belanger	DeCramer	Kroening	Novak	Schmitz
Berg	Dicklich	Laidig	Pariseau	Spear
Berglin	Diessner	Lantry	Pehler	Storm
Bernhagen	Frank	Lessard	Peterson, D.C.	Stumpf
Bertram	Frederick	Luther	Peterson, R.W.	Taylor
Brandl	Frederickson, D.J.	Marty	Piper	Vickerman
Brataas	Frederickson, D.R.	McGowan	Pogemiller	Waldorf
Chmielewski	Gustafson	Mehrkens	Purfeerst	
Cohen	Hughes	Merriam	Ramstad	

Those who voted in the negative were:

Benson	Knutson	McQuaid	Morse	Olson
Freeman				

So the bill passed and its title was agreed to.

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; clarifying provisions of the child abuse reporting act dealing with neglect; requiring the commissioner of health to develop uniform procedures for coroner and medical examiner investigations relating to sudden deaths of infants; amending Minnesota Statutes 1988, sections 256.01, by adding a subdivision; 609.378; 626.556, subdivisions 2 and 10e; and 626.558; proposing coding for new law in Minnesota Statutes, chapter 145.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	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
Berglin	Frederick	Larson	Pariseau	Stumpf
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Taylor
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Vickerman
Brandl	Freeman	Marty	Peterson, R. W.	Waldorf
Brataas	Gustafson	McGowan	Piper	
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

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.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 49 and nays 15, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knutson	Merriam	Pogemiller
Anderson	DeCramer	Laidig	Metzen	Purfeerst
Beckman	Dicklich	Langseth	Moe, D.M.	Reichgott
Berg	Diessner	Lantry	Moe, R. D.	Renneke
Berglin	Frederickson, D.J.	Larson	Morse	Samuelson
Bernhagen	Frederickson, D.R.	Lessard	Olson	Schmitz
Bertram	Gustafson	Luther	Pariseau	Stumpf
Chmielewski	Hughes	McGowan	Pehler	Taylor
Dahl	Johnson, D.E.	McQuaid	Peterson, D.C.	Vickerman
Davis	Johnson, D.J.	Mehrkens	Piper	

Those who voted in the negative were:

Belanger	Brataas	Frederick	Kroening	Spear
Benson	Cohen	Freeman	Novak	Storm
Brandl	Frank	Knaak	Ramstad	Waldorf

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Stumpf introduced—

S.F. No. 1642: A bill for an act relating to motor vehicles; providing for quarterly and consecutive monthly registration of certain trucks, tractors, and truck-tractor and semitrailer combinations; amending Minnesota Statutes 1988, section 168.018; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation.

Mr. Belanger introduced—

S.F. No. 1643: A bill for an act relating to government financing; providing for state funding of kindergarten through grade 12 education; abolishing transition aid, local government aid, taconite aid, disparity aid, property tax refund, property tax credits, and levy limits; appropriating money; amending Minnesota Statutes 1988, sections 124A.03, subdivision 2; and 469.171, subdivisions 1 and 6; repealing Minnesota Statutes 1988, sections 124A.23; 124A.24; 124A.26, subdivisions 2 and 3; 273.119; 273.134; 273.135; 273.136; 273.137; 273.1391; 273.1398; 273.42; 275.11; 275.125, subdivisions 5, 5a, 5b, 5c, 5e, 5f, 5g, 6a, 6e, 6f, 6h, 6i, 8, 8b, 8c, 8d, 8e, 9, 10, 11c, 11d, 12a, 14a, and 15; 275.50; 275.51; 275.54; 275.55; 275.56; 275.561; 275.58; 290A.01; 290A.02; 290A.03; 290A.04; 290A.05; 290A.06; 290A.07; 290A.08; 290A.09; 290A.091; 290A.10; 290A.11; 290A.111; 290A.112; 290A.12; 290A.13; 290A.14; 290A.15; 290A.17; 290A.18; 290A.19; 290A.20; 290A.22; 290A.23; 290A.24; 477A.011; 477A.012; 477A.013; 477A.014; 477A.015; 477A.016; 477A.017; 477A.03; 477A.15; and Minnesota Statutes 1988, chapter 473F

Referred to the Committee on Education.

Mr. DeCramer introduced—

S.F. No. 1644: A bill for an act relating to education; requiring the state board of education to adopt rules governing preschool programs operated by a school; excluding preschool programs licensed by the board of education from licensure by the commissioner of human services; amending Minnesota Statutes 1988, sections 121.11, by adding a subdivision; and 245A.03, subdivision 2.

Referred to the Committee on Education.

Mr. Peterson, R.W. introduced—

S.F. No. 1645: A bill for an act relating to education; giving Cambridge full campus status in the community college system; appropriating money; amending Minnesota Statutes 1988, sections 136.60 and 136.602.

Referred to the Committee on Education.

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. 143, 1582, 659, H.F. Nos. 1408 and 415, which the committee recommends to pass.

S.F. No. 1242, which the committee recommends to pass with the following amendment offered by Mr. Pogemiller:

Page 3, line 22, delete "115.54;" and delete "175.007;"

Amend the title as follows:

Page 1, line 12, delete "115.54;" and delete "175.007;"

The motion prevailed. So the amendment was adopted.

H.F. No. 450, which the committee recommends to pass with the following amendments offered by Messrs. Stumpf and Johnson, D.J.:

Mr. Stumpf moved to amend H.F. No. 450, the unofficial engrossment, as follows:

Page 4, line 17, after "I" insert "*of section 24*"

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.J. moved to amend H.F. No. 450, the unofficial engrossment, as follows:

Page 4, lines 10, 12, and 29, delete "*High Falls*" and insert "*Grand Portage*"

Page 4, line 11, delete "HIGH FALLS" and insert "GRAND PORTAGE"

Page 4, lines 24 and 25, delete "*High Falls*" and insert "*Grand Portage*"

Page 5, line 19, delete "*High Falls*" and insert "*Grand Portage*"

Page 6, line 36, delete "*High Falls*" and insert "*Grand Portage*"

Amend the title as follows:

Page 1, lines 7 and 8, delete "High Falls" and insert "Grand Portage"

The motion prevailed. So the amendment was adopted.

S.F. No. 462, which the committee recommends to pass with the following amendments offered by Messrs. Johnson, D.J. and Cohen:

Mr. Johnson, D.J. moved to amend S.F. No. 462 as follows:

Page 5, lines 11 and 12, delete the new language

The motion prevailed. So the amendment was adopted.

Mr. Cohen moved to amend S.F. No. 462 as follows:

Page 16, after line 15, insert:

"Sec. 24. Minnesota Statutes 1988, section 278.03, is amended to read: 278.03 [PAYMENT OF TAX.]

If the proceedings instituted by the filing of the petition have not been

completed before the 16th day of May next following the filing, the petitioner shall pay to the county treasurer 50 percent of the tax levied for such year against the property involved, unless permission to continue prosecution of the petition without such payment is obtained as herein provided. If the proceedings instituted by the filing of the petition have not been completed by the next October 16, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2c agricultural non-homestead property, November 16, the petitioner shall pay to the county treasurer 50 percent of the unpaid balance of the taxes levied for the year against the property involved if the unpaid balance is \$2,000 or less and 80 percent of the unpaid balance if the unpaid balance is over \$2,000, unless permission to continue prosecution of the petition without payment is obtained as herein provided. The petitioner, upon ten days notice to the county attorney and to the county auditor, given at least ten days prior to the 16th day of May or the 16th day of October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2c agricultural nonhomestead property, the 16th day of November, may apply to the court for permission to continue prosecution of the petition without payment; and, if it is made to appear

(1) That the proposed review is to be taken in good faith;

(2) That there is probable cause to believe that the property may be held exempt from the tax levied or that the tax may be determined to be less than 50 percent of the amount levied; and

(3) That it would work a hardship upon petitioner to pay the taxes due,

the court may permit the petitioner to continue prosecution of the petition without payment, or may fix a lesser amount to be paid as a condition of continuing the prosecution of the petition.

Failure to make payment of the amount required when due shall operate automatically to dismiss the petition and all proceedings thereunder unless the payment is waived by an order of the court permitting the petitioner to continue prosecution of the petition without payment. *The petition shall be automatically reinstated upon payment of the entire tax plus interest and penalty if the payment is made within one year of the dismissal.* The county treasurer shall, upon request of the petitioner, issue duplicate receipts for the tax payment, one of which shall be filed by the petitioner in the proceeding."

Page 18, line 30, before "Section" insert "*Section 24 is effective the day following final enactment and applies to petitions dismissed on or after that date.*" and delete "28" and insert "29"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after the third semicolon, insert "278.03;"

The motion prevailed. So the amendment was adopted.

Mr. Cohen then moved to amend S.F. No. 462 as follows:

Page 4, after line 27, insert:

"Sec. 6. Minnesota Statutes 1988, section 270.69, is amended by adding a subdivision to read:

Subd. 11. [ERRONEOUS LIENS.] If the commissioner of revenue determines that the filing of the notice of any lien was erroneous, within 14 days after the determination, the commissioner must issue a certificate of release of the lien. The certificate must include a statement that the filing of the lien was erroneous. In the event that the claim is erroneous, the attorney fees shall be paid."

Renumber the sections in sequence and correct the internal references
Amend the title as follows:

Page 1, line 5, after the semicolon, insert "requiring releases of liens issued in error to state that the lien was erroneous;"

Page 1, line 7, after "subdivision;" insert "270.69, by adding a subdivision;"

The motion prevailed. So the amendment was adopted.

S.F. No. 491, which the committee recommends to pass with the following amendments offered by Ms. Berglin and Mr. Dahl:

Ms. Berglin moved to amend S.F. No. 491 as follows:

Page 1, after line 4, insert:

"Section 1. [HEALTH CARE ACCESS COMMISSION.]

The Minnesota health care access commission consists of 15 members. Seven 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. 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 Minnesota Statutes, section 15.0575."

Page 1, lines 7 and 8, delete "commissioner of employee relations" and insert "health care access commission"

Page 3, line 4, delete "1" and insert "2"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "creating a health care access commission;"

The motion prevailed. So the amendment was adopted.

Mr. Dahl moved to amend the Berglin amendment to S.F. No. 491 as follows:

Page 1, line 4, delete "15" and insert "17"

Page 1, line 7, delete "Two" and insert "Three"

Page 1, line 8, delete "two" and insert "three"

Page 1, lines 12 and 13, delete "The governor shall appoint the chair of the commission after considering the commission's recommendation."

and insert "*The commission shall elect a chair from among its members.*"

The motion prevailed. So the amendment to the amendment was adopted.

S.F. No. 895, which the committee recommends to pass with the following amendment offered by Mr. Novak:

Page 3, line 5, delete everything after "*where*" and insert "*there is a significant risk of groundwater degradation*"

Page 3, line 6, delete "*contamination*"

Page 3, line 7, after the period, insert "*These areas may be identified by mapping or other appropriate methods determined by the commissioner of natural resources and the board of water and soil resources. Wellhead protection areas may be designated as a sensitive groundwater area.*"

Page 4, lines 25 to 30, strike the old language

Page 4, line 31, delete "(1)" and strike "*all agricultural land owned, if 20 acres or less;*"

Page 4, strike line 32

Page 4, line 33, delete "(2)" and strike "*if the total agricultural land owned is more than*"

Page 4, strike lines 34 and 35 and insert "*The enrolled land of a landowner may not exceed 20 percent of the average farm size in the county where the land is being enrolled according to the average farm size determined by the United States Department of Agriculture, Census of Agriculture.*"

Page 10, line 13, after the period, insert "*This section does not apply to transfers of land by the board of water and soil resources to correct errors in legal descriptions under section 40.43, subdivision 8, or to transfers by the commissioner of natural resources for:*

(1) *land that is currently in nonagricultural commercial use if a conservation easement would interfere with the commercial use;*

(2) *land in platted subdivisions;*

(3) *conveyances of land to correct errors in legal descriptions under section 84.0273;*

(4) *exchanges of nonagricultural land with the federal government, or exchanges of Class A, Class B, and Class C nonagricultural land with local units of government under sections 94.342, 94.343, 94.344, and 94.349;*

(5) *land transferred to political subdivisions for public purposes under sections 84.027, subdivision 10, and 94.10; and*

(6) *land not needed for trail purposes that is sold to adjacent property owners and lease holders under section 85.015, subdivision 1, paragraph (b).*"

Page 10, line 36, after "RELEASE" insert "AND ALTERATION"

Page 11, line 1, delete "*release and*" and insert "*alter, release, or*"

Page 11, line 4, delete "*release*"

Page 11, line 5, delete "*and*" and insert "*alter, release, or*"

Page 11, line 7, delete "*release and*" and insert "*alteration, release,*

or”

Page 13, line 16, after “sale” insert “as provided in section 40.46”

The motion prevailed. So the amendment was adopted.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on S.F. No. 1625 at 2:00 p.m.:

Messrs. Waldorf, Dicklich, Taylor, DeCramer and Mrs. Brataas. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mrs. Lantry moved that the following members be excused for a Conference Committee on H.F. No. 1759 at 2:30 p.m.:

Messrs. Samuelson, Knutson, Mrs. Lantry, Ms. Berglin and Piper. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 1734 at 3:00 p.m.:

Messrs. Johnson, D.J.; Brandl; Novak; Pogemiller and Stumpf. The motion prevailed.

GENERAL ORDERS - CONTINUED

H.F. No. 1143, which the committee recommends to pass, subject to the following motion:

Mrs. Brataas moved that the amendment made to H.F. No. 1143 by the Committee on Rules and Administration in the report adopted May 12, 1989, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 1697, which the committee recommends to pass with the following amendment offered by Mr. Novak:

Amend H.F. No. 1697, as amended pursuant to Rule 49, adopted by the Senate May 3, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1248.)

Page 1, line 10, delete the colon and insert “any local authority authorized by section 169.04 to enforce the traffic laws, and also includes a private towing company authorized by a local authority to tow vehicles on behalf of that local authority.”

Page 1, delete lines 11 to 18 and insert:

“Subd. 2. [TOWING ORDER REQUIRED.] A towing authority may not tow a motor vehicle from public property unless a peace officer or parking enforcement officer has prepared, in addition to the parking citation, a written towing report describing the motor vehicle and the reasons for towing. The report must be signed by the officer and the tow driver.”

Page 1, line 19, delete “2” and insert “3”

Page 1, line 20, after "not" insert "tow, or"

Page 1, line 21, after "of" insert a comma and after "vehicle" insert "from public property"

Page 1, line 23, delete "A"

Page 1, delete lines 24 to 26

Page 2, delete line 1

Page 2, line 2, delete "3" and insert "4"

Page 2, line 7, delete everything after "area" and insert a semicolon

Page 2, delete line 8

Page 2, line 19, after "for" insert "temporary"

Page 2, line 21, before the semicolon, insert "or within the traveled portion of a public street when travel is allowed there"

Page 2, after line 21, insert:

"(9) the vehicle is unlawfully parked in a zone that is restricted by posted signs to use by fire, police, public safety, or emergency vehicles;

(10) the vehicle is unlawfully parked on property at the Minneapolis-St. Paul International Airport owned by the metropolitan airports commission;"

Page 2, line 22, delete "(9)" and insert "(11)"

Page 2, line 26, delete "(10)" and insert "(12)"

Page 2, line 29, delete "(11)" and insert "(13)"

Page 2, line 33, delete "4" and insert "5"

Page 2, line 34, delete "3" and insert "4"

Page 2, line 36, before the semicolon, insert "that have been expired for less than 90 days"

Page 3, line 2, delete "; or" and insert "and the vehicle has fewer than five unpaid parking tickets."

Page 3, delete lines 3 and 4 and insert:

"Subd. 6. [PRIVATE PROPERTY.] This section does not restrict the authority of the owner of private property to authorize the towing at any time of a motor vehicle unlawfully parked on the private property.

Subd. 7. [DAMAGES.] The owner or driver of a motor vehicle towed in violation of this section is entitled to recover from the towing authority the greater of \$100 or two times the actual damages sustained as a result of the violation. Damages recoverable under this subdivision include but are not limited to costs of recovering the vehicle, including time spent and transportation costs.

Sec. 2. Minnesota Statutes 1988, section 514.18, is amended by adding a subdivision to read:

Subd. 1a. [TOWED MOTOR VEHICLES.] A person who tows and stores a motor vehicle at the request of a law enforcement officer shall have a lien on the motor vehicle for the value of the storage and towing and the right to retain possession of the motor vehicle until the lien is lawfully

discharged.

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 traffic regulations; prohibiting the towing of motor vehicles for traffic violations for a period of four hours except under certain circumstances; providing a mechanic's lien for those who tow a vehicle at the direction of a law enforcement officer; amending Minnesota Statutes 1988, section 514.18, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169."

The motion prevailed. So the amendment was adopted.

H.F. No. 564, which the committee reports progress, subject to the following motions:

Mr. Stumpf moved to amend H.F. No. 564, the unofficial engrossment, as follows:

Page 5, after line 19, insert:

"Sec. 2. 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."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Beckman moved to amend H.F No. 564, the unofficial engrossment, as follows:

Page 5, after line 19, insert:

"Sec. 2. 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."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Stumpf moved to amend H.F No. 564, the unofficial engrossment, as follows:

Page 5, after line 19, insert:

"Sec. 2. 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 \$300,000 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."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Bertram moved to amend H.F. No. 564, the unofficial engrossment, as follows:

Page 5, after line 19, insert:

"Sec. 2. Minnesota Statutes 1988, section 176.101, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY PARTIAL DISABILITY.] In all cases of temporary partial disability the compensation shall be 66-2/3 percent of the difference between the weekly wage of the employee at the time of injury and the wage the employee is able to earn in the employee's partially disabled condition. This compensation shall be paid during the period of disability except as provided in this section, payment to be made at the intervals when the wage was payable, as nearly as may be, ~~and subject to a maximum compensation equal to the statewide average weekly wage.~~ *Temporary partial compensation may not exceed the maximum rate for temporary total compensation and must be reduced to the extent that the wage the employee is able to earn in the employee's partially disabled condition plus the temporary partial disability payment otherwise payable under this subdivision exceeds 300 percent of the statewide average weekly wage."*

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mrs. Brataas moved to amend H.F. No. 564, the unofficial engrossment, as follows:

Page 5, after line 19, insert:

"Sec. 2. 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, 1985, 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, 1985, 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. 3. 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. 4. 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. 5. [EFFECTIVE DATE.]

Sections 2 to 4 are effective October 1, 1989."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Langseth moved to amend H.F. No. 564, the unofficial engrossment, as follows:

Page 5, after line 19, insert:

"Sec. 2. 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. 3. 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. 4. 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. 5. 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. 6. 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. 7. 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. 8. 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. 9. 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. 10. 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. 11. 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. 12. 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. 13. 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. 14. [REPEALER.]

Minnesota Statutes 1988, section 176.541, subdivision 7, is repealed."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 564 was then progressed.

S.F. No. 1, which the committee recommends to pass, after the following motion:

The question was taken on the recommendation to pass S.F. No. 1.

The roll was called, and there were yeas 39 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Frederickson, D.R.	McQuaid	Reichgott
Anderson	Cohen	Freeman	Mehrkens	Renneke
Beckman	Dahl	Johnson, D.E.	Merriam	Schmitz
Benson	Davis	Laidig	Moe, R. D.	Spear
Berg	Diessner	Langseth	Morse	Storm
Bernhagen	Frank	Larson	Olson	Stumpf
Bertram	Frederick	Lessard	Pariseau	Vickerman
Brataas	Frederickson, D.J.	Luther	Ramstad	

Those who voted in the negative were:

Belanger	Gustafson	Knaak	Marty	Moe, D.M.
Decker				

The motion prevailed. So S.F. No. 1 was recommended to pass.

H.F. No. 579, which the committee recommends to pass, subject to the following motion:

Mr. Luther moved that the amendment made to H.F. No. 579 by the Committee on Rules and Administration in the report adopted May 11, 1989, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 611, which the committee recommends to pass with the following amendment offered by Mr. Diessner:

Amend H.F. No. 611, as amended pursuant to Rule 49, adopted by the Senate April 18, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1014.)

Pages 7 and 8, delete section 8

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 542, which the committee recommends to pass with the following amendment offered by Mr. Knaak:

Page 5, lines 1 and 3, delete "farm"

Page 5, after line 28, insert:

"Sec. 11. Minnesota Statutes 1988, section 473H.17, subdivision 1a, is amended to read:

Subd. 1a. [ALLOWED COMMERCIAL AND INDUSTRIAL OPERATIONS.] (a) 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.

(b) "Existing" in paragraph (a), clauses (2) and (3), means existing on August 1, 1987."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 188, which the committee recommends to pass with the following amendment offered by Mr. Freeman:

Page 12, delete lines 13 to 18 and insert:

"Subdivision 1. [ACCEPTANCE OF MORTGAGE LENDER FEES NOT DISCLOSED; PROHIBITED.] (a) A mortgage lender may not charge a lender imposed fee, and a borrower may not be required to pay a lender imposed fee at settlement if the fee was not previously disclosed on the settlement statement as required under subdivision 4.

(b) The requirement of this subdivision may be specifically waived by the borrower in writing at the time of the settlement, only if the lender demonstrates that, acting in good faith and due to circumstances beyond its control, compliance with this subdivision is not feasible."

Page 12, line 27, before "A" insert "(a)"

Page 12, line 31, after "Act" insert "including a final listing of all items and fees to be charged at settlement"

Page 12, after line 31, insert:

"(b) The mortgage lender must notify the borrower, five business days prior to settlement or when the loan is approved, of the borrower's right to inspect the completed uniform settlement statement under this subdivision. The notice must state that the lender may not charge a fee not disclosed to the borrower 24 hours prior to the settlement, excluding Saturdays, Sundays, and legal holidays, unless specifically waived by the borrower at settlement. The notice must also inform the borrower of the name, address, and telephone number of the entity closing the loan and the individual who should be contacted if the borrower desires to inspect the completed settlement statement."

The motion prevailed. So the amendment was adopted.

H.F. No. 1283, which the committee recommends to pass with the following amendment offered by Mr. Luther:

Amend H.F. No. 1283, the unofficial engrossment, as follows:

Page 2, after line 22, insert:

"Sec. 4. Minnesota Statutes 1988, section 60A.09, subdivision 1, is amended to read:

Subdivision 1. [MAXIMUM RISK.] No company other than a company authorized to transact the kind of business specified in section 60A.06, subdivision 1, clause (7), shall insure or reinsure in a single risk a larger sum than one-tenth of its net assets, and no company authorized to transact the kind of business specified in section 60A.06, subdivision 1, clause (7), shall insure or reinsure in a single risk a larger sum than ~~one-half~~ *two-thirds* of its net assets; provided, that in the case of a company with net assets of more than \$50,000, any portion of the risk which has been reinsured, as authorized by the laws of this state, shall be deducted before determining the limitation of risk prescribed by this subdivision; and, provided, that a mutual insurance company organized under clause (2)(a) of section 66A.08, subdivision 2, may insure in a single risk, consisting of a creamery or a cheese factory, a sum equal to one percent of its insurance in force."

Page 5, line 3, delete "(14)" and insert "(10)"

Page 7, after line 4, insert:

"Sec. 10. Minnesota Statutes 1988, section 65A.29, is amended by adding a subdivision to read:

Subd. 11. [NONRENEWAL PLAN.] Every insurer shall establish a plan that sets out the minimum number and amount of claims during an experience period that may result in a nonrenewal. A clear and concise written statement of this plan must be provided to the insured at the time claim forms and instructions are provided to the insured or a claimant under section 72A.201, subdivision 4.

The plan must, at a minimum, comply with the requirements of subdivision 8 and the rules adopted by the commissioner."

Page 13, line 21, after "death" insert "or surrender"

Page 15, line 12, before "No" insert "(a)"

Page 15, line 14, delete everything after "applicant"

Page 15, delete line 15

Page 15, line 16, delete everything before "as"

Page 15, line 19, before "No" insert "(b)"

Page 15, after line 24, insert:

"(c) No insurer that offers an automobile insurance policy in this state shall:

(1) use the failure of the applicant to have an automobile policy in force during any period of time before the application is made as an underwriting standard or guideline; or

(2) deny coverage to a policyholder for the same reason.

This provision does not apply if the applicant was required by law to maintain automobile insurance coverage and failed to do so.

An insurer may require reasonable proof that the applicant did not fail to maintain this coverage. The insurer is not required to accept the mere lack of a conviction or citation for failure to maintain this coverage as proof of failure to maintain coverage."

Page 17, line 24, delete "4 to 8, 10 to 12, and 14 to 23" and insert "4 to 9, 12 to 14, and 16 to 25"

Page 17, line 26, delete "9, and 13" and insert "11, and 15"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 525, which the committee recommends to pass with the following amendments offered by Ms. Reichgott and Mr. Cohen:

Ms. Reichgott moved to amend S.F. No. 525 as follows:

Page 2, delete lines 16 to 19

Page 2, line 20, delete "7" and insert "6"

Page 2, lines 23 and 27, after "*organizations*" insert "*or subdivisions, units, or agencies of the United States or a state or local government*"

Page 2, line 28, delete "8" and insert "7"

Page 2, line 30, delete "9" and insert "8"

Page 3, line 3, delete "10" and insert "9"

Page 3, line 6, delete "11" and insert "10"

Page 3, line 8, delete "12" and insert "11"

Page 3, line 14, delete "13" and insert "12"

Page 3, after line 16, insert:

"Subd. 13. [MEMBERS WITH VOTING RIGHTS.] "Members with voting rights" or "voting members" means members or a class of members that has voting rights with respect to the purpose or matter involved."

Page 18, line 34, after "*members*" insert "*with voting rights*"

Page 28, delete lines 6 to 8 and insert:

"(a) Except as provided in paragraph (b), directors may be divided into classes.

(b) Directors of a corporation described in section 118, subdivision 1, may not vote by class except to the extent that the articles or bylaws provide that a class of directors may not vote or that not all classes of directors may vote on a particular matter."

Page 29, delete section 38

Page 30, line 1, delete "317A.229" and insert "317A.227"

Page 40, line 25, after "*person's*" insert "*express or implied*" and after the period, insert "*For purposes of this subdivision, consent includes, but is not limited to, acceptance of membership benefits knowing that the*

benefits are available only to members, or taking some other affirmative action that confers membership benefits."

Page 40, line 27, delete "for purposes of this"

Page 40, line 28, delete "subdivision"

Page 41, line 7, after the period, insert "*In lieu of a membership certificate, a corporation may issue preferred or common stock to a subdivision, unit, or agency of the United States or a state or local government that is a member of the corporation. The stock may be issued upon the terms and conditions that the board considers appropriate, except that it may be transferrable only to another government subdivision, unit, or agency.*"

Page 42, line 12, after the period, insert "*This section does not apply to the termination of a membership at the end of a fixed term.*"

Renumber the sections in sequence and correct the internal references

The motion prevailed. So the amendment was adopted.

Mr. Cohen moved to amend S.F. No. 525 as follows:

Page 96, after line 16, insert:

"Sec. 131. Minnesota Statutes 1988, section 52.09, is amended by adding a subdivision to read:

Subd. 5. [ELIMINATION OR LIMITATION OF LIABILITY.] A director's personal liability to the credit union or its members for monetary damages for breach of fiduciary duty as a director may be eliminated or limited in the bylaws. The bylaws shall not eliminate or limit liability of a director:

(1) for breach of the director's duty of loyalty to the credit union or its members;

(2) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;

(3) for a transaction from which the director derived an improper personal benefit; or

(4) for an act or omission occurring prior to the date when the provision in the bylaws eliminating or limiting liability becomes effective."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1377, which the committee recommends to pass with the following amendment offered by Mr. Chmielewski:

Page 3, line 10, strike from "sells" through page 3, line 11, to "by" and insert "violates"

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 Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 764 and 1252.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 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. 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 a rent escrow system; providing mandatory building repair fines; authorizing a housing calendar consolidation pilot project in Hennepin and Ramsey counties; requiring housing impact statements; revising certain housing receivership provisions; providing a limited right of entry to secure vacant or unoccupied buildings; providing for city housing rehabilitation loan programs; establishing the community and neighborhood development organization program; establishing a child development program; authorizing a neighborhood revitalization program; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 4.071; 282.01, subdivision 1; 462A.03, by adding a subdivision; 462A.05, subdivision 27, and by adding subdivisions; 462A.21, subdivisions 4k, 12, and by adding subdivisions; 462C.02, by adding subdivisions; 462C.05, by adding a subdivision; 463.15, subdivisions 3 and 4; 463.16; 463.161; 463.17; 463.20; 463.21; 463.22; 469.012, subdivision 1; 504.255; 504.26; 566.17; 566.175, subdivision 1; 566.29, subdivisions 1, 4, and by adding subdivisions; 582.03; Laws 1971, chapter 333, as amended, by adding a section; Laws 1974, chapters 285, sections 2, 3, 4, and by adding a section; and 475, by adding a section; proposing coding for new law in Minnesota Statutes, chapters 116J; 129A; 145; 268; 363; 412; 462A; 469; 471; 504; 566; and 582; repealing Laws 1974, chapter 351, sections 1 to 4, as amended; Laws 1975, chapter 260, sections 1 to 5; and Laws 1987, chapters 384, article 3, section 22; and 386, article 6, sections 4 to 11.

Senate File No. 522 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1989

Mr. Moe, R.D. for Mr. Pogemiller, moved that the Senate do not concur in the amendments by the House to S.F. No. 522, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

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. 1016: Messrs. Cohen, Spear and Laidig.

H.F. No. 761: Messrs. Frank, Stumpf and Luther.

H.F. No. 245: Messrs. Stumpf, Dahl and Merriam.

S.F. No. 522: Mr. Pogemiller, Ms. Reichgott, Messrs. Bernhagen, Gustafson and Ms. Berglin.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the 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. 456, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 456 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1989

CONFERENCE COMMITTEE REPORT ON 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.

May 15, 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. 456, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Diane Wray Williams, Sidney Pauly, Loren A. Solberg

Senate Conferees: (Signed) Ember D. Reichgott, Linda Berglin, Gary W. Laidig

Ms. Reichgott moved that the foregoing recommendations and Conference Committee Report on H.F. No. 456 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. 456 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 44 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Kroening	Moe, D.M.	Ramstad
Anderson	Davis	Laidig	Moe, R.D.	Reichgott
Beckman	Frank	Larson	Morse	Renneke
Belanger	Frederick	Lessard	Olson	Schmitz
Benson	Frederickson, D.R.	Luther	Pariseau	Solon
Bertram	Hughes	Marty	Pehler	Spear
Brataas	Johnson, D.E.	McGowan	Peterson, D.C.	Storm
Chmielewski	Johnson, D.J.	McQuaid	Peterson, R.W.	Vickerman
Cohen	Knaak	Merriam	Pogemiller	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 371, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 371 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1989

CONFERENCE COMMITTEE REPORT ON 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.

May 9, 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. 371, 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. 371 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 260.161, subdivision 3, is amended to read:

Subd. 3. (a) Peace officers' records of children shall be kept separate from records of persons 18 years of age or older and shall not be open to public inspection or their contents disclosed to the public except (1) by order of the juvenile court, or (2) as required by section 126.036, or (3) as authorized under chapter 13; except that traffic investigation reports may be open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. *Except as provided in paragraph (c)*, no photographs of a child taken into custody may be taken without the consent of the juvenile court unless the child is alleged to have violated section 169.121 or 169.129. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing a criminal investigation.

(c) The commissioner of corrections may photograph juveniles whose legal custody is transferred to the commissioner. Photographs of juveniles authorized by this paragraph may be used only for institution management purposes and to assist law enforcement agencies to apprehend juvenile offenders. The commissioner shall maintain photographs of juveniles in the same manner as juvenile court records and names under this section.

Sec. 2. Minnesota Statutes 1988, section 332.51, subdivision 3, is amended to read:

Subd. 3. [LIABILITY OF PARENT OR GUARDIAN.] ~~The provisions of Section 540.18 apply~~ *applies* to this section, *except that recovery is not limited to special damages.*

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective August 1, 1989, and applies to crimes committed on or after that date."

Delete the title and insert:

"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; removing certain limitations on parental liability for thefts by minors; amending Minnesota Statutes 1988, sections 260.161, subdivision 3; and 332.51, subdivision 3."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Sandy Pappas, Randy C. Kelly, Bill Macklin

Senate Conferees: (Signed) John J. Marty, Allan H. Spear, Patrick D. McGowan

Mr. Marty moved that the foregoing recommendations and Conference Committee Report on H.F. No. 371 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. 371 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 42 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Kroening	Moe, D.M.	Reichgott
Anderson	Davis	Laidig	Morse	Renneke
Beckman	Frank	Larson	Novak	Solon
Belanger	Frederick	Lessard	Olson	Spear
Benson	Frederickson, D.R.	Luther	Pariseau	Storm
Bertram	Gustafson	Marty	Pehler	Vickerman
Brataas	Hughes	McGowan	Peterson, D.C.	
Chmielewski	Johnson, D.E.	McQuaid	Peterson, R.W.	
Cohen	Knaak	Merriam	Ramstad	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 59:

H.F. No. 59: A bill for an act relating to public safety; authorizing bonding for capital improvements; appropriating money to convert a regional treatment center for use as an adult correctional facility and to operate the facility; appropriating money for a variety of correctional and treatment programs; revising and increasing penalties for controlled substance crimes; authorizing increased sentences and juvenile court reference for controlled substance crimes committed within a drug free school or park zone; increasing penalties for a variety of other crimes; providing for life imprisonment without supervised release for persons convicted of first degree murder or a third criminal sexual conduct offense; providing for sex offender treatment programs; providing that an inmate who completes a sex offender treatment

program is eligible for an adjustment to the supervised release date; providing for the collection and admissibility of DNA evidence; modifying certain forfeiture provisions; permitting a school-sponsored alcohol awareness program; requiring reporting of newborns with signs of controlled substance exposure and reporting of certain controlled substance use by pregnant women; providing for toxicology testing; requiring an education program to protect unborn children from such prenatal exposure; providing for civil commitment of pregnant women for certain controlled substance use; establishing a community crime prevention grant program; providing a soft body armor reimbursement program; creating a drug abuse prevention resource council; establishing a child protection system study commission; providing for a community resources program for cities of the first class; appropriating money; amending Minnesota Statutes 1988, sections 152.01, subdivision 7, and 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; 169.09, subdivision 14; 243.05, subdivision 1; 244.05, subdivisions 1, 4, 5, and by adding a subdivision; 244.09, subdivision 5; 253B.02, subdivisions 2 and 10; 256.01, by adding a subdivision; 260.125, subdivision 3; 260.161, subdivision 1; 260.185, subdivision 1; 297D.09, subdivision 1a; 299F80, subdivision 1; 325D.56, subdivision 2; 340A.701; 340A.702; 526.10; 609.11, subdivisions 7 and 9; 609.185; 609.19; 609.195; 609.205; 609.221; 609.222; 609.223; 609.2231, subdivision 1; 609.255, subdivision 3; 609.2665; 609.267; 609.323, subdivision 1; 609.342, subdivision 2; 609.343, subdivision 2; 609.344, subdivision 2; 609.345, subdivision 2; 609.346; 609.377; 609.445; 609.48, subdivision 4; 609.487, subdivision 4; 609.52; 609.53, subdivisions 1 and 4; 609.5311, subdivision 3; 609.5314, subdivision 1; 609.5315, subdivision 1; 609.576; 609.62, subdivision 2; 609.631, subdivision 2; 609.86, subdivision 3; 611A.038; 624.701; 624.712, subdivision 5; and 626.556, subdivisions 2, 3, and 10; proposing coding for new law in Minnesota Statutes, chapters 116K; 121; 144; 152; 241; 242; 244; 299A; 299C; 466A; 609; 626; 634; and 638; repealing Minnesota Statutes 1988, sections 152.09; 152.15, subdivisions 1, 2, 2a, 2b, 3, and 5; 609.53, subdivisions 1a, 3, and 3a; and 609.55.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Kelly, Vellenga, Blatz, Greenfield and Wenzel have been appointed as such committee on the part of the House.

House File No. 59 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 May 16, 1989

Mr. Spear moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 59, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 66:

H.F. No. 66: A bill for an act relating to gambling; creating a department of gaming; authorizing a state lottery to be conducted by a department of state lottery; creating a division of inspection and enforcement in the department of public safety and providing for its duties; prescribing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 10A.09, subdivision 1; 15.06, subdivision 1; 15A.081, subdivision 1; 43A.08, subdivision 1a; 240.01, by adding subdivisions; 240.02, subdivisions 1 and 2; 240.04, subdivisions 1, 3, and 7; 240.06, subdivisions 3 and 8; 240.07, subdivision 2; 240.08, subdivision 3; 240.21; 240.28; 340A.410, subdivision 5; 349.12, subdivisions 11, 17, 20, and by adding subdivisions; 349.151, subdivisions 1, 2, 4, and 5; 349.16, subdivisions 3 and 4; 349.161, subdivision 4; 349.162, subdivisions 1, 2, 4, and 5; 349.163; 349.18, subdivision 1; 349.19, subdivisions 5 and 6; 349.212; 349.2121, subdivisions 2, 3, 4, 4a, 6, 7, 8, and 10; 349.2122; 349.2125, subdivisions 1, 2, and 3; 349.2127, subdivision 2; 349.213, subdivision 1; 349.214, subdivision 2; 349.22, subdivisions 1 and 3; 541.20; 541.21; 609.75, subdivision 3; 609.76, subdivision 1; 609.761; 626.05, subdivision 2; 626.13; and 626.84, subdivision 1; proposing coding for new law as Minnesota Statutes, chapters 299K; 349A; and 349B; proposing coding for new law in Minnesota Statutes, chapters 240; 245; and 349; repealing Minnesota Statutes 1988, sections 240.02, subdivision 7; 349.151, subdivisions 3 and 5; 349.161, subdivision 7; 349.164, subdivision 5; 349.171; and 349.22, subdivision 4.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Quinn; Kostohryz; Anderson, G.; Bennett and Osthoff have been appointed as such committee on the part of the House.

House File No. 66 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 May 16, 1989

Mr. Lessard moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 66, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

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. 59: Mr. Spear, Ms. Peterson, D.C.; Messrs. Luther, Cohen and McGowan.

H.F. No. 66: Messrs. Lessard, Purfeerst, Knaak, Mrs. Lantry and Ms. Peterson, D.C.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mrs. Adkins was excused from the Session of today from 12:45 to 1:15 p.m. Mr. Johnson, D.J. was excused from the Session of today from 1:00 to 1:15 p.m. Mr. Kroening was excused from the Session of today from 3:00 to 5:30 p.m. Mr. Frederickson, D.J. was excused from the Session of today from 5:00 to 5:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, May 17, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-FOURTH DAY

St. Paul, Minnesota, Wednesday, May 17, 1989

The Senate met at 12:00 noon 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. Delton Krueger.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R. D.	Samuelson
Belanger	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	

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.

May 16, 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
847		122	1736 hours May 15	May 16
583		123	1738 hours May 15	May 16
590		124	1739 hours May 15	May 16
	593	126	1740 hours May 15	May 16
	635	127	1757 hours May 15	May 16
	955	129	1758 hours May 15	May 16
886		130	1741 hours May 15	May 16
281		131	1743 hours May 15	May 16
	279	132	1800 hours May 15	May 16
	774	133	1745 hours May 15	May 16
	1429	134	1755 hours May 15	May 16
	1492	137	1748 hours May 15	May 16
	707	141	1750 hours May 15	May 16

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 736, 997 and 1011.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 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. 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.

Senate File No. 126 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1989

CONCURRENCE AND REPASSAGE

Mr. Diessner moved that the Senate concur in the amendments by the House to S.F. No. 126 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 126 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 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Ramstad
Anderson	Davis	Knaak	Metzen	Rennecke
Beckman	Decker	Laidig	Moe, D.M.	Schmitz
Belanger	DeCramer	Langseth	Moe, R.D.	Solon
Benson	Dicklich	Larson	Morse	Spear
Berg	Diessner	Lessard	Novak	Storm
Bernhagen	Frank	Luther	Olson	Stumpf
Bertram	Frederick	Marty	Pehler	Taylor
Brataas	Frederickson, D.J.	McGowan	Peterson, R. W.	Vickerman
Chmielewski	Hughes	McQuaid	Pogemiller	Waldorf
Cohen	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. 139: A bill for an act relating to liquor; increasing age for provisional driver's license to 21 years; changing provisional licenses to "under-21" licenses; prohibiting the issuance of both a Minnesota identification card and a driver's license, other than an instruction permit, to the same person; 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; 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; amending Minnesota Statutes 1988, sections 171.02, subdivisions 1 and 3; 171.06, subdivision 2; 171.07, subdivisions 1 and 3; 171.171; 171.22; 171.27; 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.

Senate File No. 139 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1989

Mr. Spear moved that the Senate do not concur in the amendments by the House to S.F. No. 139, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 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.

Senate File No. 535 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1989

CONCURRENCE AND REPASSAGE

Mr. Luther moved that the Senate concur in the amendments by the House to S.F. No. 535 and that the bill be placed on its repassage as amended. The motion prevailed.

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 484.78, subdivision 4, and by adding a subdivision; 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, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Kroening	Moe, R.D.	Solon
Belanger	Dicklich	Laidig	Morse	Spear
Benson	Diessner	Larson	Novak	Storm
Berg	Frank	Lessard	Olson	Stumpf
Bernhagen	Frederick	Luther	Pehler	Taylor
Bertram	Frederickson, D.J.	Marty	Peterson, D.C.	Vickerman
Brataas	Frederickson, D.R.	McGowan	Peterson, R.W.	Waldorf
Chmielewski	Gustafson	McQuaid	Pogemiller	
Cohen	Hughes	Mehrkens	Purfeerst	
Dahl	Johnson, D.E.	Merriam	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 that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 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 a rent escrow system; providing mandatory building repair fines; authorizing a housing calendar consolidation pilot project in Hennepin and Ramsey counties; requiring housing impact statements; revising certain housing receivership provisions; providing a limited right of entry to secure vacant or unoccupied buildings; providing for city housing rehabilitation loan programs; establishing the community and neighborhood development organization program; establishing a child development program; authorizing a neighborhood revitalization program; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 4.071; 282.01, subdivision 1; 462A.03, by adding a subdivision; 462A.05, subdivision 27, and by adding subdivisions; 462A.21, subdivisions 4k, 12, and by adding subdivisions; 462C.02, by adding subdivisions; 462C.05, by adding a subdivision; 463.15, subdivisions 3 and 4; 463.16; 463.161; 463.17; 463.20; 463.21; 463.22; 469.012, subdivision 1; 504.255; 504.26; 566.17; 566.175, subdivision 1; 566.29, subdivisions 1, 4, and by adding subdivisions; 582.03; Laws 1971, chapter 333, as amended, by adding a section; Laws 1974, chapters 285, sections 2, 3, 4, and by adding a section; and 475, by adding a section; proposing coding for new law in Minnesota Statutes, chapters 116J; 129A; 145; 268; 363; 412; 462A; 469; 471; 504; 566; and 582; repealing Laws 1974, chapter 351, sections 1 to 4, as amended; Laws 1975, chapter 260, sections 1 to 5; and Laws 1987, chapters 384, article 3, section 22; and 386, article 6, sections 4 to 11.

There has been appointed as such committee on the part of the House:

O'Connor, Osthoff, Dawkins, Boo and Sparby.

Senate File No. 522 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1989

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 837:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Carruthers, Marsh and Wagenius have been appointed as such committee on the part of the House.

House File No. 837 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 May 16, 1989

Mr. Moe, R.D. for Mr. Freeman, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 837, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 701:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Munger; Johnson, R. and Stanius have been appointed as such committee on the part of the House.

House File No. 701 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 May 16, 1989

Mr. Morse moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 701, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 260:

H.F. No. 260: 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; regulating use of omitted information; proposing coding for new law in Minnesota Statutes, chapter 181.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Trimble, Begich and Seaberg have been appointed as such committee on the part of the House.

House File No. 260 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 May 16, 1989

Mr. Merriam moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 260, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 162:

H.F. No. 162: 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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Skoglund, Burger and Orenstein have been appointed as such committee on the part of the House.

House File No. 162 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 May 16, 1989

Mr. Marty moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 162, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 166:

H.F. No. 166: A bill for an act relating to state agencies; providing that certain information submitted to department of transportation is public data; providing for development of internal auditing standards; classifying certain internal auditing data as other than public; 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; providing for suspension of registration of interstate authority for failure to maintain insurance; amending Minnesota Statutes 1988, sections 13.72, by adding subdivisions; 16A.055, subdivision 1; 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 by adding a subdivision; and 221.60, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 13; 65B; and 221.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Lasley, Rodosovich and Henry have been appointed as such committee on the part of the House.

House File No. 166 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 May 16, 1989

Mr. Novak moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 166, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1160:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Bauerly, McGuire and Omann have been appointed as such committee on the part of the House.

House File No. 1160 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 May 16, 1989

Mr. Frederickson, D.J. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1160, 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. 121, 189, 391, 235, 927, 1203, 42, 1146, 878 and 1418.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1989

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 121: 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 Finance.

H.F. No. 189: A bill for an act relating to appropriations; appropriating money for a grant to Kandiyohi county for the George "Pinky" Nelson space center.

Referred to the Committee on Education.

H.F. No. 391: 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 161, now on General Orders.

H.F. No. 235: A bill for an act relating to human services; authorizing counties to establish multidisciplinary chemical abuse 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 Finance.

H.F. No. 927: 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 1, 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; 171.20; 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 Rules and Administration for comparison with S.F. No. 1200, now on General Orders.

H.F. No. 1203: A bill for an act relating to nonprofit corporations; providing for the organization, operation, and dissolution of nonprofit corporations; imposing penalties; 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 Rules and Administration for comparison with S.F. No. 525, now on the Calendar.

H.F. No. 42: A bill for an act relating to economic development; permitting state agencies and local jurisdictions to invest in a working capital fund; proposing coding for new law in Minnesota Statutes, chapters 16B, 161, 471, and 473.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 548, now on General Orders.

H.F. No. 1146: 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 Finance.

H.F. No. 878: A bill for an act relating to agriculture; providing partial premium payment for federal crop insurance; requiring lawn waste containers to be degradable; establishing uniformity with certain federal regulations; requiring the use of soy-oil based inks for printing under certain conditions; providing Minnesota-grown coupons to WIC coupon recipients at test sites; suspending certain noxious weed control practices during drought conditions; providing for development of a community needs assessment model; authorizing an investigation of cheese marketing institutions and practices; establishing a grasshopper control program; creating an agricultural liming materials law; establishing an advisory task force on farm safety; extending the farmer-lender mediation act and clarifying various provisions; extending the date for a report of the team study on low livestock productivity; changing certain requirements for motor vehicle fuel labeling; establishing an agricultural landlord rental incentive program; limiting liability of certain agricultural society board numbers; setting a dairy industry check-off rate; providing for arbitration of seed claims; providing for purchase of the agriculture department building; authorizing bond sales; regulating wild rice labeling; appropriating money; amending Minnesota Statutes 1988, sections 17.7242, subdivisions 1 and 2; 17.59, by adding a subdivision; 30.49; 31.101; 31.102, subdivision 1; 31.103, subdivision 1; 31.104; 31.11; 38.013; 47.20, subdivision 15; 116O.09,

subdivision 5; 239.79, subdivision 2, and by adding a subdivision; 308.12, subdivision 5; 325E.045, subdivision 1, and by adding subdivisions; 500.24, subdivision 6; 550.37, subdivisions 4a, 5, and 7; 580.031; 583.24, subdivision 4; 583.26, subdivision 1; Laws 1983, chapter 215, section 16, as amended; Laws 1986, chapter 398, article 1, section 18, as amended; Laws 1987, chapter 396, article 9, section 1, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 16B; 17; 17B; 18; 21; 41B; and 169; repealing Minnesota Statutes 1988, sections 17.7241; 17.4244; 17.7246; and 84.152, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1404, now on General Orders.

H.F. No. 1418: A bill for an act relating to appropriations; appropriating money to evaluate the national indoor sports training center.

Referred to the Committee on Finance.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 890: A bill for an act relating to judicial administration; providing for the transfer of 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 state funding of the trial court information system; 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; providing for conciliation court fees and transferring certain fees to the state; 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; 273.1398, subdivision 2; 352.01, subdivision 2b; 353.01, subdivision 2a; 357.021, subdivisions 1a, 2, and 4; 357.08; 466.01, subdivision 6; 477A.012, by adding a subdivision; 480.058; 480.235; 484.545, subdivisions 1 and 2; 484.64, subdivision 3; 484.65, subdivision 3; 484.68, subdivision 5; 485.018, subdivision 5; 487.31, subdivision 1; 488A.119; 488A.14, subdivision 1; 488A.17, subdivision 2; 488A.31, subdivision 1; 488A.34, subdivision 2; 525.033; and 611.26, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 357; 480; and 611; repealing Minnesota Statutes 1988, sections 383B.63, subdivisions 4 and 5; 487.31, subdivision 4; 525.012, subdivisions 1, 2, 3, and 4; 611.12; and 611.214; and Laws 1975, chapter 258, section 6, subdivisions 1, 3, 4, and 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 29, line 31, delete "*subdivisions 1 and 2*" and insert "*subdivision 1*"

Page 30, line 8, delete "*subdivisions 1 and 2*" and insert "*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 under Joint Rule 2.03, together with the committee report thereon,

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.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations, shown in the Journal for May 16, 1989, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Finance”. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 890 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Chmielewski moved that the name of Mr. Frederickson, D.J. be added as a co-author to S.F. No. 38. The motion prevailed.

Mr. Stumpf introduced—

Senate Resolution No. 131: A Senate resolution proclaiming July 6, 1989, as the Red Lake Centennial.

Referred to the Committee on Rules and Administration.

Mr. Solon moved that S.F. No. 339 be taken from the table. The motion prevailed.

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.

CONCURRENCE AND REPASSAGE

Mr. Solon moved that the Senate concur in the amendments by the House to S.F. No. 339 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 339 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knaak	Merriam	Purfeerst
Anderson	DeCramer	Knutson	Metzen	Ramstad
Beckman	Dicklich	Kroening	Moe, D.M.	Reichgott
Belanger	Diessner	Laidig	Moe, R. D.	Renneke
Benson	Frank	Langseth	Morse	Schmitz
Berg	Frederick	Lantry	Novak	Solon
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.	Taylor
Cohen	Hughes	McGowan	Peterson, R.W.	Vickerman
Dahl	Johnson, D.E.	McQuaid	Piper	
Davis	Johnson, D.J.	Mehrkins	Pogemiller	

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Solon moved that S.F. No. 200 be taken from the table. The motion prevailed.

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.

CONCURRENCE AND REPASSAGE

Mr. Solon moved that the Senate concur in the amendments by the House to S.F. No. 200 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 200 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	Dahl	Johnson, D.E.	McQuaid	Pogemiller
Anderson	Davis	Johnson, D.J.	Mehrkins	Purfeerst
Beckman	Decker	Knaak	Metzen	Ramstad
Belanger	DeCramer	Knutson	Moe, D.M.	Reichgott
Benson	Dicklich	Kroening	Moe, R. D.	Renneke
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	McGowan	Piper	

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Knaak introduced—

S.F. No. 1646: A bill for an act relating to state government; providing the state may refuse to contract with entities determined to be egregious environmental polluters; authorizing the environmental quality board to name egregious environmental polluters; proposing coding for new law in Minnesota Statutes, chapter 116C.

Referred to the Committee on Environment and Natural Resources.

Messrs. Novak, Merriam and Lessard introduced—

S.F. No. 1647: A resolution memorializing the Congress of the United States to enact the American Heritage Trust Act authorizing the creation of a federal trust fund to provide funding for local, state, and federal land and water conservation and historic preservation purposes.

Referred to the Committee on Environment and Natural Resources.

MOTIONS AND RESOLUTIONS - CONTINUED**SUSPENSION OF RULES**

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

H.F. No. 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.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Pogemiller
Anderson	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	Schmitz
Berglin	Frank	Langseth	Novak	Solon
Bernhagen	Frederick	Lantry	Olson	Spear
Bertram	Frederickson, D.J.	Larson	Pariseau	Stumpf
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	

Mr. Storm voted in the negative.

So the bill passed and its title was agreed to.

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, subdivisions 1, 2, and by adding a subdivision; 40A.11, subdivision 4; 40A.122, subdivision 7; 40A.17; 473H.15, subdivision 10; and 473H.17, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 40A.

Was read the third time 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	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R. D.	Schmitz
Belanger	Dicklich	Laidig	Morse	Solon
Benson	Diessner	Langseth	Novak	Spear
Berg	Frank	Lantry	Olson	Storm
Berglin	Frederick	Larson	Pariseau	Stumpf
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Taylor
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Vickerman
Brandl	Freeman	Marty	Peterson, R. W.	Waldorf
Brataas	Gustafson	McGowan	Piper	
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

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; requiring releases of liens issued in error to state that the lien was erroneous; amending Minnesota Statutes 1988, sections 270.07, subdivision 1; 270.10, by adding a subdivision; 270.69, 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; 278.03; 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.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.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	Schmitz
Berg	Diessner	Lantry	Novak	Solon
Berglin	Frank	Larson	Olson	Spear
Bernhagen	Frederickson, D.J.	Lessard	Pariseau	Storm
Bertram	Frederickson, D.R.	Luther	Pehler	Stumpf
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	

Messrs. Frederick and Knutson voted in the negative.

So the bill passed and its title was agreed to.

H.F No. 1697: 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; providing a mechanic's lien for those who tow a vehicle at the direction of a law enforcement officer; amending Minnesota Statutes 1988, section 514.18, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169.

With the unanimous consent of the Senate, Mr. McGowan moved to amend the Novak amendment to H.F No. 1697, adopted by the Senate May 16, 1989, as follows:

Page 2, line 30, after the period, insert "*This section does not apply to tows authorized in section 1, subdivision 4, clause (1).*"

The motion prevailed. So the amendment was adopted.

H.F No. 1697 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	McGowan	Pogemiller
Anderson	Davis	Johnson, D.E.	McQuaid	Purfeerst
Beckman	Decker	Johnson, D.J.	Mehrkens	Ramstad
Belanger	DeCramer	Knaak	Metzen	Reichgott
Benson	Dicklich	Knutson	Moe, D.M.	Renneke
Berg	Diessner	Kroening	Moe, R. D.	Schmitz
Bernhagen	Frank	Laidig	Morse	Spear
Bertram	Frederick	Langseth	Novak	Storm
Brandl	Frederickson, D.J.	Lantry	Olson	Stumpf
Brataas	Frederickson, D.R.	Larson	Pariseau	Vickerman
Chmielewski	Freeman	Lessard	Pehler	Waldorf
Cohen	Gustafson	Marty	Piper	

Ms. Berglin, Mr. Merriam, Ms. Peterson, D.C. and Mr. Peterson, R.W. voted in the negative.

So the bill, as amended, was passed and its title was agreed to.

H.F. No. 579: A bill for an act relating to certain commercial transactions; adopting an article of the uniform commercial code that governs leases; 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; proposing coding for new law in Minnesota Statutes, chapter 336.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Schmitz
Belanger	Dicklich	Laidig	Morse	Solon
Benson	Diessner	Langseth	Novak	Spear
Berg	Frank	Lantry	Olson	Storm
Berglin	Frederick	Larson	Pariseau	Stumpf
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Taylor
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Vickerman
Brandl	Freeman	Marty	Peterson, R.W.	Waldorf
Brataas	Gustafson	McGowan	Piper	
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

H.F. No. 1143: 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.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Purfeerst
Anderson	Davis	Johnson, D.J.	Metzen	Ramstad
Beckman	Decker	Knaak	Moe, D.M.	Reichgott
Belanger	DeCramer	Knutson	Moe, R.D.	Renneke
Benson	Dicklich	Laidig	Morse	Schmitz
Berg	Diessner	Langseth	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	McGowan	Piper	Waldorf
Cohen	Hughes	McQuaid	Pogemiller	

Messrs. Kroening and Merriam voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1: 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.

Was read the third time 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 18, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Langseth	Moe, R.D.	Reichgott
Anderson	Davis	Lantry	Morse	Renneke
Beckman	DeCramer	Larson	Olson	Solon
Benson	Diessner	Lessard	Pariseau	Spear
Berg	Frederickson, D.J.	Luther	Pehler	Storm
Berglin	Frederickson, D.R.	McGowan	Peterson, D.C.	Stumpf
Bernhagen	Freeman	McQuaid	Peterson, R.W.	Vickerman
Brataas	Johnson, D.E.	Mehrkens	Pogemiller	Waldorf
Chmielewski	Knutson	Merriam	Purfeerst	
Cohen	Laidig	Metzen	Ramstad	

Those who voted in the negative were:

Belanger	Dicklich	Hughes	Moe, D.M.	Schmitz
Bertram	Frank	Johnson, D.J.	Novak	Taylor
Brandl	Frederick	Knaak	Piper	
Decker	Gustafson	Marty	Samuelson	

So the bill passed and its title was agreed to.

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.

Was read the third time 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	Knutson	Moe, R.D.	Samuelson
Beckman	DeCramer	Kroening	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.

H.F. No. 1408: A bill for an act relating to metropolitan transit; requiring joint planning for light rail transit; establishing a joint planning board; requiring approval of light rail transit plans by the regional transit board; specifying the composition of the regional transit board and the metropolitan transit commission; changing various provisions relating to metropolitan transit programs and authorities; amending Minnesota Statutes 1988, sections 398A.04, subdivision 9; 473.169, subdivisions 1, 3, 4, and 5; 473.17; 473.373, subdivisions 1a, 4, 5, and by adding a subdivision; 473.375, subdivisions 8 and 13; and 473.404, subdivisions 2, 3, and 5; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1988, sections 473.1691 and 473.398.

Was read the third time 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 5, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Metzen	Reichgott
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	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	Frederickson, D.R.	Marty	Peterson, D.C.	Vickerman
Brandl	Freeman	McGowan	Peterson, R.W.	
Brataas	Gustafson	McQuaid	Pogemiller	
Chmielewski	Hughes	Mehrkens	Purferst	
Cohen	Johnson, D.E.	Merriam	Ramstad	

Those who voted in the negative were:

Dahl	Knutson	Kroening	Renneke	Waldorf
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So the bill passed and its title was agreed to.

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; making technical corrections to provisions relating to hazardous substance sites and subdistricts; enabling Chisago, Kanabec, Isanti, Pine, and Mille Lacs counties to sell certain bonds at public or private sale; amending Minnesota Statutes 1988, sections 298.2211, subdivision 4; 469.015, subdivision 4; 469.174, subdivisions 7 and 16; 469.175, subdivision 7; 471.56, subdivision 5; 473.541, subdivision 3, and by adding a subdivision; 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, chapter 473; repealing Minnesota Statutes 1988, section 474A.081, 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	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
Berglin	Frederickson, D.J.	Larson	Pariseau	Stumpf
Bernhagen	Frederickson, D.R.	Lessard	Pehler	Taylor
Bertram	Freeman	Luther	Peterson, R.W.	Vickerman
Brandl	Gustafson	Marty	Piper	Waldorf
Chmielewski	Hughes	McGowan	Pogemiller	
Cohen	Johnson, D.E.	McQuaid	Purfeerst	
Dahl	Johnson, D.J.	Mehrkens	Ramstad	

So the bill passed and its title was agreed to.

S.F. No. 1242: A bill for an act relating to state government; extending the expiration date on certain advisory councils; increasing the compensation of members of administrative boards and agencies; reducing the maximum compensation of members of advisory councils; eliminating a requirement for appointment of a state employees assistance program advisory committee; amending Minnesota Statutes 1988, sections 15.0575, subdivision 3; 15.059, subdivisions 3 and 5; and 16B.39, subdivision 2; repealing Minnesota Statutes 1988, sections 84B.11, subdivision 4; 121.83; 174.031, subdivision 2; 256.73, subdivision 7; and 268.12, 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 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	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	

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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.	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. 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; amending Minnesota Statutes 1988, section 299D.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 299D and 299E.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

S.F. No. 491: A bill for an act relating to health care; creating a health care access commission; requiring a health care access study; 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 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	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	

So the bill passed and its title was agreed to.

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.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

H.F. No. 415: 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.

Was read the third time 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	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	Freeman	McGowan	Piper	Waldorf
Brataas	Gustafson	McQuaid	Pogemiller	
Chmielewski	Hughes	Mehrkens	Purfeerst	
Cohen	Johnson, D.J.	Merriam	Ramstad	
Dahl	Knaak	Metzen	Reichgott	

So the bill passed and its title was agreed to.

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.

Was read the third time 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	Metzen	Reichgott
Anderson	Decker	Knutson	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
Berglin	Frederick	Larson	Pariseau	Stumpf
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Taylor
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Vickerman
Brandl	Freeman	Marty	Peterson, R.W.	Waldorf
Brataas	Gustafson	McGowan	Piper	
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

S.F. No. 1377: A bill for an act relating to wild rice; clarifying requirements on packaging and labeling; requiring disclosure of origin; amending Minnesota Statutes 1988, section 30.49.

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 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	Dicklich	Laidig	Morse	Schmitz
Benson	Diessner	Langseth	Novak	Spear
Berg	Frank	Lantry	Olson	Storm
Berglin	Frederick	Larson	Pariseau	Stumpf
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Taylor
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Vickerman
Brandl	Freeman	Marty	Peterson, R.W.	Waldorf
Brataas	Gustafson	McGowan	Piper	
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

S.F. No. 895: 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; 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.

Was read the third time 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	Metzen	Reichgott
Anderson	Decker	Knutson	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
Berglin	Frederick	Larson	Pariseau	Stumpf
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Taylor
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Vickerman
Brandl	Freeman	Marty	Peterson, R.W.	Waldorf
Brataas	Gustafson	McGowan	Piper	
Chmielewski	Hughes	McQuaid	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Peterson, R. W. moved that the following members be excused for a Conference Committee on H.F. No. 654 at 2:00 p.m.:

Messrs. DeCramer; Hughes; Pehler; Peterson, R.W. and Ms. Peterson, D.C. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

CONFIRMATION

Mr. Johnson, D.J. moved that the report from the Committee on Taxes and Tax Laws, reported January 19, 1989, pertaining to appointments, be

taken from the table. The motion prevailed.

Mr. Johnson, D.J. moved that the foregoing report be now adopted. The motion prevailed.

Mr. Johnson, D.J. moved that in accordance with the report from the Committee on Taxes and Tax Laws, reported January 19, 1989, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF REVENUE COMMISSIONER

John James, 4233 Sheridan Ave. S., Minneapolis, Hennepin County, effective December 18, 1987, for a term expiring the first Monday in January, 1991.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Spear moved that the reports from the Committee on Judiciary, reported January 19, 1989, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Spear moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Spear moved that in accordance with the reports from the Committee on Judiciary, reported January 19, 1989, the Senate, having given its advice, do now consent to and confirm the appointments of:

BOARD ON JUDICIAL STANDARDS

Charlotte Anderson, 3913 Oakland Ave. S., Minneapolis, Hennepin County, effective October 10, 1988, for a term expiring the first Monday in January, 1989.

Edward Matonich, 2031 - 2nd Ave. E., Hibbing, St. Louis County, effective February 17, 1988, for a term expiring the first Monday in January, 1990.

Janna Merrick, 230 York Ave., Elk River, Sherburne County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

Lawrence Redmond, 1920 S. 1st St., Minneapolis, Hennepin County, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

Raul Salazar, 3605 Tuxedo Rd., Mound, Hennepin County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

HAZARDOUS SUBSTANCE INJURY COMPENSATION BOARD

David R. Miller, 1309 Jonquil Ln., White Bear Lake, Ramsey County, effective January 19, 1987, for a term expiring the first Monday in January, 1993.

John Phillips, 5604 Grand Ave. S., Minneapolis, Hennepin County, effective June 14, 1988, for a term expiring the first Monday in January, 1989.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Lessard moved that the report from the Committee on Environment and Natural Resources, reported February 13, 1989, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Lessard moved that the foregoing report be now adopted. The motion prevailed.

Mr. Lessard moved that in accordance with the report from the Committee on Environment and Natural Resources, reported February 13, 1989, the Senate, having given its advice, do now consent to and confirm the appointments of:

**MINNESOTA POLLUTION CONTROL AGENCY
COMMISSIONER**

Gerald L. Willet, 207 Mill Rd., Park Rapids, Hubbard County, effective November 15, 1987, for a term expiring the first Monday in January, 1991.

MINNESOTA POLLUTION CONTROL AGENCY

Marcia Gelpe, 2125 Girard Ave. S., Minneapolis, Hennepin County, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Bertram moved that the report from the Committee on Veterans and Military Affairs, reported February 13, 1989, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Bertram moved that the foregoing report be now adopted. The motion prevailed.

Mr. Bertram moved that in accordance with the report from the Committee on Veterans and Military Affairs, reported February 13, 1989, the Senate, having given its advice, do now consent to and confirm the appointments of:

MINNESOTA VETERANS HOMES BOARD OF DIRECTORS

Harvey Charles Aaron, M.D., 325 Otis Ave., St. Paul, Ramsey County, effective May 24, 1988, for a term expiring the first Monday in January, 1990.

Pamela K. Barrows, 409 N. 4th St., Marshall, Lyon County, effective May 24, 1988, for a term expiring the first Monday in January, 1993.

Daniel Bolhouse, 1501 - 28th Ave. N.W., New Brighton, Ramsey County, effective May 24, 1988, for a term expiring the first Monday in January, 1991.

Robert E. Hansen, 1136 Ivy Hill Dr., Mendota Heights, Dakota County, effective May 24, 1988, for a term expiring the first Monday in January, 1990.

Stephen J. O'Connor, R.R. 3, Box 28B, Spring Valley, Fillmore County, effective May 24, 1988, for a term expiring the first Monday in January, 1993.

Michas Ohnstad, P.O. Box 308, North Branch, Chisago County, effective May 24, 1988, for a term expiring the first Monday in January, 1992.

Robert W. Reif, M.D., 2344 S. Shore Blvd., White Bear Lake, Ramsey County, effective May 24, 1988, for a term expiring the first Monday in January, 1991.

James G. Sieben, 501 W. 11th St., Hastings, Dakota County, effective May 24, 1988, for a term expiring the first Monday in January, 1993.

Emily Spensieri, 2331 - 3rd Ave. E., Hibbing, St. Louis County, effective May 24, 1988, for a term expiring the first Monday in January, 1992.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Moe, D.M. moved that the report from the Committee on Governmental Operations, reported February 20, 1989, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Moe, D.M. moved that the foregoing report be now adopted. The motion prevailed.

Mr. Moe, D.M. moved that in accordance with the report from the Committee on Governmental Operations, reported February 20, 1989, the Senate, having given its advice, do now consent to and confirm the appointment of:

STATE OFFICE OF ADMINISTRATIVE HEARINGS CHIEF ADMINISTRATIVE LAW JUDGE

William Brown, 3136 Park Overlook Dr., Shoreview, Ramsey County, effective July 5, 1988, for a term expiring June 30, 1994.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Johnson, D.J. moved that the report from the Committee on Taxes and Tax Laws, reported February 20, 1989, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Johnson, D.J. moved that the foregoing report be now adopted. The motion prevailed.

Mr. Johnson, D.J. moved that in accordance with the report from the Committee on Taxes and Tax Laws, reported February 20, 1989, the Senate, having given its advice, do now consent to and confirm the appointment of:

TAX COURT

Earl Gustafson, 984 Ashland, St. Paul, Ramsey County, effective January 24, 1989, for a term expiring the first Monday in January, 1995.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Chmielewski moved that the reports from the Committee on Employment, reported March 2, 1989, pertaining to appointments, be taken from

the table. The motion prevailed.

Mr. Chmielewski moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Chmielewski moved that in accordance with the reports from the Committee on Employment, reported March 2, 1989, the Senate, having given its advice, do now consent to and confirm the appointments of:

WORKERS' COMPENSATION COURT OF APPEALS

Richard C. Pranke, 1066 N. Chatsworth St., St. Paul, Ramsey County, effective March 1, 1988, for a term expiring the first Monday in January, 1991.

Edward Toussaint, Jr., 4415 Arden View Ct., Arden Hills, Ramsey County, effective January 3, 1989, for a term expiring the first Monday in January, 1995.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Chmielewski moved that the report from the Committee on Employment, reported March 22, 1989, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Chmielewski moved that the foregoing report be now adopted. The motion prevailed.

Mr. Chmielewski moved that in accordance with the report from the Committee on Employment, reported March 22, 1989, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF LABOR AND INDUSTRY COMMISSIONER

Kenneth Peterson, 443 Lafayette Rd., St. Paul, Ramsey County, effective October 3, 1988, for a term expiring the first Monday in January, 1991.

The question was taken on the adoption of the motion of Mr. Chmielewski to confirm the appointment of Kenneth Peterson.

The roll was called, and there were yeas 34 and nays 25, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	Moe, D.M.	Piper
Beckman	DeCramer	Lantry	Moe, R.D.	Purfeerst
Berglin	Dicklich	Lessard	Morse	Reichgott
Brandl	Diessner	Luther	Novak	Samuelson
Chmielewski	Frank	Marty	Pehler	Solon
Cohen	Frederickson, D.R.	Merriam	Peterson, D.C.	Spear
Dahl	Freeman	Metzen	Peterson, R.W.	

Those who voted in the negative were:

Anderson	Bertram	Knaak	McGowan	Renneke
Belanger	Decker	Knutson	McQuaid	Schmitz
Benson	Frederick	Laidig	Olson	Storm
Berg	Gustafson	Langseth	Pariseau	Stumpf
Bernhagen	Johnson, D.E.	Larson	Ramstad	Vickerman

The motion prevailed. So the appointment was confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED**CONFIRMATION**

Mr. Lessard moved that the report from the Committee on Environment and Natural Resources, reported March 6, 1989, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Lessard moved that the foregoing report be now adopted. The motion prevailed.

Mr. Lessard moved that in accordance with the report from the Committee on Environment and Natural Resources, reported March 6, 1989, the Senate, having given its advice, do now consent to and confirm the appointment of:

MINNESOTA POLLUTION CONTROL AGENCY

Milton Radjenovich, Box 667, 604 Jones Ave., Buhl, St. Louis County, effective September 29, 1987, for a term expiring the first Monday in January, 1991.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Dicklich moved that the report from the Committee on Public Utilities and Energy, reported March 13, 1989, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Dicklich moved that the foregoing report be now adopted. The motion prevailed.

Mr. Dicklich moved that in accordance with the report from the Committee on Public Utilities and Energy, reported March 13, 1989, the Senate, having given its advice, do now consent to and confirm the appointment of:

PUBLIC UTILITIES COMMISSION

Cynthia Kitlinski, 9600 Flintwood St. N.W., Coon Rapids, Anoka County, effective January 24, 1989, for a term expiring the first Monday in January, 1995.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Frank moved that the reports from the Committee on Economic Development and Housing, reported April 25, 1989, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Frank moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Frank moved that in accordance with the reports from the Committee on Economic Development and Housing, reported April 25, 1989, the Senate, having given its advice, do now consent to and confirm the appointments of:

MINNESOTA PUBLIC FACILITIES AUTHORITY

Gena Doyscher, 5801 - 216th St. N., Forest Lake, Washington County, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

Susan K. Edel, 70 Hillsdale Ct., Winona, Winona County, effective November 18, 1987, for a term expiring the first Monday in January, 1991.

Marilyn A. Krueger, 4126 Jay St., Duluth, St. Louis County, effective November 18, 1987, for a term expiring the first Monday in January, 1990.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Pehler moved that the reports from the Committee on Education, reported April 27, 1989, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Pehler moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Pehler moved that in accordance with the reports from the Committee on Education, reported April 27, 1989, the Senate, having given its advice, do now consent to and confirm the appointments of:

**BOARD OF THE MINNESOTA SCHOOL
AND RESOURCE CENTER FOR THE ARTS**

Audrey Eickhof, R.R. 2, Box 17, Crookston, Polk County, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

H. Ted Grindal, 9517 Bennett Pl., Eden Prairie, Hennepin County, effective February 1, 1989, for a term expiring the first Monday in January, 1990.

Owen Husney, 22320 Murray St., Shorewood, Hennepin County, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

Mary Ingebrand-Pohlad, 4101 W. 48th St., Edina, Hennepin County, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

William Richards, Box 167A, Walnut Grove, Murray County, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Peter X. Fugina, 5 Merritt Dr., Virginia, St. Louis County, effective February 5, 1989, for a term expiring the first Monday in January, 1995.

Andy Hilger, Box 220, St. Cloud, Stearns County, effective September 19, 1988, for a term expiring the first Monday in January, 1991.

Andrea Schmidt, 561 Frenn Ave., Red Wing, Goodhue County, effective August 6, 1988, for a term expiring the first Monday in January, 1990.

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Carol A. Blomberg, Rt. 1, Box 95A, Nashwauk, Itasca County, effective January 6, 1986, for a term expiring the first Monday in January, 1990.

Earl Herring, 109 - 14th Ave. S., Moorhead, Clay County, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

Kathryn Jarvinen, 1750 Gilmore Ave., Winona, Winona County, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

Steve Senich, 3842 - 3rd Ave. E., Hibbing, St. Louis County, effective October 11, 1987, for a term expiring the first Monday in January, 1991.

STATE BOARD FOR COMMUNITY COLLEGES

Patricia Goldman, 610 E. Park Ave., Albert Lea, Freeborn County, 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, effective February 1, 1989, for a term expiring the first Monday in January, 1991.

B. Elaine Markey, 3045 Boone Ave. N., New Hope, Hennepin County, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

STATE BOARD OF EDUCATION

Thomas Lindquist, 12393 Flag Ave. S., Savage, Scott County, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

Douglas Wallace, 5009 Wentworth Ave. S., Minneapolis, Hennepin County, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION

Patricia Allinder, 801 W. 17th St., Willmar, Kandiyohi County, effective February 5, 1989, for a term expiring the first Monday in January, 1993.

Donna Anderson, 2221 Marillac Ln., St. Paul, Ramsey County, effective February 5, 1989, for a term expiring the first Monday in January, 1993.

Alan Olson, 1999 - 260th St., Farmington, Dakota County, effective February 5, 1989, for a term expiring the first Monday in January, 1993.

STATE UNIVERSITY BOARD

Julie Bleyhl, R.R. 3, Box 94, Madison, Lac Qui Parle County, effective March 4, 1989, for a term expiring the first Monday in January, 1993.

Erin McCabe, 514 1/2 N.W. 26th St., Bemidji, Beltrami County, effective March 4, 1989, for a term expiring the first Monday in January, 1991.

Rodney Searle, Rt. 1, Box 44, Waseca, Waseca County, effective February 6, 1989, for a term expiring the first Monday in January, 1993.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Lessard moved that the reports from the Committee on Environment and Natural Resources, reported April 27, 1989, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Lessard moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Lessard moved that in accordance with the reports from the Committee on Environment and Natural Resources, reported April 27, 1989, the Senate, having given its advice, do now consent to and confirm the appointments of:

**BOARD OF WATER AND SOIL RESOURCES
CHAIR**

Donald Ogaard, 705 - 5th St. W., Ada, Norman County, effective September 21, 1987, for a term expiring the first Monday in January, 1990.

MINNESOTA ENVIRONMENTAL QUALITY BOARD

Martha C. Brand, 1904 Humboldt Ave. S., Minneapolis, Hennepin County, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

MINNESOTA POLLUTION CONTROL AGENCY

William Bryson, R.R. 2, Box 181, Alden, Freeborn County, effective January 30, 1989, for a term expiring the first Monday in January, 1993.

Van R. Ellig, 106 E. Washington Ave., Fergus Falls, Otter Tail County, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

Daniel D. Foley, M.D., 1581 Tamberwood Trail, Woodbury, Washington County, effective January 30, 1989, for a term expiring the first Monday in January, 1993.

Mr. Berg requested that the appointment of Martha C. Brand be divided out.

The question was taken on the adoption of the motion to confirm the remaining appointees. The motion prevailed. So the appointments were confirmed.

CALL OF THE SENATE

Mr. Berg imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Mr. Lessard to confirm the appointment of Martha C. Brand.

Mr. Berg moved that those not voting be excused from voting. The motion did not prevail.

Mr. Berg moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 33 and nays 32, as follows:

Those who voted in the affirmative were:

Beckman	Dicklich	Luther	Novak	Samuelson
Berglin	Frank	Marty	Pehler	Solon
Brandl	Frederickson, D.J.	Merriam	Peterson, D.C.	Spear
Chmielewski	Hughes	Metzen	Piper	Stumpf
Cohen	Kroening	Moe, D.M.	Pogemiller	Waldorf
Davis	Laidig	Moe, R.D.	Purfeerst	
DeCramer	Lessard	Morse	Reichgott	

Those who voted in the negative were:

Adkins	Brataas	Gustafson	McQuaid	Schmitz
Anderson	Dahl	Johnson, D.E.	Mehrkens	Storm
Belanger	Decker	Knaak	Olson	Taylor
Benson	Diessner	Knutson	Pariseau	Vickerman
Berg	Frederick	Langseth	Peterson, R. W.	
Bernhagen	Frederickson, D.R.	Lantry	Ramstad	
Bertram	Freeman	McGowan	Renneke	

The motion prevailed. So the appointment was confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED

CONFIRMATION

Mrs. Lantry moved that the reports from the Committee on General Legislation and Public Gaming, reported May 4, 1989, pertaining to appointments, be taken from the table. The motion prevailed.

Mrs. Lantry moved that the foregoing reports be now adopted. The motion prevailed.

Mrs. Lantry moved that in accordance with the reports from the Committee on General Legislation and Public Gaming, reported May 4, 1989, the Senate, having given its advice, do now consent to and confirm the appointments of:

BOARD OF THE ARTS

Richard Faricy, 2211 St. Clair Ave., St. Paul, Ramsey County, effective September 7, 1988, for a term expiring the first Monday in January, 1990.

Leonard Nadasdy, 5515 Lake Sarah Hts. Dr., Loretto, Hennepin County, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

James Nardone, 2606 Audrey Ln., Grand Rapids, Itasca County, 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, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

MINNESOTA RACING COMMISSION

Dan Gustafson, 2932 Jersey Ave. No., Crystal, Hennepin County, effective July 29, 1987, for a term expiring June 30, 1993.

Thomas Metzen, 111 Imperial Dr., West St. Paul, Dakota County, effective March 22, 1989, for a term expiring June 30, 1993.

Marilyn Rose, 2500 Fernwood, Roseville, Ramsey County, effective March 12, 1989, for a term expiring June 30, 1989.

Ralph Strangis, 1117 Marquette Ave., Minneapolis, Hennepin County, effective February 1, 1989, for a term expiring June 30, 1989.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Davis moved that the reports from the Committee on Agriculture and Rural Development, reported May 4, 1989, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Davis moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Davis moved that in accordance with the reports from the Committee on Agriculture and Rural Development, reported May 4, 1989, the Senate, having given its advice, do now consent to and confirm the appointments of:

BOARD OF ANIMAL HEALTH

Henry Banal, 520 Grove Lake, Sauk Centre, Stearns County, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

Allan Routh, 415 S. Cedar, Owatonna, Steele County, effective September 7, 1988, for a term expiring the first Monday in January, 1991.

MINNESOTA RURAL FINANCE AUTHORITY

Andrew Walters, Rt. 2, Balaton, Lyon County, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Spear moved that the appointments of notaries public, received February 2, 1989, be taken from the table. The motion prevailed.

Mr. Spear moved that the Senate do now consent to and confirm the appointments of the notaries public. The motion prevailed. So the appointments were confirmed.

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. 139: Messrs. Spear, Cohen and Knaak.

H.F. No. 162: Messrs. Marty, Freeman and Frederick.

H.F. No. 260: Mr. Merriam, Mrs. Brataas and Mr. Frank.

H.F. No. 1160: Messrs. Frederickson, D.J.; Pehler and Knaak.

H.F. No. 837: Mr. Freeman, Ms. Peterson, D.C. and Mr. Belanger.

H.F. No. 166: Mr. Novak, Mmes. McQuaid and Lantry.

H.F. No. 701: Messrs. Morse; Frederickson, D.J. and Johnson, D.E.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 1734 at 2:15 p.m.:

Messrs. Brandl, Novak, Pogemiller, Stumpf and Johnson, D.J. 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 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. 1081, 237, 1001, 345, 431, 556 and H.F. No. 1425, which the committee recommends to pass.

S.F. No. 511, which the committee recommends be re-referred to the Committee on Employment.

S.F. No. 296, which the committee recommends be re-referred to the Committee on Environment and Natural Resources.

S.F. No. 1067, which the committee recommends to pass with the following amendment offered by Mr. Luther:

Page 6, line 19, delete "\$3,000,000" and insert "\$2,700,000"

Page 11, line 9, delete "three" and insert "103"

The motion prevailed. So the amendment was adopted.

H.F. No. 1150, which the committee recommends to pass with the following amendments offered by Messrs. Peterson, R.W. and Bernhagen:

Mr. Peterson, R.W. moved to amend H.F. No. 1150, as amended pursuant to Rule 49, adopted by the Senate May 2, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 974.)

Page 7, after line 4, insert:

"Sec. 14. Minnesota Statutes 1988, section 16A.055, subdivision 1, is amended to read:

Subdivision 1. [LIST.] The commissioner shall:

(1) receive and record all money paid into the state treasury and safely keep it until lawfully paid out;

(2) manage the state's financial affairs;

(3) keep the state's general account books according to generally accepted government accounting principles;

(4) keep expenditure and revenue accounts according to generally accepted government accounting principles;

(5) develop, provide instructions for, prescribe, and manage a state uniform accounting system; ~~and~~

(6) provide to the state the expertise to ensure that all state funds are accounted for under generally accepted government accounting principles; and

(7) *coordinate the development of, and develop standards for, internal auditing in state agencies and, in cooperation with the commissioner of administration, report to the legislature and the governor by December 31, 1989, on progress made.*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Peterson, R.W. then moved to amend H.F. No. 1150, as amended pursuant to Rule 49, adopted by the Senate May 2, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 974.)

Page 5, line 8, delete "*classified as*" and delete "*until*"

Page 5, line 9, delete everything before the colon

Page 5, line 13, after "*and*" insert "*market and*"

Page 5, line 14, delete "*in whole or in part by state or federal*" and insert "*with public*"

Page 5, line 15, delete "*All*"

Page 5, line 16, after "*commissioner*" insert "*under subdivision 1*"

Page 5, line 18, before the period, insert "*except that the following data remain nonpublic: business plans, income and expense projections, customer lists, and market and feasibility studies not paid for with public funds*"

Page 5, line 35, delete everything after "*investigation*"

Page 5, delete line 36

Page 6, line 1, delete "*actively being pursued,*" and delete "*classified as*"

Page 6, line 2, before the period, insert "*until the final report has been published or the audit or investigation is no longer being pursued actively*"

The motion prevailed. So the amendment was adopted.

Mr. Bernhagen moved to amend H.F. No. 1150, as amended pursuant to Rule 49, adopted by the Senate May 2, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 974.)

Page 9, line 8, delete the period

Page 9, line 9, delete "*Enclosurement*" and insert "*Endowment*"

Page 9, line 10, after "*or*" insert "*protected*"

Page 9, line 12, after "*hospital*" insert "*, members of the medical staff,*"

Page 9, line 13, before "*staff*" insert "*hospital or medical*"

The motion prevailed. So the amendment was adopted.

H.F. No. 630, which the committee recommends to pass with the following amendments offered by Messrs. Laidig and Dicklich:

Mr. Laidig moved to amend H.F. No. 630, the unofficial engrossment, as amended by the Senate May 5, 1989, as follows:

Page 17, delete section 31

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Dicklich moved to amend H.F. No. 630, the unofficial engrossment, as amended by the Senate May 5, 1989, as follows:

Page 1, after line 25, insert:

"ARTICLE 1
ELECTION LAW PROVISIONS"

Page 17, after line 30, insert:

"ARTICLE 2
PRESIDENTIAL PRIMARY

Section 1. [207A.01] [PRESIDENTIAL PRIMARY.]

A presidential primary must be held on the fourth Tuesday in February of each year in which a president and vice president of the United States are to be nominated and elected, at which the voters of this state may express their preference among the candidates of the major political party of their choice, for that party's nomination to be president of the United States. For the purposes of sections 1 to 7, "political party" or "party" means a political party as defined in section 200.02, subdivision 7.

Sec. 2. [207A.02] [CANDIDATES ON BALLOT.]

Subdivision 1. [REQUIRED LISTING.] The following individuals must be listed as candidates on the appropriate major political party presidential ballot with a separate ballot for each major political party:

(1) any individual whose name has been entered as a candidate for the nomination of a major political party in presidential primaries in two or more other states during the same year; and

(2) any individual nominated as a candidate for the presidential nomination of a political party by a petition bearing the names of 2,000 eligible voters from each congressional district.

Subd. 2. [TENTATIVE LISTING.] A tentative determination of the candidates to be listed for each political party on the presidential primary ballot must be announced by the secretary of state ten weeks before the primary for the purpose of giving voters sufficient time to nominate unlisted candidates by petition.

Subd. 3. [ANNOUNCEMENT.] The determination of which candidates must be listed on the presidential primary ballot must be made by the secretary of state not later than six weeks before the presidential primary.

Subd. 4. [NOTIFICATION.] The secretary of state shall notify each

individual whose name is to be listed on the presidential primary ballot that the individual's name will be listed unless the individual submits an affidavit stating that the individual is not a candidate for the presidential nomination, does not intend to become a candidate, and would not accept the nomination. The affidavit must be submitted to and received by the secretary of state no later than five weeks before the presidential primary.

Sec. 3. [207A.03] [PRESIDENTIAL PRIMARY; HOW CONDUCTED.]

Except as otherwise provided in sections 1 to 7, the presidential primary must be announced, held, and conducted, and the results canvassed and returned in the manner provided by law for other primaries and in accordance with the general election laws of the state, as applicable. If a municipality which uses lever voting machines or an electronic voting system determines that the use of the machines or voting system would not be practical in the presidential primary, the municipality may use a paper ballot for the presidential primary.

Sec. 4. [207A.04] [AUDITOR FURNISHED INFORMATION BY SECRETARY OF STATE; BALLOT PREPARATION.]

Subdivision 1. [NOTICE.] Before December 1 of the year before a presidential primary is to be held, the secretary of state shall provide notice to the county auditor of each county of the date of the presidential primary. Each county auditor shall provide notice of the date of the presidential primary to each municipal clerk in the county. At least 15 days before the date of the presidential primary, each municipal clerk shall post a public notice stating the date and hours during which the polling places in the municipality will be open. Failure to give notice does not invalidate the election.

Subd. 2. [BALLOT PREPARATION.] The secretary of state shall prepare paper ballots, absentee ballot envelopes, ballot return envelopes, election return envelopes, and summary statements for use in the presidential primary. The ballots must be printed on white paper with a separate ballot for the names of the candidates of each political party.

Sec. 5. [207A.05] [ENDORSED CANDIDATE.]

The candidate who receives a plurality of the votes cast for candidates of the candidate's political party must be declared the endorsed candidate of that party.

Sec. 6. [207A.06] [SELECTION OF DELEGATES; NATIONAL CONVENTION BALLOTING.]

Subdivision 1. [APPORTIONMENT OF VOTES.] The delegates to the national convention of each political party appearing on the presidential primary ballot must be apportioned among the various candidates of that party receiving votes in the presidential primary, in proportion to their respective vote totals.

The secretary of state shall certify to the state chairperson of each political party appearing on the presidential primary ballot the number of delegates to which each presidential candidate is entitled.

Subd. 2. [CHOSEN DELEGATES.] Delegates to the national convention of each political party appearing on the presidential primary ballot must be chosen by the state convention of that party, except as otherwise provided in this subdivision. The secretary of each party's state convention

shall promptly notify the secretary of state of the names of the delegates to the national convention chosen as supporters of each presidential candidate. Only supporters of candidates whose names appeared on the presidential primary ballot may be chosen by the state convention of that party to be delegates to the national convention. The secretary of state shall promptly notify each presidential candidate of the names of the delegates to the national convention chosen as supporters of that candidate. If the presidential candidate determines that the delegates chosen as supporters by the state convention are not in fact committed to the candidate's candidacy, the candidate shall, within ten days of receiving the notification from the secretary of state, advise the secretary of state of the names of those delegates to whom the candidate objects on those grounds and shall name as substitute delegates any other individuals who are committed to the candidacy. The determination and selection by the presidential candidate shall take precedence over the decision of the state convention and is final. The secretary of state shall promptly notify the secretary of the state convention of the affected political party of the action by a presidential candidate.

Subd. 3. [DELEGATE VOTES.] At the national convention, delegates chosen because of their support for a presidential candidate shall vote for that candidate on the first ballot at the national convention regardless of the number of votes the candidate receives, and shall also vote for the candidate on the second and third ballots if the candidate receives at least 20 percent of the votes cast on the preceding ballot, unless they have been released from that obligation by the candidate.

Sec. 7. [207A.07] [USE OF VOTING MACHINES.]

The county auditor of each county in which lever voting machines or electronic voting systems are used shall provide all ballots, ballot labels, ballot cards, and other necessary printed forms and supplies needed to place the ballots required by sections 1 to 7 on the voting machines which otherwise are provided by the state when paper ballots are used. The total cost of printing and providing the forms must be paid by the state."

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "providing for a presidential primary election; regulating the selection of convention delegates;"

Page 1, line 22, after "206;" insert "proposing coding for new law as Minnesota Statutes, chapter 207A;"

The motion prevailed. So the amendment was adopted.

H.F. No. 1046, which the committee recommends to pass with the following amendment offered by Mr. Stumpf:

Amend H.F. No. 1046, as amended pursuant to Rule 49, adopted by the Senate May 12, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1198.)

Page 1, after line 10, 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 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.~~

~~"Park trailer" does not include a manufactured home.~~

~~(c) "Travel trailer" means a trailer, mounted on wheels, that:~~

~~(1) is designed to provide temporary living quarters during recreation, camping, or travel;~~

~~(2) does not require a special highway movement permit based on its size or weight when towed by a motor vehicle;~~

~~(3) has a gross trailer area of less than 320 square feet; and~~

~~(4) does not exceed eight feet in width.~~

~~(d) "Gross trailer area" is the total plan area of a travel trailer measured to the maximum horizontal projection of exterior walls when in the setup mode, but not including the area of that portion of the body of a fifth wheel trailer that is raised to extend over the towing vehicle and has a ceiling height of less than five 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.”

Page 2, after line 11, insert:

“Sec. 16. 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. 17. 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. 18. 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. 19. 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. 20. 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 bunk-houses, 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. 21. 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. 22. 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).*

Page 2, line 19, delete "2 and 3" and insert "14 and 15"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "to" insert "taxation;" and after "vehicles;" insert "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;"

Page 1, line 8, after "sections" insert "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;"

Page 1, line 9, delete "and" and before the period, insert ": 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"

The motion prevailed. So the amendment was adopted.

Mr. Luther moved that the committee arise and report.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 29 and nays 25, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kroening	Moe, D.M.	Reichgott
Beckman	Dicklich	Lantry	Moe, R.D.	Samuelson
Berglin	Diessner	Luther	Morse	Schmitz
Chmielewski	Frank	Marty	Novak	Stumpf
Cohen	Frederickson, D.J.	Merriam	Piper	Vickerman
Dahl	Johnson, D.J.	Metzen	Purfeerst	

Those who voted in the negative were:

Anderson	Bertram	Gustafson	Langseth	Olson
Belanger	Brataas	Johnson, D.E.	Larson	Pariseau
Benson	Decker	Knaak	McGowan	Ramstad
Berg	Frederick	Knutson	McQuaid	Renneke
Bernhagen	Frederickson, D.R.	Laidig	Mehrkens	Storm

The motion prevailed.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Freeman moved that the following members be excused for a Conference Committee on H.F. No. 46 at 4:00 p.m.:

Messrs. Freeman, Morse, Waldorf, Samuelson and Johnson, D.E. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on S.F. No. 1625 at 6:00 p.m.:

Messrs. Dicklich, DeCramer, Taylor, Waldorf and Mrs. Brataas. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Beckman moved that the following members be excused for a Conference Committee on S.F. No. 180 from 4:30 to 6:00 p.m.:

Messrs. Beckman; Frederickson, D.J. and Ms. Piper. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Beckman moved that the following members be excused for a Conference Committee on S.F. No. 104 from 3:30 to 4:30 p.m.:

Messrs. Beckman, Berg and Vickerman. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 486, and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 486 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1989

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.

169, and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 169 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1989

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1137:

H.F. No. 1137: 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 subdivisions.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Johnson, A.; McLaughlin and Olsen, S. have been appointed as such committee on the part of the House.

House File No. 1137 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 May 17, 1989

Mrs. Lantry moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1137, 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 Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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 joint legislative committee 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; 43A.08, subdivision 1; 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.

Senate File No. 262 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1989

Mr. Morse moved that the Senate do not concur in the amendments by the House to S.F. No. 262, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1764:

H.F. No. 1764: 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 city streets and town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; 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; and 297B.09, subdivision 1.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Kalis, Lasley, Redalen, Brown and Steensma have been appointed as such committee on the part of the House.

House File No. 1764 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 May 17, 1989

Mr. Langseth moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1764, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1267, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1267 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May, 17, 1989

CONFERENCE COMMITTEE REPORT ON 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.

May 15, 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. 1267, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Joe Quinn, Joel Jacobs, Charlie Weaver

Senate Conferees: (Signed) Don Frank, Randolph W. Peterson

Mr. Frank moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1267 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. 1267 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 46 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	McQuaid	Samuelson
Anderson	Decker	Knutson	Mehrrens	Schmitz
Beckman	Dicklich	Kroening	Metzen	Solon
Belanger	Frank	Laidig	Moe, D.M.	Storm
Benson	Frederick	Langseth	Moe, R.D.	Stumpf
Berglin	Frederickson, D.J.	Lantry	Olson	Vickerman
Bernhagen	Frederickson, D.R.	Larson	Pariseau	
Bertram	Gustafson	Luther	Piper	
Cohen	Johnson, D.E.	Marty	Ramstad	
Dahl	Johnson, D.J.	McGowan	Reichgott	

Messrs. Berg, Chmielewski, Merriam and Renneke voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 831, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 831 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 831

A bill for an act relating to game and fish; Mom Fishing Weekend; season opening date for certain game fish; amending Minnesota Statutes 1988, sections 97A.445, by adding a subdivision; and 97C.395. subdivision 1.

May 16, 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. 831, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 831 be further amended as follows:

Page 1, line 17, before "The" insert "(a)"

Page 2, after line 3, insert:

"(b) The commissioner shall close the season in areas of the state where fish are spawning and closing the season will protect the resource."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Anthony G. Kinkel, Bob Johnson, Dave Gruenes

Senate Conferees: (Signed) Jim Vickerman, Bob Lessard, Gary W. Laidig

Mr. Vickerman moved that the foregoing recommendations and Conference Committee Report on H.F. No. 831 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Berg moved that the recommendations and Conference Committee Report on H.F. No. 831 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration. The motion did not prevail.

The question recurred on the adoption of the motion of Mr. Vickerman. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 831 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.

Mr. Laidig moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 37 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Gustafson	McGowan	Schmitz
Anderson	Davis	Johnson, D.E.	McQuaid	Solon
Beckman	Decker	Johnson, D.J.	Mehrkens	Storm
Berglin	DeCramer	Kroening	Metzen	Stumpf
Bernhagen	Dicklich	Laidig	Moe, R.D.	Vickerman
Bertram	Frank	Larson	Pariseau	
Chmielewski	Frederickson, D.J.	Lessard	Piper	
Cohen	Frederickson, D.R.	Luther	Ramstad	

Those who voted in the negative were:

Belanger	Knaak	Lantry	Moe, D.M.	Peterson, R.W.
Benson	Knutson	Marty	Pehler	Reichgott
Berg	Langseth	Merriam	Peterson, D.C.	Renneke
Frederick				

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Messrs. Moe, R.D. and Knutson introduced—

Senate Resolution No. 132: A Senate resolution recognizing Syttende Mai as a symbol of the rich heritage brought to this state by Norwegian settlers.

WHEREAS, Minnesota's population is a cultural melting pot of persons who have come from all parts of the globe; and

WHEREAS, the culture, traditions, and values brought to Minnesota by its ethnic residents have enriched the lives of all those who live here; and

WHEREAS, the influence of Norwegian settlers who came to this state more than a century ago is still felt today; and

WHEREAS, Norwegian Americans make up one of the largest ethnic groups in Minnesota; and

WHEREAS, the celebration of Syttende Mai, or Norwegian Constitution Day, is a milestone in Norwegian history and, therefore, important to both Norwegians and Norwegian Americans alike; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it recognizes Syttende Mai as a symbol of the rich heritage brought to this state by Norwegian settlers. It honors Norwegians and Norwegian Americans on this momentous occasion.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Chairman of the Senate Rules and Administration Committee.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess 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. 262: Messrs. Morse, Dahl, Davis, Bernhagen and Merriam.

H.F. No. 1137: Mrs. Lantry, Mr. Merriam and Ms. Olson.

H.F. No. 1764: Mr. Langseth, Mrs. Lantry, Messrs. Purfeerst, Metzen and DeCramer.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mrs. Pariseau and Ms. Piper were excused from the Session of today from 12:00 noon to 1:00 p.m. Mr. Kroening was excused from the Session of today at 3:40 p.m. Ms. Berglin was excused from the Session of today from 4:00 to 6:00 p.m. Mr. Diessner was excused from the Session of today at 5:15 p.m. Messrs. Lessard and Spear were excused from the Session of today at 6:00 p.m. Ms. Olson was excused from the Session of today at 6:10 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:30 p.m., Thursday, May 18, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-FIFTH DAY

St. Paul, Minnesota, Thursday, May 18, 1989

The Senate met at 12:30 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 the Chaplain, Rev. William F. Moeller.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	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	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 15, 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
	545	116	0950 hours May 15	May 15
	97	117	0952 hours May 15	May 15
	627	118	0953 hours May 15	May 15
827		119	0954 hours May 15	May 15
858		120	0956 hours May 15	May 15
1258		121	0958 hours May 15	May 15

Sincerely,
Joan Anderson Growe
Secretary of State

May 16, 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
	812	125	1628 hours May 16	May 16
	1626	128	1630 hours May 16	May 16
	43	135	1631 hours May 16	May 16

Sincerely,
Joan Anderson Growe
Secretary of State

May 16, 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. 1269.

Sincerely,
Rudy Perpich, Governor

May 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. 184, 206, 1191, 1374 and 1417.

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. 46, 232, 1239, 1278, 54 and 1101.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 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. 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.

Senate File No. 299 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1989

Mr. Merriam moved that the Senate do not concur in the amendments by the House to S.F. No. 299, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 353: 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; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 53A.

Senate File No. 353 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1989

CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 353 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 353 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Reichgott
Anderson	Decker	Knaak	Metzen	Renneke
Beckman	DeCramer	Knutson	Moe, R.D.	Samuelson
Belanger	Dicklich	Kroening	Novak	Schmitz
Benson	Diessner	Laidig	Olson	Spear
Berglin	Frank	Langseth	Pariseau	Storm
Bernhagen	Frederick	Lantry	Pehler	Stumpf
Bertram	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Brandl	Frederickson, D.R.	Luther	Peterson, R.W.	Vickerman
Brataas	Freeman	Marty	Piper	Waldorf
Chmielewski	Gustafson	McGowan	Pogemiller	
Cohen	Hughes	McQuaid	Purfeerst	
Dahl	Johnson, D.E.	Mehrckens	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 that the House refuses to concur in the Senate amendments to House File No. 1155:

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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Skoglund, Knickerbocker and Scheid have been appointed as such committee on the part of the House.

House File No. 1155 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 May 17, 1989

Ms. Peterson, D.C. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1155, 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. 354, 661, 624, 1181 and 1532.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1989

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 354: A bill for an act relating to elections; providing for handicap access to precinct caucuses and party conventions; providing for interpreters at precinct caucuses and party conventions; making convention and caucus materials available to the visually impaired; appropriating money; 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 Rules and Administration for comparison with S.F. No. 556, now on the Calendar.

H.F. No. 661: 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 237, now on the Calendar.

H.F. No. 624: 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 Rules and Administration for comparison with S.F. No. 1076, now on General Orders.

H.F. No. 1181: A bill for an act relating to metropolitan government;

regulating budgets; clarifying the valuation of certain agriculture land; amending Minnesota Statutes 1988, sections 273.111, subdivision 4; 473.145; 473.1623, subdivision 4, and by adding subdivisions; 473.167, subdivisions 2, 3, and 5; 473.173, subdivisions 3 and 4; 473.249, subdivision 1; repealing Minnesota Statutes 1988, section 473.249, subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1067, now on the Calendar.

H.F. No. 1532: 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; appropriating money; amending Minnesota Statutes 1988, sections 216B.241, subdivisions 1 and 2; 216C.02, subdivision 1; 216C.10; 216C.11; and 268.37, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1433, now on General Orders.

REPORTS OF COMMITTEES

Mr. Luther moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1203 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.
				1203	525

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1203 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1203 and insert the language after the enacting clause of S.F. No. 525, the third engrossment; further, delete the title of H.F. No. 1203 and insert the title of S.F. No. 525, the third engrossment.

And when so amended H.F. No. 1203 will be identical to S.F. No. 525, and further recommends that H.F. No. 1203 be given its second reading and substituted for S.F. No. 525, 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. 391 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.
391	161				

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. 42 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.
42	548				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F No. 42 be amended as follows:

Delete all the language after the enacting clause of H.F No. 42 and insert the language after the enacting clause of S.F No. 548, the second engrossment; further, delete the title of H.F No. 42 and insert the title of S.F No. 548, the second engrossment.

And when so amended H.F No. 42 will be identical to S.F No. 548, and further recommends that H.F No. 42 be given its second reading and substituted for S.F No. 548, 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. 927 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.
927	1200				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F No. 927 be amended as follows:

Delete all the language after the enacting clause of H.F No. 927 and insert the language after the enacting clause of S.F No. 1200, the third engrossment; further, delete the title of H.F No. 927 and insert the title of S.F No. 1200, the third engrossment.

And when so amended H.F No. 927 will be identical to S.F No. 1200,

and further recommends that H.F. No. 927 be given its second reading and substituted for S.F. No. 1200, 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. 878 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.
878	1404				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 878 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 878 and insert the language after the enacting clause of S.F. No. 1404, the second engrossment; further, delete the title of H.F. No. 878 and insert the title of S.F. No. 1404, the second engrossment.

And when so amended H.F. No. 878 will be identical to S.F. No. 1404, and further recommends that H.F. No. 878 be given its second reading and substituted for S.F. No. 1404, 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 re-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; amending Minnesota Statutes 1988, section 540.08.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 1146: 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. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 621 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1203, 391, 42, 927, 878 and 1146 were read the second time.

MOTIONS AND RESOLUTIONS

Ms. Peterson, D.C. moved that her name be stricken as chief author, and the name of Mr. Dicklich be added as chief author to S.F. No. 553. The motion prevailed.

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. Bertram introduced—

S.F. No. 1648: A bill for an act relating to retirement; Minnesota state retirement system correctional employees retirement plan; expanding the coverage of the plan; authorizing an election to obtain prior state service coverage; clarifying the provision specifying covered correctional service; amending Minnesota Statutes 1988, sections 352.91, subdivisions 1, 2, 3, 4, and by adding a subdivision; and 352.92, subdivision 2; repealing Minnesota Statutes 1988, section 352.91, subdivisions 3a and 3b.

Referred to the Committee on Governmental Operations.

Mr. Knaak introduced—

S.F. No. 1649: A bill for an act relating to taxation; disallowing a corporate deduction for oil spill cleanup costs; amending Minnesota Statutes 1988, section 290.01, subdivision 19c.

Referred to the Committee on Taxes and Tax Laws.

RECONSIDERATION

Mr. Diessner moved that the vote whereby H.F. No. 611 was passed by the Senate on May 17, 1989, be now reconsidered. The motion prevailed.

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.

Was read the third time 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	Renneke
Anderson	Davis	Johnson, D.J.	Metzen	Samuelson
Beckman	Decker	Knaak	Moe, R.D.	Schmitz
Belanger	DeCramer	Kroening	Morse	Solon
Benson	Dicklich	Laidig	Novak	Spear
Berg	Diessner	Langseth	Olson	Storm
Berglin	Frank	Lantry	Pariseau	Stumpf
Bernhagen	Frederick	Larson	Pehler	Taylor
Bertram	Frederickson, D.J.	Lessard	Piper	Vickerman
Brandl	Frederickson, D.R.	Luther	Pogemiller	Waldorf
Brataas	Freeman	Marty	Purfeerst	
Chmielewski	Gustafson	McGowan	Ramstad	
Cohen	Hughes	McQuaid	Reichgott	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Peterson, R.W. moved that the following members be excused for a Conference Committee on H.F. No. 654 at 2:00 p.m.:

Messrs. DeCramer; Hughes; Pehler; Peterson, R.W. and Ms. Peterson, D.C. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Chmielewski in the chair.

After some time spent therein, the committee arose, and Mr. Chmielewski reported that the committee had considered the following:

H.F. No. 159, which the committee recommends to pass.

H.F. No. 306, which the committee recommends to pass with the following amendments offered by Messrs. Peterson, R.W. and Laidig:

Mr. Peterson, R.W. moved to amend H.F. No. 306, the unofficial engrossment, as follows:

Page 1, after line 26, insert:

“ARTICLE 1
TRUSTS”

Page 55, line 32, delete “*act*” and insert “*article*”

Page 56, after line 12, insert:

“ARTICLE 2

MISCELLANEOUS SECTIONS

Section 1. Minnesota Statutes 1988, section 315.365, subdivision 3, is amended to read:

Subd. 3. [CONTINUATION OF CORPORATE IDENTITIES.] When a merger and consolidation takes effect, the corporate identity of each party to it continues in the surviving corporation. The legal title to assets held

or owned by any property corporation that is a party to the merger and consolidation vests in the surviving corporation. The surviving corporation is entitled to receive gifts, devises, bequests, legacies, or other transfers or assignments of money or property, real, personal, or mixed, made after the merger directly or in trust to or intended for any of the constituent property corporations. Except as provided in ~~section 501.12~~ *article 1, section 23*, no properties or assets and no income of properties or assets held or received by a party to the merger and consolidation or by the surviving corporation shall be diverted from the uses and purposes for which they were received and held by the property corporations or from the uses and purposes for which they were expressed and intended.

Sec. 2. Minnesota Statutes 1988, section 501A.06, is amended to read:

501A.06 [SUPERSESSION; REPEAL.]

Sections 501A.01 to 501A.07 supersede the rule of the common law known as the rule against perpetuities and repeals ~~Minnesota Statutes, section 500.13~~.

Sec. 3. Minnesota Statutes 1988, section 524.1-404, is amended to read:

524.1-404 [NOTICE TO CHARITABLE BENEFICIARIES.]

If a will includes a gift, devise or bequest to a named charitable beneficiary, the initial written notice of the probate proceedings given to the beneficiary shall state that the beneficiary may request notice of the probate proceedings be given to the attorney general pursuant to ~~section 501.79~~ *article 1, section 33*, subdivision 5.

Sec. 4. Minnesota Statutes 1988, section 525.56, subdivision 4, is amended to read:

Subd. 4. [DUTIES OF GUARDIAN OR CONSERVATOR OF THE ESTATE.] The court may appoint a guardian of the estate if it determines that all the powers and duties listed in this subdivision are needed to provide for the needs of the incapacitated person. The court may appoint a conservator of the estate if it determines that a conservator is necessary to provide for the needs of the incapacitated person through the exercise of some, but not all, of the powers and duties listed in this subdivision. The duties and powers of a guardian or those which the court may grant to a conservator include, but are not limited to:

(1) The duty to pay the reasonable charges for the support, maintenance, and education of the ward or conservatee in a manner suitable to the ward's or conservatee's station in life and the value of estate. Nothing herein contained shall release parents from obligations imposed by law for the support, maintenance, and education of their children. The guardian or conservator has no duty to pay for these requirements out of personal funds. Wherever possible and appropriate, the guardian or conservator should meet these requirements through governmental benefits or services to which the ward or conservatee is entitled, rather than from the ward's or conservatee's estate. Failure to satisfy the needs and requirements of this clause shall be grounds for removal, but the guardian or conservator shall have no personal or monetary liability;

(2) The duty to pay out of the ward's or conservatee's estate all just and lawful debts of the ward or conservatee and the reasonable charges incurred for the support, maintenance, and education of the ward's or conservatee's spouse and dependent children and, upon order of the court, pay such sum

as the court may fix as reasonable for the support of any person unable to earn a livelihood who is legally entitled to support from the ward or conservatee;

(3) The duty to possess and manage the estate, collect all debts and claims in favor of the ward or conservatee, or, with the approval of the court, compromise them, institute suit on behalf of the ward or conservatee and represent the ward or conservatee in any court proceedings, and invest all funds not currently needed for the debts and charges named in clauses (1) and (2) and the management of the estate, in accordance with the provisions of ~~sections~~ *section 48.84 and 501.125 article 1, section 10*, subdivision 1, or as otherwise ordered by the court. The standard of a fiduciary shall be applicable to all investments by a guardian or conservator. A guardian or conservator shall also have the power to purchase certain contracts of insurance as provided in section 50.14, subdivision 14, clause (b);

(4) Where a ward or conservatee has inherited an undivided interest in real estate, the court, on a showing that it is for the best interest of the ward or conservatee, may authorize an exchange or sale of the ward's or conservatee's interest or a purchase by the ward or conservatee of any interest other heirs may have in the real estate.

Sec. 5. Minnesota Statutes 1988, section 525.831, is amended to read:

525.831 [NOTICE TO ATTORNEY GENERAL OF DEVISES FOR CHARITABLE PURPOSES.]

Whenever a will provides for a devise for a charitable purpose, as defined in ~~section 501.73~~ *article 1, section 27*, subdivision 2, the personal representative shall provide the attorney general with the notices or documents, if any, required by ~~section 501.79~~ *article 1, section 33*, subdivision 5.

Sec. 6. If 1989 H.F. No. 1203 is enacted in the 1989 legislative session, article 1, section 28, is amended to read:

Sec. 28. [501B.36] [REGISTRATION AND REPORTING.]

The registration and reporting provisions of sections 29 and 30 apply to a charitable trust, or an organization with a charitable purpose, that has gross assets of \$25,000 or more, except that the provisions do not apply to:

(1) a charitable trust administered by the United States or a state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any of their agencies or subdivisions;

(2) a religious association organized under chapter 315 or chapter ~~347~~ 317A;

(3) a charitable trust organized and operated exclusively for religious purposes and administered by a religious association organized under chapter 315 or chapter ~~347~~ 317A;

(4) an organization described in section 509(a)(3) of the Internal Revenue Code of 1986 and operated, supervised, or controlled by or in connection with one or more organizations described in clauses (2) to (5); a pooled income fund as defined in section 642(c)(5) of the Internal Revenue Code of 1986 maintained by an organization described in clauses (2) to (5); or a charitable remainder annuity trust or unitrust, as defined in section 664 of the Internal Revenue Code of 1986;

(5) a trust in which the only charitable interest is a contingent interest for which no charitable deduction has been allowed for Minnesota income, inheritance, or gift tax purposes or a trust in which not all of the unexpired interests are devoted to one or more charitable purposes and in which the only charitable interest is an annuity or an income interest with respect to which a charitable deduction is allowed the trust under applicable Minnesota income tax laws;

(6) an organization subject to sections 309.50 to 309.61;

(7) a trust for individual and charitable beneficiaries that is described in section 4947(a)(2) of the Internal Revenue Code of 1986, also known as a split-interest trust; or

(8) a charitable gift, bequest, or devise not held and continued by a private express trust or corporation even though the gift, bequest, or devise creates a fiduciary relationship, unless there is no named charitable beneficiary in existence or unless a named charitable beneficiary elects in a writing filed with the attorney general and with the fiduciary to come within the provisions of sections 29 and 30.

Sec. 7. If 1989 H.F. No. 1203 is enacted in the 1989 legislative session, article 1, section 36, is amended to read:

Sec. 36. [501B.44] [IMMUNITY OF CHARITABLE TRUSTS.]

A charitable trust is an "organization" for purposes of section ~~317.201~~ 317A.257, and that section applies to charitable trusts.

Sec. 8. If 1989 H.F. No. 1203 is enacted in the 1989 legislative session, 1989 H.F. No. 1203, section 22, subdivision 24, is amended to read:

Subd. 24. [MAY INVEST TRUST PROPERTY.] Except where the trust instrument prescribes otherwise, a corporation may invest trust property or its proceeds in accordance with ~~section 501.125~~ article 1, section 10.

Sec. 9. If 1989 H.F. No. 1203 is enacted in the 1989 legislative session, 1989 H.F. No. 1203, section 93, is amended to read:

Sec. 93. [317A.671] [CERTAIN ASSETS NOT TO BE DIVERTED.]

Except as provided in ~~section 501.12~~ article 1, section 23, when a corporation dissolves, merges or consolidates, transfers its assets, or grants a mortgage or other security interest in its assets, assets of the corporation or a constituent corporation, and assets subsequently received by a single corporation after a merger or consolidation, may not be diverted from the uses and purposes for which the assets have been received and held, or from the uses and purposes expressed or intended by the original donor.

Sec. 10. If 1989 H.F. No. 1203 is enacted in the 1989 legislative session, 1989 H.F. No. 1203, section 104, subdivision 4, is amended to read:

Subd. 4. [REMAINDER.] The distribution of assets held for or devoted to a charitable or public use or purpose is subject to ~~section 501.12~~ article 1, section 23.

Sec. 11. If 1989 H.F. No. 1203 is enacted in the 1989 legislative session, 1989 H.F. No. 1203, section 119, is amended to read:

Sec. 119. [317A.813] [REMEDIAL POWERS OF ATTORNEY GENERAL.]

The attorney general has the powers in ~~sections section 8.31, 501.78,~~

and ~~501.79~~ *article 1, sections 32 and 33*, to supervise and investigate corporations under this chapter and to bring proceedings to secure compliance.

Sec. 12. If 1989 H.F. No. 1203 is enacted in the 1989 legislative session, 1989 H.F. No. 1203, section 123, subdivision 2, is amended to read:

Subd. 2. [ATTORNEY GENERAL POWERS CONTINUED.] A corporation dissolved under this section continues for three years after the dissolution date for the sole purpose of supervision, investigation, and other actions by the attorney general under ~~sections section 8.317, 501.78, and 501.79~~ *article 1, sections 32 and 33*.

Sec. 13. [EFFECTIVE DATE.]

This article is effective January 1, 1990."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Laidig moved to amend H.F. No. 306, the unofficial engrossment, as follows:

Page 3, after line 14, insert:

"Sec. 9. [501B.09] [RULE AGAINST PERPETUITIES.]

Subdivision 1. [RULE.] Except as provided in this section, a nonvested interest in real or personal property is invalid unless when the interest is created, it is certain to vest or terminate no later than 21 years after the death of an individual then alive.

Subd. 2. [INTEREST REFORMED.] Upon the petition of an interested person, a court shall reform an interest in real or personal property that violates subdivision 1. The interest must be reformed in a manner that most closely approximates the intention of the creator of the interest. An interest must be reformed under sections 14 to 23.

Subd. 3. [EXCEPTIONS TO RULE.] Subdivision 1 does not apply to:

(1) any future interest in real or personal property not held in trust that is subject to section 10, subdivision 3;

(2) any property interest held by a charity, government, or governmental agency or subdivision, if the property interest is preceded by an interest held by another charity, government, or governmental agency or subdivision;

(3) any property interest in a trust or other property arrangement forming part of a pension, profit-sharing, stock bonus, health, disability, death benefit, income deferral, or other current or deferred benefit plan for one or more employees, independent contractors, or their beneficiaries or spouses, to which contributions are made for the purpose of distributing to or for the benefit of the participants or their beneficiaries or spouses the property, income or principal in the trust or other property arrangement; or

(4) any property interest that is not subject to the common law rule against perpetuities or is excluded by another statute of this state."

Page 3, line 15, delete "501B.09" and insert "501B.10"

Page 4, line 13, delete "501B.10" and insert "501B.11"

Page 6, line 23, delete "501B.11" and insert "501B.12"

Page 7, line 5, delete "501B.12" and insert "501B.13"

Page 7, line 23, after "section" insert "9 or"

Page 56, line 12, delete "and" and before the comma, insert "; 501A.01; 501A.02; 501A.03; 501A.04; 501A.05; 501A.06; and 501A.07"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1421, which the committee recommends to pass with the following amendment offered by Mr. Freeman:

Amend H.F. No. 1421, the unofficial engrossment, as follows:

Page 1, after line 10, insert:

"ARTICLE 1"

Page 1, after line 27, insert:

"ARTICLE 2"

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 applies to any entity that engages in the business of making, brokering, or servicing mortgage loans.

Subd. 2. [EXEMPTION.] This chapter does 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; or

(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 an oral, written, graphic, or pictorial statement made in the course of solicitation of business. Advertisement includes, without limitation, a statement or representation made in a newspaper, magazine, or other publication, or contained in a 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 the property or the refinancing of a contract for deed on the property.

Subd. 13. [MORTGAGE LOAN SERVICER.] "Mortgage loan servicer" means an 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 the residential mortgage loan. Servicing includes loan payment follow-up, delinquency loan follow-up, loan analysis, any notifications to the borrower that are necessary to enable the borrower to keep the loan current and in good standing, and the administration of escrow accounts for payment of items such 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 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 with 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.] An entity applying for a mortgage lender's license must have at least one partner or employee, in a position to supervise the work of the entity, who must 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.] (a) An application for a mortgage lender or mortgage broker license must be accompanied by the following fees:

(1) for a mortgage lender with less than five employees, the license fee is \$250;

(2) for a mortgage lender with five or more employees, the license fee is \$750; and

(3) for a mortgage broker, the license fee is \$250.

(b) Fees collected under this subdivision must be deposited in the state treasury and credited to the general fund.

All fees are nonreturnable, except that an overpayment of a fee must be refunded upon proper application to the commissioner.

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 money, if available, is 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, although the lender may require that a person providing settlement services be 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 under the Code of Federal Regulations, 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, although the lender may require that a person providing settlement services be acceptable to the lender.

Subd. 8. [INSURANCE.] (a) A mortgage lender may not require a borrower to purchase insurance from a 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 the 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 MORTGAGE LENDER FEES NOT DISCLOSED; PROHIBITED.] (a) A mortgage lender may not charge a lender imposed fee, and a borrower may not be required to pay a lender imposed fee at settlement if the fee was not previously disclosed on the settlement statement as required under subdivision 4.

(b) The requirement of this subdivision may be specifically waived by the borrower in writing at the time of the settlement, only if the lender demonstrates that, acting in good faith and due to circumstances beyond its control, compliance with this subdivision is not feasible.

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) 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 including a final listing of all items and fees to be charged at settlement.

(b) The mortgage lender must notify the borrower five business days prior to settlement or when the loan is approved of the borrower's right to inspect the completed uniform settlement statement under this subdivision. The notice must state that the lender may not charge a fee not disclosed to the borrower 24 hours prior to the settlement, excluding Saturdays, Sundays, and legal holidays, unless specifically waived by the borrower at settlement. The notice must also inform the borrower of the name, address, and telephone number of the entity closing the loan and the individual who should be contacted if the borrower desires to inspect

the completed settlement statement.

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 regularly scheduled payment from the borrower to the borrower's mortgage loan account no later than one business day after receipt by the lender or servicer of the 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 an area code different from 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 before a loan is funded.

Subd. 3. [COMPENSATION BEFORE 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 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 a 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 loan is 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 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, is considered an act of the mortgage lender or mortgage broker.

Sec. 17. [57.17] [PRIVATE REMEDY.]

A cause of action for violation of sections 2 to 18 does 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 the person for actual damages, plus reasonable attorney fees. A mortgage lender or mortgage broker is not liable under this section for a disclosure made in a form approved by the commissioner under section 19, or for a violation that the lender shows by a preponderance of the evidence 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 to approve a disclosure governed by this chapter. A 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 fee must be deposited in the state treasury and credited to the general fund. 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.]

\$109,000 is appropriated from the general fund to the commissioner of commerce to administer sections 1 to 19. \$67,000 is for fiscal year 1990 and \$42,000 is for fiscal year 1991. The approved complement of the

department of commerce is increased by one position.

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."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 762, which the committee recommends to pass with the following amendment offered by Mr. Frederickson, D.R.:

Amend H.F. No. 762, as amended pursuant to Rule 49, adopted by the Senate April 21, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 666.)

Page 2, line 10, delete "twenty-six" and insert "twenty-seven"

Page 2, line 22, delete the first "and" and after the second semicolon, insert "and Idaho on March 28, 1989;"

The motion prevailed. So the amendment was adopted.

H.F. No. 564, which the committee recommends to pass with the following amendments offered by Mr. Stumpf:

Amend H.F. No. 564, the unofficial engrossment, as amended by the Senate May 16, 1989, as follows:

Page 1, after line 6, insert:

"ARTICLE 1

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 payable is 20 percent of the statewide average weekly wage or the injured employee's actual after-tax weekly wage, whichever is less. In no case shall a weekly benefit be less than 20 percent of the statewide average weekly wage.

~~Subject to subdivisions 3a to 3u this (d) 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 fails to diligently search for appropriate work;~~
- ~~(5) 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~~

~~(6) 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 (6), 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), (3), or (4), it may be recommenced at a later date if: the employee returns to work, the employee is laid off due to economic conditions or is medically unable to continue at the job, and the layoff or inability to continue occurs prior to 90 days after the employee reaches maximum medical improvement. Compensation recommenced under this paragraph is subject to cessation under paragraph (d). 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 (5) and (6), 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 that 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), fails to diligently search for appropriate work, 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 52 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 52 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 52 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 the employee is able to earn in the employee's partially disabled condition is due to the injury. Except as provided in section 176.102, subdivision 11, paragraph (b), temporary partial compensation may not be paid after the employee has returned to work for 156 weeks, including weeks in which the employee has no wage

loss, or after 350 weeks after the date of injury, whichever occurs first.

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:

<i>Percent of Disability</i>	<i>Amount</i>
0-25	\$ 75,000
26-30	80,000
31-35	85,000
36-40	90,000
41-45	95,000
46-50	100,000
51-55	120,000
56-60	140,000
61-65	160,000
66-70	180,000
71-75	200,000
76-80	240,000
81-85	280,000
86-90	320,000
91-95	360,000
96-100	400,000

An employee may not receive compensation for more than a 100 percent disability of the whole body, even if the employee sustains disability to two or more body parts.

(b) Permanent partial disability is payable upon cessation of temporary total disability under subdivision 1. If the employee is not working, the compensation is payable in installments at the same intervals and in the same amount as the initial temporary total disability rate. If the employee returns to work, the remaining compensation is payable in a lump sum 30 days after the employee returned to work, provided the employment has not been substantially interrupted by the injury for any part of the 30 days and the employee is still employed at the job at the end of the period. 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 176.101, subdivision 6, is amended to read:

Subd. 6. [MINORS.] If any employee entitled to the benefits of this chapter is a minor or is an apprentice of any age and sustains a personal injury arising out of and in the course of employment resulting in permanent total or a compensable permanent partial disability, for the purpose of computing the compensation to which the employee is entitled for the injury, the compensation rate for temporary total, temporary partial, a permanent total disability or economic recovery compensation shall be the statewide average weekly wage.

Sec. 12. 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 (5). 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 156-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.

(c) Retraining may not be approved if the employee has refused suitable gainful employment, as defined by rule.

Sec. 13. 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 review the rules adopted under paragraph (a) to determine whether any injuries omitted from the schedule should be compensable and, if so, publish proposed amendments to the rules accordingly by January 1, 1991.

Sec. 14. 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. 15. 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. 16. 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. 17. 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. 18. 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. 19. 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. 20. Minnesota Statutes 1988, section 176.111, subdivision 18, is amended to read:

Subd. 18. [BURIAL EXPENSE.] In all cases where death results to an

employee from a personal injury arising out of and in the course of employment, the employer shall pay the expense of burial, not exceeding in amount ~~\$2,500~~ \$7,500. In case any dispute arises as to the reasonable value of the services rendered in connection with the burial, its reasonable value shall be determined and approved by the commissioner, a compensation judge, or workers' compensation court of appeals, in cases upon appeal, before payment, after reasonable notice to interested parties as is required by the commissioner. If the deceased leaves no dependents, no compensation is payable, except as provided by this chapter.

Sec. 21. 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. 22. 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. 23. 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. 24. 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. 25. 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. 26. 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. 27. 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. 28. 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. 29. 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. 30. 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. 31. 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. 32. [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. 33. [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, and 3u; and 176.111, subdivision 8a, are repealed.

Sec. 34. [EFFECTIVE DATE.]

This article is effective October 1, 1989.

ARTICLE 2

OCCUPATIONAL DISEASES

Section. 1. Minnesota Statutes 1988, section 176.135, subdivision 5, is amended to read:

Subd. 5. [OCCUPATIONAL DISEASE MEDICAL ELIGIBILITY; ASBESTOS HEALTH SCREENINGS.] (a) Notwithstanding section 176.66, an employee who has ~~contracted~~ acquired 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.

(b) 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 must be made in accordance with section 176.66, subdivision 10. Payment for screenings must be ordered under section 176.191, subdivision 1, provided the employee presents an affidavit and supporting medical report indicating that the employee has acquired asbestosis or other occupational disease resulting from exposure to asbestos which arose out of and in the course of such employment. Temporary orders under this paragraph are issued for the purpose of prompt payment to the employee; the existence of such an order may not be used against the payor as an indication that the payor must assume liability for any other compensation due under this chapter or that the payor is ultimately liable for the compensation paid under the order.

Sec. 2. [ASBESTOS HEALTH SCREENING PILOT PROJECT.]

The commissioner of health shall establish an asbestos health screening pilot project for residents of Aitkin, Carlton, Pine, and St. Louis counties who have been exposed to asbestos at their employment or former employment but who have not yet acquired an occupational disease under the workers' compensation law and, as such, are not yet eligible for asbestos health screenings under Minnesota Statutes, section 176.135, subdivision 5. The purpose of the pilot project is: to study the actual and estimated extent and risk of acquiring asbestos-related diseases among individuals exposed to asbestos on the job; to determine the types of counseling and prevention services that individuals exposed to asbestos may need and the best methods of administering such services; and to estimate the cost and effectiveness of screening, counseling, and preventive services for individuals exposed to asbestos on the job but who are not yet eligible to receive medical benefits or compensation under the workers' compensation law.

The commissioner of health may contract with a local board of health, or with any local, state, or nationally recognized experts in the diagnosis and treatment of asbestos-related diseases for conducting the health screenings and evaluating the results.

Residents of Aitkin, Carlton, Pine, and St. Louis counties who have been exposed to asbestos at their employment or former employment are eligible to receive an annual asbestos health screening under procedures determined by the commissioner of health.

The commissioner of health shall present a report and recommendations to the legislature on or before February 1, 1991, on the number of participants in, and the effectiveness of, the pilot project program as established under this section and on the advisability of continuing the pilot project to gain additional data.

\$150,000 is appropriated to the commissioner of health from the state general fund for the purposes of this section and is available until expended.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment. Section 2 is effective July 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 only applies to vocational rehabilitation of injured employees and their spouses as provided under subdivision 1a. Physical rehabilitation of injured employees is considered treatment subject to section 176.135.*

~~(b) Rehabilitation is intended to restore the injured employee, through physical and vocational rehabilitation,~~ so the employee may return to a job related to the employee's former employment or to a job in another work area which produces an economic status as close as possible to that the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is permitted if it can be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.

Sec. 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 ~~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 were promulgated on May 1, 1989, 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) ~~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. (4) 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. (5) 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. Minnesota Statutes 1988, section 176.138, is amended to read:

176.138 [MEDICAL DATA; ACCESS.]

(a) 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 are 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.

(b) Medical data which is not directly related to a current injury or disability shall not be released without prior authorization of the employee.

(c) 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.~~

(d) *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. 14. [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, and the cost of insurance rate regulation.

Sec. 2. [APPROPRIATION.]

Notwithstanding section 1, for the biennium beginning July 1, 1989, \$5.5 million for fiscal year 1990 and \$5.5 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
RECODIFICATION

Section 1. [REPORT TO THE LEGISLATURE ON RECODIFICATION AND SIMPLIFICATION OF WORKERS' COMPENSATION LAW.]

(a) The commissioner of labor and industry shall contract with a nationally recognized and neutral consultant having expertise in the workers' compensation field to make recommendations, including a draft proposal, on recodification and simplification of Minnesota's workers' compensation law. The project must be performed by a consultant who has the following qualifications:

(1) a working knowledge of Minnesota's workers' compensation law and procedures;

(2) experience with and understanding of the workers' compensation concept and its implementation in the United States;

(3) experience in legislative drafting; and

(4) an absence of ties with any organization with statewide membership having an interest in workers' compensation in Minnesota.

(b) The recodification and simplification proposal must reflect a comprehensive, accurate, and complete restatement of the workers' compensation statute. The goals of the recodification and simplification are as follows:

(1) to simplify the statutory provisions governing the workers' compensation system, while at the same time preserving the basic benefit levels and services currently available under the law and the existing dispute resolution process, in order to permit greater understanding of the law and the rights and obligations of the parties to the workers' compensation system;

(2) to limit the need for judicial interpretation of substantive aspects of the law and to limit the court system's involvement in policy decisions concerning the operation of the workers' compensation system;

(3) to provide greater certainty in the application of the law by clarifying provisions that are capable of multiple interpretations;

(4) to eliminate duplicate or unnecessary language in order to shorten the law itself; and

(5) to provide a structure for the law that supports greater understanding of the relationships between and among the various provisions of the law,

and permits changes to be made, if and when required, in a more precise and understandable manner.

(c) The recodification and simplification project must be conducted in the following manner:

(1) The consultant shall establish a basic structure for a recodified statute by breaking down the existing statute into its component parts and determining the relationships between and among the various provisions. Examination of the relevant case law supporting each component of the existing statute must also be undertaken as part of this preliminary work.

(2) After the preliminary work is completed, the consultant shall conduct an in-depth process of discussion with organizations with statewide membership having an interest in workers' compensation in Minnesota. The purpose of this discussion is to determine the areas in which there is agreement among the interested parties as to the meaning of the existing law, and those areas in which there is disagreement. In instances in which disagreement is found to exist, the consultant shall make special efforts to establish case law support for each of the positions and make a determination as to which position appears to be correct and supportive of legislative intent.

(3) The consultant shall then draft a proposal for recodification and simplification, with complete annotation to existing sections of the law and supporting case law, as well as cross-references among new and old sections. The consultant shall identify each instance in which there is any question as to the meaning of any provision contained in the proposal, together with support for the language chosen. The consultant shall also identify each provision contained in the proposal which has not yet been dealt with by the courts, and for which there might exist the possibility of multiple interpretations. Explanations of the possible interpretations, and their implications, must be provided.

(4) The consultant shall circulate an initial draft proposal among the organizations with statewide membership having an interest in workers' compensation for analysis and comment. After comments have been received, the consultant shall analyze and respond to any dissent with respect to provisions contained in the proposal, and provide a full discussion of supporting case law and explanations and implications of the position adopted. The final proposal must contain complete citations to existing statutory sections and case law, and must list each instance in which there is any disagreement as to the meaning of the existing law and each instance in which the meaning of the existing law has not been determined or is open to question.

(d) The commissioner shall make a preliminary report to the legislature by February 1, 1990, concerning the progress of the recodification and simplification project. The commissioner shall make a final report to the legislature by January 1, 1991, containing the consultant's recommendations for recodification and simplification of the workers' compensation law, including the consultant's final draft proposal and accompanying analysis and explanations.

Sec. 2. [APPROPRIATION.]

Up to \$150,000 is appropriated from the special compensation fund to the commissioner of labor and industry for the purpose of contracting with

a consultant to make recommendations and draft a proposal for recodification and simplification of the Minnesota workers' compensation law.

Sec. 3. [EFFECTIVE DATE.]

This article is effective July 1, 1989.

ARTICLE 6

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 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 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, speaker of the house, and 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. 2 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. 3 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. [WCCA; 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 the chief judge prior to assignment of the case to a panel, or by a four-fifths three-fifths vote of the judges prior to assignment of the case 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 clerks. 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. [176.325] [CERTIFIED QUESTION.]

Subdivision 1. [WHEN CERTIFIED.] The chief administrative law judge may certify a question of workers' compensation law to the workers' compensation court of appeals as important and doubtful under the following circumstances:

(1) all parties to the case have stipulated in writing to the facts;

(2) the sole issue to be resolved is a question of workers' compensation law that has not been resolved by the workers' compensation court of appeals or the Minnesota supreme court;

(3) *all parties request that the matter be resolved by certification to the workers' compensation court of appeals as an important and doubtful question; and*

(4) *the commissioner, the designee of the commissioner, the chief administrative law judge, or the designee of the chief administrative law judge has determined that resolution of the certified question would resolve a number of pending cases and would likely reduce further workers' compensation litigation involving the important and doubtful question of law.*

Subd. 2. [SUPREME COURT REVIEW.] Review by the supreme court of any decision of the workers' compensation court of appeals pursuant to this section shall be pursuant to section 176.471.

Subd. 3. [SPEEDY DECISION.] It is the legislature's intent that the workers' compensation court of appeals and the Minnesota supreme court resolve the certified question as expeditiously as possible, after compliance by the parties with any requirements of the workers' compensation court of appeals or the Minnesota supreme court regarding submission of legal memoranda, oral argument, or other matters, and after the participation of amicus curiae, should the workers' compensation court of appeals or Minnesota supreme court consider such participation advisable.

Subd. 4. [NOTICE.] The chief administrative law judge shall notify all persons who request to be notified of a certification under this section.

Sec. 7. [STATUS OF CURRENT JUDGES.]

Notwithstanding Minnesota Statutes, 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. 8. [APPROPRIATION.]

\$275,000 is appropriated from the special compensation fund for fiscal year 1990, and \$240,000 for fiscal year 1991, to the workers' compensation court of appeals to raise the salary of the chief judge as provided under section 1 and to provide additional staff and operations support to the court. The approved complement of the court is increased by seven.

Sec. 9. [EFFECTIVE DATE.]

This article is effective July 1, 1989.

ARTICLE 7

REGULATION OF INSURERS

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. 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 12 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. 3. 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. 4. [MANDATED REDUCTIONS.]

(a) As a result of the workers' compensation law changes in this act and the resulting savings to the costs of Minnesota's workers' compensation system, an insurer's approved schedule of rates in effect on October 1, 1989, must be reduced by ten percent and applied by the insurer to all policies issued, renewed, or outstanding on or after that date. An insurer may not adjust its filed rating plan to recoup the ten percent mandated rate reduction under this section. The reduction must be computed on the basis of a ten percent premium reduction prorated to the expiration of that policy. An insurer shall provide written notice by January 1, 1990, to all employers having an outstanding policy with the insurer as of October 1, 1989, to read as follows: "As a result of the changes in the workers' compensation insurance system enacted by the 1989 legislature, you are entitled to a credit or refund to your current premium in an amount of \$ which reflects a ten percent mandated premium reduction prorated to the expiration of your policy."

(b) No rate increases may be filed between May 23, 1989, and January 1, 1990.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 and 3 are effective the day following final enactment. Section 2 is effective October 1, 1989. Section 4, paragraph (a), is effective October 1, 1989, and section 4, paragraph (b), is effective the day following final enactment.

ARTICLE 8

CONTINGENT INSURANCE REGULATION

Section 1. Minnesota Statutes 1988, section 79.01, subdivision 1, is amended to read:

Subdivision 1. [TERMS.] Unless the language or context clearly indicates that a different meaning is intended, the following terms, for the purposes of sections 79.01 to 79.211 and sections 6 to 33, shall have the meanings ascribed to them.

Sec. 2. Minnesota Statutes 1988, section 79.074, is amended by adding a subdivision to read:

Subd. 3. [UNFAIRLY DISCRIMINATORY.] A rate, rating plan, or schedule of rates is unfairly discriminatory in relation to another if it clearly fails to reflect equitably the differences in expected losses, expenses, and the degree of risk. Rates, rating plans, or schedules of rates are not unfairly discriminatory because different premiums result for policyholders with like loss exposures but different expense factors, or like expense factors but different loss exposures, so long as the rates, rating plan, or schedule of rates reflect the differences with reasonable accuracy.

Sec. 3. Minnesota Statutes 1988, section 79.074, is amended by adding a subdivision to read:

Subd. 4. [EXCESSIVENESS.] Rates, rating plans, or schedules of rates are excessive if the expected underwriting profit, together with expected income from invested reserves for the market in question, that would accrue to an insurer would be unreasonable in relation to the risk undertaken by the insurer in transacting the business.

Sec. 4. Minnesota Statutes 1988, section 79.074, is amended by adding a subdivision to read:

Subd. 5. [INADEQUACY.] Rates, rating plans, or schedules of rates are inadequate if, together with the investment income associated with an insurer's Minnesota workers' compensation insurance business, they are insufficient to sustain projected losses and expenses of the insurer and if their continued use could lead to an insolvent situation for the insurer.

Sec. 5. Minnesota Statutes 1988, section 79.074, is amended by adding a subdivision to read:

Subd. 6. [FLEXIBLE RANGE OF RATES.] An insurer may write insurance at rates that are lower than the rates approved by the commissioner, provided the rates are not unfairly discriminatory.

Sec. 6. [79.253] [PRIOR RATES.]

Subdivision 1. Rates, schedules of rates, and rating plans that have been filed with the commissioner prior to July 1, 1991, are conclusively presumed to satisfy the requirements of this article until the initial schedule of rates has been approved by order of the commissioner.

Subd. 2. If a rate was not filed by an insurer prior to July 1, 1991, an insurer may file a rate for any classification for which a rate was not previously filed. This rate may not be used until it is approved by the commissioner. The commissioner may approve a rate up to the rate level approved for use by the assigned risk plan for that rate class. These rates

may remain in force until the commissioner has approved an initial schedule of rates pursuant to section 9. If the commissioner disapproves of any rate or rating plan pursuant to authority granted in this subdivision, the disapproval is not subject to chapter 14 and the decision is final.

Subd. 3. Until the commissioner issues an order approving a schedule of rates pursuant to section 9, an insurer may not, through the use of any rating plan, charge a rate higher than the rates applicable to the insurer under subdivision 1 or 2. This subdivision does not prohibit the use of approved experience rate plans or retrospective rating plans which have been adopted in the filed rates by insurers, the assigned risk plan, or filed by a data service organization. This section also does not prohibit the adjustment of a schedule of rates to reflect adjustments in the assessment rate for the special compensation fund, the annual adjustment made pursuant to section 176.645, any adjustment in the assessment for the assigned risk plan pursuant to section 79.251, subdivision 5, any adjustment in the assessment for the Minnesota insurance guarantee association pursuant to section 60C.05, or any other assessment required by law.

Subd. 4. Rates, schedules of rates, and rating plans filed after June 30, 1991, may not be used after the effective date of this article and the rates, schedules of rates, and rating plans in effect prior to July 1, 1991, are reinstated.

Subd. 5. This section applies only to policies issued to be effective after the effective date of this section.

Sec. 7. Minnesota Statutes 1988, section 79.50, is amended to read:

79.50 [PURPOSES.]

The purposes of chapter 79 are to:

(a) Promote public welfare by regulating insurance rates so that premiums are not excessive, inadequate, or unfairly discriminatory;

(b) Promote quality and integrity in the data bases used in workers' compensation insurance ratemaking;

(c) Prohibit price fixing agreements and anticompetitive behavior by insurers; and

(d) ~~Promote price competition and provide rates that are responsive to competitive market conditions;~~

(e) ~~Provide a means of establishment of proper rates if competition is not effective;~~

(f) ~~Define the function and scope of activities of data service organizations;~~

(g) ~~Provide for an orderly transition from regulated rates to competitive market conditions; and~~

(h) Encourage insurers to provide alternative innovative methods whereby employers can meet the requirements imposed by section 176.181.

Sec. 8. Minnesota Statutes 1988, section 79.59, is amended to read:

79.59 [INSURERS AND, DATA SERVICE ORGANIZATIONS, AND RATING ASSOCIATION; PROHIBITED ACTIVITIES.]

Subdivision 1. [MONOPOLIZATION.] No insurer or data service organization or rating association shall attempt to monopolize or combine or

conspire with any other person to monopolize the business of insurance.

Subd. 2. [AGREEMENT PROHIBITED.] No insurer shall agree with any other insurer, *rating association*, or with a data service organization to adhere to or to use any rate, rating plan, rating schedule, rating rule, or underwriting rule except as specifically authorized by this chapter or for the purpose of creating experience modifications for employers with employees in more than one state.

Subd. 3. [TRADE RESTRAINT.] No insurer, *rating association*, or data service organization shall make an agreement with any other insurer, data service organization, or other person which has the purpose or the effect of restraining trade or of substantially lessening competition.

Subd. 4. [EXCEPTIONS.] ~~The fact that insurers writing not more than 25 percent of the workers' compensation premiums in Minnesota use the same rates, rating plans, rating schedules, rating rules, underwriting rules, or similar materials shall not alone constitute a violation of subdivision 1 or 2.~~

Two or more insurers under common ownership or operating under common management or control may act in concert between or among themselves with respect to matters authorized under this chapter as if they constituted a single insurer, provided that the rating plan of such insurers shall be considered to be a single plan for the purposes of determining unfair discrimination.

Subd. 5. [ADDITIONAL PROHIBITION.] In addition to other prohibitions contained in this chapter, no data service organization *or rating association* shall:

(a) Refuse to supply any service for which it is licensed or any data, except for data identifiable to an individual insurer, to any insurer authorized to do business in this state which offers to pay the usual compensation for the service or data;

(b) Require the purchase of any specific service as a condition to obtaining any other services sought;

(c) Participate in the development or distribution of rates, rating plans, or rating rules except as specifically authorized by this chapter or by rules adopted pursuant to this chapter; or

(d) Refuse membership to any licensed insurer.

Sec. 9. [79.71] [RATES; HEARINGS.]

Subdivision 1. [PETITION FOR ADOPTION OF RATE SCHEDULE.]

(a) *The commissioner shall adopt a schedule of workers' compensation insurance rates for use in this state for each classification under which business is written. The schedule of rates may not be excessive, inadequate, or unfairly discriminatory.*

(b) *In adopting a schedule of rates, the commissioner may act on the written petition of the association, the department of labor and industry, or any other interested party requesting that a hearing be held to adopt a schedule of rates. Upon receipt of a petition requesting a hearing for adoption of a schedule of rates, the commissioner shall determine whether the petition sufficiently sets forth facts that show that the existing schedule of rates is excessive, inadequate, unfairly discriminatory, or otherwise in need of modification so as to indicate the need to hold a hearing. If the*

association is a petitioner, the commissioner may decline to grant a hearing if the association has failed to provide information requested by previous orders modifying the schedule of rates, provided that the request was not unreasonable. The commissioner may accept or reject the petition for a hearing and shall give notice of a determination to the petitioning party. If the commissioner rejects the petition, the commissioner shall notify the petitioning party of the reasons for the rejection. If the commissioner of labor and industry petitions the commissioner for a hearing pursuant to this section, the commissioner shall hold a hearing if the commissioner of labor and industry certifies that the hearing is necessary because a decision of the supreme court, enactment of a statute, or other circumstance has effected a substantial change in the basis upon which the existing schedule of rates was adopted.

Subd. 2. [HEARING.] (a) The commissioner shall determine, within 90 days of receipt of the petition, whether to accept or reject the petition. If the commissioner accepts the petition for hearing, the commissioner shall order a hearing on matters set forth in the petition. The hearing must be held pursuant to the contested case procedures in chapter 14. The burden of proof is on the petitioning party.

(b) The commissioner shall forward a copy of the order for hearing to the chief administrative law judge. The chief administrative law judge must, within 30 days of the receipt of the order, set a hearing date, assign an administrative law judge to hear the matter, and notify the commissioner of the hearing date and the administrative law judge assigned to hear the matter. The commissioner shall publish notice of the hearing in the State Register at least 20 days before the hearing date. Approval of the notice prior to publication by the administrative law judge is not required.

(c) The administrative law judge may admit documentary and statistical evidence accepted and relied upon by an expert whose expertise is related to workers' compensation rate matters, without the traditional evidentiary foundation. The commissioner of labor and industry is responsible for presenting the public's case.

(d) The hearing must be completed within 180 days of assignment of the matter to the administrative law judge. Within 60 days of the completion of the hearing, the administrative law judge must submit a report to the commissioner. The parties or the administrative law judge, if the parties cannot agree, shall adjust all time requirements under the contested case procedures to conform with the the time requirements set forth in this subdivision. After the close of the hearing record, the administrative law judge shall transmit to the commissioner the entire record of the hearing, including the transcript, exhibits, and all other material properly accepted into evidence, together with the finding of facts, conclusions, and recommended order made by the administrative law judge. The time for submitting the report may be extended by the chief administrative law judge for good cause.

Subd. 3. [HEARING DETERMINATION.] The commissioner may accept, reject, or modify, in whole or in part, matters raised in the petition for adoption of the schedule of rates or matters raised in the findings and recommendations of the administrative law judge. The commissioner's determination shall be based upon substantial evidence. The commissioner is an interested party if the commissioner's decision is appealed.

Subd. 4. [DEADLINE FOR DETERMINATION.] The commissioner shall

make a final determination with respect to adoption of a schedule of rates within 90 days after receipt of the administrative law judge's report. If the commissioner fails to act within the 90-day period, the findings, conclusions, and recommended order of the administrative law judge become the final order of the commissioner on the 91st day after receipt.

Subd. 5. [CONSULTANTS; COMMISSIONER OF COMMERCE.] The commissioner may hire consultants, including a consulting actuary and other experts, considered necessary to assist in the establishment or modification of the schedule of rates.

Subd. 6. [CONSULTANTS; COMMISSIONER OF LABOR AND INDUSTRY.] The commissioner of labor and industry may hire consultants, including a consulting actuary and other experts, considered necessary to assist the commissioner of labor and industry in the hearing for modification of the schedule of rates and appeals therefrom.

Subd. 7. [CONSULTANTS; ADMINISTRATIVE JUDGES.] The office of administrative hearings, upon approval of the chief administrative law judge, may hire consultants necessary to assist the administrative law judge assigned to a workers' compensation rate proceeding.

Subd. 8. [COMMISSIONER OF LABOR AND INDUSTRY AS PUBLIC REPRESENTATIVE.] (a) The commissioner of labor and industry is a party to all proceedings under this chapter and shall act to assure that the public interest is represented and protected. The commissioner of labor and industry may: (1) inspect at all reasonable times, and copy the books, records, memoranda, and correspondence or other documents and records of any person relating to any business regulated under this chapter; and (2) cause the deposition to be taken of any person concerning the business and affairs of any business regulated under this chapter.

(b) Information sought through a deposition must be for a lawfully authorized purpose and must be relevant and material to the investigation or hearing before the commissioner of labor and industry. Information obtained from a deposition may be used by the commissioner of labor and industry only for a lawfully authorized purpose and pursuant to powers and responsibilities conferred upon the department of labor and industry. A deposition is to be taken in the manner prescribed by law for taking depositions in civil actions in the district court.

(c) The commissioner of labor and industry may, on the commissioner's own initiative, investigate any matter subject to the jurisdiction of the department of labor and industry.

Subd. 9. [APPOINTMENT OF ACTUARY.] The commissioner of labor and industry shall employ the services of a casualty actuary experienced in workers' compensation whose duties include but are not limited to investigation of complaints by insured parties relative to rates, rate classifications, or discriminatory practices of an insurer. The salary of the actuary employed pursuant to this section is not subject to the provisions of section 43A.17, subdivision 1.

Sec. 10. [79.72] [PETITION FOR REHEARING.]

Subdivision 1. [PETITION CONTENTS.] Any party may petition the commissioner for rehearing and reconsideration of a determination made pursuant to section 9. The petition for rehearing and reconsideration shall be served on the commissioner and all parties to the rate hearing within

30 days after service of the commissioner's final order. The petition must set forth factual grounds in support of its petition. Any party adversely affected by a petition for review and reconsideration has 15 days to respond to factual matters alleged in the petition.

Subd. 2. [GRANT OF REHEARING.] The commissioner may grant a rehearing upon the filing of a petition under subdivision 1. On rehearing, the commissioner may limit the scope of factual matters that are subject to rehearing and reconsideration. The rehearing is subject to the provisions of section 9.

Subd. 3. [MODIFICATION OF ORDER.] Following a rehearing, the commissioner may modify the terms of the initial order adopting a change in the schedule of rates upon a determination that adequate factual grounds exist to support modification. Adequate factual grounds include, but are not limited to, erroneous testimony by any witness or party to the hearing, material change in Minnesota loss or expense data occurring after a petition for adoption of the schedule of rates has been filed, or any other mistake of fact that has a substantial effect upon the schedule of rates adopted in prior orders of the commissioner.

Sec. 11. [79.73] [JUDICIAL REVIEW.]

Final orders of the commissioner pursuant to sections 9 and 10 are subject to judicial review pursuant to sections 14.63 to 14.69 but must remain in effect during the pendency of any appeal.

Sec. 12. [79.74] [INTERIM SCHEDULE OF RATES.]

(a) The rating association, the commissioner of labor and industry, or any other interested party may file a petition for an adjustment in the schedule of rates when there has been a law change in the benefit payable under chapter 176. "Law change" means only statutory changes by the legislature or supreme court decisions. When a petition for a change in the schedule of rates due to a law change is received by the commissioner, the commissioner shall review any petition and determine within 30 days if it presents facts which warrant a hearing. If the commissioner accepts a petition for hearing, the commissioner shall order a hearing on the matters set forth in the petition. The hearing must be conducted pursuant to the contested case procedures found in chapter 14.

(b) The chief administrative law judge shall set a hearing date, assign an administrative law judge to hear a petition for a change in the schedule of rates, and notify the commissioner of the hearing date and the administrative law judge to hear the matter, within 30 days of receipt of the commissioner's order. The commissioner shall publish notice of the hearing in the State Register at least 20 days before the hearing date. The administrative law judge shall conclude the hearing within 60 days of assignment of the matter to the administrative law judge and file findings of fact, conclusions of law, and a proposed order with the commissioner within 30 days of conclusion of the hearing. The administrative law judge shall, after the close of the record, file a report with recommendations in the same manner as in section 9. The time for holding the hearing and filing the report with the commissioner may be expanded by the chief administrative law judge upon a showing of good cause.

(c) The commissioner shall make a final determination with respect to adoption of an interim adjustment to the schedule of rates within 30 days after receipt of the administrative law judge's report. The commissioner's

order may affirm, reverse, or modify the findings and order of the administrative law judge. The petitioning party has the burden of proof in any hearing held pursuant to this subdivision. All other evidentiary, procedural, and review standards in section 9 apply to interim rate hearings except for the time requirements in this subdivision.

(d) Interim rate hearings are subject to judicial review pursuant to chapter 14 except that the commissioner's interim rate order remains in effect during the pendency of any appeal by any party. The commissioner is an interested party if the commissioner's decision is appealed pursuant to chapter 14.

(e) Interim rate hearings are only for changes in the schedule of workers' compensation rates resulting from law changes and may only be held after an initial schedule of rates has been approved by the commissioner unless requested by the commissioner of labor and industry.

Sec. 13. [79.75] [AUTOMATIC ADJUSTMENT OF RATES.]

(a) The commissioner shall adopt a rule to establish a mechanism to automatically adjust a schedule of rates to reflect benefit changes mandated by operation of law after the most recent change in the schedule of rates, an adjustment in the assessment rate for the special fund, the annual adjustment made pursuant to section 176.645, any adjustment in the assessment for the assigned risk plan pursuant to section 79.251, subdivision 5, any adjustment in the assessment for the Minnesota insurance guarantee association pursuant to section 60C.05, or any other assessment required by law.

(b) At each rate hearing held pursuant to section 9 or rehearing pursuant to section 10, following an automatic adjustment, the commissioner shall review the rate adjustment to assure that the schedule of rates adopted subsequent to the adjustment are not excessive, inadequate, or unfairly discriminatory. If the commissioner finds that the schedule of rates adopted subsequent to the adjustment are excessive, inadequate, or unfairly discriminatory, the commissioner shall order appropriate remedial action.

Sec. 14. [79.76] [INSURERS SHALL BE MEMBERS OF ASSOCIATION.]

Every insurer issuing workers' compensation insurance in this state shall be a member of the rating association, known as the Minnesota insurers rating association, organized under section 15, to be maintained in this state for the following purposes:

(1) to separate the industries of this state that are subject to workers' compensation insurance into proper classes for compensation insurance purposes;

(2) to inspect compensation risks and establish the merit and experience rating system approved for use in this state;

(3) to establish charges and credits under the system;

(4) to report all facts affecting compensation insurance risks and those necessary for approving policies of compensation insurance as conforming with classifications, rates, and rating plans previously promulgated by the association and approved by the commissioner; and

(5) to assist the commissioner and insurers in determining rates, hazards, and other material facts in connection with compensation risks, and to

assist in promoting safety in the industries.

Sec. 15. [79.77] [ORGANIZATION OF ASSOCIATION.]

The association shall adopt articles of incorporation, bylaws, and a plan of operation. These articles, bylaws, and plan of operation and all amendments thereto must be filed with and approved by the commissioner and are not effective until so filed and approved. The association shall admit to membership any insurer authorized to transact workers' compensation insurance in this state. The charges and service of the association must be fixed in the articles or bylaws and must be equitable and non-discriminatory as between members. The initial articles, bylaws, and plan of operation must be filed with the commissioner no later than August 1, 1991. If the initial articles, bylaws, and plan of operation are not filed by August 1, 1991, the commissioner shall adopt the initial articles, bylaws, and plan of operation.

Sec. 16. [79.78] [EXPENSE, HOW PAID.]

Each member of the association shall pay an equitable and nondiscriminatory share of the cost of operating the association. If the members of the association cannot agree upon an apportionment of cost, any member may in writing petition the commissioner to establish a basis for apportioning the cost. If any member is aggrieved by an apportionment made by the association, it may in writing petition the commissioner for a review of the apportionment. The commissioner shall, upon not less than five days' notice to each member of the association, hold a hearing upon any such petition at which all members are entitled to be present and be heard. The commissioner shall determine the matter and mail a copy of the determination to each member of the association. The decision of the commissioner is final and binding upon all members of the association.

Sec. 17. [79.79] [BOARD OF DIRECTORS.]

(a) A board of directors of the rating association is created and is responsible for the operation of the rating association consistent with the plan of operation and this chapter. The board consists of 12 directors. Ten directors shall represent insurers and the commissioner shall appoint the remaining two directors. Each director is entitled to one vote. Terms of the directors are for two years. The board shall select a chair and other officers it considers appropriate.

(b) A majority of the directors currently holding office constitutes a quorum. Action may be taken by a majority vote of the directors present. The board shall take reasonable and prudent action regarding the management of the rating association, including but not limited to the management of the daily affairs of the rating association.

(c) The initial board of directors shall consist of the current board of directors of the data service organization authorized by section 79.62 who shall serve until their current data service organization terms expire.

Sec. 18. [79.80] [PLAN OF OPERATION.]

Subdivision 1. [PROVISIONS.] The plan of operation must provide for all of the following:

- (1) the establishment of necessary facilities;*
- (2) the management and operation of the rating association;*

(3) a preliminary assessment, payable by each member in proportion to its total premium in the year preceding the inauguration of the rating association, for initial expenses necessary to commence operation of the rating association;

(4) procedures governing the actual payment of assessments to the rating association;

(5) reimbursement of each member of the board by the rating association for actual and necessary expenses incurred on rating association business; and

(6) any other matters required by or necessary to effectively implement chapter 79.

Subd. 2. [AMENDMENTS.] (a) The plan of operation is subject to approval by the commissioner after consultation with the members of the association, representatives of the public, and other affected individuals and organizations. If the commissioner disapproves all or any part of the proposed plan of operation, the directors shall within 15 days submit for review an appropriate revised plan of operation or part thereof. If a revised plan is not submitted within 15 days, the commissioner shall promulgate a plan of operation or part thereof, as the case may be. The plan of operation approved or promulgated by the commissioner is effective and operational upon order of the commissioner.

(b) Amendments to the plan of operation may be made by the commissioner or by the directors of the association, subject to the approval of the commissioner.

Sec. 19. [79.81] [APPLICABILITY OF CHAPTER 79.]

Subdivision 1. [EXAMINATION BY COMMISSIONER.] The rating association is subject to all the provisions of this chapter. The commissioner or an authorized representative of the commissioner may visit the rating association at any time and examine, audit, or evaluate the rating association's operations, records, and practices. For purposes of this section, "authorized representative of the commissioner" includes employees of the department of commerce or labor and industry or other parties retained by the commissioner.

Subd. 2. [COSTS AND EXPENSES.] The commissioner shall order and the rating association shall pay the costs and expenses of any examination, audit, or evaluation conducted pursuant to subdivision 1.

Sec. 20. [79.82] [MANUALS.]

Subdivision 1. [INITIAL FILING REQUIRED.] (a) On or before August 1, 1991, the association shall file with the commissioner all underwriting and rating manuals which are used in the classification of risks and the calculation of rating plans, rates, and fees. The association shall provide the commissioner with at least six copies of each manual. A copy of each manual filed must also be provided to the commissioner of labor and industry.

(b) The commissioner shall review the manuals and on or before November 1, 1991, approve or disapprove the manuals or any part thereof. The evidentiary, procedural, and review standards of section 9 apply to the review of the manuals. Until the commissioner has approved or disapproved the manuals, they remain in force. As to any manual or part thereof that

is not approved, the association may contest the disapproval pursuant to the contested case procedures of chapter 14. Until the conclusion of the contested case proceeding, the portions of the manuals that were not approved shall remain in force.

Subd. 2. [NEW MANUALS AND AMENDMENTS.] If the association adopts or amends a manual, the manual or the amendment to the manual is not effective until approved by the commissioner. The association shall provide the commissioner with at least six copies of each manual or amendment. A copy of each manual or amendment filed must also be provided to the commissioner of labor and industry. The commissioner shall approve or disapprove any manual or amendment within 30 days of filing. The evidentiary, procedural, and review standards of section 9 apply to the review of the manuals. Any manual or amendment not approved within 30 days is considered to be disapproved. As to a disapproved manual or amendment, the association may contest the disapproval pursuant to the contested case procedures of chapter 14.

Subd. 3. [BURDEN OF PROOF:] The burden of proof in a proceeding under this section is upon the party requesting the adoption of a manual or an amendment of a manual.

Subd. 4. [PUBLIC ACCESS.] Copies of all approved manuals must be made available to the public for inspection during regular business hours at the office of the association. Proposed manuals and amendments to manuals must be made available in the same manner.

Sec. 21. [79.83] [EXEMPTION.]

The rating association is not subject to sections 15.0597 and 471.705 and chapter 13 nor any other law or rule that pertains to a public body. For purposes of Minnesota law or rule, the association is not a public body.

Sec. 22. [79.84] [ANNUAL STATEMENT.]

On or before March 1 each year, the association shall file with the commissioner a statement covering its activities for the year ending on the preceding December 31. This report must cover its financial transactions and other matters connected with its operation, including employee compensation and other specific expenditures as required by the commissioner. The commissioner shall prescribe the form of the report. The association and its members are subject to supervision and examination by the commissioner or any examiner authorized by the commissioner on such matters as the commissioner considers appropriate. Examination may be made as often as the commissioner considers necessary.

Sec. 23. [79.85] [ASSOCIATION SHALL MAKE CLASSIFICATION.]

(a) The association shall, on behalf of its members, assign each compensation risk and subdivision thereof in this state to its proper classification. The determination as to the proper classification by the association is subject to the approval of the commissioner.

(b) The association shall, on behalf of all members thereof, inspect and make a written survey of each risk to which the system of merit rating approved for use in this state is applicable. The association shall, on behalf of all the members thereof, file with the commissioner its classification of risks and keep on file at the office of the association the written surveys of all risks inspected by it, which survey must show the location and

description of all items producing charges and credits, if any, and such other facts as are material in the writing of insurance thereon. The association shall file any subsequent proposed classification or later survey and all rules and regulations which do or may affect the writing of these risks. The association classification is binding upon all insurers.

(c) The association and its representatives shall give all information as to classifications, rates, surveys, and other facts collected and intended for the common use of insurers subject to chapter 79 to all these insurers at the same time. A copy of the complete survey by the association, with the approved classification and rates based thereon and the effective date thereof, must be furnished to the insurer of record as soon as approved. The approved classification and rates upon a specific risk must be furnished upon request to any other insurer upon the payment of a reasonable charge for the service.

(d) Every insurer shall promptly file with the association a copy of each payroll audit, which must be checked by the association for correctness of classification and rate. The commissioner may require the association to file any such copy and may verify any payroll audit by a reaudit of the books of the employer or in such other manner as may appear most expedient. Upon written complaint stating facts sufficient to warrant action by it, the association shall verify any payroll audit reported to the commissioner.

Sec. 24. [79.86] [INFORMATION.]

(a) In addition to other information that the commissioner requests pursuant to section 9, the rating association shall file with the commissioner the following information on its Minnesota experience:

- (1) reserves for incurred but not reported losses of its members;*
- (2) paid claims;*
- (3) reserves for open claims;*
- (4) a schedule of claims in which its members have established a reserve in excess of \$50,000;*
- (5) the income on invested reserves of its members;*
- (6) an itemized list of policies written at other than the filed rates;*
- (7) loss adjustment expenses;*
- (8) subrogation recoveries;*
- (9) administrative expenses; and*
- (10) commission expenses and lobbying expenses.*

(b) Losses and reserves must be reported separately as to medical and indemnity expenses. The rating association shall file an itemized breakdown of its lobbying expenses.

(c) The commissioner shall consider the information filed under paragraph (a) in an appropriate manner in adopting a schedule of rates and shall decline to grant a hearing pursuant to section 9 for purposes of considering a rate increase if the association fails to provide the information.

(d) The rating association shall be domiciled, chartered, and principally located in the state of Minnesota. Except with the approval of the commissioner, the rating association may not contract for its data collection

responsibilities with data service organizations domiciled, chartered, or principally located outside the state of Minnesota.

Sec. 25. [79.87] [RECORD; ASSOCIATION SHALL FURNISH INFORMATION.]

The association shall keep a careful record of its proceedings. It shall furnish, upon demand, to any employer whose workers' compensation risk has been surveyed, full information as to the survey, including the method of the computation and a detailed description and location of all items producing charges or credits. The association shall provide a means, approved by the commissioner, for hearing any member or employer whose risk has been inspected, either in person or by a representative, before the governing or rating committee or other proper representatives with reference to any matter affecting the risk. Any insurer or employer may appeal from a decision of the association to the commissioner. The association shall make rules governing appeals, to be filed with and approved by the commissioner. The commissioner may require the association to file any information connected with its activities.

Sec. 26. [79.88] [RATES SHALL BE FILED.]

Every insurer writing workers' compensation insurance in this state, except as ordered by the commissioner, must file with the commissioner its rates for this compensation insurance and all additions or changes. All rates filed must comply with the requirements of law and are not effective until approved by the commissioner.

Sec. 27. [79.89] [RATES TO BE UNIFORM; EXCEPTIONS.]

No insurer may write insurance at a rate above that established by the association and approved by the commissioner. The insurer may reduce or increase a rate by the application to individual risks of the system of merit or experience rating which has been approved by the commissioner. This reduction or increase must be set forth in the policy or by endorsement thereon. Upon written request, an insurer shall furnish a written explanation to the insured of how and why the individual rate was adjusted by application of a system of merit or experience rating. This explanation must be mailed to the insured within 30 days of the request.

Sec. 28. [79.90] [DUTIES OF COMMISSIONER.]

The commissioner of commerce shall require compensation insurers, or their agents, to file all reports as may be necessary for the purposes of chapter 79 for use by the commissioner.

Sec. 29. [79.91] [VIOLATIONS; PENALTIES.]

In addition to any other penalties prescribed by law, any insurer, rating association, agent, or other representative or employee of any insurer or rating association that fails to comply with, or violates any of the provisions of, chapter 79 or any order or ruling of the commissioner, is subject to a fine of not less than \$50 nor more than \$5,000. In addition, the license of any insurer, agent, or broker guilty of such violation may be revoked or suspended by the commissioner.

Sec. 30. [79.92] [RULEMAKING.]

The commissioner may adopt rules, including emergency rules effective until January 1, 1993, to carry out the commissioner's duties assigned by this article.

Sec. 31. [79.93] [LIABILITY UNDER OTHER LAW.]

The regulatory scheme established by chapter 79 does not relieve any person from liability under sections 325D.49 to 325D.66 or United States Code, title 15, sections 1 to 36.

Sec. 32. [79.94] [LEGISLATIVE INTENT.]

It is the intent of the legislature in enacting this article to reinstate the prior state law regarding workers' compensation insurance rate regulation which was repealed effective January 1, 1984. Judicial and administrative decisions regarding the prior law are considered to be applicable to this article in the same manner as to the prior law.

Sec. 33. [79.95] [DATA SERVICE ORGANIZATION CONTINUED EXISTENCE.]

A licensed data service organization shall continue to operate pursuant to sections 79.61 and 79.62 until December 31, 1991, or until the plan of operation of the rating association has been approved by the commissioner, whichever occurs first.

Sec. 34. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the words "Workers' Compensation Insurers Rating Association of Minnesota" wherever they appear in Minnesota Statutes to "Minnesota Insurers Rating Association" in Minnesota Statutes 1992 and subsequent editions of the statutes.

Sec. 35. [REPEALER.]

Minnesota Statutes 1986, 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, are repealed.

Sec. 36. [ADVISORY COMMITTEE.]

An eight-member advisory committee is created to make a recommendation by January 1, 1991, to the governor concerning implementation of this article. The advisory committee shall consist of the commissioner of commerce, the commissioner of labor and industry, and one member each, appointed by the governor, representing labor, employers, insurers, the state fund, the workers' compensation insurers rating association, and the general public. Appointed members of the advisory committee shall be compensated as provided pursuant to Minnesota Statutes, section 15.059. The existence of the advisory committee shall terminate on January 1, 1991.

The advisory committee shall study the advisability of implementing a "prior approval" system of insurance regulation as provided in this article. In making its recommendation, the committee shall examine the performance of the current system of workers' compensation insurance regulation in Minnesota as compared to surrounding states who have prior approval or competitive rating systems.

Sec. 37. [EFFECTIVE DATE.]

(a) Sections 1 to 35 are effective July 1, 1991, contingent upon the following notification. The governor shall notify the speaker of the house and the majority leader of the senate of the governor's intent to have sections 1 to 35 take effect on July 1, 1991. The notification must be made no earlier than February 1, 1991, and not later than February 15, 1991.

Failure to notify the speaker and majority leader during this time period will result in sections 1 to 35 not taking effect. Following notification, the governor shall cause to be published in the State Register by March 1, 1991, notification of the governor's intent to have sections 1 to 35 take effect on July 1, 1991.

(b) Section 36 is effective the day following final enactment.

ARTICLE 9

MISCELLANEOUS"

Amend the title accordingly

Mr. Stumpf then moved to amend the Stumpf amendment to H.F. No. 564 as follows:

Page 35, delete article 4

Renumber the articles in sequence and correct the internal references

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Stumpf amendment, as amended.

The motion prevailed. So the amendment, as amended, was adopted.

The question was taken on the recommendation to pass H.F. No. 564.

The roll was called, and there were yeas 35 and nays 15, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Frederickson, D.R.	McQuaid	Ramstad
Anderson	Brataas	Gustafson	Mehrkens	Renneke
Beckman	Chmielewski	Knaak	Moe, D.M.	Schmitz
Belanger	Davis	Laidig	Moe, R.D.	Solon
Benson	Decker	Langseth	Morse	Storm
Berg	Frederick	Larson	Olson	Stumpf
Bernhagen	Frederickson, D.J.	McGowan	Pariseau	Vickerman

Those who voted in the negative were:

Brandl	Diessner	Kroening	McCriram	Pogemiller
Cohen	Frank	Luther	Metzen	Reichgott
Dahl	Johnson, D.J.	Marty	Novak	Spear

The motion prevailed. So H.F. No. 564 was recommended to pass.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Lessard moved that the following members be excused for a Conference Committee on H.F. No. 66 at 2:30 p.m.:

Messrs. Lessard, Knaak, Purfeerst, Mrs. Lantry and Ms. Peterson, D.C. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on S.F. No. 1625 at 2:45 p.m.:

Messrs. Waldorf, Dicklich, Taylor, DeCramer and Mrs. Brataas. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Beckman moved that the following members be excused for a Conference Committee on H.F. No. 513 from 3:00 to 3:30 p.m.:

Messrs. Beckman; Frederickson, D.J. and Ms. Piper. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED**SUSPENSION OF RULES**

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. 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. No. 890, which the committee recommends to pass.

On motion of Mr. Luther, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 1734 at 3:50 p.m.:

Messrs. Johnson, D.J.; Brandt; Novak; Pogemiller and Stumpf. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Samuelson moved that the following members be excused for a Conference Committee on H.F. No. 1759 from 3:00 to 4:00 p.m.:

Messrs. Samuelson, Knutson, Mrs. Lantry, Mses Piper and Berglin. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Stumpf moved that the following members be excused for a Conference Committee on H.F. No. 245 from 4:30 to 5:00 p.m.:

Messrs. Stumpf, Dahl and Merriam. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Freeman moved that the following members be excused for a Conference Committee on H.F. No. 46 at 4:30 p.m.:

Messrs. Freeman, Waldorf, Samuelson, Morse and Johnson, D.E. The

motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Luther moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

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. 729, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 729 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 729

A bill for an act relating to marriage dissolution; 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 ongoing 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; amending Minnesota Statutes 1988, sections 257.022, by adding a subdivision; 518.17, subdivision 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.

May 16, 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. 729, 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. 729 be further amended as follows:

Page 2, after line 5, insert:

“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;

(3) *the child's primary caretaker;*

(4) *the intimacy of the relationship between each parent and the child;*

(e) (5) 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) (6) the child's adjustment to home, school, and community;

(e) (7) the length of time the child has lived in a stable, satisfactory environment and the desirability of maintaining continuity;

(f) (8) the permanence, as a family unit, of the existing or proposed custodial home;

(g) (9) the mental and physical health of all individuals involved;

(h) (10) 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) (11) the child's cultural background; and

(j) (12) 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.

The court may not use one factor to the exclusion of all others. The court must make detailed findings on each of the factors and explain how the factors led to its conclusions and to the determination of the best interests of the child.

(b) The court shall not consider conduct of a proposed custodian that does not affect the custodian's relationship to the child."

Page 4, line 21, before "The" insert "If a visitation dispute arises,"

Page 4, line 22, delete "after"

Page 4, line 23, delete "appointment"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, after the semicolon, insert "including the primary caretaker standard as a factor to be considered in custody decisions; requiring specific findings on each factor and prohibiting courts from relying exclusively on one factor in determining custody; modifying provisions dealing with the valuation of marital property;"

Page 1, line 14, delete the second "subdivision" and insert "subdivisions 1 and"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Sandy Pappas, Randy C. Kelly, Terry Dempsey, Jean Wagenius, Kris Hasskamp

Senate Conferees: (Signed) Allan H. Spear, William P. Luther, Richard J. Cohen, LeRoy A. Stumpf, Gary W. Laidig

Mr. Spear moved that the foregoing recommendations and Conference Committee Report on H.F. No. 729 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. 729 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 45 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Purfeerst
Anderson	Davis	Knaak	Moe, R.D.	Ramstad
Beckman	Decker	Kroening	Morse	Reichgott
Belanger	Diessner	Laidig	Novak	Renneke
Benson	Frank	Larson	Olson	Solon
Berglin	Frederickson, D.J.	Luther	Pariseau	Spear
Bernhagen	Frederickson, D.R.	Marty	Pehler	Storm
Bertram	Freeman	McGowan	Piper	Stumpf
Cohen	Gustafson	McQuaid	Pogemiller	Vickerman

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 300, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 300 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1989

CONFERENCE COMMITTEE REPORT ON 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.

May 16, 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. 300, 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. 300 be further 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, dentist, pharmacist, or lead research individual, other than a student in one of these fields, 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.

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."

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."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Karen Clark, Sandy Pappas, Warren E. Limmer

Senate Conferees: (Signed) Pat Piper, James C. Pehler, Jim Gustafson

Ms. Piper moved that the foregoing recommendations and Conference Committee Report on H.F. No. 300 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. 300 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 48 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Gustafson	McGowan	Ramstad
Anderson	Dahl	Johnson, D.E.	McQuaid	Reichgott
Beckman	Davis	Johnson, D.J.	Moe, R.D.	Renneke
Belanger	Decker	Knaak	Morse	Solon
Benson	Diessner	Knutson	Olson	Spear
Berglin	Frank	Kroening	Pariseau	Storm
Bernhagen	Frederick	Laidig	Pehler	Stumpf
Bertram	Frederickson, D.J.	Larson	Piper	Vickerman
Brataas	Frederickson, D.R.	Luther	Pogemiller	
Chmielewski	Freeman	Marty	Purteerst	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 472, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 472 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 472

A bill for an act relating to transportation; motor carriers; increasing maximum length of certain semitrailers; defining mobile cranes and providing for their maximum length; requiring a highway cost allocation study; amending Minnesota Statutes 1988, sections 169.01, by adding a subdivision; 169.81, subdivision 2; and 169.86, subdivision 5.

May 15, 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. 472, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 472 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 169.01, is amended by adding a subdivision to read:

Subd. 74. [MOBILE CRANE.] "Mobile crane" means a vehicle (1) not designed or used to transport persons or property, (2) operated only incidentally on the highway and not subject to vehicle registration under chapter 168, and (3) comprising a boom and hoisting mechanism used in the construction industry. Mobile crane does not include a motor vehicle, designed to transport persons or property, to which a boom, hoist, crane, or other machinery has been attached.

Sec. 2. Minnesota Statutes 1988, section 169.81, subdivision 2, is amended to read:

Subd. 2. [LENGTH OF VEHICLES.] (a) No single unit motor vehicle, except mobile cranes which may not exceed 45 48 feet, unladen or with load may exceed a length of 40 feet extreme overall dimensions inclusive of front and rear bumpers, except that the governing body of a city is authorized by permit to provide for the maximum length of a motor vehicle, or combination of motor vehicles, or the number of vehicles that may be fastened together, and which may be operated upon the streets or highways of a city; provided, that the permit may not prescribe a length less than that permitted by state law. A motor vehicle operated in compliance with the permit on the streets or highways of the city is not in violation of this chapter.

(b) No single semitrailer may have an overall length, exclusive of non-cargo-carrying accessory equipment, including refrigeration units or air compressors, necessary for safe and efficient operation mounted or located on the end of the semitrailer adjacent to the truck or truck-tractor, in excess of 48 feet, except that a single semitrailer may have an overall length in excess of 48 feet *but not greater than 53 feet* if (1) the distance from the kingpin to the centerline of the rear axle group of the semitrailer does not exceed 41 feet; ~~and (2) if the semitrailer is operated only in a combination~~

of vehicles which does not exceed an overall length of 65 feet. No single trailer may have an overall length inclusive of tow bar assembly and exclusive of rear protective bumpers which do not increase the overall length by more than six inches, in excess of 45 feet. For determining compliance with the provisions of this subdivision, the length of the semitrailer or trailer must be determined separately from the overall length of the combination of vehicles.

(c) No semitrailer or trailer used in a three-vehicle combination may have an overall length, exclusive of non-cargo-carrying accessory equipment, including refrigeration units or air compressors, necessary for safe and efficient operation mounted or located on the end of the semitrailer or trailer adjacent to the truck or truck-tractor, and further exclusive of the tow bar assembly, in excess of 28-1/2 feet. The commissioner may not grant a permit authorizing the movement, in a three-vehicle combination, of a semitrailer or trailer that exceeds 28-1/2 feet, except that the commissioner may renew a permit that was granted before April 16, 1984, for the movement of a semitrailer or trailer that exceeds the length limitation in this paragraph.

Sec. 3. 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).

(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~~ mobile 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 limitations on axles	Cost Per Mile For Each Group Of:		
	Two consecutive axles spaced within 8 feet or less	Three consecutive axles spaced within 9 feet or less	Four consecutive axles spaced within 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. 4. Minnesota Statutes 1988, section 221.022, is amended to read:

221.022 [METROPOLITAN TRANSIT COMMISSION; EXCEPTION.]

The powers granted to the board under sections 221.011 to 221.296 do not include the power to regulate any service or vehicles operated by the metropolitan transit commission *or to regulate passenger transportation service provided under contract to the department. A provider of passenger transportation service under contract to the department may not provide charter service without first having obtained a permit to operate as a charter carrier.*

Sec. 5. Minnesota Statutes 1988, section 221.025, is amended to read:

221.025 [EXEMPTIONS.]

Except as provided in sections 221.031 and 221.033, the provisions of this chapter do not apply to the intrastate transportation described below:

(a) the transportation of students to or from school or school activities in a school bus inspected and certified under section 169.451;

(b) the transportation of rubbish as defined in section 443.27;

(c) a commuter van as defined in section 221.011, subdivision 27;

(d) authorized emergency vehicles as defined in section 169.01, subdivision 5, including ambulances, and tow trucks when picking up and transporting disabled or wrecked motor vehicles and when carrying proper and legal warning devices;

(e) the transportation of grain samples under conditions prescribed by the board;

(f) the delivery of agricultural lime;

(g) the transportation of dirt and sod within an area having a 50-mile radius from the home post office of the person performing the transportation;

(h) a person while exclusively engaged in the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix, concrete blocks or tile, or crushed rock to or from the point of loading or a place of gathering within an area having a 50-mile radius from that person's home post office or a 50-mile radius from the site of construction or maintenance of public roads and streets;

(i) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator evergreens, wood chips, sawdust, shavings, and bark from the place where the products are produced to the point where they are to be used or shipped;

(j) a person while engaged exclusively in transporting fresh vegetables from farms to canneries or viner stations, from viner stations to canneries, or from canneries to canneries during the harvesting, canning, or packing season, or transporting potatoes, sugar beets, wild rice, or rutabagas from the field of production to the first place of delivery or unloading, including a processing plant, warehouse, or railroad siding;

(k) a person engaged in transporting property or freight, other than household goods and petroleum products in bulk, entirely within the corporate limits of a city or between contiguous cities except as provided in section 221.296;

(l) the transportation of unprocessed dairy products in bulk within an area having a 100-mile radius from the home post office of the person providing the transportation;

(m) a person engaged in transporting agricultural, horticultural, dairy, livestock, or other farm products within an area having a 25-mile radius from the person's home post office and the carrier may transport other commodities within the 25-mile radius if the destination of each haul is a farm;

(n) a person providing limousine service that is not regular route service in a passenger automobile that is not a van, and that has a seating capacity, excluding the driver, of not more than 12 persons-;

(o) *passenger transportation service that is not charter service and that is under contract to and with operating assistance from the department.*

Sec. 6. [COST ALLOCATION STUDY.]

Subdivision 1. [STUDY REQUIRED.] The commissioner of transportation shall contract with a qualified and impartial consultant to conduct a study of how the costs of state and local highways in Minnesota, including costs and revenues attributable to federal aid programs, are allocated among users. This study shall:

(1) determine the costs of designing, constructing, administering, and maintaining state and local highways in Minnesota;

(2) determine the extent to which those costs are attributable to various classes of vehicles using those highways;

(3) determine the extent to which various classes of vehicles contribute revenue, including federal highway user taxes, for the design, construction, administration, and maintenance of those highways; and

(4) recommend changes in highway financing which would make the payments of various classes of vehicles for the design, construction, administration, and maintenance of state and local highways more nearly equal the costs those classes impose on those highways.

The commissioner shall regularly consult with the commissioner's motor carrier advisory board on the design of the request for proposals for the study, the selection of the consultant to perform the study, and the periodic review and evaluation of the study.

Subd. 2. [REPORT.] The commissioner shall report the results of the study to the chairs of the senate and house committees on transportation not later than October 1, 1990."

Delete the title and insert:

"A bill for an act relating to transportation; motor carriers; increasing maximum length of certain semitrailers; defining mobile cranes and providing for their maximum length; deregulating persons who provide passenger transportation service under contract to and with assistance from the department of transportation; requiring a highway cost allocation study; amending Minnesota Statutes 1988, sections 169.01, by adding a subdivision; 169.81, subdivision 2; 169.86, subdivision 5; 221.022; and 221.025."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Henry J. Kalis, Connie Morrison, Harold Lasley

Senate Conferees: (Signed) Clarence M. Purfeerst, Mel Frederick, Gary M. DeCramer

Mr. Purfeerst moved that the foregoing recommendations and Conference Committee Report on H.F. No. 472 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. 472 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 44 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Gustafson	McQuaid	Purfeerst
Anderson	Dahl	Johnson, D.E.	Moe, R.D.	Reichgott
Beckman	Davis	Johnson, D.J.	Morse	Renneke
Belanger	Diessner	Knutson	Novak	Solon
Benson	Frank	Laidig	Olson	Spear
Berglin	Frederick	Larson	Pariseau	Storm
Bernhagen	Frederickson, D.J.	Luther	Pehler	Stumpf
Bertram	Frederickson, D.R.	Marty	Piper	Vickerman
Chmielewski	Freeman	McGowan	Pogemiller	

Messrs. Decker, Knaak, Merriam and Ramstad voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 489, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 489 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1989

CONFERENCE COMMITTEE REPORT ON 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.

May 8, 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 H.F. No. 489, report that we have

agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendments and that H.F No. 489 be further amended as follows:

Page 5, line 1, after "employer" insert "of a unit of employees other than essential employees"

Page 7, line 17, delete "written"

Amend the title as follows:

Page 1, line 2, delete "public"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Andy Dawkins, Joseph R. Begich, Elton R. Redalen

Senate Conferees: (Signed) Michael O. Freeman, Bob Decker, David J. Frederickson

Mr. Freeman moved that the foregoing recommendations and Conference Committee Report on H.F No. 489 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. 489 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Merriam	Schmitz
Anderson	Davis	Johnson, D.J.	Morse	Solon
Beckman	Decker	Knaak	Novak	Spear
Belanger	Diessner	Knutson	Olson	Storm
Benson	Frank	Laidig	Pariseau	Stumpf
Bernhagen	Frederick	Larson	Pehler	Vickerman
Bertram	Frederickson, D.J.	Luther	Piper	
Brataas	Frederickson, D.R.	Marty	Ramstad	
Chmielewski	Freeman	McGowan	Reichgott	
Cohen	Gustafson	McQuaid	Renneke	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 412, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 412 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

CONFERENCE COMMITTEE REPORT ON 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.

May 16, 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. 412, 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. 412 be further 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 or education district or by an ECSU as members of the instructional and, supervisory, and support staff such as including~~ superintendents, principals, supervisors, *secondary vocational and other classroom teachers, and librarians, counselors, 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, and includes athletic coaches; 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 125.05, 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~~ must 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~~ must be determined by the board of teaching under the rules it ~~promulgates~~ adopts. Licenses under the jurisdiction of the board of teaching ~~shall~~ must be issued through the licensing section of the department of education. Licenses under the jurisdiction of the state board of education ~~shall~~ must be issued through the licensing section of the department of education.

Sec. 4. 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~~ must bear the date of issue. Licenses ~~shall~~ must expire and be renewed in accordance with the respective rules ~~promulgated~~ adopted by the board of teaching or the state board of education. ~~Renewal~~ Requirements for the renewal of a license ~~shall~~ must 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~~ must be established by the state board of education.

Sec. 5. 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 law, 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 law is not obtained within one year after the provisional license is established, the board shall discontinue the field of provisional licensure.

Sec. 6. 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~~ must 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~~ must 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~~ *must* be paid to the executive secretary of the board of teaching. The processing fee for the licenses of supervisory and support personnel ~~shall~~ *must* 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~~ *are* nonrefundable for applicants not qualifying for a license; ~~provided~~. However, ~~that~~ a fee ~~shall~~ *must* 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. 7. Minnesota Statutes 1988, section 125.183, subdivision 1, is amended to read:

Subdivision 1. ~~A~~ *The* board of teaching ~~consisting~~ *consists* of ~~15~~ *11* 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~~ *may* be reappointed for more than one additional term.

Sec. 8. Minnesota Statutes 1988, section 125.183, subdivision 3, is amended to read:

Subd. 3. [MEMBERSHIP.] 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, must be selected on the basis of professional experience and knowledge of teacher education, accreditation, and licensure.* The board ~~shall~~ *must* be composed of ~~one teacher whose responsibilities are those either of a librarian, psychologist, remedial reading teacher, speech therapist, or vocational teacher, three elementary school classroom teachers, three secondary:~~

- (1) ~~six~~ classroom teachers;
- (2) one higher education representative, ~~from a higher education who must be a faculty member~~ preparing teachers;
- (3) one school administrator; and ~~six~~
- (4) ~~three~~ members of the public, two of whom ~~shall~~ *must* 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. 9. [TIME OF EFFECT.]

The changes in the composition of the board of teaching required by section 8 must be made as soon as possible after the effective date of section 8 as vacancies occur or terms of members expire."

Delete the title and insert:

"A bill for an act relating to education; changing the definitions of teachers and of supervisory and support personnel for the purpose of licensure; clarifying and changing the kinds of personnel licensed by the board

of teaching, the state board of vocational technical education, and the state board of education; changing the composition of the board of teaching; placing certain limits on the board of teaching; making stylistic changes; amending Minnesota Statutes 1988, sections 125.03, subdivisions 1 and 4; 125.05, subdivisions 1, 2, and by adding a subdivision; 125.08; and 125.183, subdivisions 1 and 3."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Bob McEachern, Ken Nelson, Dennis Ozment

Senate Conferees: (Signed) James C. Pehler, Donna C. Peterson, David J. Frederickson

Mr. Pehler moved that the foregoing recommendations and Conference Committee Report on H.F. No. 412 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. 412 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Moe, R.D.	Schmitz
Anderson	Davis	Johnson, D.J.	Morse	Solon
Beckman	Decker	Knaak	Novak	Spear
Benson	Diessner	Knutson	Olson	Storm
Berglin	Frank	Larson	Pariseau	Stumpf
Bernhagen	Frederick	Luther	Pehler	Vickerman
Bertram	Frederickson, D.J.	Marty	Piper	
Brataas	Frederickson, D.R.	McGowan	Pogemiller	
Chmielewski	Freeman	McQuaid	Ramstad	
Cohen	Gustafson	Merriam	Renneke	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1506, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1506 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1506

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 82A.02, by adding a subdivision;

82A.04, subdivision 2; 82A.13, subdivision 2; 83.20, by adding a subdivision; and 83.30, subdivision 1.

May 11, 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. 1506, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Wally Sparby, John J. Sarna, Tony L. Bennett

Senate Conferees: (Signed) Sam G. Solon, James Metzen, Don Anderson

Mr. Solon moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1506 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. 1506 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 45 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Freeman	McGowan	Ramstad
Anderson	Dahl	Gustafson	McQuaid	Reichgott
Beckman	Davis	Johnson, D.E.	Moe, R.D.	Renneke
Belanger	Decker	Johnson, D.J.	Morse	Schmitz
Benson	Diessner	Knaak	Novak	Solon
Berglin	Frank	Knutson	Olson	Spear
Bernhagen	Frederick	Larson	Pariseau	Storm
Bertram	Frederickson, D.J.	Luther	Piper	Stumpf
Chmielewski	Frederickson, D.R.	Marty	Pogemiller	Vickerman

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has 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. 139: A bill for an act relating to liquor; increasing age for provisional driver's license to 21 years; changing provisional licenses to "under-21" licenses; prohibiting the issuance of both a Minnesota identification card and a driver's license, other than an instruction permit, to the same person; 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; 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; amending Minnesota Statutes 1988, sections 171.02, subdivisions 1 and 3; 171.06, subdivision 2; 171.07, subdivisions 1 and 3; 171.171; 171.22; 171.27; 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.

There has been appointed as such committee on the part of the House: Johnson, A.; Seaberg and Brown.

Senate File No. 139 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 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 5 members of the House, on the amendments adopted by the House to the following Senate File:

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 joint legislative committee 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; 43A.08, subdivision 1; 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; 40; and 144; proposing coding for new law as Minnesota Statutes, chapters

Adkins	Chmielewski	Gustafson	McQuaid	Pogemiller
Anderson	Dahl	Johnson, D.E.	Mehrkens	Ramstad
Beckman	Davis	Johnson, D.J.	Metzen	Reichgott
Belanger	Decker	Knaak	Moe, D.M.	Renneke
Benson	Diessner	Knutson	Moe, R.D.	Samuelson
Berg	Frank	Laidig	Morse	Schmitz
Berglin	Frederick	Larson	Novak	Storm
Bernhagen	Frederickson, D.J.	Lessard	Olson	Stumpf
Bertram	Frederickson, D.R.	Luther	Pariseau	Vickerman
Brandl	Freeman	Marty	Piper	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 266, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 266 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON 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.

May 16, 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. 266, 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. 266 be further amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE I

DEPARTMENT SALES AND SPECIAL TAXES

Section 1. 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 department of revenue*, and the office of the attorney general.

Sec. 2. Minnesota Statutes 1988, section 41A.09, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS FROM FUND.] The commissioner of revenue shall make cash payments from the development fund to producers of ethanol or agricultural grade alcohol; ~~for use as a motor fuel~~, located in the state. The amount of the payment for each producer's annual production shall be as follows:

638.04 [MEETINGS.]

The board of pardons shall hold regular meetings on the second Monday in January, April, July, and October, of at least twice each year, and such other meetings as it shall deem expedient, and all shall be held in the executive chamber in the state capitol, or at such other place as may be ordered by the board."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Phil Carruthers, Randy C. Kelly, Kathleen A. Blatz

Senate Conferees: (Signed) Donna C. Peterson, Allan H. Spear, William V. Belanger, Jr.

Ms. Peterson, D.C. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 193 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. 193 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 45 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Gustafson	McQuaid	Pogemiller
Anderson	Davis	Johnson, D.E.	Merriam	Ramstad
Beckman	Decker	Knaak	Moe, R.D.	Reichgott
Belanger	Diessner	Knutson	Morse	Renneke
Benson	Frank	Kroening	Novak	Schmitz
Berglin	Frederick	Larson	Olson	Spear
Bernhagen	Frederickson, D.J.	Luther	Pariseau	Storm
Bertram	Frederickson, D.R.	Marty	Peterson, D.C.	Stumpf
Cohen	Freeman	McGowan	Piper	Vickerman

So the bill, as amended by the Conference Committee, was repassed 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. 299: Messrs. Merriam, Bernhagen and Berg.

H.F. No. 796: Messrs. Chmielewski, Schmitz and Gustafson.

H.F. No. 341: Messrs. Merriam, Stumpf and Frederickson, D.R.

H.F. No. 1155: Ms. Peterson, D.C.; Messrs. Solon and Laidig.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:30 p.m., Friday, May 19, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-SIXTH DAY

St. Paul, Minnesota, Friday, May 19, 1989

The Senate met at 12:30 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 the Chaplain, Rev. Marva Jean Hutchins.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Belanger	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	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 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
	804	138	1632 hours May 16	May 17
	390	139	1822 hours May 16	May 17
	218	140	1824 hours May 16	May 17
	1077	142	1625 hours May 16	May 17
	1411	144	1820 hours May 16	May 17
	832	145	1827 hours May 16	May 17
	942	146	1828 hours May 16	May 17
	931	148	1832 hours May 16	May 17
1269		149	1836 hours May 16	May 17

Sincerely,
Joan Anderson Growe
Secretary of State

May 19, 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. 163, 218, 297, 331, 723, 811, 1105 and 1498.

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. 1541.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 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. 783: A bill for an act relating to education; proposing a fifth year incentive plan for teachers in the Duluth school district.

Senate File No. 783 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1989

Mr. Solon moved that the Senate concur in the amendments by the House

to S.F. No. 783 and that the bill be placed on its repassage as amended.

Mr. Pogemiller moved that the Senate do not concur in the amendments by the House to S.F. No. 783, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House.

CALL OF THE SENATE

Mr. Solon imposed a call of the Senate for the balance of the proceedings on S.F. No. 783. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Mr. Pogemiller.

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Morse	Reichgott
Berg	Davis	Langseth	Olson	Renneke
Berglin	DeCramer	Luther	Pehler	Spear
Bertram	Diessner	Marty	Peterson, D.C.	Stumpf
Brandl	Frederickson, D.J.	Merriam	Peterson, R.W.	Taylor
Brataas	Freeman	Moe, D.M.	Piper	Waldorf
Cohen	Gustafson	Moe, R.D.	Pogemiller	

Those who voted in the negative were:

Anderson	Dicklich	Knutson	McQuaid	Samuelson
Beckman	Frank	Kroening	Mehrkens	Schmitz
Belanger	Frederick	Laidig	Metzen	Solon
Benson	Frederickson, D.R.	Lantry	Novak	Storm
Bernhagen	Johnson, D.E.	Larson	Pariseau	Vickerman
Chmielewski	Johnson, D.J.	Lessard	Purfeerst	
Decker	Knaak	McGowan	Ramstad	

The motion prevailed.

MESSAGES FROM THE HOUSE - CONTINUED

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. 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.

There has been appointed as such committee on the part of the House:

Rukavina; Carlson, D. and Munger.

Senate File No. 299 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1989

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1408:

H.F. No. 1408: A bill for an act relating to metropolitan transit; requiring joint planning for light rail transit; establishing a joint planning board; requiring approval of light rail transit plans by the regional transit board; specifying the composition of the regional transit board and the metropolitan transit commission; changing various provisions relating to metropolitan transit programs and authorities; amending Minnesota Statutes 1988, sections 398A.04, subdivision 9; 473.169, subdivisions 1, 3, 4, and 5; 473.17; 473.373, subdivisions 1a, 4, 5, and by adding a subdivision; 473.375, subdivisions 8 and 13; and 473.404, subdivisions 2, 3, and 5; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1988, sections 473.1691 and 473.398.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Carruthers, McLaughlin and Valento have been appointed as such committee on the part of the House.

House File No. 1408 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 May 18, 1989

Mr. Novak moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1408, 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. 417 and 723.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1989

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 417: 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, subdivision 5, and by adding subdivisions; 115A.46, subdivision 2, and by adding a subdivision; 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; 275.50, subdivision 5; 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; 121; 173; and 473.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 95, now on General Orders.

H.F. No. 723: A bill for an act relating to veterans; providing for establishment of a veterans home in Luverne; requiring a study; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 198.

Mr. Moe, R.D. moved that H.F. No. 723 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 661 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.
				661	237

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 661 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 661 and insert the language after the enacting clause of S.F. No. 237, the fifth engrossment; further, delete the title of H.F. No. 661 and insert the title of S.F. No. 237, the fifth engrossment.

And when so amended H.F. No. 661 will be identical to S.F. No. 237, and further recommends that H.F. No. 661 be given its second reading and substituted for S.F. No. 237, 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. 354 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.
				354	556

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 354 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 354 and insert the language after the enacting clause of S.F. No. 556, the second engrossment; further, delete the title of H.F. No. 354 and insert the title of S.F. No. 556, the second engrossment.

And when so amended H.F. No. 354 will be identical to S.F. No. 556, and further recommends that H.F. No. 354 be given its second reading and substituted for S.F. No. 556, 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. 1181 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.
				1181	1067

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1181 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1181 and insert the language after the enacting clause of S.F. No. 1067, the third engrossment; further, delete the title of H.F. No. 1181 and insert the title of S.F. No. 1067, the third engrossment.

And when so amended H.F. No. 1181 will be identical to S.F. No. 1067, and further recommends that H.F. No. 1181 be given its second reading and substituted for S.F. No. 1067, 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. 624 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.
624	1076				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 624 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 624 and insert the language after the enacting clause of S.F. No. 1076, the third engrossment; further, delete the title of H.F. No. 624 and insert the title of S.F. No. 1076, the third engrossment.

And when so amended H.F. No. 624 will be identical to S.F. No. 1076, and further recommends that H.F. No. 624 be given its second reading and substituted for S.F. No. 1076, 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. 1532 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.
1532	1433				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1532 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1532 and insert the language after the enacting clause of S.F. No. 1433, the third engrossment; further, delete the title of H.F. No. 1532 and insert the title of S.F. No. 1433, the third engrossment.

And when so amended H.F. No. 1532 will be identical to S.F. No. 1433, and further recommends that H.F. No. 1532 be given its second reading and substituted for S.F. No. 1433, 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. 661, 354, 1181, 624 and 1532 were read the second time.

MOTIONS AND RESOLUTIONS

Ms. Reichgott introduced—

Senate Resolution No. 133: A Senate resolution congratulating Cora Beth Fraser, of Crystal, Minnesota, for winning Gold Medals in the Ladies Singles and Ice Dancing competitions at the 1989 Special Olympic Games.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 134: A Senate resolution recommending that the citizens of our state conduct and attend appropriate Memorial Day ceremonies.

Referred to the Committee on Rules and Administration.

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

H.F. No. 1203: A bill for an act relating to nonprofit corporations; providing for the organization, operation, and dissolution of nonprofit corporations; imposing penalties; 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.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Ramstad
Anderson	Davis	Johnson, D.J.	Mehrkens	Reichgott
Beckman	Decker	Knaak	Merriam	Renneke
Belanger	DeCramer	Knutson	Metzen	Samuelson
Benson	Dicklich	Kroening	Moe, D.M.	Schmitz
Berg	Diessner	Laidig	Moe, R.D.	Solon
Berglin	Frank	Langseth	Morse	Spear
Bernhagen	Frederick	Lantry	Novak	Storm
Bertram	Frederickson, D.J.	Larson	Pariseau	Stumpf
Brandl	Frederickson, D.R.	Lessard	Pehler	Taylor
Brataas	Freeman	Luther	Peterson, D.C.	Vickerman
Chmielewski	Gustafson	Marty	Piper	Waldorf
Cohen	Hughes	McGowan	Purfeerst	

So the bill passed and its title was agreed to.

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.

Mr. Luther moved that H.F. No. 630, No. 2 on the Calendar, be stricken and placed at the top of General Orders.

CALL OF THE SENATE

Mr. Dicklich imposed a call of the Senate for the balance of the proceedings on H.F. No. 630. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Mr. Luther.

The roll was called, and there were yeas 19 and nays 47, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Merriam	Purfeerst
Berglin	Diessner	Lantry	Moe, D.M.	Reichgott
Brandl	Frank	Luther	Moe, R.D.	Spear
Cohen	Freeman	Marty	Novak	

Those who voted in the negative were:

Anderson	Decker	Knutson	Morse	Schmitz
Beckman	DeCramer	Kroening	Olson	Solon
Belanger	Dicklich	Laidig	Pariseau	Storm
Benson	Frederick	Langseth	Pehler	Stumpf
Berg	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Gustafson	McGowan	Piper	Waldorf
Brataas	Johnson, D.E.	McQuaid	Ramstad	
Chmielewski	Johnson, D.J.	Mehrkens	Renneke	
Davis	Knaak	Metzen	Samuelson	

The motion did not prevail.

H.F. No. 630 was read the third time 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 16, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Johnson, D.J.	Metzen	Samuelson
Beckman	Davis	Knaak	Morse	Schmitz
Belanger	Decker	Kroening	Olson	Solon
Benson	DeCramer	Laidig	Pariseau	Storm
Berg	Dicklich	Langseth	Pehler	Stumpf
Bernhagen	Frederick	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.J.	Lessard	Piper	Vickerman
Brataas	Frederickson, D.R.	McGowan	Purfeerst	Waldorf
Chmielewski	Gustafson	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Renneke	

Those who voted in the negative were:

Adkins	Frank	Lantry	Merriam	Novak
Berglin	Freeman	Luther	Moe, D.M.	Reichgott
Brandl	Hughes	Marty	Moe, R.D.	Spear
Diessner				

So the bill passed and its title was agreed to.

H.F. No. 1046: 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.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Decker	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
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.

H.F. No. 1425: 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; authorizing the attorney general and county attorneys to issue administrative subpoenas; creating crimes that prohibit warning subjects of investigations, electronic surveillance, or search warrants; imposing penalties; amending Minnesota Statutes 1988, sections 626A.02, subdivision 3; 626A.04; 626A.06, subdivisions 1 and 4a; 626A.11, subdivisions 1 and 2; 626A.12, subdivision 1; 626A.17; 626A.35; 626A.36; 626A.37; 626A.38, subdivision 1; 626A.39, by adding a subdivision; and 626A.40; Laws 1988, chapter 577, section 63; proposing coding for new law in Minnesota Statutes, chapters 8, 388, 609, and 626A; repealing Minnesota Statutes 1988, sections 626A.12, subdivision 1a; 626A.22; 626A.23; 626A.24; and 626A.38, subdivision 5; Laws 1988, chapter 577, section 62.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Decker	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
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.

H.F. No. 1150: 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; regulating classification of and access to certain data and meetings; 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 13.02, subdivision 9; 13.10, subdivision 1; 13.32, subdivisions 3 and 5; 13.41, by adding a subdivision; 13.46, subdivision 8; 13.64; 13.82, subdivisions 8 and 10; 16A.055, subdivision 1; 144.581, by adding a subdivision; 245.94, subdivision 1; 260.161, subdivision 3; and 340A.503, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 13.

Mr. Peterson, R.W. moved that H.F. No. 1150, No. 4 on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

S.F. No. 1081: A bill for an act relating to courts; providing for a study by the supreme court of racial bias in the judicial system; appropriating money.

Was read the third time 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	Metzen	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.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

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.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Moe, D.M.	Reichgott
Anderson	Davis	Knaak	Moe, R.D.	Samuelson
Beckman	Decker	Kroening	Morse	Schmitz
Belanger	DeCramer	Laidig	Novak	Solon
Benson	Dicklich	Lantry	Olson	Spear
Berg	Diessner	Lessard	Pariseau	Storm
Berglin	Frank	Luther	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Marty	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	McGowan	Peterson, R.W.	Vickerman
Brandl	Freeman	McQuaid	Piper	Waldorf
Brataas	Gustafson	Mehrkens	Pogemiller	
Chmielewski	Hughes	Merriam	Purfeerst	
Cohen	Johnson, D.E.	Metzen	Ramstad	

Messrs. Frederick, Knutson, Larson and Renneke voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 431: A bill for an act relating to public safety; regulating the operation and operators of elevators; imposing penalties; appropriating money; 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.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	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	

So the bill passed and its title was agreed to.

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.

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 63 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Ramstad
Anderson	Davis	Johnson, D.J.	Mehrkens	Reichgott
Beckman	Decker	Knaak	Metzen	Renneke
Belanger	DeCramer	Knutson	Moe, R.D.	Samuelson
Benson	Dicklich	Kroening	Morse	Schmitz
Berg	Diessner	Laidig	Novak	Solon
Berglin	Frank	Langseth	Olson	Storm
Bernhagen	Frederick	Lantry	Pariseau	Stumpf
Bertram	Frederickson, D.J.	Larson	Pehler	Taylor
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Vickerman
Brataas	Freeman	Luther	Peterson, R.W.	Waldorf
Chmielewski	Gustafson	Marty	Piper	
Cohen	Hughes	McGowan	Pogemiller	

Messrs. Merriam; Moe, D.M.; Purfeerst and Spear voted in the negative.

So the resolution passed and its title was agreed to.

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.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Kroening	Metzen	Renneke
Anderson	Davis	Laidig	Moe, D.M.	Samuelson
Beckman	Decker	Langseth	Moe, R.D.	Schmitz
Belanger	DeCramer	Lantry	Olson	Solon
Benson	Dicklich	Larson	Pariseau	Storm
Berg	Diessner	Lessard	Pehler	Stumpf
Bernhagen	Frederick	Luther	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Marty	Peterson, R.W.	Vickerman
Brataas	Freeman	McGowan	Pogemiller	Waldorf
Chmielewski	Johnson, D.J.	McQuaid	Purfeerst	
Cohen	Knaak	Mehrkens	Ramstad	

Those who voted in the negative were:

Berglin	Gustafson	Merriam	Novak	Reichgott
Brandl	Hughes	Morse	Piper	Spear
Frank	Knutson			

So the bill passed and its title was agreed to.

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.

Was read the third time 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	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	Diessner	Langseth	Morse	Schmitz
Berglin	Frank	Lantry	Novak	Solon
Bernhagen	Frederick	Larson	Olson	Spear
Bertram	Frederickson, D.R.	Lessard	Pariseau	Storm
Brandl	Freeman	Luther	Pehler	Stumpf
Brataas	Gustafson	Marty	Peterson, D.C.	Taylor
Chmielewski	Hughes	McGowan	Peterson, R.W.	Vickerman
Cohen	Johnson, D.E.	McQuaid	Piper	Waldorf

So the bill passed and its title was agreed to.

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.

Mr. Frank moved that H.F. No. 564, No. 16 on the Calendar, be stricken and placed at the top of General Orders.

CALL OF THE SENATE

Mr. Johnson, D.J. imposed a call of the Senate for the balance of the proceedings on H.F. No. 564. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Mr. Frank.

The roll was called, and there were yeas 24 and nays 41, as follows:

Those who voted in the affirmative were:

Berglin	Diessner	Kroening	Novak	Reichgott
Brandl	Frank	Lantry	Peterson, D.C.	Samuelson
Cohen	Freeman	Luther	Peterson, R.W.	Solon
Dahl	Hughes	Merriam	Piper	Spear
Dicklich	Johnson, D.J.	Metzen	Pogemiller	

Those who voted in the negative were:

Adkins	Chmielewski	Knaak	Moe, D.M.	Schmitz
Anderson	Davis	Knutson	Moe, R.D.	Storm
Beckman	Decker	Laidig	Morse	Stumpf
Belanger	DeCramer	Langseth	Olson	Taylor
Benson	Frederick	Larson	Pariseau	Vickerman
Berg	Frederickson, D.J.	Lessard	Pehler	
Bernhagen	Frederickson, D.R.	McGowan	Purfeerst	
Bertram	Gustafson	McQuaid	Ramstad	
Brataas	Johnson, D.E.	Mehrkens	Renneke	

The motion did not prevail.

H.F. No. 564 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 45 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Knaak	Mehrkens	Ramstad
Beckman	Decker	Knutson	Moe, D.M.	Renneke
Belanger	DeCramer	Laidig	Moe, R.D.	Schmitz
Benson	Frederick	Langseth	Morse	Storm
Berg	Frederickson, D.J.	Larson	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Lessard	Pariseau	Taylor
Bertram	Gustafson	Luther	Pehler	Vickerman
Brataas	Hughes	McGowan	Peterson, R.W.	Waldorf

Those who voted in the negative were:

Berglin	Diessner	Lantry	Peterson, D.C.	Solon
Brandl	Frank	Marty	Piper	Spear
Cohen	Freeman	Merriam	Pogemiller	
Dahl	Johnson, D.J.	Metzen	Reichgott	
Dicklich	Kroening	Novak	Samuelson	

So the bill passed and its title was agreed to.

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.

Was read the third time 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
Anderson	Decker	Knutson	Metzen	Ramstad
Beckman	DeCramer	Kroening	Moe, D.M.	Reichgott
Belanger	Dicklich	Laidig	Moe, R.D.	Renneke
Benson	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.	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. 890: A bill for an act relating to judicial administration; providing for the transfer of 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 state funding of the trial court information system; 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; providing for conciliation court fees and transferring certain fees to the state; 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; 273.1398, subdivision 2; 352.01, subdivision 2b; 353.01, subdivision 2a; 357.021, subdivisions 1a, 2, and 4; 357.08; 466.01, subdivision 6; 477A.012, by adding a subdivision; 480.058; 480.235; 484.545, subdivisions 1 and 2; 484.64, subdivision 3; 484.65, subdivision 3; 484.68, subdivision 5; 485.018, subdivision 5; 487.31, subdivision 1; 488A.119; 488A.14, subdivision 1; 488A.17, subdivision 2; 488A.31, subdivision 1; 488A.34, subdivision 2; 525.033; and 611.26, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 357; 480; and 611; repealing Minnesota Statutes 1988, sections 383B.63, subdivisions 4 and 5; 487.31, subdivision 4; 525.012, subdivisions 1, 2, 3, and 4; 611.12; and 611.214; and Laws 1975, chapter 258, section 6, subdivisions 1, 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Pogemiller
Anderson	Decker	Knaak	Merriam	Ramstad
Beckman	DeCramer	Knutson	Metzen	Reichgott
Belanger	Dicklich	Kroening	Moe, D.M.	Renneke
Benson	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	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.

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 Order of Business of Messages From the House. The motion prevailed.

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. 95, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 95 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON 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.

May 10, 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. 95, 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. 95 be further amended as follows:

Page 3, delete lines 11 to 14

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) David T. Bishop, Randy C. Kelly, Kathleen Vellenga

Senate Conferees: (Signed) Donna C. Peterson, Donald M. Moe, William V. Belanger, Jr.

Ms. Peterson, D.C. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 95 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. 95 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	Johnson, D.E.	Mehrrens	Piper
Anderson	Decker	Knaak	Merriam	Pogemiller
Beckman	Dicklich	Knutson	Metzen	Ramstad
Belanger	Diessner	Laidig	Moe, R.D.	Reichgott
Benson	Frank	Lantry	Morse	Renneke
Berg	Frederick	Larson	Novak	Samuelson
Berglin	Frederickson, D.J.	Lessard	Olson	Schmitz
Bernhagen	Frederickson, D.R.	Luther	Pariseau	Storm
Bertram	Freeman	Marty	Pehler	Taylor
Brataas	Gustafson	McGowan	Peterson, D.C.	Vickerman
Dahl	Hughes	McQuaid	Peterson, R.W.	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on S.F. No. 1625 at 4:40 p.m.:

Messrs. Waldorf, Dicklich, Taylor, DeCramer and Mrs. Brataas. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 1734 at 4:40 p.m.:

Messrs. Johnson, D.J.; Brandl; Novak; Pogemiller and Stumpf. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Spear moved that the following members be excused for a Conference Committee on S.F. No. 139 at 4:45 p.m.:

Messrs. Spear, Cohen and Knaak. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Spear moved that the following members be excused for a Conference Committee on H.F. No. 59 at 6:00 p.m.:

Messrs. Spear, Cohen, Luther, McGowan and Ms. Peterson, D.C. The motion prevailed.

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. 166, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 166 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 166

A bill for an act relating to state agencies; providing that certain information submitted to department of transportation is public data; providing for development of internal auditing standards; classifying certain internal auditing data as other than public; 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; providing for suspension of registration of interstate authority for failure to maintain insurance; amending Minnesota Statutes 1988, sections 13.72, by adding subdivisions; 16A.055, subdivision 1; 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 by adding a subdivision; and 221.60, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 13; 65B; and 221.

May 18, 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. 166, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendments and that H.F. No. 166 be further amended as follows:

Page 2, after line 7, insert:

“Sec. 3. [65B.135] [LIMOUSINE INSURANCE.]

An insurer who provides insurance for limousines, defined in section 168.011, subdivision 35, shall provide insurance in a minimum aggregate amount of \$300,000 per accident for each limousine covered.”

Page 2, line 24, after "drivers" insert "*and certification by the owner that an insurance policy in an aggregate amount of \$300,000 per accident is in effect for the entire period of the registration under section 3*"

Page 4, after line 20, insert:

"Sec. 9. Minnesota Statutes 1988, section 221.031, subdivision 2a, is amended to read:

Subd. 2a. [PRIVATE AGRICULTURAL CARRIERS.] (a) Notwithstanding the provisions of subdivision 2, private carriers engaged in intrastate commerce and operating vehicles transporting agricultural and other farm products within an area having a 50-mile radius from the business location of the private carrier must comply only with the commissioner's rules for safety of operations and equipment, *except as provided in paragraph (b).*

(b) *A rear-end dump truck or other rear-unloading truck while being used for hauling agricultural and other farm products from a place of production or on-farm storage site to a place of processing or storage, is not subject to any rule of the commissioner, including a federal regulation adopted by reference, requiring rear-end protection.*"

Renumber the sections in sequence

Correct internal references

Amend the title:

Page 1, line 5, after "registration" insert "and insurance"

Page 1, line 16, after the semicolon insert "exempting farm trucks from rear-end protection requirements;"

Page 1, line 20, delete the first "subdivision" and insert "subdivisions 2a and"

Page 1, line 24, delete "chapter" and insert "chapters 65B and"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Harold Lasley, Peter Rodosovich, Joyce Henry

Senate Conferees: (Signed) Steven G. Novak, Phyllis W. McQuaid, Marilyn M. Lantry

Mr. Novak moved that the foregoing recommendations and Conference Committee Report on H.F. No. 166 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion did not prevail.

Mr. Merriam moved that the recommendations and Conference Committee Report on H.F. No. 166 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration. The motion prevailed.

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. 162, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 162 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 162

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.

May 18, 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. 162, 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. 162 be further 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 insurance 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.]

An insurer, insurance agent, or insurance-support organization must not 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 4, 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 4 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 must 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 that supplied the information, must be disclosed in the manner required under section 9, subdivision 3.

Subd. 6. [OTHER COMPANIES OR AGENTS ACTING ON THEIR 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 must 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 to collect 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 must 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 to collect 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 to collect information in connection with a claim for benefits under an insurance policy, the authorization must 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; NONINSURERS.] 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 before 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 must 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 must 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 must 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 to conduct 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 to report claims experience or conduct an audit of the insurer's or agent's operations or services, if 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 to review the service or conduct of a health care institution or health professional that the insurer has reason to believe has violated its 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 to review 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 is liable to the aggrieved person for damages sustained by the person as a result of the violation. In addition, the court may award punitive damages in an amount not to exceed \$50,000.

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. Insurers may use, until July 1, 1990, notices that are in substantial compliance with this section that have not been approved by the commissioner of commerce."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Wesley J. Skoglund, John Burger, Howard Orenstein

Senate Conferees: (Signed) John J. Marty, Michael O. Freeman

Mr. Marty moved that the foregoing recommendations and Conference Committee Report on H.F. No. 162 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion did not prevail.

Mr. Frederick moved that the recommendations and Conference Committee Report on H.F. No. 162 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration. The motion prevailed.

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. 811, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 811 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 811

A bill for an act relating to natural resources; changing certain provisions relating to the taking of turtles; amending Minnesota Statutes 1988, sections 97A.475, subdivision 41; 97C.605, subdivisions 2 and 3; and 97C.611; repealing Minnesota Statutes 1988, section 97C.615.

May 17, 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. 811, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Thomas W. Pugh, Bob Johnson, Charlie Weaver

Senate Conferees: (Signed) Charles A. Berg, Pat Piper, Dennis R. Frederickson

Mr. Berg moved that the foregoing recommendations and Conference Committee Report on H.F. No. 811 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. 811 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 45 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Frederickson, D.R.	Marty	Pehler
Anderson	Cohen	Freeman	McGowan	Piper
Beckman	Dahl	Gustafson	McQuaid	Ramstad
Belanger	Davis	Hughes	Mehrkens	Reichgott
Benson	Decker	Johnson, D.E.	Metzen	Renneke
Berg	Diessner	Knutson	Moe, R.D.	Schmitz
Berglin	Frank	Langseth	Morse	Solon
Bernhagen	Frederick	Larson	Olson	Storm
Bertram	Frederickson, D.J.	Luther	Pariseau	Vickerman

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 700, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 700 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 700

A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability, age, political affiliation, membership or lack of membership in a labor union, 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.

May 16, 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. 700, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment adopted May 1, 1989,

and that the Senate recede from the amendment adopted May 5, 1989, and that H.F. No. 700 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 609.2231, is amended by adding a subdivision to read:

Subd. 4. [ASSAULTS MOTIVATED BY BIAS.] (a) Whoever assaults another because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) Whoever violates the provisions of paragraph (a) within five years of a previous conviction under paragraph (a) 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.

Sec. 2. Minnesota Statutes 1988, section 609.595, is amended by adding a subdivision to read:

Subd. 1a. [CRIMINAL DAMAGE TO PROPERTY IN THE SECOND DEGREE.] (a) Whoever intentionally causes damage described in subdivision 2, paragraph (a), because of the property owner's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin is guilty of a felony and may be sentenced to imprisonment for not more than one year and a day or to payment of a fine of not more than \$3,000, or both.

(b) In any prosecution under paragraph (a), the value of property damaged by the defendant in violation of that paragraph within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 3. Minnesota Statutes 1988, section 609.595, subdivision 2, is amended to read:

Subd. 2. [CRIMINAL DAMAGE TO PROPERTY IN THE ~~SECOND~~ THIRD DEGREE.] (a) Except as otherwise provided in section 2, whoever intentionally causes damage to another person's physical property without the other person's consent may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the damage reduces the value of the property by more than \$250 but not more than \$500 as measured by the cost of repair and replacement.

(b) Whoever intentionally causes damage to another person's physical property without the other person's consent because of the property owner's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the damage reduces the value of the property by not more than \$250.

(c) In any prosecution under paragraph (a), the value of property damaged by the defendant in violation of that ~~clause~~ paragraph within any six-month period may be aggregated and the defendant charged accordingly

in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 4. Minnesota Statutes 1988, section 609.595, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL DAMAGE TO PROPERTY IN THE ~~THIRD~~ FOURTH DEGREE.] Whoever intentionally causes damage described in subdivision 2 under any other circumstances is guilty of a misdemeanor.

Sec. 5. Minnesota Statutes 1988, section 609.605, is amended by adding a subdivision to read:

Subd. 3. [TRESPASSES MOTIVATED BY BIAS.] *Whoever commits an act described in subdivision 1, clause (13), because of the property owner's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.*

Sec. 6. Minnesota Statutes 1988, section 609.746, is amended by adding a subdivision to read:

Subd. 3. [INTRUSION ON PRIVACY; AGGRAVATED VIOLATION.] *Whoever commits an act described in subdivision 2 because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin, may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.*

Sec. 7. Minnesota Statutes 1988, section 609.79, is amended by adding a subdivision to read:

Subd. 1a. [OBSCENE OR HARASSING TELEPHONE CALLS; AGGRAVATED VIOLATIONS.] *(a) Whoever commits an act described in subdivision 1 because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.*

(b) Whoever commits an act described in subdivision 1 by falsely impersonating another with intent to harass, abuse, or threaten that person or another, may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 8. Minnesota Statutes 1988, section 609.795, is amended to read:

609.795 [LETTER, TELEGRAM, OR PACKAGE; OPENING; HARASSMENT.]

Subdivision 1. [MISDEMEANORS.] Whoever does any of the following is guilty of a misdemeanor:

(1) knowing that the actor does not have the consent of either the sender or the addressee, intentionally opens any sealed letter, telegram, or package addressed to another; or

(2) knowing that a sealed letter, telegram, or package has been opened without the consent of either the sender or addressee, intentionally publishes

any of the contents thereof; or

(3) with the intent to harass, abuse, or threaten, repeatedly uses the mails or delivers letters, telegrams, or packages.

Subd. 2. [GROSS MISDEMEANORS.] (a) Whoever commits an act described in subdivision 1, clause (3), because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) Whoever commits an act described in subdivision 1, clause (3), by falsely impersonating another with intent to harass, abuse, or threaten that person or another, may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 9. Minnesota Statutes 1988, section 626.5531, subdivision 2, is amended to read:

Subd. 2. [USE OF INFORMATION COLLECTED.] The head of a local law enforcement agency or state law enforcement department that employs peace officers licensed under section 626.843 must file a monthly report describing crimes reported under this section with the department of public safety, bureau of criminal apprehension. The commissioner of public safety must summarize and analyze the information received and file an annual report with the department of human rights and the legislature. The commissioner may include information in the annual report concerning any additional criminal activity motivated by bias that is not covered by this section.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 8 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 crimes; increasing penalties for certain crimes when committed because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability, age, 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; authorizing the commissioner of public safety to report on additional bias-motivated criminal activity not covered by the bias crime reporting law; 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; 609.795; and 626.5531, subdivision 2."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Lee Greenfield, Richard H. Jefferson

Senate Conferees: (Signed) Linda Berglin, Allan H. Spear, Howard A. Knutson

Ms. Berglin moved that the foregoing recommendations and Conference Committee Report on H.F. No. 700 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. 700 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 40 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Freeman	Marty	Piper
Anderson	Dahl	Gustafson	McGowan	Ramstad
Belanger	Davis	Hughes	McQuaid	Renneke
Benson	Decker	Johnson, D.E.	Mehrkens	Samuelson
Bernhagen	Diessner	Knutson	Moe, R.D.	Schmitz
Bertram	Frederick	Langseth	Morse	Spear
Brandl	Frederickson, D.J.	Larson	Olson	Storm
Chmielewski	Frederickson, D.R.	Luther	Pariseau	Vickerman

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Lessard moved that the following members be excused for a Conference Committee on H.F. No. 66 at 5:00 p.m.:

Messrs. Lessard, Knaak, Purfeerst, Mrs. Lantry and Ms. Peterson, D.C. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Peterson, R.W. moved that the following members be excused for a Conference Committee on H.F. No. 654 at 5:15 p.m.:

Mr. Peterson, R.W.; Ms. Peterson, D.C.; Messrs. Pehler, DeCramer and Hughes. The motion prevailed.

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. 1160, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1160 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON 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.

May 17, 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. 1160, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1160 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [124.85] [ENERGY EFFICIENCY PROJECTS.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) “*Energy conservation measure*” means a training program or facility alteration designed to reduce energy consumption or operating costs and includes:

- (1) *Insulation of the building structure and systems within the building;*
- (2) *Storm windows and doors, caulking or weatherstripping, multiglazed windows and doors, heat absorbing or heat reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;*
- (3) *Automatic energy control systems;*
- (4) *Heating, ventilating, or air conditioning system modifications or replacements;*
- (5) *Replacement or modifications of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless such increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made;*
- (6) *Energy recovery systems;*
- (7) *Cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings;*
- (8) *Energy conservation measures that provide long-term operating cost reductions.*

(b) “*Guaranteed energy savings contract*” means a contract for the evaluation and recommendations of energy conservation measures, and for one or more energy conservation measures. The contract must provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time, but not to exceed ten years from the date of final installation, and the savings are guaranteed to the extent necessary to make payments for the systems.

(c) “*Qualified provider*” means a person or business experienced in the design, implementation, and installation of energy conservation measures. A qualified provider to whom the contract is awarded shall give a sufficient bond to the school district for its faithful performance.

Subd. 2. [ENERGY EFFICIENCY CONTRACT.] Notwithstanding any law to the contrary, a school district may enter into a guaranteed energy savings contract with a qualified provider to significantly reduce energy or operating costs.

Before entering into a contract under this subdivision, the board shall provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.

Before installation of equipment, modification, or remodeling, the qualified provider shall first issue a report, summarizing estimates of all costs of installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, or debt service, and estimates of the amounts by which energy or operating costs will be reduced.

Subd. 3. [CONTRACT PROVISIONS.] Guaranteed energy savings contracts that include a written guarantee that savings will meet or exceed the cost of energy conservation measures is not subject to competitive bidding requirements. The contract is not subject to section 123.37 or 471.345.

Subd. 4. [DISTRICT ACTION.] A district may enter into a guaranteed energy savings contract with a qualified provider if, after review of the report, it finds that the amount it would spend on the energy conservation measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over ten years from the date of installation if the recommendations in the report were followed, and the qualified provider provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system. The guaranteed energy savings contract may provide for payments over a period of time, not to exceed ten years.

Subd. 5. [INSTALLATION CONTRACTS.] A school district may enter into an installment payment contract for the purchase and installation of energy conservation measures. The contract must provide for payments of not less than one-tenth of the price to be paid within two years from the date of the first operation, and the remaining costs to be paid monthly, not to exceed a ten-year term from the date of the first operation.

Subd. 6. [CONTRACT CONTINUANCE.] Guaranteed energy savings contracts may extend beyond the fiscal year in which they become effective. The school district shall include in its annual appropriations measure for each later fiscal year any amounts payable under guaranteed energy savings contracts during the year. Failure of a board to make such an appropriation does not affect the validity of the guaranteed energy savings contract or the school district's obligations under the contracts.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after its final enactment."

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; proposing coding for new law in Minnesota Statutes, chapter 124."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Jerry J. Bauerly, Mary Jo McGuire, Bernie

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Senate Conferees: (Signed) David J. Frederickson, James C. Pehler, Fritz Knaak

Mr. Frederickson, D.J. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1160 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. 1160 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 42 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Gustafson	McQuaid	Ramstad
Anderson	Dahl	Hughes	Mehrrens	Renneke
Beckman	Davis	Johnson, D.E.	Moe, D.M.	Schmitz
Belanger	Decker	Knutson	Moe, R.D.	Spear
Benson	Diessner	Langseth	Morse	Storm
Berg	Frank	Larson	Olson	Vickerman
Berglin	Frederick	Luther	Pariseau	
Bernhagen	Frederickson, D.J.	Marty	Piper	
Bertram	Freeman	McGowan	Pogemiller	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1435, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1435 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1435

A bill for an act relating to liquor; authorizing issuance of a certain on-sale license in Todd county.

May 18, 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. 1435, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Richard Krueger, Joel Jacobs, Bob Anderson

Senate Conferees: (Signed) Don Anderson, David J. Frederickson, Charles A. Berg

Mr. Anderson moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1435 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. 1435 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 40 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Frederickson, D.J.	McGowan	Piper
Anderson	Cohen	Freeman	McQuaid	Ramstad
Beckman	Dahl	Johnson, D.E.	Mehrkens	Renneke
Belanger	Davis	Knutson	Moe, D.M.	Schmitz
Benson	Decker	Laidig	Moe, R.D.	Solon
Berg	Diessner	Langseth	Morse	Spear
Bernhagen	Frank	Larson	Olson	Storm
Bertram	Frederick	Luther	Pariseau	Vickerman

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1530, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1530 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1530

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.

May 16, 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. 1530, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1530 be further amended as follows:

Page 2, line 27, delete "*form*" and insert "*from*"

Page 3, line 31, delete "*180*" and insert "*90*"

Page 3, lines 34 and 35, delete "*180 days*" and insert "*until expiration of the notice period*"

Page 3, line 36, delete "*180 days*" and insert "*the notice period*"

Page 4, line 30, delete "*including a sustained drought*"

Page 4, line 31, delete "*in the dealership market area,*"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Bernard L. "Bernie" Lieder, Wally Sparby, Tony L. Bennett

Senate Conferees: (Signed) Robert J. Schmitz, Glen Taylor, David J. Frederickson

Mr. Schmitz moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1530 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Frederick moved that the recommendations and Conference Committee Report on H.F. No. 1530 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration. The motion did not prevail.

The question recurred on the motion of Mr. Schmitz. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1530 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 43 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Knutson	Metzen	Reichgott
Anderson	Cohen	Laidig	Moe, D.M.	Renneke
Beckman	Dahl	Langseth	Moe, R.D.	Schmitz
Belanger	Davis	Larson	Morse	Spear
Benson	Decker	Luther	Olson	Storm
Berg	Frank	Marty	Pariseau	Stumpf
Berglin	Frederickson, D.J.	McGowan	Piper	Vickerman
Bernhagen	Freeman	McQuaid	Pogemiller	
Bertram	Gustafson	Mehrkens	Ramstad	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1016, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1016 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1016

A bill for an act relating to juvenile justice; 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; removing certain limitations on parental liability for thefts by minors; removing a repealer; amending Minnesota Statutes 1988, sections 171.04; 260.195, subdivision 3, and by adding subdivisions; and 332.51, subdivision 3; repealing Laws 1985, chapter 278, section 2.

May 18, 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. 1016, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment adopted pursuant to Rule 49 May 2, 1989, and that H.F. No. 1016 be further amended as follows:

(The text of the amended House File is identical to S.F. No. 1266.)

Page 4, after line 24, insert:

“(c) If the adjudicated petty offender has a driver's license or permit, the court may suspend the driver's license or permit for a period of up to 90 days, but may allow the offender driving privileges as necessary to travel to and from work.”

Page 4, line 25, delete “(c)” and insert “(d)”

Page 4, after line 33, insert:

“Sec. 4. Minnesota Statutes 1988, section 332.51, subdivision 3, is amended to read:

Subd. 3. [LIABILITY OF PARENT OR GUARDIAN.] ~~The provisions of Section 540.18 apply~~ *applies* to this section, *except that recovery is not limited to special damages.*”

Page 4, line 34, delete “4” and insert “5”

Page 5, line 2, delete "5" and insert "6"

Page 5, line 3, delete "3" and insert "4"

Page 5, line 4, after the period, insert "*Section 5 is effective the day following final enactment.*"

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "clarifying parental liability for theft by minors;"

Page 1, line 11, after the semicolon, insert "and 332.51, subdivision 3;"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Connie Morrison, Randy C. Kelly, Thomas W. Pugh

Senate Conferees: (Signed) Richard J. Cohen, Allan H. Spear, Gary W. Laidig

Mr. Cohen moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1016 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. 1016 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 40 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Frederickson, D.J.	Marty	Olson
Anderson	Chmielewski	Freeman	McGowan	Pariseau
Beckman	Cohen	Gustafson	McQuaid	Piper
Belanger	Dahl	Knutson	Mehrkens	Ramstad
Benson	Davis	Laidig	Metzen	Renneke
Berg	Decker	Langseth	Moe, D.M.	Storm
Berglin	Diessner	Larson	Moe, R.D.	Stumpf
Bernhagen	Frank	Luther	Morse	Vickerman

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1618 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1618

A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; requiring studies and reports; fixing and limiting fees; amending Minnesota Statutes 1988, sections 12.14; 41A.09; 43A.08, subdivision 1; 237.30; 341.10; 473.384, subdivision 7; and 473.386, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299C.

May 19, 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. 1618, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1618 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [TRANSPORTATION AND OTHER AGENCIES; APPROPRIATIONS.]

The sums shown in the columns marked “APPROPRIATIONS” are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures “1989,” “1990,” and “1991,” where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1989, June 30, 1990, or June 30, 1991, respectively.

SUMMARY BY FUND

	1990	1991	TOTAL
General	\$ 94,998,000	\$ 94,533,000	\$ 189,531,000
Special Revenue	5,827,000	5,988,000	11,815,000
Airports	14,099,000	13,927,000	28,026,000
M.S.A.S.	76,800,000	78,200,000	155,000,000
C.S.A.H.	237,400,000	242,000,000	479,400,000
Tr. Hwy.	796,051,000	813,602,000	1,609,653,000
Hwy. User	11,047,000	11,287,000	22,334,000
Transit Assistance	23,344,000	23,344,000	46,688,000
Motor Vehicle Transfer	869,000	869,000	1,738,000
Petroleum Cleanup	56,000	56,000	112,000
Transfers to Other			
Direct	(2,789,000)	(2,543,000)	(5,332,000)
TOTAL	\$ 1,257,702,000	\$ 1,281,263,000	\$ 2,538,965,000

APPROPRIATIONS
Available for the Year
Ending June 30
1990 1991

Sec. 2. TRANSPORTATION

Subdivision 1. Total Appropriation	\$1,076,057,000	\$1,101,119,000
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Approved Complement - 4,767

General - 14

State Airports - 40

Trunk Highway - 4,697

Federal - 16

The appropriations in this section are from the trunk highway fund, except where another fund is named.

Summary by Fund

General	\$ 4,205,000	\$ 4,203,000
Airports	\$ 14,099,000	\$ 13,927,000
M.S.A.S.	\$ 76,800,000	\$ 78,200,000
C.S.A.H.	\$237,400,000	\$242,000,000
Trunk Highway	\$734,607,000	\$753,843,000
Transit Assistance Fund	\$ 8,077,000	\$ 8,077,000
Motor Vehicle Transfer	\$ 869,000	\$ 869,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Highway Development	750,467,000	791,014,000
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Summary by Fund

M.S.A.S.	\$ 76,800,000	\$ 78,200,000
C.S.A.H.	\$237,400,000	\$242,000,000
Trunk Highway	\$435,398,000	\$469,945,000
Motor Vehicle Transfer	\$ 869,000	\$ 869,000

(a) Trunk Highways

1990	1991
\$426,816,000	\$426,816,000

Summary by Fund

Trunk Highway	\$425,947,000	\$425,947,000
Motor Vehicle Transfer	\$ 869,000	\$ 869,000

It is estimated that the appropriation from the trunk highway fund will be funded as follows:

Federal Highway Aid	\$210,000,000	\$210,000,000
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Highway User Taxes	\$215,947,000	\$215,947,000
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The commissioner of transportation shall notify the chair of the committee on finance of the senate and chair of the committee on appropriations of the house of representatives promptly of any events that should cause these estimates to change.

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes

the cost of actual payment to landowners for lands acquired for highway right-of-way, payment to lessees, interest subsidies, and relocation expenses.

\$300,000 appropriated by Laws 1988, chapter 603, section 7, paragraph (a), from the highway user tax distribution fund to the transportation study board is available until June 30, 1991.

(b) County State Aids

\$237,400,000 \$242,000,000

This appropriation is from the county state-aid highway fund and is available until spent.

(c) Municipal State Aids

\$ 76,800,000 \$ 78,200,000

This appropriation is from the municipal state-aid street fund and is available until spent.

If an appropriation for either county state aids or municipal state aids does not exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.

(d) Highway Debt Service

\$ 9,451,000 \$ 43,998,000

\$9,057,000 the first year and \$8,704,000 the second year are for transfer to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation.

Any excess appropriation must be canceled to the trunk highway fund.

Subd. 3. Public Transit

Assistance	11,551,000	11,551,000
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Summary by Fund

General	\$ 3,474,000	\$ 3,474,000
Transit Assistance	\$ 8,077,000	\$ 8,077,000

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Up to \$100,000 of this appropriation may be used for a study of transportation services provided by volunteer drivers, including, but not limited to, identification of issues relating to insurance availability and cost. The commissioner shall report the findings of the study to the 1991 legislature.

(a) Light Rail Transit
\$ 3,408,000 \$ 3,408,000

This appropriation is from the transit assistance fund.

A grant for light rail transit service within the seven-county metropolitan area must be made only with the approval of the regional transit board.

(b) Greater Minnesota Transit Assistance
\$ 8,143,000 \$ 8,143,000

\$4,669,000 the first year and \$4,669,000 the second year are from the transit assistance fund.

Subd. 4. Aeronautics	10,031,000	10,181,000
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This appropriation is from the state airports fund.

(a) Airport Development and Assistance
\$ 9,966,000 \$ 10,116,000

\$1,746,000 the first year and \$1,746,000 the second year are for navigational aids.

\$6,039,000 the first year and \$6,089,000 the second year are for airport construction grants.

\$1,773,000 the first year and \$1,773,000 the second year are for airport maintenance grants.

If the appropriation for either year for navigational aids, airport construction

grants, or airport maintenance grants is insufficient, the appropriation for the other year is available for it. The appropriations for construction grants and maintenance grants must be expended only for grant-in-aid programs for airports that are not state owned.

These appropriations must be expended in accordance with Minnesota Statutes, section 360.305, subdivision 4.

The commissioner of transportation may transfer unencumbered balances among the appropriations for airport development and assistance with the approval of the governor after consultation with the legislative advisory commission.

\$8,000 the first year and \$8,000 the second year are for maintenance of the Pine Creek Airport.

\$400,000 the first year and \$500,000 the second year are for air service grants.

(b) Civil Air Patrol

\$ 65,000 \$ 65,000

Subd. 5. Operations

188,268,000 188,336,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Maintenance

\$128,504,000 \$128,544,000

(b) Construction Support

\$ 59,764,000 \$ 59,792,000

Subd. 6. Technical Services

56,173,000 55,393,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Program Delivery

\$ 52,411,000 \$ 51,631,000

\$75,000 the first year and \$75,000 the second year are for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

The department is directed to seek federal funding for all or part of the costs

associated with construction and operation of the cold region test facility. The local road research board may contribute available research funds to the department to further the development of this facility.

(b) State Aid Technical Assistance
 \$ 946,000 \$ 946,000

(c) Electronic Communications
 \$ 2,816,000 \$ 2,816,000

Subd. 7. Program Management 11,817,000 11,175,000

Summary by Fund

General	\$ 684,000	\$ 682,000
Trunk Highway	\$ 7,719,000	\$ 6,969,000
State Airports	\$ 3,414,000	\$ 3,524,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Highway Program Administration
 \$ 1,850,000 \$ 1,850,000

Summary by Fund

General	\$ 75,000	\$ 75,000
Trunk Highway	\$ 1,775,000	\$ 1,775,000

\$243,000 the first year and \$243,000 the second year are available for grants to regional development commissions outside the seven-county metropolitan area for transportation studies to identify critical concerns, problems, and issues.

(b) Motor Carrier Administration
 \$ 1,212,000 \$ 1,212,000

(c) Railroads and Waterways
 \$ 962,000 \$ 961,000

Summary by Fund

General	\$ 237,000	\$ 236,000
Trunk Highway	\$ 725,000	\$ 725,000

(d) Transit Administration
 \$ 597,000 \$ 596,000

Summary by Fund

General	\$ 372,000	\$ 371,000
Trunk Highway	\$ 225,000	\$ 225,000

(e) Aeronautics Administration
 \$ 3,414,000 \$ 3,524,000

This appropriation is from the state airports fund.

(f) Transportation Data Analysis

\$ 3,782,000 \$ 3,032,000

Subd. 8. General Support

Services 38,355,000 33,469,000

Summary by Fund

General	\$ 47,000	\$ 47,000
Airports	\$ 254,000	\$ 222,000
Trunk Highway	\$ 38,054,000	\$ 33,200,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) General Administration

\$ 12,483,000 \$ 12,505,000

(b) General Services

\$ 6,837,000 \$ 5,687,000

Summary by Fund

General	\$ 42,000	\$ 42,000
Airports	\$ 131,000	\$ 120,000
Trunk Highway	\$ 6,664,000	\$ 5,525,000

\$1,375,000 the first year is for data processing development. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

(c) Equipment

\$ 17,815,000 \$ 14,057,000

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Summary by Fund

General	\$ 5,000	\$ 5,000
Airports	\$ 69,000	\$ 48,000
Trunk Highway	\$ 17,741,000	\$ 14,004,000

(d) Legal Services

\$ 1,166,000 \$ 1,166,000

This appropriation is for the purchase of legal services from or through the attorney general.

(e) Air Transportation Services

\$ 54,000 \$ 54,000

This appropriation is from the state airports fund.

Subd. 9. Transfers

The commissioner of transportation with the approval of the commissioner of

finance may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. No transfer may be made from the appropriation for trunk highway development. No transfer may be made from the appropriations for debt service to any other appropriation. Transfers may not be made between funds. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Subd. 10. Contingent Appropriation

The commissioner of transportation, with the approval of the governor after consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation for trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund, or to trunk highway maintenance in order to meet an emergency. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Subd. 11. Buildings 9,395,000

Summary by Fund

Trunk Highway	\$ 8,995,000	\$	-0-
Airports	\$ 400,000	\$	-0-

The appropriations in this subdivision are available the day following final enactment and until spent.

(a) St. Paul Central Office Building 150,000

This appropriation is to prepare, in consultation with the department of administration, alternative building, site, and financing proposals for consideration by the 1990 legislature.

(b) Duluth District Headquarters 3,900,000

This appropriation is to construct an addition for office, shops, and vehicle storage; to remodel and update the four-story office tower; to remove asbestos; to improve mechanical, electrical, fire, and life safety items; and to enlarge the parking lot to accommodate relocated employees.

- (c) Marshall Area Maintenance Building 2,200,000
This appropriation is to construct a new building with space for shops, storage, offices, and support facilities.
- (d) Moorhead Weigh Station 655,000
This appropriation is to construct a scale house, electronic weigh scale platform and pit, and a weighing-in-motion sorter.
- (e) St. Cloud Area Headquarters 90,000
This appropriation is to prepare working drawings for remodeling and construction of an addition to the office areas.
- (f) Maple Grove Truck Station 60,000
This appropriation is to prepare working drawings for construction of an addition to provide space for offices and equipment.
- (g) Detroit Lakes Headquarters 100,000
This appropriation is to prepare working drawings for remodeling and construction of an addition to provide space for offices, shops, and storage.
- (h) Mankato Headquarters 90,000
This appropriation is to prepare working drawings for remodeling and construction of an addition to provide space for offices, shops, and storage.
- (i) Spring Lake Park 55,000
This appropriation is to prepare working drawings for a new equipment storage building.
- (j) Golden Valley Headquarters 50,000
This appropriation is to prepare schematic plans for solving problems related to inadequate space for offices, shops, and storage.
- (k) Arden Hills Training Center 50,000
This appropriation is to prepare schematic plans for remodeling and renovating the center.
- (l) Thief River Falls Government Service Center 100,000
This appropriation is to prepare working drawings for a building to house the resident engineer construction office, the truck station, the state patrol district

office, and the department of natural resources area office.

(m) Statewide

- (1) Remove asbestos from department buildings and reinsulate pipes 250,000
- (2) Replace underground storage tanks or upgrade to EPA standards 750,000
- (3) Construct or remodel chemical storage sheds 405,000
- (4) Acquire land 90,000

This appropriation is to acquire land for truck stations.

(n) St. Paul Downtown Airport 400,000

This appropriation is from the state airports fund to acquire an airplane hangar.

Sec. 3. REGIONAL TRANSIT BOARD

Subdivision 1. Total		
Appropriation	24,923,000	24,923,000

Summary by Fund

General	\$ 9,656,000	\$ 9,656,000
Transit Assistance	\$ 15,267,000	\$ 15,267,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

For the purpose of improving air quality and promoting alternative energy sources in the metropolitan area, the regional transit board shall evaluate and promote the use of vehicles that operate on clean-burning alternative fuels, including natural gas, methanol, and ethanol. The board shall: evaluate the feasibility and effectiveness of using the fuels; review the efforts of other public agencies in the use of the fuels; and examine opportunities and demonstrate, when technically and economically feasible, the use of the fuels in vehicles and buses operated by the board, the metropolitan transit commission, and other transit operators and in the vehicle fleets of other metropolitan agencies. In its 1990 and 1991 reports to the legislature, the board shall include a report on its activities in carrying out

the provisions of this paragraph.

Subd. 2. Regular Route Service
\$ 11,154,000 \$ 11,154,000

Subd. 3. Metro Mobility
\$ 11,500,000 \$ 11,500,000

Subd. 4. Small Urban, Rural, and
Replacement Services
\$ 919,000 \$ 919,000

Subd. 5. Planning and Programs
\$ 900,000 \$ 900,000

Subd. 6. Administration
\$ 450,000 \$ 450,000

Sec. 4. TRANSPORTATION
REGULATION BOARD 629,000 609,000

Approved Complement - 9.5

This appropriation is from the trunk
highway fund.

Sec. 5. PUBLIC SAFETY

Subdivision 1. Total
Appropriation 93,727,000 92,489,000

	1990	1991
Approved Complement -	1,731.9	1,744.9
General -	394.2	397.2
Special Revenue -	22.5	26.5
Trunk Highway -	1,090.8	1,092.8
Highway User -	172.6	172.6
Federal -	51.8	55.8

The above approved complement includes
531 for state-funded, unclassified patrol
officers and supervisors of the state patrol.
Nothing in this provision is intended to
limit the authority of the commissioner
of public safety to transfer personnel, with
the approval of the commissioner of
finance, among the various units and
divisions within this section, provided that
the above complement must be reduced
accordingly.

Summary by Fund

General	\$ 23,971,000	\$ 23,752,000
Trunk Highway	\$ 59,944,000	\$ 58,279,000
Highway User	\$ 10,922,000	\$ 11,162,000
Special Revenue	\$ 1,679,000	\$ 1,839,000
Transfers to Other		
Direct	(\$ 2,789,000)	(\$ 2,543,000)

The amounts that may be spent from this

appropriation for each program are specified in the following subdivisions.

Subd. 2. Administration and Related Services

\$ 5,481,000 \$ 5,066,000

Summary by Fund

General	\$ 53,000	\$ 53,000
Trunk Highway	\$ 5,338,000	\$ 4,923,000
Highway User	\$ 90,000	\$ 90,000

\$967,000 the first year and \$549,000 the second year are for management information systems. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 3. Emergency Management

\$ 955,000 \$ 955,000

\$426,000 the first year and \$426,000 the second year are for nuclear plant preparedness. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 4. Criminal Apprehension

\$ 13,495,000 \$ 13,525,000

Summary by Fund

General	\$ 12,046,000	\$ 12,076,000
Special Revenue	\$ 480,000	\$ 480,000
Trunk Highway	\$ 969,000	\$ 969,000

\$223,000 the first year and \$223,000 the second year are for use by the bureau of criminal apprehension for the purpose of investigating cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$171,000 the first year and \$171,000 the second year are for grants to local officials for the cooperative investigation of cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$384,000 the first year and \$384,000 the second year from the Bureau of Criminal Apprehension Account in the special revenue fund are for laboratory activities.

\$96,000 the first year and \$96,000 the second year from the Bureau of Criminal Apprehension Account in the special revenue fund are for grants to local officials for the cooperative investigation of cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$730,000 the first year and \$730,000 the second year are for the purchase of an automated fingerprint identification system through lease-purchase. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Subd. 5. Fire Safety
\$ 1,898,000 \$ 1,894,000

Subd. 6. State Patrol
\$ 39,050,000 \$ 37,998,000

This appropriation is from the trunk highway fund.

No more than five positions, excluding the chief patrol officer, in the state patrol support activity may be filled by state troopers.

This appropriation includes \$100,000 in the first year from the trunk highway fund to install Minnesota State Emergency Frequency (MINSEF) Base Stations at the following six locations: Dresbach, Hader, Biscay, Truman, Erhard, and Crookston.

The commissioner may purchase other motor fuel when gasohol is not available for the operation of state patrol vehicles.

During the biennium ending June 30, 1991, and notwithstanding other law to the contrary, the commissioner shall authorize the appointing authority to permit the donation of up to eight hours of accumulated vacation time in each year by each employee who is a member of the law enforcement unit number 1 to the employee's union representative for the purpose of carrying out the duties of office.

\$900,000 the first year and \$371,000 the second year from the trunk highway fund are to modernize the metropolitan area

radio communications centers. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Subd. 7. Capitol Security
\$ 1,540,000 \$ 1,572,000

Subd. 8. Driver and Vehicle Licensing
\$ 28,347,000 \$ 28,358,000

Summary by Fund

General	\$ 4,377,000	\$ 4,377,000
Trunk Highway	\$ 14,587,000	\$ 14,389,000
Highway User	\$ 9,383,000	\$ 9,592,000

\$431,000 the first year and \$431,000 the second year are for alcohol assessment reimbursements to counties.

Subd. 9. Liquor Control
\$ 738,000 \$ 738,000

Subd. 10. Ancillary Services
\$ 2,223,000 \$ 2,383,000

Summary by Fund

General	\$ 1,024,000	\$ 1,024,000
Special Revenue	\$ 1,199,000	\$ 1,359,000

(a) Pipeline Safety
\$ 549,000 \$ 709,000

This appropriation is from the pipeline safety account in the special revenue fund. The pipeline safety account is a dedicated receipt account, which means that fee revenue generated in one year does not cancel but is carried forward to the following year.

(b) Crime Victims Reparations Board
\$ 1,390,000 \$ 1,390,000

Summary by Fund

General	\$ 840,000	\$ 840,000
Special Revenue	\$ 550,000	\$ 550,000

The appropriation from the special revenue fund is from the crime victim and witness account. Any unencumbered balance remaining the first year does not cancel but is available for the second year of the biennium.

Notwithstanding any other law to the contrary, the crime victims reparations board shall, to the extent possible, distribute the appropriation in equal monthly increments. In no case shall the total

awards exceed the appropriation made in this subdivision.

(c) Children's Trust Fund
 \$ 100,000 \$ 100,000

This appropriation is from the children's trust fund account in the special revenue fund.

(d) Emergency Response Commission
 \$ 129,000 \$ 129,000

(e) Private Detective and Protective
 Agency Licensing Board
 \$ 55,000 \$ 55,000

Subd. 11. Transfers

The commissioner of public safety with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs within a fund. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Subd. 12. Reimbursements

(a) \$1,340,000 for the first year and \$1,063,000 for the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1990, and January 1, 1991, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

(b) \$455,000 for the first year and \$453,000 for the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1990, and January 1, 1991, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user fund purposes in the administration and related services program.

(c) \$994,000 for the first year and \$1,027,000 for the second year are appropriated from the highway user tax

distribution fund for transfer by the commissioner of finance to the general fund on January 1, 1990, and January 1, 1991, respectively, in order to reimburse the general fund for expenses not related to the fund. These represent amounts appropriated out of the general fund for operation of the criminal justice data network related to driver and motor vehicle licensing.

Sec. 6. BOARD OF PEACE OFFICER STANDARDS AND TRAINING

General Operations and Management	3,600,000	3,600,000
Approved Complement - 11		

These appropriations are from the peace officers training account in the special revenue fund and are available until spent.

Notwithstanding any other law to the contrary, if any presently duly elected sheriff is licensed by the board on July 1, 1989, only as a result of Laws 1987, chapter 358, section 6, the county board of that county may, after notice to the sheriff and a public hearing, declare by resolution that the office of sheriff in that county is vacant, and may schedule a special election to fill that office. Any presently duly elected sheriff who is licensed by the board on July 1, 1989, only as a result of Laws 1987, chapter 358, section 6, may continue to serve in that office without meeting the licensing requirements of the board only until a successor is duly elected at a special election or, if no special election is held, until the expiration of the term for which the sheriff was elected.

Sec. 7. AGRICULTURE

Subdivision 1. Total Appropriation	11,269,000	11,294,000
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	<i>1990</i>	<i>1991</i>
Approved Complement -	474.8	475.8
General -	196.8	197.8
Special/Revolving -	259.7	259.7
Federal -	18.3	18.3

Summary by Fund

General	\$ 11,084,000	\$ 11,109,000
Special Revenue	\$ 185,000	\$ 185,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Protection Service
\$ 4,269,000 \$ 4,269,000

Subd. 3. Promotion and Marketing
\$ 757,000 \$ 757,000

\$200,000 the first year and \$200,000 the second year are for transfer to the Minnesota grown account.

\$100,000 the first year and \$100,000 the second year is appropriated under Minnesota Statutes, section 41A.09, subdivision 1, to the commissioner of agriculture to promote the use of ethanol fuel. This appropriation is in addition to the other appropriations in section 41A.09.

Subd. 4. Family Farm Security
\$ 1,559,000 \$ 1,559,000

\$962,000 the first year and \$962,000 the second year are for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. No new loans may be approved in fiscal year 1990 or 1991.

\$300,000 the first year and \$300,000 the second year are for farm crisis assistance.

Subd. 5. Administrative Support and Grants
\$ 4,684,000 \$ 4,709,000

Summary by Fund

General	\$ 4,499,000	\$ 4,524,000
Special Revenue	\$ 185,000	\$ 185,000

\$185,000 the first year and \$185,000 the second year are from the commodities research and promotion account in the special revenue fund.

\$200,000 the first year and \$200,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture. If a project cost is more than \$25,000, the amount above \$25,000 must be cost-shared at a state-applicant ratio of one to one. Priorities must be given for projects involving multiple parties. Up to \$20,000 each year

may be used for dissemination of information about the demonstration grant projects.

\$73,000 the first year and \$73,000 the second year are for the Northern Crops Institute. These appropriations, and money granted to the Northern Crops Institute for fiscal year 1989, may be spent to purchase equipment and are available until spent.

\$31,000 the first year and \$31,000 the second year are for payment of claims relating to livestock damaged by endangered animal species. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$10,000 the first year and \$10,000 the second year are for payment of claims relating to agricultural crops damaged by elk.

\$103,000 the first year and \$103,000 the second year are for the seaway port authority of Duluth.

Subd. 6. Transfers

The commissioner of agriculture with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 8. WORLD TRADE CENTER CORPORATION

1,350,000

800,000

This appropriation includes \$450,000 in the first year to cover part of the cost of conducting the World Assembly in Minnesota in 1990. It is the intent of the legislature that the World Trade Center Corporation secure an additional \$300,000 from sources other than state funds to cover the cost of conducting this event. The corporation shall report the results of its efforts to the legislature by January 15, 1991.

Any unencumbered balance remaining in fiscal year 1989 does not cancel but is available for fiscal year 1990 and any

unencumbered balance remaining in fiscal year 1990 does not cancel but is available for fiscal year 1991.

Sec. 9. BOARD OF WATER AND SOIL RESOURCES

4,948,000

4,948,000

Approved Complement - 25

\$10,000 the first year and \$10,000 the second year are for the International Water Coalition.

\$978,000 the first year and \$978,000 the second year are for general purpose grants to soil and water conservation districts, including conservation tillage and review and comment on water permits. Upon approval of the board, expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts.

\$199,000 the first year and \$199,000 the second year are for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for flood plain management.

\$1,501,000 the first year and \$1,501,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management.

The appropriations in this section for the southern Minnesota river basin study area 2 and for grants to soil and water districts for cost-sharing contracts for erosion control and water quality management are available until expended.

\$159,000 the first year and \$159,000 the second year are for grants-in-aid to soil and water conservation districts and local units of government to assist them in solving sediment and erosion control problems. Grants must not exceed 50 percent of total project costs or 50 percent of the local share if federal money is used. Priority must be given to projects designed to solve lakeshore, stream bank, and roadside erosion and to projects eligible for federal matching money.

\$175,000 the first year and \$175,000 the second year are for comprehensive local water planning.

\$902,000 the first year and \$902,000 the

\$ 56,000 \$ 56,000

This appropriation is from the Petroleum Tank Release Cleanup Fund for administration.

Subd. 5. Administrative Services

\$ 1,602,000 \$ 1,637,000

Subd. 6. Enforcement and Licensing

\$ 2,632,000 \$ 2,633,000

Summary by Fund

General	\$ 2,334,000	\$ 2,334,000
Special Revenue	\$ 298,000	\$ 299,000

\$298,000 the first year and \$299,000 the second year are from the real estate education, research, and recovery account in the special revenue fund for the purpose of Minnesota Statutes, section 82.34, subdivision 6. If the appropriation from the special revenue fund for either year is insufficient, the appropriation for the other year is available for it.

Subd. 7. Transfers

The commissioner with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Up to \$50,000 may be used to study the cost effectiveness of care provided by members of the healing arts, as defined in Minnesota Statutes, chapter 146. The commissioner shall report the findings to the legislature by January 1, 1990.

Sec. 12. NON-HEALTH-RELATED BOARDS

Subdivision 1. Total for this section	964,000	955,000
Subd. 2. Board of Abstractors	9,000	8,000
Subd. 3. Board of Accountancy	358,000	358,000
Approved Complement - 5		
Subd. 4. Board of Architecture, Engineering, Land Surveying, and Landscape Architecture	411,000	403,000
Approved Complement - 6.5		

Subd. 5. Board of Barber Examiners	127,000	127,000
Approved Complement - 2.5		
Subd. 6. Board of Boxing	59,000	59,000
Approved Complement - 1.5		
Sec. 13. PUBLIC UTILITIES COMMISSION	2,060,000	2,050,000
Approved Complement - 39		

Notwithstanding Minnesota Statutes, section 216B.243, subdivision 6, for any certificate of need application for expansion of the storage capacity for spent nuclear fuel rods, the commission and department shall assess actual amounts billed by the office of administrative hearings and up to \$300,000 of reasonable costs of the commission and department pursuant to Minnesota Statutes, section 216B.62, subdivision 6, during the biennium, subject to the limitations of Minnesota Statutes, section 216B.62, subdivision 2.

Sec. 14. PUBLIC SERVICE

Subdivision 1. Total Appropriation	6,577,000	6,581,000
Approved Complement - 141.8		
General - 124.3		
Special Revenue - 7.5		
Federal - 10.0		

Summary by Fund

General	\$ 6,512,000	\$ 6,516,000
Special Revenue	\$ 65,000	\$ 65,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Utility Regulation
\$ 1,974,000 \$ 1,974,000

Subd. 3. Weights and Measures
\$ 1,973,000 \$ 1,977,000

Subd. 4. Administrative Services
\$ 665,000 \$ 665,000

Subd. 5. Energy
\$ 1,965,000 \$ 1,965,000

Summary by Fund

General	\$ 1,900,000	\$ 1,900,000
Special Revenue	\$ 65,000	\$ 65,000

Subd. 6. Transfers

The department of public service, with the approval of the commissioner of finance, may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations in the house of representatives.

Sec. 15. RACING COMMISSION	930,000	935,000
Approved Complement - 9.5		
General - 8		
Special Revenue - 1.5		
Sec. 16. ETHICAL PRACTICES BOARD	277,000	276,000
Approved Complement - 6		
Sec. 17. MINNESOTA MUNICIPAL BOARD	252,000	253,000
Approved Complement - 4		
Sec. 18. MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION	111,000	115,000
Sec. 19. UNIFORM LAWS COMMISSION	17,000	17,000
Sec. 20. VOYAGEUR'S NATIONAL PARK CITIZENS COMMITTEE	71,000	71,000

Notwithstanding other law to the contrary, the citizen's council on Voyageurs National Park is extended until June 30, 1991.

Sec. 21. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation	11,521,000	11,943,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

This appropriation includes funds to continue the copying and cataloguing of Hubert H. Humphrey Film Archives material as determined by the society.

The society may cooperate with the supreme court to ensure that the marble fountain which occupied space in the former mechanic arts high school building is installed in the judicial building, using funds included in the supreme court appropriation for this purpose.

The appropriation in this section includes no money for compensation increases. The Minnesota historical society is eligible for a salary supplement in the same manner as state agencies. The commissioner of finance will determine the amount of the salary supplement based on available appropriations. Employees of the Minnesota historical society will be paid in accordance with the appropriate pay plan.

Subd. 2. Minnesota Historical Society Operations	6,706,000	6,711,000
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Any unencumbered balance remaining at the end of the first year must be returned to the state treasury and credited to the general fund.

Subd. 3. Historic Site Operations	3,178,000	3,198,000
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\$20,000 the first year and \$40,000 the second year are to restore and operate the Meighen store in Forestville state park.

Subd. 4. State History Center	379,000	941,000
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Notwithstanding any other law to the contrary, unencumbered balances from appropriations in Minnesota Session Laws 1983, chapter 344, section 13, are reappropriated to the Minnesota historical society for the state history center building and exhibit construction purposes. The Minnesota historical society shall report to the chair of the senate committee on finance and the chair of the house of representatives committee on appropriations on expenditures made under this subdivision. The purpose of the reappropriation is to cover existing projects and not to cover expansion of projects.

Subd. 5. Repair and Replacement	454,000	454,000
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If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 6. Historic Grant-In-Aid	367,000	292,000
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(a) Historic Preservation
 \$ 295,000 \$ 265,000

For historic site grants to encourage local historic preservation projects.

To be eligible for a grant, a county or local project group must provide a 50

percent match, in accordance with the historical society's guidelines.

Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$30,000 the first year is for a grant to the city of Little Falls to preserve a railroad depot designed by Cass Gilbert.

(b) Archaeology
\$ 27,000 \$ 27,000

(c) Special Projects
\$ 45,000

This appropriation is available until expended for the following purposes: \$15,000 to the Southwest Regional Development Commission for the Prairieland Expo Center for project assistance; \$25,000 to the Leech Lake Band of Chippewa Indians for project planning assistance relating to Battle Point; and \$5,000 to Houston county to relocate the Mayville town hall.

Subd. 7. Fiscal Agent	437,000	347,000
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(a) Sibley House Association
\$ 93,000 \$ 93,000

This appropriation is available for operation and maintenance of the Sibley House and related buildings on the Old Mendota state historic site owned by the Sibley House association.

The historical society should seek an agreement with the Sibley House association whereby the historical society will make payments to the association for this purpose and will provide the association with technical assistance in applying for federal grants.

Notwithstanding any other law, the Sibley House association may purchase fire, wind, hail, and vandalism insurance, and insurance coverage for fine art objects from this appropriation.

\$20,000 the first year and \$20,000 the second year are for repairs and are available as approved by the Minnesota historical society working in cooperation with the Sibley House Association.

The Minnesota historical society shall study and report to the governor and the

legislature by July 1, 1990, on the ownership and management of the Sibley house historic site, which includes the Sibley, Faribault, and Du Puis houses. The purpose of the study is to prepare for transferring these properties to the state for inclusion in the state's historic site network. The study must include the governance of the site, funding needed to repair and restore the site, restoration priorities, funding needed to operate the site, and ownership of the collections. The study must contain joint recommendations of the society and the association regarding these issues as well as a recommendation on when the site should be turned over to the state. Recommendations for funding must be included in the 1992-1993 biennial budget request.

(b) Minnesota Humanities Commission
\$ 147,000 \$ 147,000

(c) Minnesota International Center
\$ 78,000 \$ 38,000

\$40,000 the first year is to be divided equally by the Minnesota International Center among school districts participating in the U.S.- U.S.S.R. high school academic program and must be used to help pay the cost of sending Minnesota students to study in the Soviet Union.

(d) Minnesota Military Museum
\$ 30,000

(e) Minnesota Air National Guard Museum
\$ 20,000

(f) Government Learning Center
\$ 69,000 \$ 69,000

This appropriation is for Project 120.

(g) Balances Forward

Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

Sec. 22. BOARD OF THE ARTS 4,164,000 4,164,000

1990

Approved Complement - 16
General - 13
Federal - 3

\$1,382,000 the first year and \$1,382,000

the second year are for the support of regional arts councils throughout the state.

Any unencumbered balance remaining in this section the first year does not cancel but is available for the second year of the biennium.

Sec. 23. MINNESOTA HORTICULTURAL SOCIETY	68,000	68,000
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The appropriation in Laws 1978, chapter 793, section 24, for the garden state project may also be spent for the Minnesota Green project.

Sec. 24. MINNESOTA ACADEMY OF SCIENCE	28,000	28,000
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Sec. 25. SCIENCE MUSEUM OF MINNESOTA	638,000	638,000
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Sec. 26. MINNESOTA SAFETY COUNCIL	71,000	71,000
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This appropriation is from the trunk highway fund and includes \$20,000 each year for state involvement in the National Safety Kids campaign, to reduce childhood accidental injury and death resulting from vehicle traffic or related causes.

Sec. 27. VETERANS OF FOREIGN WARS	31,000	31,000
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For carrying out the provisions of Laws 1945, chapter 455.

Sec. 28. MILITARY ORDER OF THE PURPLE HEART	10,000	10,000
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Sec. 29. GENERAL CONTINGENT ACCOUNTS	325,000	325,000
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The appropriations in this section may only be spent with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Summary by Fund

Trunk Highway Fund	
\$ 200,000	\$ 200,000

Highway User Tax Distribution Fund	
\$ 125,000	\$ 125,000

Sec. 30. TORT CLAIMS	600,000	600,000
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To be spent by the commissioner of finance.

This appropriation is from the trunk highway fund.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 31. [SPECIAL GREAT RIVER ROAD ACCOUNT.]

Subdivision 1. [ACCOUNT CREATED.] There is created in the state treasury a special Great River Road account, consisting of money credited under subdivision 2.

Subd. 2. [ACCOUNT FUNDED.] Notwithstanding Minnesota Statutes, section 297B.09 or other law, in the fiscal year ending June 30, 1990, the first \$750,000 that would otherwise be credited to the highway user tax distribution fund under Minnesota Statutes, section 297B.09, must be set aside and credited to the special Great River Road account created in subdivision 1.

Subd. 3. [DISTRIBUTION OF ACCOUNT.] The commissioner shall distribute money in the special Great River Road account and provide for distribution of money in the fund for the development of the Great River Road established under Minnesota Statutes, section 161.142. In providing assistance to any political subdivision, the commissioner shall follow the general policy of the Mississippi River parkway commission and shall give principal consideration on how the project would promote public safety, recreation, travel, trade, and the general welfare of the state. Priority should be given to new construction of the Great River Road system, to projects that provide local or federal matching assistance, and to projects for which highway user tax distribution funds are not available.

Subd. 4. [TERMINATION OF ACCOUNT.] The account created in subdivision 1, expires June 30, 1991. The state treasurer shall credit all undistributed money in the account on that date to the highway user tax distribution fund.

Subd. 5. [REPEALER.] This section is repealed effective July 1, 1991.

Sec. 32. [CONSTRUCTION OF EXIT ON T.H. 65.]

The commissioner of transportation shall construct by January 1, 1990, an exit from marked trunk highway No. 65 in Anoka county, within one-fourth mile of the intersection of the highway with marked trunk highway No. 242 and Anoka county highway No. 14, under the following conditions:

(1) the exit has been studied and approved for safety purposes by a qualified consultant;

(2) the exit must be constructed to state standards;

(3) the cost of the project must be paid by Anoka county; and

(4) the exit will be removed at no cost to the state if necessitated by a reconstruction of the intersection of marked trunk highway No. 65 with marked trunk highway No. 242 and Anoka county highway No. 14.

Sec. 33. [EXCHANGE OF INTERESTS IN LANDS.]

(a) The commissioner of transportation shall convey to the regional

railroad authority of St. Louis and Lake counties a 25-foot wide easement for railroad purposes lying generally southerly and southeasterly of the northbound lane of marked interstate highway 35 between 10th Avenue West and 5th Avenue East in Duluth. The easement must include two spur lines in the vicinity of the Duluth steam plant and a crossover connection, approximately 1,000 feet in length, in the vicinity of 9th Avenue West. This crossover connection is intended to allow a reconnection of railroad track with the Lake Superior Museum of Transportation. The commissioner shall also convey easements necessary to provide a continuous 25-foot wide easement for railroad purposes lying generally southeasterly and easterly of the northbound lane of marked interstate highway 35 between 14th Avenue East and 26th Avenue East in Duluth. The commissioner of transportation shall maintain a temporary construction easement as required to complete the marked interstate highway 35 extension, provided the easement does not interfere with operation of the railroad after June 1, 1990.

As consideration, the St. Louis and Lake counties regional railroad authority shall grant to either the department of transportation or the department of natural resources an option to establish an easement for a multiuse recreation trail along the regional rail authority-owned railway right-of-way between the municipalities of Duluth and Two Harbors. This easement must begin at a point east of the Lester River (Milepost 8) and shall continue to the Two Harbors Depot (Milepost 26.5).

The conveyances of the exchanged properties must be in a form approved by the attorney general. The regional rail authority and commissioner of transportation shall provide complete and accurate property descriptions of the lands to be exchanged.

The rail authority retains the right to determine where on their right-of-way this easement may be granted and may impose restrictions or alterations if it determines that the recreational trail interferes with the operation of the railroad right-of-way or any of its revenue-related uses.

This easement is conveyed exclusively to the regional railroad authority and is terminated if the line is abandoned.

(b) This section is effective the day following final enactment.

Sec. 34. [COMMISSIONER TO ACT AS AGENT.]

The commissioner of transportation shall act as agent for the Bois Fort Indian Reservation in the use of federal demonstration funds and state matching funds for the design and construction of a proposed highway project in the Lake Vermillion Indian Reservation Recreational Complex as authorized in the Surface Transportation and Uniform Relocation Assistance Act of 1987, Public Law Number 100-17.

Sec. 35. [REPORT ON CERTAIN SPECIAL TRANSPORTATION SERVICES.]

Subdivision 1. [SUBJECT.] The commissioner of the state planning agency shall report to the legislature, by January 1, 1990, on: (1) providing special transportation services in the metropolitan area for persons traveling on a regular basis, using standing orders or guaranteed trip requests, to or from public or private human services agencies or jobs and training agencies that generate a large number of such trip requests; and (2) related issues as the commissioner deems appropriate.

Subd. 2. [RECOMMENDATIONS.] The report shall include recommendations on:

(1) a service plan that describes a method or methods of providing the services and an estimate of costs for the services;

(2) the appropriate responsibility of governmental and other agencies and programs for planning, arranging, providing, and financing the services;

(3) the sources and amounts of public or other funding available for the services, apart from the funds available to the regional transit board, and a method or methods of providing the public or other funding required to subsidize the services; and

(4) an adequate and coordinated program to train persons to use regular route transit.

Subd. 3. [COMMUNITY INVOLVEMENT.] The commissioner 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.

Sec. 36. Minnesota Statutes 1988, section 12.14, is amended to read:

12.14 [ASSESSMENT FOR NUCLEAR SAFETY PREPAREDNESS ACT.]

Any person, firm, corporation, or association in the business of owning or operating a nuclear fission electrical generating plant located in Minnesota, shall pay an assessment to cover the cost of nuclear power plant emergency response plans and other programs necessary to deal with incidents resulting from the operation of nuclear fission electrical generating plants. An assessment of ~~\$137,500~~ \$177,500 per plant shall be paid to the commissioner of public safety on July 1 of each year.

Sec. 37. Minnesota Statutes 1988, section 41A.09, is amended to read:

41A.09 [ETHANOL DEVELOPMENT FUND.]

Subdivision 1. [FUND CREATED APPROPRIATION.] ~~An ethanol development fund is created as a separate fund in the state treasury. The department of revenue shall administer the fund. The fund~~ A sum sufficient to make the payments required by this section is annually appropriated from the general fund to the commissioner of revenue ~~for the purposes of this section~~ and all money so appropriated is available until expended.

Subd. 2. [DEFINITION.] For purposes of this section "ethanol" means agriculturally derived fermentation ethyl alcohol of a purity of at least 99 percent, determined without regard to any added denaturants, denatured in conformity with one of the approved methods set forth by the United States Department of Treasury, Bureau of Alcohol, Tobacco and Firearms, and derived from the following agricultural products: potatoes, cereal, grains,

cheese whey, or sugar beets.

Subd. 3. [PAYMENTS FROM FUND.] The commissioner of revenue shall make cash payments ~~from the development fund~~ to producers of ethanol or agricultural grade alcohol, for use as a motor fuel, located in the state. The amount of the payment for each producer's annual production shall be as follows:

(a) For each gallon of ethanol produced:

(1) For the period beginning July 1, 1986, and ending June 30, 1987, 15 cents per gallon;

(2) For the period beginning July 1, 1987, and ending June 30, 2000, 20 cents per gallon.

(b) For each gallon produced of agricultural grade alcohol of a purity of at least 50 percent but not more than 90 percent and designed to be used in conjunction with diesel fuel in an engine's internal combustion process, for the period beginning July 1, 1987, and ending June 30, 2000, 11 cents per gallon.

The total payments from the fund to all producers may not exceed \$200,000 during the period beginning July 1, 1986, and ending June 30, 1987, and may not exceed \$10,000,000 in any fiscal year during the period beginning July 1, 1987, and ending June 30, 2000. Total payments to any producer from the fund in any fiscal year may not exceed \$3,000,000.

By the last day of October, January, April, and July, each producer shall file a claim for payment for production during the preceding three calendar months. The volume of production must be verified by a certified financial audit performed by an independent certified public accountant using generally accepted accounting procedures.

Payments shall be made November 15, February 15, May 15, and August 15.

Subd. 4. [RULEMAKING AUTHORITY.] The commissioner shall adopt emergency and permanent rules to implement this section.

Subd. 5. [EXPIRATION.] This section expires July 1, 2000, and ~~all money in the fund~~ *the unobligated balance of each appropriation under this section* on that date reverts to the general fund.

Subd. 6. [CONTINUED PAYMENTS.] A plant in production or under construction by January 1, 1990, shall continue to receive uninterrupted payments under subdivision 3 of at least 20 cents per gallon of ethanol produced until July 1, 2000.

Sec. 38. 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) *one position in the hazardous substance notification and response activity in the department of public safety; and*

(r) employees unclassified pursuant to other statutory authority.

Sec. 39. Minnesota Statutes 1988, section 168.123, subdivision 2, is amended to read:

Subd. 2. [DESIGN.] The commissioner of veterans affairs shall design the special plates, subject to the approval of the registrar, that satisfy the following requirements:

(a) For a Vietnam veteran who served after July 1, 1961, and before July

1, 1978, the special plates must bear the inscription "VIETNAM VET" and the letters "V" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(b) For a veteran stationed on the island of Oahu, Hawaii, or offshore, during the attack on Pearl Harbor on December 7, 1941, the special plates must bear the inscription "PEARL HARBOR SURVIVOR" and the letters "P" and "H" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(c) For a veteran who served during World War I or World War II, the special plates must bear the inscription "WORLD WAR VET" and:

(1) for a World War I veteran, the characters "W" and "I" with the first character directly above the second character and both characters just preceding the first numeral of the special license plate number; or

(2) for a World War II veteran, the characters "W" and "II" with the first character directly above the second character and both characters just preceding the first numeral of the special license plate number.

(d) For a veteran who served during the Korean Conflict, the special plates must bear the inscription "KOREAN VET" and the letters "K" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(e) For a combat wounded veteran who is a recipient of the purple heart medal, the special plates must bear the inscription "COMBAT WOUNDED VET" and inscribed with a facsimile of the official purple heart medal and the letters "c" over "w" with the first letter directly over the second letter just preceding the first numeral of the special license plate number.

Sec. 40. Minnesota Statutes 1988, section 168.33, subdivision 2, is amended to read:

Subd. 2. [POWERS.] The registrar shall have the power to appoint, hire and discharge and fix the compensation of the necessary employees, in the manner provided by law, as may be required to enable the registrar to properly carry out the duties imposed by the provisions of this chapter. As of April 14, 1976, the registrar may appoint, and for cause discontinue, a deputy registrar for any city as the public interest and convenience may require, without regard to whether the county auditor of the county in which the city is situated has been appointed as the deputy registrar for the county or has been discontinued as the deputy registrar for the county, and without regard to whether the county in which the city is situated has established a county license bureau which issues motor vehicle licenses as provided in section 373.32.

Effective August 1, 1976, the registrar may appoint, and for cause discontinue, a deputy registrar for any city as the public interest and convenience may require, if the auditor for the county in which the city is situated chooses not to accept appointment as the deputy registrar for the county or is discontinued as a deputy registrar, or if the county in which the city is situated has not established a county license bureau which issues motor vehicle license as provided in section 373.32. Any person appointed by the registrar as a deputy registrar for any city shall be a resident of the county in which the city is situated.

The registrar may appoint, and for cause discontinue, the county auditor

of each county as a deputy registrar. Upon approval of the county board, the auditor, with the approval of the director of motor vehicles, may appoint, and for cause discontinue, the clerk or equivalent officer of each city or any other person as a deputy registrar as public interest and convenience may require, regardless of the appointee's county of residence. Notwithstanding any other provision, a person other than a county auditor or a director of a county license bureau, who was appointed by the registrar before August 1, 1976, as a deputy registrar for any city, may continue to serve as deputy registrar and may be discontinued for cause only by the registrar. The county auditor who appointed the deputy registrars shall be responsible for the acts of deputy registrars appointed by the auditor. Each such deputy, before entering upon the discharge of duties, shall take and subscribe an oath to faithfully discharge the duties and to uphold the laws of the state. If a deputy registrar appointed hereunder is not an officer or employee of a county or city, such deputy shall in addition give bond to the state in the sum of \$10,000, or such larger sum as may be required by the registrar, conditioned upon the faithful discharge of duties as deputy registrar. A corporation governed by chapter 302A may be appointed a deputy registrar. Upon application by an individual serving as a deputy registrar and the giving of the requisite bond as provided in subdivision 2, personally assured by the individual or another individual approved by the commissioner of public safety, a corporation named in an application shall become the duly appointed and qualified successor to the deputy registrar. Each deputy registrar appointed hereunder shall keep and maintain, in a convenient public place within or in close proximity to the place for which appointed, a registration and motor vehicle tax collection bureau, to be approved by the registrar, for the registration of motor vehicles and the collection of motor vehicle taxes thereon. The deputy registrar shall keep such records and make such reports to the registrar as that officer, from time to time, may require. Such records shall be maintained at the facility of the deputy registrar. The records and facilities of the deputy registrar shall at all times be open to the inspection of the registrar or the registrar's agents. The deputy registrar shall report to the registrar by the next working day following receipt all registrations made and taxes and fees collected by the deputy registrar. The filing fee imposed pursuant to subdivision 7 shall be deposited in the treasury of the place for which appointed, or if not a public official, such deputy shall retain the filing fee, but the registration tax and any additional fees for delayed registration the deputy registrar has collected the deputy registrar shall deposit by the next working day following receipt in an approved state depository to the credit of the state through the state treasurer. The place for which the deputy registrar is appointed through its governing body shall provide the deputy registrar with facilities and personnel to carry out the duties imposed by this subdivision if such deputy is a public official. In all other cases, the deputy shall maintain a suitable facility for serving the public.

Sec. 41. Minnesota Statutes 1988, section 168.33, subdivision 7, is amended to read:

Subd. 7. [FEES.] In addition to all other statutory fees and taxes, a filing fee of ~~\$3.25~~ \$3.50 is imposed on every application; except that a filing fee may not be charged for a document returned for a refund or for a correction of an error made by the department or a deputy registrar. The filing fee shall be shown as a separate item on all registration renewal notices sent out by the department of public safety. No filing fee or other fee may be charged for the permanent surrender of a certificate of title and

license plates for a motor vehicle.

Sec. 42. Minnesota Statutes 1988, section 173.25, is amended to read:
173.25 [AVAILABILITY OF FEDERAL AID.]

The commissioner of transportation shall not expend money for the acquisition of advertising devices controlled under this chapter, except those for which acquisition proceedings were begun before June 8, 1979 or for which federal money has been appropriated by Congress and the federal share has been made available to the commissioner. No advertising device legal under Laws 1971, chapter 883, shall be required to be removed or relocated until payment as provided in Laws 1971, chapter 883, is tendered by the commissioner of transportation. *No further state funds shall be used for any existing or proposed acquisitions other than those funds necessary to obtain full federal participation in the acquisition proceeding pursuant to United States Code, title 23, "Highways."*

Sec. 43. Minnesota Statutes 1988, section 237.30, is amended to read:
237.30 [TELEPHONE INVESTIGATION REVOLVING FUND.]

The sum of \$25,000 is hereby appropriated out of any moneys in the state treasury not otherwise appropriated, to establish and provide a revolving fund to be known as the Minnesota Telephone Investigation Fund for the use of the department of public service and of the attorney general in investigations, valuations, and revaluations under section 237.295. All sums paid by the telephone companies *to reimburse the department of public service for its expenses* pursuant to section 237.295 shall be credited to the revolving fund and shall be deposited in a separate bank account and not commingled with any other state funds or moneys, but any balance in excess of \$25,000 in the revolving fund at the end of each fiscal year shall be paid into the state treasury and credited to the general fund. The sum of \$25,000 herein appropriated and all subsequent credits to said revolving fund shall be paid upon the warrant of the commissioner of finance upon application of the department or of the attorney general to an aggregate amount of not more than one-half of such sums to each of them, which proportion shall be constantly maintained in all credits and withdrawals from the revolving fund.

Sec. 44. [299C.23] [CONTINUING EDUCATION FEES.]

The commissioner of public safety may charge tuition to cover the cost of continuing education courses provided by the bureau of criminal apprehension when money available to the commissioner for this purpose is not adequate to pay these costs. The tuition fees collected are appropriated to the commissioner.

Sec. 45. Minnesota Statutes 1988, section 341.10, is amended to read:
341.10 [LICENSE FEES.]

The board shall have authority to collect and require the payment of a license fee in an amount set by the board from the owners of franchises or licenses. *Notwithstanding section 16A.128, subdivision 1a, the fee is not subject to approval by the commissioner of finance and need not recover all costs.* The board shall require the payment of the fee at the time of the issuance of the license or franchise to the owner. The moneys so derived shall be collected by the board and paid to the state treasurer. The board shall have authority to license all boxers, managers, seconds, referees and

judges and may require them to pay a license fee. All moneys collected by the board from such licenses shall be paid to the state treasurer.

Sec. 46. Minnesota Statutes 1988, section 373.35, subdivision 1, is amended to read:

Subdivision 1. The county auditor shall serve as the director of the county license bureau or, if the auditor chooses not to serve, the county board shall appoint any other county officer or employee, or any other person, to serve as the director upon the terms and conditions the county board deems advisable. The county board shall set the compensation of the director and may provide for the expenses of the office including the premium of any bond required to be furnished by the director. The director shall have the powers and duties imposed on the county officer who previously had the authority to issue or process the application for any license referred to in section 373.32.

Notwithstanding section 168.33, subdivision 2, the commissioner of public safety may appoint, and for cause discontinue, the director as the deputy registrar of motor vehicles in the county. If appointed a deputy registrar the director shall have the same authority as a county auditor to appoint one or more deputy registrars as provided in section 168.33, subdivision 2. *If the director is a deputy registrar, all provisions of section 168.33 and Minnesota Rules, chapter 7406, apply to a county license bureau.*

Sec. 47. Minnesota Statutes 1988, section 473.384, subdivision 7, is amended to read:

Subd. 7. [MTC IMPACT ASSESSMENT.] Prior to entering into a contract for operating assistance with a recipient other than the transit commission the board shall evaluate the effect, if any, of the contract on the ridership, routes, schedules, fares, and staffing levels of the existing and proposed service provided by the commission. A copy of the assessment must be provided to the commission. The board may enter into the contract only if it determines that the service to be assisted under the contract will not impose an undue hardship on the ridership or financial condition of the commission, ~~or cause the dismissal of persons that are employed by the commission.~~ *The requirements of this subdivision do not apply to contracts for assistance to recipients who, as part of a negotiated cost-sharing arrangement with the board, pay a substantial part of the cost of services that directly benefit the recipient as an institution or organization.*

Sec. 48. Minnesota Statutes 1988, section 473.386, subdivision 4, is amended to read:

Subd. 4. [COORDINATION REQUIRED.] The board may not grant any financial assistance to any recipient that proposes to use any part of the grant to provide special transportation service in the metropolitan area unless the program is coordinated with the board's special transportation service in the manner determined by the board. *The board is not required to provide funding for transportation services from a residence to a service site and home again when the services are used by individuals in conjunction with their participation in human service developmental achievement center programs in which transportation to and from the program is a required and funded component of those programs.*

Sec. 49. Minnesota Statutes 1988, section 505.1792, subdivision 1, is amended to read:

Subdivision 1. In order to give supplemental information to the public as to the location of streets, county roads, county state-aid highways, and town roads, and other transportation corridors, and the right of way thereof, the governing body of any city, town, or county may file for record in the office of the county recorder and the registrar of titles of said county such maps or plats showing such information as the governing body shall determine necessary. The map or plat shall be subscribed by the mayor or chair of the governing body and the county surveyor, together with a certified copy of the resolution of the governing body setting forth the necessity for said plat, and shall be entitled to record without compliance with the provisions of this chapter. Any amendments, alterations, or vacations of such maps or plats so filed may be entitled to record in like manner.

Sec. 50. [APPLICABILITY.]

Section 48 is effective January 1, 1990, in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; providing for certain rights-of-way; requiring studies and reports; fixing and limiting accounts and fees; amending Minnesota Statutes 1988, sections 12.14; 41A.09; 43A.08, subdivision 1; 168.123, subdivision 2; 168.33, subdivisions 2 and 7; 173.25; 237.30; 341.10; 373.35, subdivision 1; 473.384, subdivision 7; 473.386, subdivision 4; and 505.1792, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 299C."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Keith Langseth, Clarence M. Purfeerst, James P. Metzen, Lyle G. Mehrkens, Charles A. Berg

House Conferees: (Signed) James I. Rice, Bernard L. Lieder, Henry J. Kalis, John J. Sarna, Virgil J. Johnson

Mr. Langseth moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1618 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Storm moved that the recommendations and Conference Committee Report on S.F. No. 1618 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on S.F. No. 1618. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Mr. Storm.

The roll was called, and there were yeas 14 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Frederick	Knaak	Renneke
Belanger	Dahl	Frederickson, D.R.	Laidig	Storm
Benson	Decker	Gustafson	Ramstad	

Those who voted in the negative were:

Adkins	Davis	Larson	Morse	Solon
Beckman	Diessner	Luther	Novak	Stumpf
Berg	Frederickson, D.J.	Marty	Olson	Vickerman
Berglin	Freeman	McQuaid	Pariseau	
Bertram	Knutson	Mehrkens	Reichgott	
Chmielewski	Kroening	Metzen	Samuelson	
Cohen	Langseth	Moe, R.D.	Schmitz	

The motion did not prevail.

The question recurred on the motion of Mr. Langseth. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1618 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 43 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Freeman	Mehrkens	Ramstad
Beckman	Dahl	Gustafson	Metzen	Reichgott
Belanger	Davis	Knaak	Moe, D.M.	Samuelson
Benson	Decker	Kroening	Moe, R.D.	Schmitz
Berg	Diessner	Langseth	Morse	Solon
Berglin	Frank	Larson	Novak	Stumpf
Bernhagen	Frederick	Luther	Olson	Vickerman
Bertram	Frederickson, D.J.	Marty	Piper	
Chmielewski	Frederickson, D.R.	McQuaid	Pogemiller	

Messrs. Knutson, Laidig, Renneke and Storm voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 104 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

May 17, 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. 104, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 104 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 41B.02, subdivision 12, is amended to read:

Subd. 12. [PRIMARY PRINCIPAL.] "Primary principal" means that portion of the outstanding balance on a loan covered by ~~sections 41B.01 to 41B.23~~ *section 41B.04* that is equal to the current market value of the property secured by the loan.

Sec. 2. Minnesota Statutes 1988, section 41B.02, subdivision 15, is amended to read:

Subd. 15. [SECONDARY PRINCIPAL.] "Secondary principal" means that portion of the ~~principal~~ *outstanding on balance of a restructured loan* covered by ~~sections 41B.01 to 41B.23~~ *section 41B.04* that is in excess of the current market value of the property secured by the loan.

Sec. 3. Minnesota Statutes 1988, section 41B.02, subdivision 18, is amended to read:

Subd. 18. [SELLER-SPONSORED LOAN.] "Seller-sponsored loan" means a loan in which part or all of the price of a farm is financed by a loan from the seller of the farm who is a natural person, a partnership, or a family farm corporation as defined in section 500.24, located in Minnesota. ~~The loan must be secured by a real estate mortgage evidenced by one or more notes that may carry different interest rates or by a contract for deed. The definition of a seller-sponsored loan under this subdivision does not include a loan between persons within the second degree of kindred according to common law. A seller-sponsored loan may not be made to a person who has previously defaulted on a state loan or state guarantee of a loan.~~

Sec. 4. Minnesota Statutes 1988, section 41B.03, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY FOR BEGINNING FARMER LOANS.] In addition to the requirements under subdivision 1, a prospective borrower for a beginning farm loan, ~~including a seller-sponsored loan,~~ in which the authority holds an interest, must:

- (1) have sufficient education, training, or experience in the type of farming for which the loan is desired;
- (2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$100,000;
- (3) demonstrate a need for the loan;
- (4) demonstrate an ability to repay the loan;
- (5) ~~demonstrate~~ *certify* that the agricultural land to be purchased will be used by the borrower for agricultural purposes; ~~and~~
- (6) ~~demonstrate~~ *certify* that farming will be the principal occupation of the borrower-;
- (7) *agree to participate in a farm management program approved by the commissioner of agriculture for at least the first five years of the loan, if an approved program is available within 45 miles from the borrower's residence; and*

(8) agree to file an approved soil and water conservation plan with the soil conservation service office in the county where the land is located.

Sec. 5. Minnesota Statutes 1988, section 41B.03, is amended by adding a subdivision to read:

Subd. 5. [ELIGIBILITY FOR SELLER-SPONSORED LOANS.] In addition to the requirements under subdivision 1, a prospective borrower under the seller-sponsored loan program must either meet the conditions of subdivision 3 if the person is a beginning farmer, or other conditions the authority prescribes if the person is reentering farming through the seller-sponsored loan program.

Sec. 6. Minnesota Statutes 1988, section 41B.039, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The authority may establish, develop criteria, and implement a beginning farmer program. ~~The program may include assistance for persons entering or reentering farming through the use of seller-sponsored loans.~~

Sec. 7. [41B.042] [SELLER-SPONSORED PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The authority must, within 120 days after the effective date of this act, establish, develop criteria, and implement a seller-sponsored loan participation program to assist persons entering or reentering farming. The authority must conduct a study on the feasibility of implementing a program for assistance to persons entering or reentering farming through seller-participation contracts for deed and report to the legislature by January 15, 1990.

Subd. 2. [SECURITY.] Seller-sponsored loans in which the authority holds an interest must be secured by a real estate mortgage evidenced by one or more notes that may carry different interest rates.

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, brother and sister, grandparent and grandchild, uncle or aunt and niece or nephew, or first cousins.

Subd. 4. [PARTICIPATION LIMIT; INTEREST.] The authority may participate in new seller-sponsored loans to the extent of 35 percent of the principal amount of the loan or \$50,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the seller's retained portion of the loan.

Sec. 8. [REPEALER.]

Minnesota Statutes 1988, sections 41B.03, subdivision 4; and 41B.039, subdivisions 3, 4, and 5, are repealed."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Tracy L. Beckman, Charles A. Berg, Jim M. Vickerman

House Conferees: (Signed) Ted Winter, Andy Steensma, Stephen E. Dille

Mr. Beckman moved that the foregoing recommendations and Conference Committee Report on S.F. No. 104 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. 104 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 42 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Freeman	McQuaid	Ramstad
Beckman	Dahl	Gustafson	Mehrkens	Reichgott
Belanger	Davis	Knaak	Moe, D.M.	Renneke
Benson	Decker	Knutson	Moe, R.D.	Samuelson
Berg	Diessner	Laidig	Morse	Schmitz
Berglin	Frank	Langseth	Novak	Vickerman
Bernhagen	Frederick	Larson	Olson	
Bertram	Frederickson, D.J.	Luther	Pariseau	
Chmielewski	Frederickson, D.R.	Marty	Piper	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1358 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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; providing for a study on the effects of a runway expansion at Airlake airport and the use of certain airports to relieve congestion at Minneapolis-St. Paul international airport; amending Minnesota Statutes 1988, sections 473.604, subdivision 1; 473.608, subdivision 1; and 473.621, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 473.

May 18, 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. 1358, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1358 be further 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 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 December 1, 1990, the council shall report to the legislature on the general availability of suitable land for a new airport in and in the area surrounding 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, 3, and 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, 3, and 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, 3, and 4.

Subd. 4. [CONSULTATION.] The metropolitan council and the airports commission shall prepare the plans and reports under sections 1, 3, and 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, 3, and 4, the agencies may begin preparing plans and studies immediately, without waiting for the completion of the inter-agency 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 section 1, subdivision 4; section 3, subdivision 4; and section 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.

(e) The advisory council may gather information, conduct research and analysis, and advise the legislature on matters related to the council's charge.

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, and the pollution control agency, or their designees;

(3) two members of the metropolitan council, appointed by the metropolitan council;

(4) two members of the metropolitan airports commission, appointed by the airports commission;

(5) two representatives of the aviation industry, appointed by the metropolitan council;

(6) six public members who are not eligible for selection under the other clauses of this subdivision, three appointed by the customary appointing authority of each house of the legislature;

(7) a representative of the federal aviation administration, serving as a nonvoting member; and

(8) a person selected by the Minnesota congressional delegation, serving as a nonvoting member.

At least one of the three persons appointed by each house under clause (6) must reside outside of the metropolitan area.

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. Members appointed under subdivision 3, clause (6), are compensated as provided in section 15.0575, subdivision 3.

Subd. 6. [TERMINATION.] The advisory council ceases to exist when the actions required by section 3, subdivision 3, and section 4 are completed.

Sec. 8. [COMPLIANCE WITH OTHER LAWS.]

Nothing in sections 1 to 9 relieves the commission or the council of any duties or responsibilities otherwise imposed by law.

Sec. 9. [APPLICATION.]

Except as otherwise provided in sections 2 and 7, sections 1 to 8 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to metropolitan airport planning; requiring various actions, plans, and reports by the metropolitan council and the metropolitan airports commission; expanding the membership of the commission; establishing a state advisory council on metropolitan airport planning; amending Minnesota Statutes 1988, sections 473.604, subdivision 1; and 473.621, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 473."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Roger D. Moe, John E. Brandl

House Conferees: (Signed) Ann Wynia, Bernard L. "Bernie" Lieder, Ben Boo

Mr. Moe, R.D. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1358 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. 1358 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 44 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Frederickson, D.R.	Luther	Samuelson
Anderson	Chmielewski	Freeman	Marty	Schmitz
Beckman	Cohen	Gustafson	Mehrkens	Solon
Benson	Davis	Johnson, D.E.	Moe, D.M.	Spear
Berg	Decker	Johnson, D.J.	Moe, R.D.	Stumpf
Berglin	Dicklich	Langseth	Morse	Taylor
Bernhagen	Diessner	Lantry	Peterson, D.C.	Vickerman
Bertram	Frederick	Larson	Piper	Waldorf
Brandl	Frederickson, D.J.	Lessard	Purfeerst	

Those who voted in the negative were:

Belanger	Knutson	Metzen	Pogemiller	Storm
Dahl	Laidig	Novak	Ramstad	
Frank	McGowan	Olson	Reichgott	
Knaak	McQuaid	Pariseau	Renneke	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

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 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. 245, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 245 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON 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.

May 17, 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. 245, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Loren G. Jennings, Bob Neuenschwander, Dennis Ozment

Senate Conferees: (Signed) Leroy A. Stumpf, Gregory L. Dahl

Mr. Stumpf moved that the foregoing recommendations and Conference Committee Report on H.F. No. 245 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. 245 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 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Gustafson	McQuaid	Pogemiller
Anderson	Dahl	Johnson, D.E.	Mehrkens	Ramstad
Beckman	Davis	Johnson, D.J.	Metzen	Reichgott
Belanger	Decker	Knaak	Moe, D.M.	Renneke
Benson	Diessner	Knutson	Moe, R.D.	Samuelson
Berg	Frank	Laidig	Morse	Schmitz
Berglin	Frederick	Larson	Novak	Storm
Bernhagen	Frederickson, D.J.	Lessard	Olson	Stumpf
Bertram	Frederickson, D.R.	Luther	Pariseau	Vickerman
Brandl	Freeman	Marty	Piper	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 266, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 266 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON 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.

May 16, 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. 266, 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. 266 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

DEPARTMENT SALES AND SPECIAL TAXES

Section 1. 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 department of revenue*, and the office of the attorney general.

Sec. 2. Minnesota Statutes 1988, section 41A.09, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS FROM FUND.] The commissioner of revenue shall make cash payments from the development fund to producers of ethanol or agricultural grade alcohol, ~~for use as a motor fuel~~, located in the state. The amount of the payment for each producer's annual production shall be as follows:

(a) For each gallon of ethanol produced:

(1) For the period beginning July 1, 1986, and ending June 30, 1987, 15 cents per gallon;

(2) For the period beginning July 1, 1987, and ending June 30, 2000, 20 cents per gallon.

(b) For each gallon produced of agricultural grade alcohol of a purity of at least 50 percent but not more than 90 percent and designed to be used in conjunction with diesel fuel in an engine's internal combustion process, for the period beginning July 1, 1987, and ending June 30, 2000, 11 cents per gallon.

The total payments from the fund to all producers may not exceed \$200,000 during the period beginning July 1, 1986, and ending June 30, 1987, and may not exceed \$10,000,000 in any fiscal year during the period beginning July 1, 1987, and ending June 30, 2000. Total payments to any producer from the fund in any fiscal year may not exceed \$3,000,000.

By the last day of October, January, April, and July, each producer shall file a claim for payment for production during the preceding three calendar months. The volume of production must be verified by a certified financial audit performed by an independent certified public accountant using generally accepted accounting procedures.

Payments shall be made November 15, February 15, May 15, and August 15.

Sec. 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.

Sec. 4. Minnesota Statutes 1988, section 69.54, is amended to read:

69.54 [SURCHARGE ON PREMIUMS TO RESTORE DEFICIENCY IN SPECIAL FUND.]

The commissioner shall order and direct a surcharge to be collected of two percent of the fire, lightning, and sprinkler leakage gross premiums, less return premiums, on all direct business received by any licensed foreign or domestic fire insurance company on property in this city of the first class, or by its agents for it, in cash or otherwise. This surcharge shall be due and payable from these companies to the state treasurer on March 31, May 31, and ~~November 30~~ *October 31* of each calendar year, and if not paid within 30 days after these dates, a penalty of ten percent shall accrue thereon and thereafter this sum and penalty shall draw interest at the rate of one percent per month until paid.

Sec. 5. Minnesota Statutes 1988, section 168.012, subdivision 1, is amended to read:

Subdivision 1. (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by representatives of foreign powers, by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from such institutions;

(3) vehicles owned by nonprofit charities and used exclusively to transport handicapped persons for educational purposes;

(4) vehicles owned and used by honorary consul or consul general of foreign governments.

(b) Vehicles owned by the federal government, municipal fire apparatus, police patrols and ambulances, the general appearance of which is unmistakable, shall not be required to register or display number plates.

(c) Unmarked vehicles used in general police work, arson investigations, and passenger vehicles, station wagons, and buses owned or operated by the department of corrections shall be registered and shall display passenger vehicle classification license number plates which shall be furnished by the registrar at cost. Original and renewal applications for these passenger vehicle license plates authorized for use in general police work and for use by the department of corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the

appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a department of corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the department of revenue in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates which shall be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) All other motor vehicles shall be registered and display tax exempt number plates which shall be furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax exempt number plates shall have the name of the state department or public subdivision on the vehicle plainly displayed on both sides thereof in letters not less than 2-1/2 inches high and one-half inch wide; except that each state hospital and institution for the mentally ill and mentally retarded may have one vehicle without the required identification on the sides of the vehicle. Such identification shall be in a color giving contrast with that of the part of the vehicle on which it is placed and shall endure throughout the term of the registration. The identification must not be on a removable plate or placard and shall be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision.

Sec. 6. Minnesota Statutes 1988, section 270.06, is amended to read:

270.06 [POWERS AND DUTIES.]

The commissioner of revenue shall:

(1) have and exercise general supervision over the administration of the assessment and taxation laws of the state, over assessors, town, county, and city boards of review and equalization, and all other assessing officers in the performance of their duties, to the end that all assessments of property be made relatively just and equal in compliance with the laws of the state;

(2) confer with, advise and give the necessary instructions and directions to local assessors and local boards of review throughout the state as to their duties under the laws of the state;

(3) direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the liability and punishment of public officers and officers and agents of corporations for failure or negligence to comply with the provisions of the laws of this state governing returns of assessment and taxation of property, and cause complaints to be made against local assessors, members of boards of equalization, members of boards of review, or any other assessing or taxing officer, to the proper authority, for their removal from office for misconduct or negligence of duty;

(4) require county attorneys to assist in the commencement of prosecutions in actions or proceedings for removal, forfeiture and punishment for violation of the laws of this state in respect to the assessment and

taxation of property in their respective districts or counties;

(5) require town, city, county, and other public officers to report information as to the assessment of property, collection of taxes received from licenses and other sources, and such other information as may be needful in the work of the department of revenue, in such form and upon such blanks as the commissioner may prescribe;

(6) require individuals, copartnerships, companies, associations, and corporations to furnish information concerning their capital, funded or other debt, current assets and liabilities, earnings, operating expenses, taxes, as well as all other statements now required by law for taxation purposes;

(7) summon witnesses to appear and give testimony, and to produce books, records, papers and documents relating to any tax matter which the commissioner may have authority to investigate or determine. Provided, that any summons which does not identify the person or persons with respect to whose tax liability the summons is issued may be served only if (a) the summons relates to the investigation of a particular person or ascertainable group or class of persons, (b) there is a reasonable basis for believing that such person or group or class of persons may fail or may have failed to comply with any tax law administered by the commissioner, (c) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the summons is issued) is not readily available from other sources, (d) the summons is clear and specific as to the information sought to be obtained, and (e) the information sought to be obtained is limited solely to the scope of the investigation. Provided further that the party served with a summons which does not identify the person or persons with respect to whose tax liability the summons is issued shall have the right, within 20 days after service of the summons, to petition the district court for the judicial district in which lies the county in which that party is located for a determination as to whether the commissioner of revenue has complied with all the requirements in (a) to (e), and thus, whether the summons is enforceable. If no such petition is made by the party served within the time prescribed, the summons shall have the force and effect of a court order;

(8) To cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions in the district court, in any matter which the commissioner may have authority to investigate or determine;

(9) investigate the tax laws of other states and countries and to formulate and submit to the legislature such legislation as the commissioner may deem expedient to prevent evasions of assessment and taxing laws, and secure just and equal taxation and improvement in the system of assessment and taxation in this state;

(10) consult and confer with the governor upon the subject of taxation, the administration of the laws in regard thereto, and the progress of the work of the department of revenue, and furnish the governor, from time to time, such assistance and information as the governor may require relating to tax matters;

(11) transmit to the governor, on or before the third Monday in December of each even-numbered year, and to each member of the legislature, on or

before November 15 of each even numbered year, the report of the department of revenue for the preceding years, showing all the taxable property in the state and the value of the same, in tabulated form;

(12) inquire into the methods of assessment and taxation and ascertain whether the assessors faithfully discharge their duties, particularly as to their compliance with the laws requiring the assessment of all property not exempt from taxation;

(13) exercise and perform such further powers and duties as may be required or imposed upon the commissioner of revenue by law;

(14) promulgate rules having the force and effect of law, for the administration and enforcement of the property tax;

(15) execute and administer any agreement with the secretary of the treasury of the United States regarding the exchange of information and administration of the tax laws of both the United States and the state of Minnesota;

(16) administer and enforce the provisions of sections ~~325.64 to 325.76~~ *325D.30 to 325D.42*, the Minnesota unfair cigarette sales act; and

(17) authorize the use of unmarked motor vehicles to conduct seizures or criminal investigations pursuant to the commissioner's authority.

Sec. 7. 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. 8. 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.

Sec. 9. Minnesota Statutes 1988, section 297.041, subdivision 1, is amended to read:

Subdivision 1. [WHOLESALEERS.] ~~Any~~ A wholesaler who furnishes a surety bond in a sum satisfactory to the commissioner ~~shall be permitted to may set aside, without affixing the stamps required by this chapter, that~~ the part of the wholesaler's stock necessary for the conduct of business in ~~making to make~~ sales to the established governing body of ~~any~~ an Indian tribe recognized by the United States Department of Interior ~~without paying the tax required by this chapter.~~ The unstamped stock shall be kept separate and apart from stamped stock. ~~Every wholesaler shall, at the time of~~ When shipping or delivering ~~any of the~~ unstamped stock to an Indian tribal organization, ~~the wholesaler shall make a true duplicate invoice which shall. The invoice must show the complete details of the sale or delivery and shall transmit. The wholesaler must send the duplicate to the commissioner not later than the 18th day of the following calendar month. Failure If the wholesaler fails to comply with the requirements of this section shall cause,~~ the commissioner ~~to shall~~ revoke the permission granted to the wholesaler to ~~maintain~~ keep a stock of unstamped goods ~~which may be unstamped.~~

Sec. 10. Minnesota Statutes 1988, section 297.041, subdivision 2, is amended to read:

Subd. 2. [RETAILERS.] Retailers who are Indian tribal organizations may ~~maintain~~ keep unstamped stock intended for sale to qualified purchasers.

Sec. 11. Minnesota Statutes 1988, section 297.041, subdivision 4, is amended to read:

Subd. 4. [SALES TO NONQUALIFIED BUYERS.] ~~Any~~ A retailer who sells or otherwise disposes of ~~any~~ unstamped cigarettes other than to a qualified purchaser shall collect from the buyer or transferee the tax imposed by section 297.02, subdivision 1, and remit the tax to the department of revenue at the same time and manner as required by section 297.07. ~~In the event~~ If the retailer fails to collect the tax from the buyer or transferee, or fails to remit the tax, the retailer ~~shall be~~ is personally responsible for the tax and the commissioner may seize any cigarettes destined to be delivered to the retailer. The cigarettes so seized shall be considered contraband and be subject to the procedures outlined in section 297.08, subdivision 3. The proceeds of the sale of ~~any such~~ the cigarettes may, ~~after deducting all costs and expenses,~~ after deducting all costs and expenses, be applied to any tax liability owed by the retailer after deducting all costs and expenses.

~~The provisions of~~ This section ~~shall~~ does not relieve the buyer or possessor of unstamped cigarettes from personal liability for the tax.

Sec. 12. [297.335] [SALES TO INDIAN TRIBES.]

Subdivision 1. [WHOLESALEERS.] A wholesaler may set aside the part of the wholesaler's stock necessary to make sales to the established governing body of an Indian tribe recognized by the United States Department of the Interior without paying the tax required by this chapter. When shipping or delivering untaxed stock to an Indian tribal organization, the wholesaler shall make a true duplicate invoice. The invoice must show the complete details of the sale or delivery. The wholesaler must send the duplicate to the commissioner not later than the 18th day of the following calendar month. If the wholesaler fails to comply with this section, the commissioner shall revoke the permission granted to the wholesaler to keep a stock of untaxed goods.

Subd. 2. [RETAILERS.] Retailers who are Indian tribal organizations may keep untaxed stock intended for sale to qualified purchasers.

Subd. 3. [QUALIFIED PURCHASERS.] A qualified purchaser of untaxed tobacco means only an enrolled member of the Indian tribe offering the tobacco for sale.

Subd. 4. [SALES TO NONQUALIFIED BUYERS.] A retailer who sells or otherwise disposes of untaxed tobacco other than to a qualified purchaser shall collect from the buyer or transferee the tax imposed by this chapter and remit the tax to the department of revenue at the same time and manner as required by this chapter. If the retailer fails to collect the tax from the buyer or transferee, or fails to remit the tax, the retailer is personally responsible for the tax, and the commissioner may seize any tobacco destined to be delivered to the retailer. The procedures for seized contraband outlined in section 297.08, subdivision 3, apply to the seized tobacco. The proceeds of the sale of the tobacco may be applied to any tax liability owed by the retailer after deducting all costs and expenses.

This section does not relieve the buyer or possessor of untaxed tobacco from personal liability for the tax.

Sec. 13. Minnesota Statutes 1988, section 297A.06, is amended to read:
297A.06 [PERMIT.]

After compliance with sections 297A.04 and 297A.28, when security is required, the commissioner shall issue to each applicant a separate permit for each place of business within Minnesota. A permit shall be valid until *canceled or revoked* but shall not be assignable and shall be valid only for the person in whose name it is issued and for the transaction of business at the place designated therein. It shall at all times be conspicuously displayed at the place for which issued.

Sec. 14. [297A.065] [CANCELLATION OF PERMITS.]

The commissioner may cancel a permit when one of the following conditions occurs:

(1) the permit holder has not filed a sales or use tax return for one year or more;

(2) the permit holder has not reported any sales or use tax liability on the permit holder's returns for two or more years; or

(3) the permit holder requests cancellation of the permit.

Sec. 15. Minnesota Statutes 1988, section 297A.17, is amended to read:
297A.17 [TAX TO BE COLLECTED; STATUS AS DEBT.]

The use tax required to be collected by the retailer constitutes a debt owed by the retailer to Minnesota and shall be a debt from the purchaser to the retailer recoverable at law in the same manner as other debts. A retailer who does not maintain a place of business within this state, *as defined in section 297A.21, subdivision 1*, shall not be indebted to Minnesota for amounts of use tax which it was required to collect but did not collect unless the retailer knew or had been advised by the commissioner of its obligation to collect the use tax.

Sec. 16. Minnesota Statutes 1988, section 297A.20, is amended to read:
297A.20 [VIOLATIONS.]

Any person violating ~~sections~~ *section 297A.16, or 297A.18, or 297A.19* shall be guilty of a misdemeanor.

Sec. 17. Minnesota Statutes 1988, section 297A.21, subdivision 4, is amended to read:

Subd. 4. [REQUIRED REGISTRATION BY OUT-OF-STATE RETAILER NOT MAINTAINING PLACE OF BUSINESS IN MINNESOTA.] (a) A retailer making retail sales from outside this state to a destination within this state and not maintaining a place of business in this state shall file an application for a permit pursuant to section 297A.04 and shall collect and remit the use tax as provided in section 297A.16 if the retailer engages in the regular or systematic soliciting of sales from potential customers in this state by:

(1) the distribution, by mail or otherwise, without regard to the state from which such distribution originated or in which the materials were

prepared, of catalogs, periodicals, advertising flyers, or other written solicitations of business to customers in this state;

(2) display of advertisements on billboards or other outdoor advertising in this state;

(3) advertisements in newspapers published in this state;

(4) advertisements in trade journals or other periodicals the circulation of which is primarily within this state;

(5) advertisements in a Minnesota edition of a national or regional publication or a limited regional edition in which this state is included of a broader regional or national publication which are not placed in other geographically defined editions of the same issue of the same publication;

(6) advertisements in regional or national publications in an edition which is not by its contents geographically targeted to Minnesota but which is sold over the counter in Minnesota or by subscription to Minnesota residents;

(7) advertisements broadcast on a radio or television station located in Minnesota; or

(8) any other solicitation by telegraphy, telephone, computer data base, cable, optic, microwave, or other communication system.

(b) The location within or without this state of vendors independent of the retailer which provide products or services to the retailer in connection with its solicitation of customers within this state, including such products and services as creation of copy, printing, distribution, and recording, is not to be taken into account in the determination of whether the retailer is required to collect use tax. Paragraph (a) shall be construed without regard to the state from which distribution of the materials originated or in which they were prepared.

(c) A retailer not maintaining a place of business in this state shall be presumed, subject to rebuttal, to be engaged in regular solicitation within this state if it (1) engages in any of the activities in paragraph (a) and makes 100 or more retail sales from outside this state to destinations within this state during a period of 12 consecutive months-, or (2) makes ten or more retail sales totaling more than \$100,000 from outside this state to destinations within this state during a period of 12 consecutive months.

(d) A retailer not maintaining a place of business in this state shall not be required to collect use tax imposed by any local governmental unit or subdivision of this state and this section does not subject such a retailer to any regulation of any local unit of government or subdivision of this state.

Sec. 18. Minnesota Statutes 1988, section 297A.25, subdivision 11, is amended to read:

Subd. 11. [SALES TO GOVERNMENT.] The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities, the University of Minnesota, state universities, community colleges, technical institutes, state academies, and political subdivisions of the state are exempt. Sales exempted by this subdivision

include sales under section 297A.01, subdivision 3, clause (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities. *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.*

Sec. 19. Minnesota Statutes 1988, section 297A.25, subdivision 16, is amended to read:

Subd. 16. [SALES TO NONPROFIT GROUPS.] The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders, are exempt. Sales exempted by this subdivision include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities. *This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5.*

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 for which registration is required by chapter 168.~~ *Motor vehicle* 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 and motor vehicles that are purchased on Indian reservations where the tribal council has entered into a motor vehicle excise tax refund agreement with the state of Minnesota.~~ *Motor vehicle does not include snowmobiles, house trailers, or manufactured homes.*

Sec. 21. Minnesota Statutes 1988, section 297B.02, subdivision 1, is amended to read:

Subdivision 1. [RATE.] There is imposed an excise tax at the rate provided in chapter 297A on the purchase price of any motor vehicle purchased or acquired, either in or outside of the state of Minnesota, which is required to be registered under the laws of this state.

The excise tax is also imposed on the purchase price of motor vehicles purchased or acquired on Indian reservations when the tribal council has entered into a motor vehicle excise tax refund agreement with the state of Minnesota.

Sec. 22. Minnesota Statutes 1988, section 297B.025, subdivision 2, is amended to read:

Subd. 2. [COLLECTOR VEHICLES.] A passenger automobile that is ~~currently~~ registered under section 168.10, ~~subdivisions~~ *subdivision 1a, 1b, 1c, and 1d, or 1h,* shall be taxed under section 297B.02, subdivision 3, and the registrar shall not designate as an above-market automobile a passenger automobile registered under those subdivisions. *If the vehicle is subsequently registered in another class not under section 168.10, subdivision 1a, 1b, 1c, 1d, or 1h, within one year of the date of registration under those subdivisions, it shall be subject to the full excise tax imposed under subdivision 1.*

Sec. 23. 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.

Sec. 24. [297C.045] [SALES TO INDIAN TRIBES.]

Subdivision 1. [WHOLESALEERS.] A wholesaler may set aside the part

of the wholesaler's stock necessary to make sales to the established governing body of an Indian tribe recognized by the United States Department of the Interior, without paying the tax required by this chapter. When shipping or delivering untaxed stock to an Indian tribal organization, the wholesaler shall make a true duplicate invoice. The invoice must show the complete details of the sale or delivery. The wholesaler must send the duplicate to the commissioner not later than the 18th day of the following calendar month. If a wholesaler fails to comply with the requirements of this section, the commissioner shall revoke the permission granted to the wholesaler to keep a stock of untaxed goods.

Subd. 2. [RETAILERS.] Retailers who are Indian tribal organizations may keep untaxed stock intended for sale to qualified purchasers.

Subd. 3. [QUALIFIED PURCHASERS.] A qualified purchaser of untaxed liquor means only an enrolled member of the Indian tribe that is offering the liquor for sale.

Subd. 4. [SALES TO NONQUALIFIED BUYERS.] A retailer who sells or otherwise disposes of untaxed liquor other than to a qualified purchaser shall collect from the buyer or transferee the tax imposed by this chapter and remit the tax to the department of revenue at the same time and manner as required by this chapter. If the retailer fails to collect the tax from the buyer or transferee, or fails to remit the tax, the retailer is personally responsible for the tax and the commissioner may seize any liquor destined to be delivered to the retailer. The procedures outlined in section 297C.12 apply to the seized liquor. The proceeds of the sale of the liquor may be applied to any tax liability owed by the retailer after deducting all costs and expenses.

This section does not relieve the buyer or possessor of untaxed liquor from personal liability for the tax.

Sec. 25. [297D.085] [CREDIT FOR PREVIOUSLY PAID TAXES.]

If another state or local unit of government has previously assessed an excise tax on the marijuana or controlled substances, the taxpayer must pay the difference between the tax due under section 297D.08 and the tax previously paid. If the tax previously paid to the other state or local unit of government was equal to or greater than the tax due under section 297D.08, no tax is due. The burden is on the taxpayer to show that an excise tax on the marijuana or controlled substances has been paid to another state or local unit of government.

Sec. 26. Minnesota Statutes 1988, section 297D.13, is amended by adding a subdivision to read:

Subd. 4. [POSSESSION OF STAMPS.] A stamp denoting payment of the tax imposed under this chapter must not be used against the taxpayer in a criminal proceeding, except that the stamp may be used against the taxpayer in connection with the administration or civil or criminal enforcement of the tax imposed under this chapter or any similar tax imposed by another state or local unit of government.

Sec. 27. 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. 28. 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. 29. [325D.415] [CIGARETTE DISTRIBUTOR FEES.]

A cigarette distributor as defined in section 297.01, subdivision 7, shall pay to the commissioner an annual fee as follows:

(1) a fee of \$2,500 is due from those distributors whose annual cigarette tax collections exceed \$2,000,000; and

(2) a fee of \$1,200 is due from those distributors whose annual cigarette tax collections are \$2,000,000 or less.

The annual fee must be paid by December 31 of each year. If the fee is not paid when due, the commissioner shall revoke or refuse to issue or renew the license under chapter 297. The annual fee must be deposited into the general fund.

Sec. 30. Minnesota Statutes 1988, section 469.190, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] Notwithstanding section 477A.016 or any other law, a statutory or home rule charter city may by ordinance, and a town may by the affirmative vote of the electors at its the annual town meeting, or at a special town meeting, impose a tax of up to three

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. A statutory or home rule charter city may by ordinance impose the tax authorized under this subdivision on the camping site receipts of a municipal campground.

Sec. 31. 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 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 per cubic yard of waste accepted at the entrance of the facility. *This fee and the tipping fee must be calculated on the same basis.*

(c) 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 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 agency, shall prescribe procedures for determining the amount of waste residue qualifying for exemption.

Sec. 32. [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. 33. [COMPLEMENT INCREASE.]

The special taxes division of the department of revenue is given a complement of two positions for the enforcement of sections 325D.30 to 325D.42.

Sec. 34. [APPROPRIATION.]

\$91,500 is appropriated from the general fund to the commissioner of revenue for the fiscal year ending June 30, 1990, and \$91,500 for fiscal year ending June 30, 1991, for the enforcement of sections 325D.30 to 325D.42.

Sec. 35. [REPEALER.]

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, are repealed.

Sec. 36. [EFFECTIVE DATE.]

Sections 1, 2, 4 to 6, 8 to 14, 16, 17, 20 to 25, 27 to 31, and 35 are effective July 1, 1989. Section 3 is effective for reports filed in 1990 and thereafter. Section 7 is retroactively effective July 1, 1988. Section 15 is retroactively effective June 1, 1988. Sections 18 and 19 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. Section 26 is retroactively effective August 1, 1986. Section 32 is retroactively effective August 1, 1987.

ARTICLE 2

PROPERTY TAXES

Section 1. Minnesota Statutes 1988, section 38.27, subdivision 1, is amended to read:

Subdivision 1. ~~[TAX LEVY; POWERS.] In All counties, in addition to all other powers now or hereafter by law conferred upon county boards, authority hereby is given may annually to levy a tax upon all property subject to taxation and, from time to time, to appropriate and pay over the proceeds of this tax, when collected, to any county agricultural society of its county which is a member of the state agricultural society, to assist the society in paying its financial obligations now or hereafter incurred, and for the construction, reconstruction, alteration, repairs and improvements of necessary buildings.~~

Sec. 2. Minnesota Statutes 1988, section 93.55, subdivision 4, is amended to read:

Subd. 4. After the mineral interest has forfeited to the state pursuant to this section, a person claiming an ownership interest before the forfeiture may recover the fair market value of the interest, either: (1) as an alternative claim raised in the hearing on the order to show cause why the mineral interest should not forfeit absolutely, with fair market value to be determined and paid as provided in this subdivision, or (2) in a separate action brought as follows. An action may be commenced within six years after ~~the forfeiture entry of judgment~~ under this section to determine the ownership and the fair market value of the mineral interests in the property both at the time of forfeiture and at the time of bringing the action. The action shall be brought in the manner provided in chapter 559, for an action to determine adverse claims, to the extent applicable. The person bringing the action shall serve notice of the action on the commissioner of natural resources in the same manner as is provided for service of notice of the action on a defendant. The commissioner may appear and contest the allegations of ownership and value in the same manner as a defendant in such actions. Persons determined by the court to be owners of the interests at the time of forfeiture to the state under this section may present to the commissioner of finance a verified claim for refund of the fair market value of the interest. A copy of the court's decree shall be attached to the claim. Thereupon the commissioner of finance shall refund to the claimant the fair market value at the time of forfeiture, *which is the expiration of the period within which tax forfeiture would not have been possible had the mineral interest been properly and timely filed for record under section 93.52*, or at the time of bringing the action, whichever is lesser, less any taxes, penalties, costs, and interest which could have been collected during the period following the forfeiture under this section, had the interest in minerals been valued and assessed for tax purposes at the time of forfeiture under this section.

There is appropriated from the general fund to the persons entitled to a refund an amount sufficient to pay the refund.

Sec. 3. Minnesota Statutes 1988, section 124.155, subdivision 2, is amended to read:

Subd. 2. [ADJUSTMENT TO AIDS.] The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (a) general education aid authorized in section 124A.23;
- (b) secondary vocational aid authorized in section 124.573;
- (c) special education aid authorized in section 124.32;
- (d) secondary vocational aid for handicapped children authorized in section 124.574;
- (e) aid for pupils of limited English proficiency authorized in section 124.273;
- (f) transportation aid authorized in section 124.225;
- (g) community education programs aid authorized in section 124.271;
- (h) adult education aid authorized in section 124.26;
- (i) early childhood family education aid authorized in section 124.2711;
- (j) capital expenditure aid authorized in sections 124.244 and 124.245;
- (k) homestead credit under section 273.13 for taxes payable in 1989 and *additional homestead and agricultural credit guarantee* under section 273.1398, *subdivision 5*, for taxes payable in 1990 and thereafter;
- (l) agricultural credit under section 273.132 for taxes payable in 1989 and *additional homestead and agricultural credit guarantee* under section 273.1398, *subdivision 5*, for taxes payable in 1990 and thereafter; and
- (m) ~~transition~~ *homestead and agricultural credit* aid and disparity reduction aid authorized in section 273.1398, *subdivision 2*;
- (n) attached machinery aid authorized in section 273.138, subdivision 3.

The commissioner of education shall schedule the timing of the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible.

Sec. 4. Minnesota Statutes 1988, section 124.2139, is amended to read:

124.2139 [REDUCTION OF PAYMENTS TO SCHOOL DISTRICTS.]

The commissioner of revenue shall reduce the homestead credit payments under section 273.13 for fiscal year 1990, *and the sum of the additional homestead and agricultural credit guarantee, and transition homestead and agricultural credit* aid, and disparity reduction aid payments under section 273.1398 for fiscal years 1991 and thereafter made to school districts by the product of:

- (1) the district's fiscal year 1984 payroll for coordinated plan members of the public employees retirement association, times
- (2) the difference between the employer contribution rate in effect prior to July 1, 1984, and the total employer contribution rate in effect after

June 30, 1984.

Sec. 5. Minnesota Statutes 1988, section 256.82, subdivision 1, is amended to read:

Subdivision 1. [MONTHLY PAYMENTS.] For the period from January 1 to June 30, based upon estimates submitted by the county agency to the state agency, which shall state the estimated required expenditures for the succeeding month, upon the direction of the state agency payment shall be made monthly in advance by the state to the counties of all federal funds available for that purpose for such succeeding month, together with an amount of state funds equal to 85 percent of the difference between the total estimated cost and the federal funds so available for payments made except as provided for in section 256.017. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month. Subsequent to July 1 of each year, the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period except as provided for in section 256.017. For the period from July 1 to December 31 based upon the estimates submitted by the county agency to the state agency, which shall state the estimated required expenditures for the succeeding month, upon the direction of the state agency, payment shall be made monthly in advance by the state to the counties of all state and federal funds available for that purpose for the succeeding month except as provided for in section 256.017. Payment shall be made on the basis of federal and state participation rates described in this subdivision. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month. Effective January 1, ~~1989~~ 1990, the state rate of participation shall be determined as a percentage that equals the difference between 100 percent and the percentage rate of federal financial participation.

Sec. 6. Minnesota Statutes 1988, section 256.871, subdivision 6, is amended to read:

Subd. 6. [ESTIMATED EXPENDITURES; PAYMENTS.] The county agency shall submit to the state agency an estimate of expenditures for each succeeding month in such form as required by the state agency. For the period from January 1 to June 30, payment shall be made monthly in advance by the state agency to the counties, of federal funds available for that purpose for each succeeding month, together with an amount of state funds equal to ten percent of the difference between the total estimated cost and the federal funds so available, except as provided for in section 256.017. Subsequent to July 1 of each year the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period, except as provided for in section 256.017. For the period from July 1 to December 31, payment shall be made monthly in advance by the state agency to the counties, of all state and federal funds available for that purpose for the succeeding month, except as provided for in section 256.017. Payment shall be made on the basis of federal and state participation rates described in this subdivision. Effective January 1, ~~1989~~ 1990, the state rate of participation shall be determined as a percentage that equals the difference between 100 percent and the percentage rate of federal financial participation. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month.

Sec. 7. Minnesota Statutes 1988, section 256B.041, subdivision 5, is amended to read:

Subd. 5. [PAYMENT BY COUNTY TO STATE TREASURER.] If required by federal law or rules promulgated thereunder, or by authorized rule of the state agency, each county shall pay to the state treasurer the portion of medical assistance paid by the state for which it is responsible. Effective January 1, ~~1989~~ 1990, the state rate of participation shall be determined as a percentage that equals the difference between 100 percent and the percentage rate of federal financial participation.

For the period from January 1 to June 30, the county shall advance ten percent of that portion of medical assistance costs not met by federal funds, based upon estimates submitted by the state agency to the county agency, stating the estimated expenditures for the succeeding month. Upon the direction of the county agency, payment shall be made monthly by the county to the state for the estimated expenditures for each month. Adjustment of any overestimate or underestimate based on actual expenditures shall be made by the state agency by adjusting the estimate for any succeeding month. Subsequent to July 1 of each year, the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period, except as provided for in section 256.017. For the period from July 1 to December 31, payments will be made by the state agency, except as provided for in section 256.017, and the county agency will be advised of the amounts paid monthly.

Sec. 8. Minnesota Statutes 1988, section 270.071, subdivision 6, is amended to read:

Subd. 6. (a) "Air commerce" means the transportation by aircraft of persons or property for hire in interstate, intrastate, or international transportation on regularly scheduled flights or on intermittent or irregularly timed flights by airline companies operating under authorization from the United States ~~Civil Aeronautics Board~~ *Department of Transportation*.

(b) "Air commerce" also includes but is not limited to an intermittent or irregularly timed flight, a flight arranged at the convenience of an airline and the person contracting for the transportation, or a charter flight. *It includes an airline company making three or more flights in or out of Minnesota during a calendar year.*

(c) "Air commerce" does not include casual transportation for hire by aircraft commonly owned and used for private airflight purposes if the person furnishing the transportation does not hold out to be engaged regularly in transportation for hire.

Sec. 9. Minnesota Statutes 1988, section 270.072, subdivision 2, is amended to read:

Subd. 2. [ASSESSMENT OF FLIGHT PROPERTY.] The flight property of all air carriers operating in Minnesota under a certificate of public convenience and necessity or under authorization from the United States ~~Civil Aeronautics Board~~ *Department of Transportation* shall be assessed annually by the commissioner in the manner prescribed by sections 270.071 to 270.079. Aircraft with a gross weight of less than 30,000 pounds and used on intermittent or irregularly timed flights shall be excluded from the provisions of sections 270.071 to 270.079.

Sec. 10. Minnesota Statutes 1988, section 270.072, subdivision 3, is

amended to read:

Subd. 3. [REPORT BY AIRLINE COMPANY.] Every airline company engaged in air commerce in this state shall file with the commissioner on or before the time fixed by the commissioner a report under oath setting forth specifically the information prescribed by the commissioner to enable the commissioner to make the assessment required in sections 270.071 to 270.079, unless the commissioner determines that the airline company or person should be excluded from filing because its activities do not constitute air commerce as defined herein. *A penalty of five percent of the tax being assessed is imposed on a late filing of the annual report. If the report is not filed within 30 days, an additional penalty of five percent of the assessed tax is imposed for each additional 30 days or fraction of 30 days until the return is filed. The penalty imposed under this section must not exceed the lesser of \$25,000 or 25 percent of the assessed tax.*

Sec. 11. Minnesota Statutes 1988, section 270.075, subdivision 2, is amended to read:

Subd. 2. As soon as practicable and not later than December 1 next following the levy of the tax, the commissioner shall give actual notice to the airline company of the gross tax capacity and of the tax. The taxes imposed under sections 270.071 to 270.079 shall become due and payable on January 1 following the levy thereof. If any tax is not paid on the due date or, if an appeal is made pursuant to section 270.076, within 60 days after notice of an increased tax, a late payment penalty of ~~ten~~ five percent of the unpaid tax shall be assessed. *If the tax remains unpaid for more than 30 days, an additional penalty of five percent of the unpaid tax is imposed for each additional 30 days or fraction of 30 days that the tax remains unpaid. The penalty imposed under this section must not exceed the lesser of \$25,000 or 25 percent of the unpaid tax.* The unpaid tax and penalty shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid until paid. All interest and penalties shall be added to the tax and collected as a part thereof.

Sec. 12. Minnesota Statutes 1988, section 270.12, subdivision 2, is amended to read:

Subd. 2. The board shall meet annually between July 15 and October 1 at the office of the commissioner of revenue and examine and compare the returns of the assessment of the property in the several counties, and equalize the same so that all the taxable property in the state shall be assessed at its market value, subject to the following rules:

(1) The board shall add to the aggregate valuation of the real property of every county, which the board believes to be valued below its market value in money, such percent as will bring the same to its market value in money;

(2) The board shall deduct from the aggregate valuation of the real property of every county, which the board believes to be valued above its market value in money, such percent as will reduce the same to its market value in money;

(3) If the board believes the valuation for a class or classes of the real property of any town or district in any county, or the valuation for a class or classes of the real property of any county not in towns or cities, should be raised or reduced, without raising or reducing the other real property of such county, or without raising or reducing it in the same ratio, the board

may add to, or take from, the valuation of a class or classes in any one or more of such towns or cities, or of the property not in towns or cities, such percent as the board believes will raise or reduce the same to its market value in money;

(4) The board shall add to the aggregate valuation of any class of personal property of any county, town, or city, which the board believes to be valued below the market value thereof, such percent as will raise the same to its market value in money;

(5) The board shall take from the aggregate valuation of any class of personal property in any county, town or city, which the board believes to be valued above the market value thereof, such percent as will reduce the same to its market value in money;

(6) The board shall not reduce the aggregate valuation of all the property of the state, as returned by the several county auditors, more than one percent on the whole valuation thereof;

(7) When it would be of assistance in equalizing values the board may require any county auditor to furnish statements showing assessments of real and personal property of any individuals, firms, or corporations within the county. The board shall consider and equalize such assessments and may increase the assessment of individuals, firms, or corporations above the amount returned by the county board of equalization when it shall appear to be undervalued, first giving notice to such persons of the intention of the board so to do, which notice shall fix a time and place of hearing. The board shall not decrease any such assessment below the valuation placed by the county board of equalization; and

(8) In equalizing values pursuant to this section, the board shall utilize a 12-month assessment/sales ratio study conducted by the department of revenue containing only sales that occurred between October 1 of the year immediately preceding the previous year to September 30 of the previous year. The sales prices used in the study must be discounted for terms of financing. The board shall use the median ratio as the statistical measure of the level of assessment for any particular category of property.

Sec. 13. Minnesota Statutes 1988, section 270.485, is amended to read:
270.485 [SENIOR ACCREDITATION.]

The legislature finds that the property tax system would be enhanced by requiring that every ~~county assessor and~~ senior appraiser in the department of revenue's local government services division obtain senior accreditation from the state board of assessors. *Every senior appraiser, including the department's regional representatives, by January 1, 1990, or in the case of a and every county assessor within one year two years of the first appointment under section 273.061, or by January 1, 1992, whichever is later, every county assessor and senior appraiser, including the department's regional representatives,* must obtain senior accreditation from the state board of assessors. The board shall provide the necessary courses or training. If a department senior appraiser or regional representative fails to obtain senior accreditation by January 1, 1990, the failure shall be grounds for dismissal, disciplinary action, or corrective action. Except as provided in section 273.061, subdivision 2, paragraph (c), after December 30, ~~1989~~ 1991, the commissioner must not approve the appointment of a county assessor who is not senior accredited by the state board of assessors. No employee hired by the commissioner as a senior appraiser or regional

representative after June 30, 1987, shall attain permanent status until the employee obtains senior accreditation.

Sec. 14. 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 a concession in or relative to the use in whole or part of a public park, market, fairgrounds, port authority, economic development authority established under chapter 458C, municipal auditorium, *municipal automobile parking facility*, airport owned by a city, town, county, or group thereof but not the airports owned or operated by the metropolitan airports commission or a city of over 50,000 population or an airport authority therein, municipal museum or municipal stadium or (2) property constituting or used as a public pedestrian ramp or concourse in connection with a public airport or (3) property constituting or used as a passenger check-in area or ticket sale counter, boarding area, or luggage claim area in connection with a public airport but not the airports owned or operated by the metropolitan airports commission or cities of over 50,000 population or an airport authority therein. Real estate owned by a municipality in connection with the operation of a public airport and leased or used for agricultural purposes shall not be exempt.

(c) Taxes imposed by this subdivision shall be due and payable as in the case of personal property taxes and such taxes shall be assessed to such lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

(d) The tax on real property of the state or any of its political subdivisions that is leased by a private individual, association, or corporation and becomes taxable under this subdivision or other provision of law must be assessed and collected as a personal property assessment. The taxes do not become a lien against the real property.

Sec. 15. Minnesota Statutes 1988, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) all public burying grounds;
- (2) all public schoolhouses;
- (3) all public hospitals;

- (4) all academies, colleges, and universities, and all seminaries of learning;
- (5) all churches, church property, and houses of worship;
- (6) institutions of purely public charity except parcels of property containing structures and the structures described in section 273.13, subdivision 25, paragraph (c), ~~clause clauses (1) or (2), and (3), or paragraph (d), clause (2);~~
- (7) all public property exclusively used for any public purpose;
- (8) except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d), shall be exempt.

The following personal property shall be taxable:

(a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;

(b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;

(c) personal property defined in section 272.03, subdivision 2, clause (3);

(d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;

(e) manufactured homes and sectional structures; and

(f) flight property as defined in section 270.071.

(9) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, rules, or criteria prescribed by the Minnesota pollution control agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota pollution control agency shall upon request of the commissioner furnish information or advice to the commissioner. On determining that property qualifies for exemption, the commissioner shall issue an order exempting the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota pollution control agency remains in effect.

(10) Wetlands. For purposes of this subdivision, "wetlands" means (1) land described in section 105.37, subdivision 15, or (2) land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include

adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. "Wetlands" shall not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause and section 273-116. Upon receipt of an application for the exemption and credit provided in this clause and section 273-116 for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of the decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility, or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydro-mechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 105.482, subdivisions 1, 8, and 9.

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band; and

(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band.

An exemption provided by paragraph (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(16) Real and personal property owned and operated by a private, non-profit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures.

(17) Notwithstanding section 273.19, state lands that are leased from the department of natural resources under section 92.46.

(18) Electric power distribution lines and their attachments and appurtenances, that are used primarily for supplying electricity to farmers at retail.

(19) Transitional housing facilities. "Transitional housing facility" means a facility that meets the following requirements. (i) It provides temporary housing to parents and children who are receiving AFDC or parents of children who are temporarily in foster care. (ii) It has the purpose of reuniting families and enabling parents to *obtain self-sufficiency*, advance their education, get job training, or become employed in jobs that provide a living wage. (iii) It provides support services such as child care, work readiness training, and career development counseling; and a self-sufficiency program with periodic monitoring of each resident's progress in completing the program's goals. (iv) It provides services to a resident of the facility for at least six months but no longer than ~~one year~~ *three years*, except residents enrolled in an educational or vocational institution or job training program. These residents may receive services during the time they are enrolled but in no event longer than four years. (v) It is sponsored by an organization that has received a grant under *either* section 256.7365 for the biennium ending June 30, 1989, *or* section 462A.07, subdivision 15, for the biennium ending June 30, 1991, for the purposes of providing the services in items (i) to (iv). (vi) It is sponsored by an organization that is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1987. This exemption applies notwithstanding the fact that the sponsoring organization receives financing by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency under the provisions of either Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant to it, and notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

Sec. 16. Minnesota Statutes 1988, section 273.01, is amended to read:

273.01 [LISTING AND ASSESSMENT, TIME.]

All real property subject to taxation shall be listed and at least one-fourth of the parcels listed shall be appraised each year with reference to their value on January 2 preceding the assessment so that each parcel shall be reappraised at maximum intervals of four years. All real property becoming taxable in any year shall be listed with reference to its value on January 2 of that year. Except as provided in section 274.01, subdivision 1, all real property assessments shall be completed two weeks prior to the date scheduled for the local board of review or equalization ~~and no valuations entered thereafter shall be of any force and effect. Any changes made by the assessor after this time must be fully documented and maintained in a file in the assessor's office and shall be available for review by any person. A copy of any changes made during this period shall be sent to the county board.~~ In the event a valuation and classification is not placed on any real property by the dates scheduled for the local board of review or equalization the valuation and classification determined in the preceding assessment shall be continued in effect and the provisions of section 273.13 shall, in such case, not be applicable, except with respect to real estate which has been constructed since the previous assessment. Real property containing iron ore, the fee to which is owned by the state of Minnesota, shall, if leased by the state after January 2 in any year, be subject to assessment for that year on the value of any iron ore removed under said lease prior to January 2 of the following year. Personal property subject to taxation shall be listed and assessed annually with reference to its value on January 2; and, if acquired on that day, shall be listed by or for the person acquiring it.

Sec. 17. 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~~ 1992, or within ~~one year~~ two years of the assessor's first appointment under this section, whichever is later.

Sec. 18. Minnesota Statutes 1988, section 273.061, subdivision 2, is amended to read:

Subd. 2. [TERM; VACANCY.] (a) The terms of county assessors appointed under this section shall be four years. A new term shall begin on January 1 of every fourth year after 1973. When any vacancy in the office occurs, the board of county commissioners, within 30 days thereafter, shall fill the same by appointment for the remainder of the term, following the procedure prescribed in subdivision 1. The term of the county assessor may be terminated by the board of county commissioners at any time, on charges of inefficiency or neglect of duty by the commissioner of revenue. If the board of county commissioners does not intend to reappoint a county assessor

who has been certified by the state board of assessors, the board shall present written notice to the county assessor not later than 90 days prior to the termination of the assessor's term, that it does not intend to reappoint the assessor. If written notice is not timely made, the county assessor will automatically be reappointed by the board of county commissioners.

The commissioner of revenue may recommend to the state board of assessors the nonrenewal, suspension, or revocation of an assessor's license as provided in sections 270.41 to 270.53.

(b) In the event of a vacancy in the office of county assessor, through death, resignation or other reasons, the deputy (or chief deputy, if more than one) shall perform the functions of the office. If there is no deputy, the county auditor shall designate a person to perform the duties of the office until an appointment is made as provided in clause (a). Such person shall perform the duties of the office for a period not exceeding 30 days during which the county board must appoint a county assessor. Such 30-day period may, however, be extended by written approval of the commissioner of revenue.

(c) In the case of the first appointment under paragraph (a) of a county assessor who is accredited but who does not have senior accreditation, an approval of the appointment by the commissioner shall be ~~for a term of one year~~ *provisional, provided that* a county assessor appointed to a ~~one-year~~ *provisional* term under this paragraph must reapply to the commissioner at the end of the ~~one-year~~ *provisional* term. *A provisional term may not exceed two years.* The commissioner shall not approve the appointment for the remainder of the four-year term unless the assessor has obtained senior accreditation.

Sec. 19. Minnesota Statutes 1988, section 273.111, subdivision 3, is amended to read:

Subd. 3. (a) Real estate consisting of ten acres or more *or a nursery or greenhouse qualifying for classification as class 1b, 2a, or 2b under section 273.13, subdivision 23, paragraph (d)*, shall be entitled to valuation and tax deferment under this section only if it is actively and exclusively devoted to agricultural use as defined in subdivision 6 and either:

(1) is the homestead of the owner, or of a surviving spouse, child, or sibling of the owner or is real estate which is farmed with the real estate which contains the homestead property; or

(2) has been in possession of the applicant, the applicant's spouse, parent, or sibling, or any combination thereof, for a period of at least seven years prior to application for benefits under the provisions of ~~Laws 1969, chapter 1039,~~ *this section, or is real estate which is farmed with the real estate which qualifies under this clause and is within two townships or cities or combination thereof from the qualifying real estate;* or

(3) is the homestead of a shareholder in a family farm corporation as defined in section 500.24, notwithstanding the fact that legal title to the real estate may be held in the name of the family farm corporation; or

(4) *is in the possession of a nursery or greenhouse or an entity owned by a proprietor, partnership, or corporation which also owns the nursery or greenhouse operations on the parcel or parcels.*

(b) Valuation of real estate under this section is limited to parcels the ownership of which is in noncorporate entities except for:

- (1) family farm corporations organized pursuant to section 500.24; and
 (2) corporations that derive 80 percent or more of their gross receipts from the wholesale or retail sale of horticultural or nursery stock.

Corporate entities who previously qualified for tax deferment pursuant to this section and who continue to otherwise qualify under subdivisions 3 and 6 for a period of at least three years following the effective date of this section will not be required to make payment of the previously deferred taxes, notwithstanding the provisions of subdivision 9. Sale of the land prior to the expiration of the three-year period shall result in payment of deferred taxes as follows: sale within the first year requires payment of payable 1980, 1981, and 1982 deferred taxes; sale during the second year requires payment of payable 1981 and 1982 taxes deferred; and sale at any time during the third year will require payment of payable 1983 taxes deferred. Deferred taxes shall be paid even if the land qualifies pursuant to subdivision 11a. Special assessments are payable at the end of the three-year period or at time of sale, whichever comes first.

Sec. 20. Minnesota Statutes 1988, section 273.112, subdivision 3, is amended to read:

Subd. 3. Real estate shall be entitled to valuation and tax deferment under this section only if it is:

(a) actively and exclusively devoted to golf, skiing or archery or firearms range recreational use or uses and other recreational uses carried on at the establishment;

(b) five acres in size or more, except in the case of an archery or firearms range;

(c)(1) operated by private individuals and open to the public; or

(2) operated by firms or corporations for the benefit of employees or guests; or

(3) operated by private clubs having a membership of 50 or more, provided that the club does not discriminate in membership requirements or selection on the basis of sex; and

(d) made available, in the case of real estate devoted to golf, for use without discrimination on the basis of sex during the time when the facility is open to use by the public or by members, except that use for golf may be restricted on the basis of sex no more frequently than one, or part of one, weekend each calendar month for each sex and no more than two, or part of two, weekdays each week for each sex.

If a golf club membership allows use of golf course facilities by more than one adult per membership, the use must be equally available to all adults entitled to use of the golf course under the membership, except that use may be restricted on the basis of sex as permitted in this section. Memberships that permit play during restricted times may be allowed only if the restricted times apply to all adults using the membership. *A golf club may not offer a membership or golfing privileges to a spouse of a member that provides greater or less access to the golf course than is provided to that person's spouse under the same or a separate membership in that club, except that the terms of a membership may provide that one spouse may have no right to use the golf course at any time while the other spouse may have either limited or unlimited access to the golf course.*

A golf club may have or create an individual membership category which entitles a member for a reduced rate to play during restricted hours as established by the club. The club must have on record a written request by the member for such membership.

For purposes of this subdivision and subdivision 7a, discrimination means a pattern or course of conduct and not linked to an isolated incident.

Sec. 21. Minnesota Statutes 1988, section 273.112, is amended by adding a subdivision to read:

Subd. 6a. The commissioner of revenue shall develop and issue guidelines for qualification by private golf clubs under this section covering the access to and use of the golf course by members and other adults so as to be consistent with the purposes and terms of this section. The guidelines shall be mailed to the county attorney and assessor of each county not later than 60 days following the date of enactment of this act. Within 15 days of receipt of the guidelines from the commissioner, the assessor shall mail a copy of the guidelines to each golf club in the county. The guidelines issued under this subdivision are not subject to the administrative procedure act under chapter 14.

Sec. 22. Minnesota Statutes 1988, section 273.124, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] Residential real estate that is occupied and used for the purposes of a homestead by its owner, who must be a Minnesota resident, is a *residential* homestead.

Agricultural land, as defined in section 273.13, subdivision 23, that is occupied and used as a homestead by its owner, who must be a Minnesota resident, is an agricultural homestead.

Dates for establishment of a homestead and homestead treatment provided to particular types of property are as provided in this section.

The assessor shall require proof, by affidavit or otherwise, of the facts upon which classification as a homestead may be determined.

For purposes of this section, homestead property shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property. The term "used for purposes of the homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for future development. In order to receive homestead treatment for the noncontiguous property, the owner shall apply for it to the assessor by July 1 of the year when the treatment is initially sought. After initial qualification for the homestead treatment, additional applications for subsequent years are not required.

In the case of property owned by a married couple in joint tenancy or tenancy in common, the assessor must not deny homestead treatment in whole or in part if only one of the spouses is occupying the property and the other spouse is absent due to divorce or separation, or is a resident of a nursing home or a boarding care facility.

If an individual is purchasing property with the intent of claiming it as a homestead, and is required by the terms of the financing agreement to have one or both parents shown on the deed as coowners, the assessor shall

allow a full homestead classification and extend full homestead credit. This provision only applies to first time purchasers, whether married or single, or to a person who had previously been married and is purchasing as a single individual for the first time. The application for homestead benefits must be on a form prescribed by the commissioner and must contain the data necessary for the assessor to determine if full homestead benefits are warranted.

Sec. 23. Minnesota Statutes 1988, section 273.124, subdivision 8, is amended to read:

Subd. 8. [HOMESTEAD OWNED BY FAMILY FARM CORPORATION OR PARTNERSHIP] (a) Each family farm corporation and each partnership operating a family farm is entitled to class 1b under section 273.13, subdivision 22, paragraph (b), or class 2a assessment for one homestead occupied by a shareholder or partner thereof who is residing on the land and actively engaged in farming of the land owned by the corporation or partnership. Homestead treatment applies even if legal title to the property is in the name of the corporation or partnership and not in the name of the person residing on it. "Family farm corporation" and "family farm" have the meanings given in section 500.24, *except that the number of allowable shareholders or partners under this subdivision shall not exceed 12.*

(b) In addition to property specified in paragraph (a), any other residences owned by corporations or partnerships described in paragraph (a) which are located on agricultural land and occupied as homesteads by shareholders or partners who are actively engaged in farming on behalf of the corporation or partnership must also be assessed as class 2a property or as class 1b property under section 273.13, subdivision 22, paragraph (b), but the property eligible is limited to the residence itself and as much of the land surrounding the homestead, not exceeding one acre, as is reasonably necessary for the use of the dwelling as a home, and does not include any other structures that may be located on it.

Sec. 24. Minnesota Statutes 1988, section 273.124, subdivision 9, is amended to read:

Subd. 9. [HOMESTEAD ESTABLISHED AFTER ASSESSMENT DATE.] Any property that was not used for the purpose of a homestead on the assessment date, but which was used for the purpose of a homestead ~~on~~ by June 1 of a year, constitutes class 1 or class 2a ~~to the extent of one-half of the valuation that would have been includable in class 1 or class 2a.~~

Any taxpayer meeting the requirements of this subdivision must notify the county assessor, or the assessor who has the powers of the county assessor pursuant to section 273.063, in writing, prior to June 15 of the year of occupancy in order to qualify under this subdivision.

The county assessor and the county auditor may make the necessary changes on their assessment and tax records to provide for proper homestead classification as provided in this subdivision.

The owner of any property qualifying under this subdivision, which has not been accorded the benefits of this subdivision, regardless of whether or not the notification has been timely filed, may be entitled to receive homestead classification by proper application as provided in section 270.07 or 375.192.

The county assessor shall publish in a newspaper of general circulation

within the county no later than June 1 of each year a notice informing the public of the requirement to file an application for homestead prior to June 15.

Sec. 25. Minnesota Statutes 1988, section 273.124, subdivision 12, is amended to read:

Subd. 12. [~~HOMESTEAD OF MEMBER OF UNITED STATES ARMED FORCES; PEACE CORPS; VISTA.~~] Real estate actually occupied and used for the purpose of a homestead by a ~~member of the armed forces of the United States person,~~ or by a member of that person's immediate family shall; ~~notwithstanding the absence of the person, while on active duty with the armed forces of the United States or the family under such conditions,~~ be classified as a homestead ~~provided that absence of the owner is solely by reason of service in the armed forces, and that even though the person or family is absent if (1) the person or the person's family is absent solely because the person is on active duty with the armed forces of the United States, or is serving as a volunteer under the VISTA or Peace Corps program; (2) the owner intends to return as soon as discharged or relieved from service; and (3) the owner claims it as a homestead.~~ ~~Every~~ A person who, ~~for the purpose of obtaining or aiding another in obtaining any benefit under this subdivision, shall knowingly make makes or submit submits to any an assessor any an affidavit or other statement which that is false in any material matter shall be to obtain or aid another in obtaining a benefit under this subdivision is guilty of a felony.~~

Sec. 26. Minnesota Statutes 1988, section 273.124, subdivision 13, is amended to read:

Subd. 13. [~~SOCIAL SECURITY NUMBER REQUIRED FOR HOMESTEAD APPLICATION.~~] Every property owner applying for homestead classification must furnish to the county assessor that owner's social security ~~or taxpayer identification~~ number. If the social security ~~or taxpayer identification~~ number is not provided, the county assessor shall classify the property as nonhomestead. The social security numbers of the property owners are private data on individuals as defined by section 13.02, subdivision 12, but, notwithstanding that section, the private data may be disclosed to the commissioner of revenue.

At the request of the commissioner, each county must give the commissioner a list that includes the name and social security ~~or taxpayer identification~~ number of each property owner applying for homestead classification.

If, in comparing the lists supplied by the counties, the commissioner finds that a property owner is claiming more than one homestead, the commissioner shall notify the appropriate counties. Within 90 days of the notification, the county assessor shall investigate to determine if the homestead classification was properly claimed. If the property owner does not qualify, the county assessor shall notify the county auditor who will determine the amount of homestead benefits that had been improperly allowed. For the purpose of this section, "homestead benefits" means the tax reduction resulting from the classification as a homestead under section 273.13, the homestead credit under section 273.13 for taxes payable in 1989 and under section 273.1398 for taxes payable in 1990 and thereafter, the taconite homestead credit, and the supplemental homestead credit, and the tax reduction resulting from the agricultural credit under section 273.132 for taxes payable in 1989 and under section 273.1398 for taxes payable in 1990 and

thereafter. The county auditor shall send a notice to the owners of the affected property, demanding reimbursement of the homestead benefits plus a penalty equal to 25 percent of the homestead benefits. The property owners may appeal the county's determination by filing a notice of appeal with the Minnesota tax court within 60 days of the date of the notice from the county.

If the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount to the succeeding year's tax list to be collected as part of the property taxes.

Any amount of homestead benefits recovered from the property owner must be transmitted to the commissioner by the end of each calendar quarter. Any amount recovered attributable to taconite homestead credit shall be transmitted to the St. Louis county auditor to be deposited in the taconite property tax relief account. The amount of penalty collected must be deposited in the county general fund.

The commissioner will provide suggested homestead applications to each county. If a property owner has applied for more than one homestead and the county assessors cannot determine which property should be classified as homestead, the county assessors will refer the information to the commissioner. The commissioner shall make the determination and notify the counties within 60 days.

In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners.

Sec. 27. Minnesota Statutes 1988, section 273.124, is amended by adding a subdivision to read:

Subd. 14. [AGRICULTURAL HOMESTEADS; SPECIAL PROVISIONS.] (a) Real estate of less than ten acres that is the homestead of its owner must be classified as class 2a under section 273.13, subdivision 23, paragraph (a), if:

(1) the parcel on which the house is located is contiguous to agricultural land on at least two sides;

(2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20 acres;

(3) the noncontiguous land is located not farther than two townships or cities, or a combination of townships or cities from the homestead; and

(4) the agricultural use value of the noncontiguous land and farm buildings is equal to at least 50 percent of the market value of the house, garage and one acre of land.

Homesteads initially classified as class 2a under the provisions of this subdivision shall remain classified as class 2a, irrespective of subsequent changes in the use of adjoining properties, as long as the homestead remains under the same ownership, the owner owns a noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use value qualifies under clause (4).

(b) Noncontiguous land shall be included as part of a homestead under section 273.13, subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached land is located in the same township or city, or not farther than two townships or cities or combination thereof

from the homestead.

(c) Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified as a homestead under section 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a.

Sec. 28. Minnesota Statutes 1988, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first \$68,000 of market value of class 1a property has a net tax capacity of one percent of its market value and a gross tax capacity of 2.17 percent of its market value. The market value of class 1a property that exceeds \$68,000 but does not exceed \$100,000 has a tax capacity of 2.5 percent of its market value. The market value of class 1a property that exceeds \$100,000 has a tax capacity of 3.3 percent of its market value.

(b) Class 1b property includes real estate or manufactured homes used for the purposes of a homestead by

(1) any blind person, if the blind person is the owner thereof or if the blind person and the blind person's spouse are the sole owners thereof; or

(2) any person, hereinafter referred to as "veteran," who:

(i) served in the active military or naval service of the United States; and

(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and

(iii) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as a homestead; or

(3) any person who:

(i) is permanently and totally disabled and

(ii) receives 90 percent or more of total income from

(A) aid from any state as a result of that disability; or

(B) supplemental security income for the disabled; or

(C) workers' compensation based on a finding of total and permanent disability; or

(D) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or

(E) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(F) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability; or

(iii) whose household income as defined in section 290A.03, subdivision 5, is 150 percent or less of the federal poverty level.

Property is classified and assessed pursuant to clause (1) only if the commissioner of jobs and training certifies to the assessor that the owner of the property satisfies the requirements of this subdivision. ~~The commissioner of jobs and training shall provide a copy of the certification to the commissioner of revenue.~~

Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings the person an income. The first \$32,000 market value of class 1b property has a net tax capacity of .4 percent of its market value and a gross tax capacity of .87 percent of its market value. The remaining market value of class 1b property has a gross or net tax capacity using the rates for class 1 or class 2a property, whichever is appropriate, of similar market value.

(c) Class 1c property is commercial use real property that abuts a lake-shore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner. Class 1c property has a tax capacity of .9 percent of market value with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore.

(d) For taxes levied in 1988, payable in 1989 only, the tax to be paid on class 1a or class 1b property shall be reduced by 54 percent of the tax imposed on the first \$68,000 of market value. The amount of the reduction shall not exceed \$725.

Sec. 29. Minnesota Statutes 1988, section 273.13, subdivision 23, is amended to read:

Subd. 23. [CLASS 2.] (a) Class 2a property is agricultural land including any improvements that is homesteaded. The market value of the house and garage and immediately surrounding one acre of land that does not exceed \$65,000 has a net tax capacity of .805 percent of market value and a gross tax capacity of 1.75 percent of market value. The excess market value over \$65,000 has a tax capacity of 2.2 percent. If the market value of the house, garage, and surrounding one acre of land is less than \$65,000, the value of the remaining land including improvements equal to the difference between \$65,000 and the market value of the house, garage, and surrounding one acre of land has a net tax capacity of 1.12 percent of market value and a gross tax capacity of 1.75 percent of market value for the first 320 acres of land and the remaining value over 320 acres has a net tax capacity of 1.295 percent of market value and a gross tax capacity of 1.75 percent of

market value. The remaining value of class 2a property over the \$65,000 market value that does not exceed 320 acres has a net tax capacity of 1.44 percent of market value and a gross tax capacity of 2.25 percent of market value. The remaining property over the \$65,000 market value in excess of 320 acres has a net tax capacity of 1.665 percent of market value and a gross tax capacity of 2.25 percent of market value.

Noncontiguous land shall constitute class 2a only if the homestead is classified as class 2a and the detached land is located in the same township or city or not farther than two townships or cities or combination thereof from the homestead.

Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified class 2a. If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a and is entitled to the homestead credit.

For taxes levied in 1988, payable in 1989 only, the tax to be paid on class 2a property and class 1b property under section 273.13, subdivision 22, paragraph (b), used for agricultural purposes shall be reduced by 54 percent of the tax. The amount of the reduction shall not exceed \$725.

(b) Class 2b property is (1) real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products; and (2) real estate that is nonhomestead agricultural land. Class 2b property has a net tax capacity of 1.665 percent of market value and a gross tax capacity of 2.25 percent of market value.

(c) Agricultural land as used in this section means contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land, and land included in federal farm programs.

(d) Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, including the breeding of fish for sale and consumption ~~provided that it is located if the fish breeding occurs~~ on land zoned for agricultural use, shall be considered as agricultural land, if it is not used primarily for residential purposes. *The term "agricultural products" as used in the preceding sentence means any of the products identified in section 273.111, subdivision 6, clause (2). "Agricultural purposes" as used in this section means the raising or cultivation of agricultural products.*

(e) *If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:*

- (1) wholesale and retail sales;*
- (2) processing of raw agricultural products or other goods;*
- (3) warehousing or storage of processed goods; and*
- (4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3).*

the assessor shall classify the part of the parcel used for agricultural

purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown horticultural or nursery products does not qualify as an agricultural purpose.

The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 30. Minnesota Statutes 1988, section 273.135, subdivision 2, is amended to read:

Subd. 2. For taxes payable in 1989 only, the amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 66 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, provided that the reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10.

(b) In the case of property located within the boundaries of a school district which qualifies as a tax relief area but which is outside the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 57 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, provided that the reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10.

(c)(1) The maximum reduction of the net tax up to the taconite breakpoint is \$225.40 on property described in clause (a) and \$200.10 on property described in clause (b), for taxes payable in 1985. These maximum amounts shall increase by \$15 times the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent years.

(2) The total maximum reduction of the net tax on property described in clause (a) is \$490 for taxes payable in 1985. The total maximum reduction for the net tax on property described in clause (b) is \$435 for taxes payable in 1985. These maximum amounts shall increase by \$15 per year for taxes payable in 1986 and thereafter.

For the purposes of this subdivision, "net tax" means the tax on the

property after deduction of any credit under section 273.13, subdivision 22 or 23, "taconite breakpoint" means the lowest possible net tax for a homestead qualifying for the maximum reduction pursuant to section 273.13, subdivision 22, rounded to the nearest whole dollar, "homestead credit equivalency percentage" means a percentage equal to the percentage reduction authorized in section 273.13, subdivision 22, "effective tax rate" means tax divided by the market value of the property, and the "base year effective tax rate" means the tax on the property after the application of the credits payable under section 273.13, subdivisions 22 and 23, and this section for taxes payable in 1988, divided by the market value of the property. A new parcel of property or a parcel with a current year classification that is different from its base year classification has the same base year effective tax rate as an equivalent homesteaded parcel.

Sec. 31. Minnesota Statutes 1988, section 273.1391, subdivision 2, is amended to read:

Subd. 2. For taxes payable in 1989 only, the amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area, and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county, 57 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint on qualified property located in the school district that does not meet the qualifications of section 273.134, provided that the amount of said reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction for *each homestead* resulting from this credit be less than \$10. The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein.

(b) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not in a school district containing a city of the first class or adjacent to a school district containing a city of the first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, but not to exceed the maximums specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction for *each homestead* resulting from this credit be less than \$10.

(c)(1) The maximum reduction of the net tax up to the taconite breakpoint is \$200.10 for taxes payable in 1985. This maximum amount shall increase by \$15 multiplied by the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent years.

(2) The total maximum reduction of the net tax is \$435 for taxes payable in 1985. This total maximum amount shall increase by \$15 per year for taxes payable in 1986 and thereafter.

For the purposes of this subdivision, "net tax" means the tax on the property after deduction of any credit under section 273.13, subdivision 22 or 23, "taconite breakpoint" means the lowest possible net tax for a homestead qualifying for the maximum reduction pursuant to section 273.13, subdivision 22, rounded to the nearest whole dollar, "homestead credit equivalency percentage" means a percentage equal to the percentage reduction authorized in section 273.13, subdivision 22, and "effective tax rate" means tax divided by the market value of the property, and the "base year effective tax rate" means the tax on the property after application of the credits payable under section 273.13, subdivisions 22 and 23, and this section for taxes payable in 1988, divided by the market value of the property. A new parcel with a current year classification that is different from its base year classification has the same base year effective tax rate as an equivalent homesteaded parcel.

Sec. 32. Minnesota Statutes 1988, section 273.1393, is amended to read:
273.1393 [COMPUTATION OF NET PROPERTY TAXES.]

Notwithstanding any other provisions to the contrary, "net" property taxes are determined by subtracting the credits in the order listed from the gross tax:

- (1) disaster credit as provided in section 273.123;
- (2) powerline credit as provided in section 273.42;
- (3) agricultural preserves credit as provided in section 473H.10;
- (4) enterprise zone credit as provided in section 469.171;
- (5) ~~state agricultural credit as provided in section 273.132~~ *disparity reduction credit*;
- (6) ~~state paid homestead~~ *conservation tax credit* as provided in section ~~273.13~~ 273.119;
- (7) taconite homestead credit as provided in section 273.135; *and*
- (8) supplemental homestead credit as provided in section 273.1391.

The combination of all property tax credits must not exceed the gross tax amount.

Sec. 33. Minnesota Statutes 1988, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of tax capacity rates.

(c) "Gross tax capacity" means the product of the appropriate percentages of market value listed as gross tax capacities in section 273.13 and equalized market values. "Total gross tax capacity" means the gross tax capacities for all property within the unique taxing jurisdiction. The total gross tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's gross tax capacity of commercial industrial property as defined

in section 473F02, subdivision 3, multiplied by the ratio determined pursuant to section 473F08, subdivision 6, for the municipality, as defined in section 473F02, subdivision 8, in which the unique taxing jurisdiction is located and (2) the gross tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2. For purposes of determining the gross tax capacity of property referred to in clauses (1) and (2) for disparity reduction aid payable in 1989, the gross tax capacity before equalization shall equal the property's 1987 assessed value multiplied by 12 percent. Gross tax capacity cannot be less than zero.

(d) "Net tax capacity" means the product of the appropriate percentages of market value listed as net tax capacities in section 273.13 and equalized market values. "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F02, subdivision 3, multiplied by the ratio determined pursuant to section 473F08, subdivision 6, for the municipality, as defined in section 473F02, subdivision 8, in which the unique taxing jurisdiction is located and (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2. For purposes of determining the net tax capacity of property referred to in clauses (1) and (2), the net tax capacity before equalization shall equal the property's 1987 assessed value multiplied by 12 percent. Net tax capacity cannot be less than zero.

(e) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. For computation of aids payable in 1989 only, if the aggregate assessment sales ratio is less than or equal to 92 percent, the assessment sales ratios by class shall be adjusted proportionally so that the aggregate ratio of the unequalized market values to the equalized market values equals 92 percent; otherwise the equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(f) "Homestead effective rate" means the product of (i) 46 percent; (ii) 2.17 percent; and (iii) the total tax capacity rate for taxes payable in 1989 within a unique taxing jurisdiction multiplied by the 1988 aggregate assessment sales ratio. A sales ratio of .92 is used if the actual sales ratio is less than .92.

(g) For purposes of calculating the ~~transition~~ *homestead and agricultural credit* aid authorized pursuant to subdivision 2, the "subtraction factor" is the product of (i) a unique taxing jurisdiction's homestead effective rate; (ii) its net tax capacity; and (iii) 103.

(h) For purposes of calculating and allocating ~~transition~~ *homestead and agricultural credit* aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties" or "gross taxes" means the total gross taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F02, subdivision 3, subject to the areawide tax as provided in section 473F08, subdivision 6, in a unique taxing jurisdiction before

reduction by any credits for taxes payable in the year prior to that in which the aids are payable. For purposes of disparity reduction aid only, total gross taxes shall be reduced by the taxes levied for any school district referendum levies authorized pursuant to section 124A.03, subdivision 2, and any school district debt levies authorized pursuant to section 475.61. Gross taxes levied cannot be less than zero.

(i) "Income maintenance aids" means:

(1) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(2) preadmission screening and alternative care grants under section 256B.091, subdivision 8;

(3) general assistance, and work readiness under section 256D.03, subdivision 2;

(4) general assistance medical care under section 256D.03, subdivision 6;

(5) aid to families with dependent children under section 256.82, subdivision 1, including emergency assistance under section 256.871, subdivision 6; and funeral expense payments under section 256.935, subdivision 1; and

(6) supplemental aid under section 256D.36, subdivision 1.

Sec. 34. Minnesota Statutes 1988, section 273.1398, subdivision 4, is amended to read:

Subd. 4. [DISPARITY REDUCTION CREDIT.] (a) Beginning with taxes payable in 1989, class 4a, class 3a, and class 3b property *qualifies for a disparity reduction credit if: (1) the property is located in a border city that has an enterprise zone designated pursuant to section 469.168, subdivision 4; (2) the property is located in cities a city with a population greater than 2,500 and less than 35,000 according to the 1980 decennial census which are; (3) the city is adjacent to cities a city in another state or immediately adjacent to a city adjacent to a city in another state qualify for disparity reduction credits, if; and (4) the adjacent city in the other state has a population of greater than 5,000 and less than 75,000.*

(b) The credit is an amount sufficient to reduce (i) the taxes levied on class 4a property to three percent of the property's market value and (ii) the tax on class 3a and class 3b property to 3.3 percent of market value.

~~(b)~~ (c) The county auditor shall annually certify the costs of the credits to the department of revenue. The department shall reimburse local governments for the property taxes foregone as the result of the credits in proportion to their total levies.

Sec. 35. Minnesota Statutes 1988, section 273.1398, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL HOMESTEAD AND AGRICULTURAL CREDIT GUARANTEE.] Beginning with taxes payable in 1990, each unique taxing jurisdiction may receive additional homestead and agricultural credit *guarantee* payments.

(1) Each year, the commissioner shall certify to the county auditor the total education aids paid under chapters 124 and 124A, ~~transition~~ *homestead and agricultural credit* aid and disparity reduction aid paid under section

273.1398, local government aid to cities, counties, and towns paid under chapter 477A, and income maintenance aid paid to counties for each taxing jurisdiction. The county auditor shall apportion each local government's aids to the unique taxing jurisdiction based upon the proportion that the unique taxing jurisdiction's tax capacity bears to the total tax capacity of the local government.

(2) Each year, the county auditor will compute a gross tax capacity rate for each taxing jurisdiction equal to its total levy divided by its gross tax capacity. For each unique taxing jurisdiction, a total gross tax capacity rate will be determined. This total gross tax capacity rate will be applied against the gross tax capacity of each property that would have been eligible for the homestead credit or the agricultural credit for taxes payable in 1989. A credit amount will be determined for each parcel based upon the credit rate structure in effect for taxes payable in 1989. The resulting credit amounts will be summed for all parcels in the unique taxing jurisdiction.

If the amount determined in clause (2) is greater than the amount determined in clause (1), the difference will be additional homestead and agricultural credit *guarantee* payments for the unique taxing jurisdiction. The additional credit amount shall proportionately reduce the tax capacity rates of all local governments levying taxes within the unique taxing jurisdiction. The county auditor shall certify the amounts of ~~the~~ additional credits determined under this ~~section~~ *subdivision* in a form prescribed by the commissioner.

Sec. 36. Minnesota Statutes 1988, section 273.1398, subdivision 6, is amended to read:

Subd. 6. [PAYMENT.] The commissioner shall certify the aids provided in subdivisions 2 and 3 before September 30 of the year preceding the distribution year to the county auditor of the affected local government and pay them and the credit reimbursements to local governments other than school districts at the times provided in section 477A.015 for payment of local government aid to taxing jurisdictions. Aids and credit reimbursements to school districts must be certified to the commissioner of education and paid under section 273.1392. Payment shall not be made to any taxing jurisdiction that has ceased to levy a property tax nor shall ~~transition~~ *homestead and agricultural credit* aid be payable on the part of a levy to which ~~transition~~ *homestead and agricultural credit* aid was separately allocated under subdivision 2, paragraph (b), clause (2), which is no longer levied.

Sec. 37. Minnesota Statutes 1988, section 275.07, subdivision 3, is amended to read:

Subd. 3. The county auditor shall adjust each local government's levy certified under subdivision 1 by the amount of ~~transition~~ *homestead and agricultural credit* aid certified by section 273.1398, subdivision 2. If a local government's ~~transition~~ *homestead and agricultural credit* aid was further allocated between portions of its levy pursuant to section 273.1398, subdivision 2, paragraph (b)(2), the levy or fund to which the ~~transition~~ *homestead and agricultural credit* aid was allocated is the levy or fund which must be adjusted.

Sec. 38. [276.131] [DISTRIBUTION OF PENALTIES, INTEREST, AND COSTS.]

The penalties, interest, and costs collected on special assessments and real and personal property taxes must be distributed as follows:

(1) all penalties and interest collected on special assessments against real or personal property must be distributed to the taxing jurisdiction that levied the assessment;

(2) 50 percent of all penalties and interest collected on real and personal property taxes must be distributed to the county in which the property is located, and the other 50 percent must be distributed to the school district in which the property is located. The distribution to the school district must be in accordance with the provisions of section 124.10; and

(3) all costs collected by the county on special assessments and on delinquent real and personal property taxes must be distributed to the county in which the property is located.

Sec. 39. Minnesota Statutes 1988, section 278.01, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION OF VALIDITY.] Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the (1) city, or (2) county, or (3) in the case of a county containing a city of the first class, the portion of the county excluding the first class city, or that the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of the claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of service, in the office of the court administrator of the district court before the 16th day of May of the year in which the tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court. An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the valuation notice required by section 273.121 but prior to May 16 of the year in which the taxes are payable.

Sec. 40. Minnesota Statutes 1988, section 278.03, is amended to read:

278.03 [PAYMENT OF TAX.]

If the proceedings instituted by the filing of the petition have not been completed before the 16th day of May next following the filing, the petitioner shall pay to the county treasurer 50 percent of the tax levied for such year against the property involved, unless permission to continue prosecution of the petition without such payment is obtained as herein provided. If the proceedings instituted by the filing of the petition have not been completed by the next October 16, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2e 2b(2) agricultural nonhomestead property, November 16, the petitioner shall pay to the county treasurer 50 percent of the unpaid balance of the taxes levied for the year against the property involved if the unpaid balance is \$2,000 or less and

80 percent of the unpaid balance if the unpaid balance is over \$2,000, unless permission to continue prosecution of the petition without payment is obtained as herein provided. The petitioner, upon ten days notice to the county attorney and to the county auditor, given at least ten days prior to the 16th day of May or the 16th day of October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class ~~2e~~ 2b(2) agricultural nonhomestead property, the 16th day of November, may apply to the court for permission to continue prosecution of the petition without payment; and, if it is made to appear

(1) That the proposed review is to be taken in good faith;

(2) That there is probable cause to believe that the property may be held exempt from the tax levied or that the tax may be determined to be less than 50 percent of the amount levied; and

(3) That it would work a hardship upon petitioner to pay the taxes due, the court may permit the petitioner to continue prosecution of the petition without payment, or may fix a lesser amount to be paid as a condition of continuing the prosecution of the petition.

Failure to make payment of the amount required when due shall operate automatically to dismiss the petition and all proceedings thereunder unless the payment is waived by an order of the court permitting the petitioner to continue prosecution of the petition without payment. The county treasurer shall, upon request of the petitioner, issue duplicate receipts for the tax payment, one of which shall be filed by the petitioner in the proceeding.

Sec. 41. Minnesota Statutes 1988, section 278.05, subdivision 4, is amended to read:

Subd. 4. [SALES RATIO STUDIES AS EVIDENCE.] The sales ratio studies published by the department of revenue, or any part of the studies, or any copy of the studies or records accumulated to prepare the studies which is prepared by the commissioner of revenue for use in determining ~~school~~ education aids shall be admissible in evidence as a public record without the laying of a foundation if the sales prices used in the study are adjusted for the terms of the sale to reflect market value and are adjusted to reflect the difference in the date of sale compared to the assessment date. *The department of revenue sales ratio study shall be prima facie evidence of the level of assessment.* Additional evidence relevant to the sales ratio study is also admissible. No sales ratio study received into evidence shall be conclusive or binding on the court and evidence of its reliability or unreliability may be introduced by any party including, but not limited to, evidence of inadequate adjustment of sale prices for terms of financing, inadequate adjustment of sales prices to reflect the difference in the date of sale compared to the assessment date, and inadequate sample size.

No reduction in value on the grounds of discrimination shall be granted on the basis of a sales ratio study ~~published by the department of revenue~~ unless

(a) the sales prices are adjusted for the terms of the sale to reflect market value,

(b) the sales prices are adjusted to reflect the difference in the date of sale compared to the assessment date, ~~and~~

(c) there is an adequate sample size, and

(d) the median ratio of the same classification of property in the same county, city, or town as the subject property is lower than 90 percent, except that in the case of a county containing a city of the first class, the median ratio for the county shall be the ratio determined excluding sales from the first class city within the county.

If a reduction in value on the grounds of discrimination is granted based on the above criteria, the reduction shall equal the difference between 90 percent and the median ratio determined by the court.

Sec. 42. Minnesota Statutes 1988, section 278.05, subdivision 5, is amended to read:

Subd. 5. Any time after the filing of the petition and before the trial of the issues raised thereby, when the defense or claim presented is that the property has been partially, unfairly, or unequally assessed, or that the parcel has been assessed at a valuation greater than its real or actual value, or that a parcel which is classified as homestead under the provisions of section 273.13, subdivision 22 or 23, has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in that portion of the county in which the parcel is located, for which the commissioner is able to establish and publish a sales ratio study, the attorney representing the state, county, city or town in the proceedings may serve on the petitioner, or the petitioner's attorney, and file with the court administrator of the district court, an offer to reduce the valuation of any tract or tracts to a valuation set forth in the offer. If, within ten days thereafter, the petitioner, or the attorney, gives notice in writing to the county attorney, or the attorney for the city or town, that the offer is accepted, the official notified may file the offer with proof of notice, and the court administrator shall enter judgment accordingly. Otherwise, the offer shall be deemed withdrawn and evidence thereof shall not be given; and, unless a lower valuation than specified in the offer is found by the court, no costs or disbursements shall be allowed to the petitioner, but the costs and disbursements of the state, county, city or town, including interest at six percent on the tax based on the amount of the offer from and after the 16th day of October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class ~~2e~~ 2b(2) agricultural nonhomestead property, the 16th day of November, of the year the taxes are payable, shall be taxed in its favor and included in the judgment and when collected shall be credited to the county revenue fund, unless the taxes were paid in full before the 16th day of October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class ~~2e~~ 2b(2) agricultural nonhomestead property, the 16th day of November, of the year in which the taxes were payable, in which event interest shall not be taxable.

Sec. 43. Minnesota Statutes 1988, section 279.01, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3, on May 16, of each year, with respect to property actually occupied and used as a homestead by the owner of the property, a penalty of three percent shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer, and a penalty of seven percent on nonhomestead property, except that this penalty shall not accrue until

June 1 of each year on commercial use real property used for seasonal residential recreational purposes and classified as class ~~4d~~ /c or 4c, and on other commercial use real property classified as class 3a, provided that over 60 percent of the gross income earned by the enterprise on the class 3a property is earned during the months of May, June, July, and August. Any property owner of such class 3a property who pays the first half of the tax due on the property after May 15 and before June 1 shall attach an affidavit to the payment attesting to compliance with the income provision of this subdivision. Thereafter, for both homestead and nonhomestead property, on the first day of each month, up to and including October 1 following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes. When the taxes against any tract or lot exceed \$50, one-half thereof may be paid prior to May 16; and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to October 16 following, without penalty; but, if not so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on nonhomestead property. Thereafter, for homestead property, on the first day of November and December following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for nonhomestead property, on the first day of November and December following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to May 16, the same may be paid at any time prior to October 16, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the remaining one-half until October 16 following.

A county may provide by resolution that in the case of a property owner that has multiple tracts or parcels with aggregate taxes exceeding \$50, payments may be made in installments as provided in this subdivision.

The county treasurer may accept payments of more or less than the exact amount of a tax installment due. If the accepted payment is less than the amount due, payments must be applied first to the penalty accrued for the year the payment is made. Acceptance of partial payment of tax does not constitute a waiver of the minimum payment required as a condition for filing an appeal under section 278.03 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.

Sec. 44. Minnesota Statutes 1988, section 279.01, subdivision 3, is amended to read:

Subd. 3. In the case of class 1b agricultural homestead, class 2a agricultural homestead property, and class ~~2e~~ 2b(2) agricultural nonhomestead property, no penalties shall attach to the second one-half property tax payment as provided in this section if paid by November 15. Thereafter for class 1b agricultural homestead and class 2a homestead property, on November 16 following, a penalty of six percent shall accrue and be charged on all such unpaid taxes and on December 1 following, an additional two percent shall be charged on all such unpaid taxes. Thereafter for class ~~2e~~ 2b(2) agricultural nonhomestead property, on November 16 following, a penalty of eight percent shall accrue and be charged on all such unpaid taxes and on December 1 following, an additional four percent shall be charged on all such unpaid taxes.

If the owner of class 1b agricultural homestead, class 2a, or class ~~2e~~ 2b(2) agricultural property receives a consolidated property tax statement

that shows only an aggregate of the taxes and special assessments due on that property and on other property not classified as class 1b agricultural homestead, class 2a, or class ~~2e 2b(2)~~ agricultural property, the aggregate tax and special assessments shown due on the property by the consolidated statement will be due on November 15 provided that at least 50 percent of the property's market value is classified class 1b agricultural, class 2a, or class ~~2e 2b(2)~~ agricultural.

Sec. 45. Minnesota Statutes 1988, section 279.37, subdivision 7, is amended to read:

Subd. 7. The county auditor's statement and county treasurer's receipt issued for payment of a deferred installment, as herein provided for, shall not read for any specific year's taxes, but shall read for partial or full release of judgment, as the case may be, and shall show the year that such judgment was entered. In distributing the taxes collected in this manner, the county auditor shall apply the same in the inverse order to that in which such taxes were levied. All penalties and interest collected under the provisions of this section shall be apportioned by the county auditor in accordance with ~~Minnesota Statutes 1941, sections 276.13 and 276.14~~ section 276.131. A duplicate treasurer's receipt for payment of a deferred installment, as hereinafter provided, shall be delivered to the court administrator of the district court, and the court administrator of the district court shall credit the amount so paid upon the judgment entered.

Sec. 46. Minnesota Statutes 1988, section 290A.03, subdivision 12, is amended to read:

Subd. 12. [GROSS RENT.] "Gross rent" means rental paid for the right of occupancy, at arms-length, of a homestead, exclusive of charges for any medical services furnished by the landlord as a part of the rental agreement, whether expressly set out in the rental agreement or not. If the landlord and tenant have not dealt with each other at arms-length and the commissioner determines that the gross rent charged was excessive, the commissioner may adjust the gross rent to a reasonable amount for purposes of this chapter.

Any amount paid by a claimant residing in property assessed pursuant to section ~~273.13~~ 273.124, subdivision 3, 4, 5, or 6 for occupancy in that property shall be excluded from gross rent for purposes of this chapter. However, property taxes imputed to the homestead of the claimant or the dwelling unit occupied by the claimant that qualifies for homestead treatment pursuant to section ~~273.13~~ 273.124, subdivision 3, 4, 5, or 6 shall be included within the term "property taxes payable" as defined in subdivision 13, notwithstanding the fact that ownership is not in the name of the claimant.

Sec. 47. Minnesota Statutes 1988, section 298.28, subdivision 3, is amended to read:

Subd. 3. [CITIES; TOWNS.] (a) 12.5 cents per taxable ton, less any amount distributed under subdivision 8, and paragraph (b), must be allocated to the taconite municipal aid account to be distributed as provided in section 298.282.

(b) An amount must be allocated to towns or cities that is annually certified by the county auditor of a county containing a taconite tax relief area within which there is (1) an organized township if, as of January 2, 1982, more than 75 percent of the assessed valuation of the township

consists of iron ore or (2) a city if, as of January 2, 1980, more than 75 percent of the assessed valuation of the city consists of iron ore.

(c) The amount allocated under paragraph (b) will be the portion of a township's or city's certified levy equal to the proportion of (1) the difference between 50 percent of January 2, 1982, assessed value in the case of a township and 50 percent of the January 2, 1980, assessed value in the case of a city and its current assessed value to (2) the sum of its current assessed value plus the difference determined in (1), provided that the amount distributed shall not exceed \$55 per capita in the case of a township or \$75 per capita in the case of a city. For purposes of this limitation, population will be determined according to the 1980 decennial census conducted by the United States Bureau of the Census. ~~The county auditor shall extend the township's or city's levy against the sum of the township's or city's current assessed value plus the difference between 50 percent of its January 2, 1982, assessed value and its current assessed value in the case of a township and between 50 percent of its January 2, 1980, assessed value and its current assessed value in the case of a city.~~ If the current assessed value of the township exceeds 50 percent of the township's January 2, 1982, assessed value, or if the current assessed value of the city exceeds 50 percent of the city's January 2, 1980, assessed value, this paragraph shall not apply. *For purposes of this paragraph, "assessed value," when used in reference to years other than 1980 or 1982, means, for distributions for production year 1989, production taxes payable in 1990, the appropriate gross tax capacities multiplied by 8.2 and for distributions for production year 1990 and thereafter, production taxes payable in 1991 and thereafter, the appropriate net tax capacities multiplied by 10.2.*

Sec. 48. [365B.01] [TOWNS; SUBORDINATE SERVICE DISTRICTS; PURPOSE.]

It is the purpose of sections 48 to 57 to provide a means by which a town as a unit of general local government can effectively provide and finance various governmental services for its residents.

Sec. 49. [365B.02] [DEFINITION.]

"Subordinate service district" means a defined area within the town in which one or more governmental services or additions to townwide services are provided by the town specially for the area and financed from revenues from the area. The boundaries of a single subordinate service district may not embrace an entire town.

Sec. 50. [365B.03] [ESTABLISHMENT OF SERVICE DISTRICT.]

Notwithstanding any provision of law requiring uniform property tax rates on real or personal property within the town, a town may establish subordinate service districts to provide and finance a governmental service or function that it is otherwise authorized to undertake. A function or service to be provided may include a function or service that the town ordinarily provides throughout the town only to the extent that there is an increase in the level of the function or service provided in the service district over that provided throughout the town.

Sec. 51. [365B.04] [CREATION BY PETITION.]

Subdivision 1. [PETITION.] A petition signed by at least 50 percent of the property owners in the part of the town proposed for the subordinate

service district may be submitted to the town board requesting the establishment of a subordinate service district to provide a service that the town is otherwise authorized by law to provide. The petition must include the territorial boundaries of the proposed district and specify the kinds of services to be provided within the district.

Subd. 2. [PUBLIC HEARING.] Upon receipt of the petition, and the verification of the signatures by the town clerk, the town board shall, within 30 days following verification, hold a public hearing on the question of whether or not the requested district shall be established.

Subd. 3. [APPROVAL; DISAPPROVAL.] Within 30 days after the public hearing, the town board by resolution shall approve or disapprove the establishment of the requested district. A resolution approving the establishment of the district may contain amendments or modifications of the district's boundaries or functions as set forth in the petition.

Sec. 52. [365B.05] [PUBLICATION AND EFFECTIVE DATE.]

Within 20 days after passage of a resolution authorizing the establishment of a subordinate service district, the town board shall have the resolution published once in a qualified newspaper of general circulation within the town. The resolution must include a general description of the territory to be included within the district, the kind of service to be provided, and a statement of how the service will be financed. A notice must also be mailed to the owner of each parcel within the area proposed to be included in the district. The notice shall be sent to the same address as on the property tax statement. The district shall begin 60 days after publication or at a later date specified in the resolution.

Sec. 53. [365B.06] [REVERSE REFERENDUM.]

Subdivision 1. [PETITION.] Upon receipt of a petition signed by at least 25 percent of the property owners within the territory of the proposed district, before the effective date of its establishment as specified in section 52, the establishment shall be in abeyance pending referendum vote within the boundaries of the proposed district.

Subd. 2. [ELECTION.] The town board shall hold a special election within the boundaries of the proposed district not less than 30 nor more than 90 days after receipt of the petition. The question submitted and voted upon by the property owners within the territory of the proposed district must be phrased substantially as follows:

"Shall a subordinate service district be established to provide (service or services to be provided) financed by (revenue sources)?"

If a majority of those voting on the question favor creation of the district, the district shall begin upon certification of the vote by the town clerk. The town clerk shall administer the election.

Sec. 54. [365B.07] [EXPANSION OF BOUNDARIES OF A DISTRICT.]

The town board, upon petition, may enlarge any existing subordinate service district under the procedures specified in sections 50 to 53. Only property owners residing in territory to be added to the district shall be eligible to participate in an election, unless at least 25 percent of the property owners residing in the existing district petition to participate, in which case all property owners residing in the proposed enlarged district shall be eligible.

Sec. 55. [365B.08] [FINANCING.]

Upon adoption of the next annual budget following the creation of a subordinate service district the town board shall include in the budget appropriate provisions for the operation of the district including either a property tax levied only on property of the users of the service within the boundaries of the district or a levy of a service charge against the users of the service within the district, or a combination of a property tax and a service charge on the users of the service.

A tax or service charge or a combination of them may be imposed to finance a function or service in the district that the town ordinarily provides throughout the town only to the extent that there is an increase in the level of the function or service provided in the service district over that provided throughout the town. In that case, in addition to the townwide tax levy, an amount necessary to pay for the increase in the level of the function or service may be imposed in the district.

Sec. 56. [365B.09] [WITHDRAWAL; ELECTION.]

Upon receipt of a petition signed by at least 50 percent of the property owners in the territory of the subordinate service district requesting the removal of the district, the town board shall hold a special election within the service district not less than 30 nor more than 90 days after the resolution or receipt of the petition. The question to be submitted and voted upon by the property owners in the district shall be phrased substantially as follows:

“Shall the subordinate service district presently established be removed and the service or services of the town as provided for the service district be discontinued?”

If a majority of those voting on the question favor the removal and discontinuance of the services, the service district shall be removed and the services shall be discontinued upon certification of the vote by the town clerk. The town clerk shall administer the election.

Sec. 57. [365B.10] [COORDINATION OF DISTRICTS.]

If a county establishes a subordinate service district in part of a town under enabling law for counties, a town may not establish a subordinate service district to provide the same service in the part of the town served by the county. If a town establishes a subordinate service district in part of the town under this chapter or other law, a county may not establish a subordinate service district to provide the same service in the part of the town served by the town.

Sec. 58. Minnesota Statutes 1988, section 375.192, subdivision 2, is amended to read:

Subd. 2. Notwithstanding section 270.07, upon written application by the owner of the property, if the application seeks a reduction in estimated market value not in excess of ~~\$2,000~~ \$10,000, the county board may grant the reduction or abatement of estimated market valuation or taxes and of any costs, penalties or interest on them as the board deems just and equitable and order the refund in whole or part of any taxes, costs, penalties or interest which have been erroneously or unjustly paid. The application must be approved by the county assessor, or, if the property is located in a city of the first or second class having a city assessor, by the city assessor, and

by the county auditor before consideration by the county board. The methods of obtaining a reduction or abatement of ad valorem values contained in subdivisions 1 and 2 are in addition to the method provided in section 270.07.

Sec. 59. Minnesota Statutes 1988, section 459.14, is amended by adding a subdivision to read:

Subd. 8. [PROPERTY EXEMPT FROM TAXATION.] Any real or personal property owned, leased, maintained, or operated as a municipal parking facility under this section is owned, leased, maintained, or operated for essential public and governmental purposes, and is exempt from all ad valorem taxes levied by the state or a political subdivision of the state.

Sec. 60. Minnesota Statutes 1988, section 469.012, is amended by adding a subdivision to read:

Subd. 12. [PARKING FACILITIES.] An authority may operate and maintain public parking facilities in connection with any of its projects.

Sec. 61. Minnesota Statutes 1988, section 469.040, subdivision 2, is amended to read:

Subd. 2. [LEASED PROPERTY, EXCEPTION.] Notwithstanding the provisions of subdivision 1, any property other than property to be operated as a parking facility that the authority leases to private individuals or corporations for development in connection with a redevelopment project shall have the same tax status as if the leased property were owned by the private individuals or corporations.

Sec. 62. Minnesota Statutes 1988, section 469.174, subdivision 8, is amended to read:

Subd. 8. [PROJECT.] "Project" means a project as described in section 469.142; an industrial development district as described in section 469.058, subdivision 1; an economic development district as described in section 469.101, subdivision 1; a project as defined in section 469.002, subdivision 12; a development district as defined in section 469.125, subdivision 8 9, or any special law; or a project as defined in section 469.153, subdivision 2, paragraph (a), (b), or (c).

Sec. 63. Minnesota Statutes 1988, section 469.175, subdivision 7, is amended to read:

Subd. 7. [CREATION OF HAZARDOUS SUBSTANCE SUBDISTRICT; RESPONSE ACTIONS.] (a) A municipality or authority which is creating or has created a tax increment financing district may establish within the district a hazardous substance subdistrict upon the notice and after the discussion, public hearing, and findings required for approval of the original plan. The geographic area of the subdistrict is made up of any parcels in the district designated for inclusion by the municipality or authority that are designated hazardous substance sites, and any additional parcels in the district designated for inclusion that are contiguous to the hazardous substances sites except for the interposition of a right-of-way. Before or at the time of approval of the tax increment financing plan, the municipality must make the findings under paragraphs (b) to (d), and set forth in writing the reasons and supporting facts for each.

(b) Development or redevelopment of the site, in the opinion of the

municipality, would not reasonably be expected to occur solely through private investment and tax increment otherwise available, and therefore the hazardous substance district is deemed necessary.

(c) Other parcels that are not designated hazardous substance sites are expected to be developed together with a designated hazardous substance site.

(d) The subdistrict is not larger than, and the period of time during which increments are elected to be received is not longer than, that which is necessary in the opinion of the municipality to provide for the additional costs due to the designated hazardous substance site.

(e) Upon request by a municipality or authority that has incurred expenses for removal or remedial actions to implement a development response action plan, the attorney general may:

(1) bring a civil action on behalf of the municipality or authority to recover the expenses, including administrative costs and litigation expenses, under section 115B.04 or other law; or

(2) assist the municipality or agency in bringing an action as described in clause (1), by providing legal and technical advice, intervening in the action, or other appropriate assistance.

The decision to participate in any action to recover expenses is at the discretion of the attorney general.

(f) If the attorney general brings an action as provided in paragraph (e), clause (1), the municipality or authority shall certify its reasonable and necessary expenses incurred to implement the development response action plan and shall cooperate with the attorney general as required to effectively pursue the action. The certification by the municipality or authority is prima facie evidence that the expenses are reasonable and necessary. The attorney general may deduct litigation expenses incurred by the attorney general from any amounts recovered in an action brought under paragraph (e), clause (1). The municipality or authority shall reimburse the attorney general for litigation expenses not recovered in an action under paragraph (e), clause (1), and for litigation expenses incurred to assist in bringing an action under paragraph (e), clause ~~(1)~~ (2). All money recovered or paid to the attorney general for litigation expenses under this paragraph shall be paid to the general fund of the state for deposit to the account of the attorney general. For the purposes of this section, "litigation expenses" means attorney fees and costs of discovery and other preparation for litigation.

(g) The municipality or authority shall reimburse the pollution control agency for its administrative expenses incurred to review and approve a development action response plan and associated activities, and for expenses incurred for any services rendered to the attorney general to support the attorney general in actions brought or assistance provided under paragraph (e). All money paid to the pollution control agency under this paragraph shall be deposited in the environmental response, compensation and compliance fund.

(h) Actions taken by a municipality or authority consistent with a development response action plan are deemed to be authorized response actions for the purpose of section 115B.17, subdivision 12. A municipality or agency that takes actions consistent with a development response action

plan qualifies for the defenses available under sections 115B.04, subdivision 11, and 115B.05, subdivision 9.

(i) All money recovered by a municipality or authority in an action brought under paragraph (e) in excess of the amounts paid to the attorney general and the pollution control agency must be treated as excess increments and be distributed as provided in section 469.176, subdivision 2, clause (4), to the extent the removal and remedial actions were initially financed with increment revenues.

Sec. 64. Minnesota Statutes 1988, section 469.176, subdivision 4c, is amended to read:

Subd. 4c. [ECONOMIC DEVELOPMENT DISTRICTS.] Revenue derived from tax increment from an economic development district may not be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if *at least* 25 percent of the buildings and facilities (determined on the basis of square footage) are used for the purposes listed in section 144(a)(8) of the Internal Revenue Code of 1986 (determined without regard to the 25 percent restriction in subparagraph (A)). The restrictions under this paragraph apply only to districts located in development regions, as defined in section 462.384, with populations in excess of 1,000,000. Population must be determined under the provisions of section 477A.011.

Sec. 65. Minnesota Statutes 1988, section 475.53, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] Except as otherwise provided by law, no school district shall be subject to a net debt in excess of ten percent of the actual market value of all taxable property situated within its corporate limits, as computed in accordance with this subdivision. The county auditor of each county containing taxable real or personal property situated within any school district shall certify to the district upon request the market value of all such property. ~~The commissioner of revenue shall certify to the district upon request the market value of railroad property within the district as most recently determined under section 270.87.~~ Whenever the commissioner of revenue, in accordance with section 124.2131, subdivision 1, has determined that the gross tax capacity of any district furnished by county auditors is not based upon the market value of taxable property in the district, the commissioner of revenue shall certify to the district upon request the ratio most recently ascertained to exist between such value and the actual market value of property within the district. The actual market value of property within a district, on which its debt limit under this subdivision is based, is (a) the value certified by the county auditors ~~and, where applicable, by the commissioner of revenue under section 270.87,~~ or (b) this value divided by the ratio certified by the commissioner of revenue, whichever results in a higher value.

Sec. 66. Minnesota Statutes 1988, section 477A.011, subdivision 15, is amended to read:

Subd. 15. [CITY REVENUE.] "City revenue" equals the sum of (i) the city's aid payable under section 477A.013, in the year prior to that for which aids are being calculated, and (ii) its levy for taxes payable in the year prior to that for which aids are being calculated; ~~and (iii) for aids payable in 1991 and subsequent years, the city's transition aid payable under section~~

~~273.1398, subdivision 2, in the year prior to that for which aids are being calculated.~~

Sec. 67. Minnesota Statutes 1988, section 477A.013, subdivision 1, is amended to read:

Subdivision 1. [TOWNS.] In calendar year 1988, each town which had levied for taxes payable in the previous year at least one mill on the dollar of the assessed value of the town shall receive a distribution equal to the greater of: (a) 60 percent of the amount received in 1983 pursuant to Minnesota Statutes 1982, sections 273.138, 273.139, and 477A.011 to 477A.03; or (b) the amount certified in 1987 pursuant to sections 477A.011 to 477A.03. In calendar year 1989, each town that had levied for taxes payable in 1988 at least one mill on the dollar of the assessed value of the town shall receive a distribution equal to 106 percent of the distribution received under Minnesota Statutes 1987 Supplement, section 477A.013, subdivision 1, in 1988. In calendar year 1990 and subsequent years, each town that had levied for taxes payable in the prior year a tax capacity rate of at least ~~0.125~~ .008 shall receive a distribution equal to the amount received in 1989 under this subdivision.

Sec. 68. Laws 1988, chapter 719, article 8, section 37, is amended to read:

Sec. 37. [EFFECTIVE DATE.]

The part of section 31 that strikes a part of paragraph (c) is effective June 1, 1990. Section 32 ~~is, and the part of section 36 that provides approval of 25 additional positions in the department of human services for food stamp quality control, are~~ effective June 1, 1989. Except as provided in section 34, the rest of this article is effective January 1, 1990.

Sec. 69. Laws 1988, chapter 719, article 12, section 29, is amended to read:

Sec. 29. [TRANSITION RULES.]

(a) The provisions of sections 3, 6, 10, and ~~44 16~~ do not apply to proposed tax increment financing districts for which the authority called for a public hearing in a resolution dated March 23, 1987, and for which a public hearing was held on April 28, 1987. The provisions of Minnesota Statutes 1987 Supplement, sections 469.174, subdivision 10, and 469.176, subdivision 4, apply to such districts.

(b) The provisions of sections 3, 6, 10, and ~~44 16~~ do not apply to candidate sites in the ~~old highway 8 corridor tax increment project area,~~ identified in the old highway 8 corridor plan as approved by an authority on October 14, 1986, if the requests for certification of the districts are filed with the county before January 1, 1988. The provisions of Minnesota Statutes 1987 Supplement, sections 469.174, subdivision 10, and 469.176, subdivision 4, apply to such districts.

(c) The provisions of section ~~44 16~~, subdivision 4c, do not apply to an economic development district located in a development district approved on November 9, 1987, provided the request for certification of the tax increment district is submitted to the county by September 30, 1988.

Sec. 70. [SPECIAL SERVICES DEFINED.]

For purposes of sections 70 and 71, "special services" means all services rendered or contracted for by the city of Mankato, including but not limited

to:

(1) the repair, maintenance, operation, and construction of any improvement authorized by Minnesota Statutes, section 429.021;

(2) parking services rendered or contracted for by the city; and

(3) any other service provided to the public by the city that is authorized by law or charter.

Sec. 71. [CITY OF MANKATO; ESTABLISHMENT OF SPECIAL SERVICES DISTRICT.]

The governing body of the city of Mankato may adopt an ordinance establishing a special service district. The provisions of Minnesota Statutes, chapter 428A govern the establishment and operation of special service districts in the city.

Sec. 72. [LOCAL APPROVAL.]

Sections 70 and 71 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Mankato.

Sec. 73. [SPECIAL SERVICES DEFINED.]

For purposes of sections 73 to 75, "special services" means all services rendered or contracted for by the city of Hopkins, including, but not limited to:

(1) the repair, maintenance, operation, and construction of any improvement authorized by Minnesota Statutes, section 429.021;

(2) parking services rendered or contracted for by the city; and

(3) any other service provided to the public by the city that is authorized by law or charter.

Sec. 74. [CITY OF HOPKINS; ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.]

The governing body of the city of Hopkins may adopt an ordinance establishing a special service district. The provisions of Minnesota Statutes, chapter 428A govern the establishment and operation of special service districts in the city.

Sec. 75. [LOCAL APPROVAL.]

Sections 73 and 74 are effective the day following compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Hopkins.

Sec. 76. Laws 1988, chapter 719, article 7, section 9, is amended to read:

Sec. 9. [COUNTY ASSESSORS; SENIOR ACCREDITATION.]

Notwithstanding Minnesota Statutes, section 273.061, the commissioner of revenue's approval on January 1, 1989, of appointments of assessors who are not senior accredited on January 1, 1989, shall be for a term of ~~one~~ *three* years. A county assessor appointed for a ~~one-year~~ *three-year* term must reapply to the commissioner by January 1, ~~1990~~ *1992*, to obtain the approval of the commissioner for the remainder of the four-year term.

Sec. 77. [REPEALER.]

(a) *Minnesota Statutes 1988, sections 38.17; 38.27, subdivision 3; and 38.28 are repealed.*

(b) *Minnesota Statutes 1988, sections 276.13 and 276.14, are repealed.*

(c) *Laws 1988, chapter 719, article 8, section 35, is repealed.*

(d) *Minnesota Statutes 1988, sections 275.57 and 275.58, subdivision 4, are repealed.*

Sec. 78. [EFFECTIVE DATE.]

Sections 1, 34, 40, 42 to 44, and 77, paragraphs (a) and (d), are effective for taxes levied in 1988, payable in 1989, and thereafter except as provided in those sections. Sections 5 to 7 are effective January 1, 1989. Sections 8 to 11 are effective January 1, 1989, for property assessed in 1989, payable in 1990, and thereafter. Sections 12, 13, 17, 18, 21, 28, 38, 45, 63, 65, 66, and 77, paragraph (b), are effective the day following final enactment.

Section 15 is effective the day following final enactment except the amendments to the transitional housing exemption in clause (19) are effective for taxes levied in 1989, payable in 1990, and thereafter.

Notwithstanding the May 1 application date in Minnesota Statutes, section 273.111, subdivision 8, section 19 is effective for the 1989 assessment, payable in 1990, and thereafter.

Section 20 is effective for taxes levied in 1989, payable in 1990, and thereafter. Notwithstanding Minnesota Statutes, section 273.112, subdivision 6, in order to qualify for valuation under Minnesota Statutes, section 273.112, for the 1989 assessment, the taxpayer of the property operated by private clubs under Minnesota Statutes, section 273.112, subdivision 3, clause (c)(3), must submit an affidavit or other written verification to the assessor by August 1, 1989, showing that the bylaws in rules and regulations of the private club meet the eligibility requirements of section 20 by August 1, 1989.

Sections 30 and 31 are effective for taxes payable in 1989 only. Sections 39 and 41 are effective for appeals filed after the date of enactment. Section 47 is effective for distributions for production year 1989, production taxes payable in 1990, and thereafter. Section 58 is effective July 1, 1989. Section 64 is effective as provided in Laws 1988, chapter 719, article 12, section 30, as amended in Laws 1989, chapter 1, section 11. Section 67 is effective for distributions in calendar year 1990 and thereafter. Section 68 is effective June 1, 1989. Section 69 is effective May 8, 1988.

Section 77, paragraph (c), is effective for fiscal year 1989. Sections 3, 4, 14, 22, 24 to 27, 29, 33, 35 to 37, and 59 to 61 are effective for taxes levied in 1989, payable in 1990, and thereafter.

ARTICLE 3

SPECIAL TAXES

Section 1. Minnesota Statutes 1988, section 297.01, subdivision 13, is amended to read:

Subd. 13. "Stamp" means the adhesive stamp supplied by the revenue commissioner ~~or the imprint made by a tax meter machine authorized by the commissioner.~~

Sec. 2. Minnesota Statutes 1988, section 297.01, is amended by adding a subdivision to read:

Subd. 16. "Licensing period" means a two-year period during which licenses are issued. A licensing period begins on January 1 of each even-numbered year and ends on December 31 of the following odd-numbered year.

Sec. 3. Minnesota Statutes 1988, section 297.03, subdivision 6, is amended to read:

Subd. 6. [TAX METER MACHINES; STAMPING MACHINES.] (a) Before ~~January~~ July 1, 1990, the commissioner may authorize any person licensed as a distributor to stamp packages with a tax meter machine, approved by the commissioner, which shall be provided by the distributor. The commissioner may provide for the use of such a machine by the distributor, supervise and check its operation, provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5. ~~Except as provided in paragraph (d), the commissioner may require the furnishing of a corporate surety bond, check guarantee bond, or certified check in a suitable amount to guarantee the payment of the tax.~~

~~(b) Before January 1, 1990, the commissioner may authorize, and After December 31, 1989 June 30, 1990, the commissioner shall require any person licensed as a distributor whose stamp meter machine is no longer operational to stamp packages with a heat-applied tax stamping machine, approved by the commissioner, which shall be provided by the distributor. The commissioner shall supervise and check the operation of the machines and shall provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5. The commissioner may sell heat-applied stamps on a credit basis under conditions prescribed by the commissioner. Except as provided in paragraph (d), the commissioner may require the furnishing of a corporate surety bond, check guarantee bond, or certified check in an amount suitable to guarantee payment of the tax stamps so purchased by a distributor. The stamps shall be sold by the commissioner at a price which includes the tax after giving effect to the discount provided in subdivision 5. The commissioner shall recover the actual costs of the stamps from the distributor.~~

~~(c) If the commissioner finds that a stamping machine is not printing or affixing a legible stamp on the package, the commissioner may order the distributor to immediately cease the stamping process until the machine is functioning properly.~~

~~(d) Every prior continuous compliance taxpayer is exempt from all requirements under this chapter concerning the furnishing of a bond. This exemption continues for the taxpayer until the commissioner determines that the taxpayer (1) is delinquent in the filing of any return, or (2) is delinquent or deficient in the payment of any uncontested tax liability under this chapter. At that time that taxpayer is subject to the bond requirements of this chapter and, as a condition of being allowed to continue to engage in the business licensed under this chapter, is required to furnish bond to the commissioner as provided in this chapter. The taxpayer shall furnish the bond for a period of two years, after which, if the taxpayer has not been delinquent in the filing of any returns, or delinquent or deficient in the paying of any tax under this chapter, the commissioner may reinstate the person as a prior continuous compliance taxpayer. A taxpayer who fails~~

to pay an uncontested tax liability under this chapter may be required to post bond or other acceptable security with the commissioner guaranteeing the payment of the uncontested tax liability. The commissioner shall annually establish the maximum amount of heat applied stamps or meter units that may be purchased each month. Notwithstanding any other provisions of this chapter, the tax due on the return will be based upon actual heat applied stamps or meter units purchased during the reporting period.

Sec. 4. Minnesota Statutes 1988, section 297.04, subdivision 4, is amended to read:

Subd. 4. [DISTRIBUTOR'S APPLICATION; FEE; BOND; CERTIFIED CHECK; SUBJOBBER'S LICENSE.] (a) ~~Except as otherwise provided in paragraph (b),~~ Each application for a distributor's license shall be accompanied by a fee of \$150 and a corporate surety bond issued by a surety licensed to do business in this state in the sum of \$1,000, conditioned upon the true and faithful compliance by the licensee with all of the provisions of this act. ~~This bond, or a reissue thereof, or a substitute therefor, shall be kept in full force and effect during the entire period covered by the license \$300.~~ A separate application for license shall be made for each place of business at which a distributor proposes to engage in business as such under sections 297.01 to 297.13, provided that a separate application for a subjobber's license may be made by a licensed distributor for each place of business (other than that licensed in the distributor's license) to which the distributor delivers and from which the distributor sells or distributes stamped cigarettes.

Each application for a subjobber's license shall be accompanied by a fee of ~~\$12~~ \$24.

A distributor or subjobber applying for a license ~~between July 1 and December 31~~ during the second year of any year a two-year licensing period shall be required to pay only one-half of the license fee provided for herein.

~~(b) In lieu of the bond required in paragraph (a), a certified check made payable to the commissioner may be filed with the commissioner. The department of revenue shall not pay interest on funds encumbered by the check.~~

Sec. 5. Minnesota Statutes 1988, section 297.04, subdivision 5, is amended to read:

Subd. 5. [ISSUANCE.] The commissioner, upon receipt of the application and bond in proper form, and payment of the license fee required by subdivision 4, shall, unless otherwise provided by sections 297.01 to 297.13, issue the applicant a license in form as prescribed by the commissioner, which said license shall permit the applicant to whom it is issued to engage in business as a distributor or subjobber at the place of business shown in the application.

Sec. 6. Minnesota Statutes 1988, section 297.04, subdivision 6, is amended to read:

Subd. 6. [EXPIRATION.] Each license issued shall expire on December 31 ~~following its date of issue~~ the second year of the licensing period unless sooner revoked by the commissioner or unless the business with respect to which the license was issued is transferred. In either case the holder of the license shall immediately surrender it to the commissioner.

Sec. 7. Minnesota Statutes 1988, section 297.041, subdivision 1, is amended to read:

Subdivision 1. [WHOLESALEERS.] Any wholesaler ~~who furnishes a surety bond in a sum satisfactory to the commissioner~~ shall be permitted to set aside, without affixing the stamps required by this chapter, that part of the wholesaler's stock necessary for the conduct of business in making sales to the established governing body of any Indian tribe recognized by the United States Department of Interior. The unstamped stock shall be kept separate and apart from stamped stock. Every wholesaler shall, at the time of shipping or delivering any of the unstamped stock to an Indian tribal organization, make a true duplicate invoice which shall show the complete details of the sale or delivery and shall transmit the duplicate to the commissioner not later than the 18th day of the following calendar month. Failure to comply with the requirements of this section shall cause the commissioner to revoke the permission granted to the wholesaler to maintain a stock of goods which may be unstamped.

Sec. 8. Minnesota Statutes 1988, section 297.08, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are declared to be contraband:

(1) All packages which do not have stamps affixed to them as provided in sections 297.01 to 297.13 and all devices for the vending of cigarettes in which such unstamped packages are found, including all contents contained within the devices.

(2) Any device for the vending of cigarettes and all packages of cigarettes contained therein, where the device does not afford at least partial visibility of contents. Where any package exposed to view does not carry the stamp ~~or imprint~~ required by sections 297.01 to 297.13, it shall be presumed that all packages contained in the device are unstamped and contraband.

(3) Any device for the vending of cigarettes to which the commissioner or authorized agents have been denied access for the inspection of contents. In lieu of seizure, the commissioner or an agent may seal the device to prevent its use until inspection of contents is permitted.

(4) Any device for the vending of cigarettes which does not carry the name and address of the owner, plainly marked and visible from the front of the machine.

(5) Any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used with the knowledge of the owner or of a person operating with the consent of the owner for the storage or transportation of more than 5,000 cigarettes which are contraband under this subdivision. When cigarettes are being transported in the course of interstate commerce, or are in movement from either a public warehouse to a distributor upon orders from a manufacturer or distributor, or from one distributor to another, the cigarettes are not contraband, notwithstanding the provisions of clause (1).

Sec. 9. Minnesota Statutes 1988, section 297.31, is amended by adding a subdivision to read:

Subd. 17. "Licensing period" means a two-year period during which licenses are issued. A licensing period begins on January 1 of each even-numbered year and ends on December 31 of the following odd-numbered

year.

Sec. 10. Minnesota Statutes 1988, section 297.33, subdivision 4, is amended to read:

Subd. 4. (a) ~~Except as otherwise provided in paragraph (b),~~ Each application for a distributor's license shall be accompanied by a fee of ~~\$37.50~~ \$75. ~~The application shall also be accompanied by a corporate surety bond issued by a surety licensed to do business in this state, in the sum of \$1,000, conditioned upon the true and faithful compliance by the distributor with all the provisions of sections 297.31 to 297.39 and the payment when due of all taxes, penalties, and accrued interest arising in the ordinary course of business or by reason of any delinquent money which may be due the state of Minnesota. This bond shall be in a form to be fixed by the commissioner and approved by the attorney general. Whenever it is the opinion of the commissioner that the bond given by a licensee is inadequate in amount to fully protect the state, the commissioner shall require either an increase in the amount of said bond or additional bond, in such amount as the commissioner deems sufficient. Any bond required by this subdivision, or a reissue thereof, or a substitute therefor, shall be kept in full force and effect during the entire period covered by the license.~~

A separate application for license shall be made for each place of business at which a distributor proposes to engage in business as such under sections 297.31 to 297.39. A separate application for a subjobber's license may be made by a licensed distributor for each place of business, other than that licensed in the distributor's license, to which the distributor sells or distributes tobacco products upon which the tax imposed by this chapter has been imposed to other than the ultimate consumer.

(b) ~~In lieu of the bond required in paragraph (a), a certified check may be filed with the commissioner. The check must be made payable to the commissioner and in an amount to be established by the commissioner or the commissioner's designee but not less than twice the average monthly liability of the taxpayer. The department of revenue shall pay no interest on funds encumbered by the check.~~

Sec. 11. Minnesota Statutes 1988, section 297.33, subdivision 5, is amended to read:

Subd. 5. (a) Each application for a subjobber's license shall be accompanied by a fee of ~~\$10~~ \$20.

(b) All licenses expire on December 31 of the *second year of the licensing period in which they were issued.*

Sec. 12. Minnesota Statutes 1988, section 297.33, subdivision 6, is amended to read:

Subd. 6. A distributor or subjobber applying for a license ~~between July 1 and December 31 of any~~ *during the second year of a licensing period* shall be required to pay only one-half of the license fee provided for herein.

Sec. 13. Minnesota Statutes 1988, section 297.33, subdivision 7, is amended to read:

Subd. 7. The commissioner, upon receipt of the application ~~(and bond, in the case of the distributor)~~ in proper form, and payment of the license fee required by subdivision 4 or subdivision 5, shall, unless otherwise provided by sections 297.31 to 297.39, issue the applicant a license in

form as prescribed by the commissioner, which license shall permit the applicant to whom it is issued to engage in business as a distributor or subjobber at the place of business shown in the application. The commissioner shall assign a permit number to each person licensed as a distributor at the time of issuance of the first license, which shall be inscribed upon all licenses issued to that distributor.

Sec. 14. Minnesota Statutes 1988, section 297.33, subdivision 8, is amended to read:

Subd. 8. Each license ~~issued for any period subsequent to June 30, 1971~~ shall expire on December 31 ~~following its date of issue the second year of the licensing period~~ unless sooner revoked by the commissioner or unless the business with respect to which the license was issued is transferred. In either case the holder of the license shall immediately surrender it to the commissioner.

Sec. 15. Minnesota Statutes 1988, section 297C.03, subdivision 1, is amended to read:

Subdivision 1. [MANNER AND TIME OF PAYMENT; PENALTIES; DEPOSIT OF TAX PROCEEDS.] The tax on wines and distilled spirits on which the excise tax has not been previously paid must be paid to the commissioner by persons ~~having on file with the commissioner a sufficient bond as provided in subdivision 4~~ liable for the tax on or before the 18th day of the month following the month in which the first sale is made in this state by a licensed manufacturer or wholesaler. Every person liable for the tax on wines or distilled spirits imposed by section 297C.02 must file with the commissioner on or before the 18th day of the month following first sale in this state by a licensed manufacturer or wholesaler a return in the form prescribed by the commissioner, and must keep records and render reports required by the commissioner. ~~A person liable for any tax on wines or distilled spirits not having on file a sufficient bond must pay the tax within 24 hours after first sale in this state.~~ The commissioner may certify to the commissioner of public safety any failure to pay taxes when due as a violation of a statute relating to the sale of intoxicating liquor for possible revocation or suspension of license.

Sec. 16. Minnesota Statutes 1988, section 297C.09, is amended to read:

297C.09 [IMPORTATION BY INDIVIDUALS.]

A person, other than a person under the age of 21 years, entering Minnesota from another state may have in possession one liter of intoxicating liquor or 288 ounces of malt liquor and a person entering Minnesota from a foreign country may have in possession four liters of intoxicating liquor or ten quarts (320 ounces) of malt liquor without the required payment of the Minnesota excise tax. ~~Amounts in excess of these quantities may be imported only by a licensee holding the appropriate license as manufacturer, wholesaler, or importer under section 340A.301 or 340A.302.~~ A collector of commemorative bottles, other than a person under the age of 21 years, entering Minnesota from another state may have in possession 12 or fewer commemorative bottles without the required payment of the Minnesota excise tax. A person who imports or has in possession untaxed intoxicating liquor or malt liquor in excess of the quantities provided for in this section is guilty of a misdemeanor. This section does not apply to the consignments of alcoholic beverages shipped into this state by holders of Minnesota import licenses or Minnesota manufacturers and wholesalers when licensed

by the commissioner of public safety or to common carriers with licenses to sell intoxicating liquor in more than one state. A peace officer, the commissioner, or their authorized agents, may seize untaxed liquor.

Sec. 17. [REPEALER.]

Minnesota Statutes 1988, sections 297.01, subdivision 15; 297.03, subdivision 12; 297.04, subdivision 10; 297.33, subdivision 13; and 297C.03, subdivisions 4 and 4a, are repealed.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 and 8 are effective July 1, 1990. Sections 2, 4, 6, 9 to 12, and 14 are effective for license applications for the year 1990 and thereafter, except that sections 4 and 10 are effective for bonding periods beginning after December 31, 1989, for provisions applying to bonding requirements. Any bonds for periods before January 1, 1990, must be kept in full force and effect until the statute of limitations for those periods has expired.

Sections 3, 5, 7, 13, 15, and 17 are effective for bonding periods beginning after December 31, 1989, with the following exceptions: (1) any bonds for periods before January 1, 1990, must be kept in full force and effect until the statute of limitations for those periods has expired, (2) section 17 is effective July 1, 1990, for provisions applying to stamps and tax meter machines, (3) section 3 is effective July 1, 1989, for provisions applying to tax meter machines, and (4) section 3 is effective July 1, 1990, for provisions applying to meter units.

Section 16 is effective the day following final enactment.

ARTICLE 4

MILL RATE CONVERSIONS

Section 1. Minnesota Statutes 1988, section 3.983, subdivision 3, is amended to read:

Subd. 3. [MISCELLANEOUS EXCEPTIONS.] A fiscal note need not be prepared for the cost of a mandated action if the law containing the mandate:

- (a) (1) accommodates a specific local request;
- (b) (2) results in no new local government duties;
- (c) (3) leads to revenue losses from exemptions to taxes other than sales, use, or property taxes;
- (d) (4) provides only clarifying or conforming, nonsubstantive changes on local government;
- (e) (5) imposes additional net local costs which are minor (less than \$200 for any single local government if the mandate does not apply statewide or less than ~~one-tenth of a mill~~ 0.00242 percent times the entire market value of taxable property in the state if the mandate is statewide) and do not cause a financial burden on local government;
- (f) (6) is a legislative mandate or executive order enacted before July 1, 1985, or a rule initially implementing legislation enacted before July 1, 1985;
- (g) (7) implements something other than a state statute or executive order, such as a federal, court, or voter-approved mandate;

- (h) (8) appears in rules that are permissive or discretionary in nature;
- (i) (9) defines a new crime or redefines an existing crime or infraction;
- (j) (10) provides, or falls within the purview of existing, revenue sources or other financing mechanisms; or
- (k) (11) results in savings that equal or exceed costs.

Sec. 2. Minnesota Statutes 1988, section 18.022, subdivision 2, is amended to read:

Subd. 2. [COST.] (a) In order to defray the cost of such activities, the governing body of ~~any such~~ the political subdivision may levy a special tax which, except when levied by a county, ~~shall does not exceed two-thirds mill~~ *0.01596 percent of taxable market value* 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 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~~ the 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 ~~4-13 mills~~ *0.03216 percent of taxable market value*, but not in any event more than one dollar per capita.

Sec. 3. Minnesota Statutes 1988, section 18.111, subdivision 1, is amended to read:

Subdivision 1. [LEVY LIMIT.] An annual levy of not to exceed ~~one-third mill on each dollar of gross tax capacity~~ *0.00798 percent of market value* may be levied for mosquito abatement purposes on all taxable property in any governmental unit undertaking mosquito abatement as provided in sections 18.041 to 18.161. ~~Such~~ The tax shall be certified, levied and collected in the same manner as other taxes ~~enused to be~~ levied by the governmental unit.

Sec. 4. Minnesota Statutes 1988, section 40A.15, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE RECIPIENTS.] All counties within the state, municipalities that prepare plans and official controls instead of a county, and districts are eligible for assistance under the program. Counties and districts may apply for assistance on behalf of other municipalities. In order to be eligible for financial assistance a county or municipality must agree to levy at least ~~one-half mill on the dollar of gross tax capacity of property within its jurisdiction~~ *0.01209 percent of taxable market value* for agricultural land preservation and conservation activities or otherwise spend the equivalent amount of local money on those activities, or spend \$15,000 of local money, whichever is less.

Sec. 5. Minnesota Statutes 1988, section 88.04, subdivision 3, is amended to read:

Subd. 3. All towns and cities are hereby authorized and directed to shall take necessary precautions to prevent the starting and spreading of forest or prairie fires and to extinguish the same; and are hereby further authorized to them. They may levy a tax of not more than ~~3-13 mills~~ *0.08059 percent*

~~of taxable market value annually upon the taxable property of such municipalities, but in no municipality to. The tax in any municipality shall not exceed a total of \$3,000 in any one year, which. The tax when collected shall be known as the fire fund and kept separate and apart from all other funds and used only in paying to pay all necessary and incidental expenses incurred in enforcing the provisions of sections 88.03 to 88.21. Not Up to exceed \$500 shall be expended in any one year from any such fire fund for the support of any municipal fire department. No such municipality shall make any levy for its fire fund at any time when the same fund contains \$5,000 or more, consisting of including cash on hand or and uncollected taxes that are not delinquent or both.~~

Sec. 6. Minnesota Statutes 1988, section 110.71, subdivision 2, is amended to read:

Subd. 2. The governing body of any city or town may use any available funds and may levy a special tax of not to exceed ~~two thirds of one mill, nor the lesser of (1) 0.01596 percent of taxable market value, or (2) 50 cents per capita, in any year in addition to all other taxes authorized by law,~~ to carry out the provisions of subdivisions 1 to 4.

Sec. 7. Minnesota Statutes 1988, section 110B.20, is amended to read:

110B.20 [EXEMPTION FROM LEVY LIMIT.]

The governing body of any county, municipality, or township may levy a tax in an amount required to implement sections 110B.01 to 110B.30. ~~A levy to pay the cost of implementing sections 110B.01 to 110B.30 or to pay the cost of projects or programs identified in an adopted comprehensive water plan is in addition to other taxes authorized by law. The amount of the levy up to .75 mill times the adjusted gross tax capacity of the county, municipality, or town 0.01813 percent of taxable market value is exempt from any the per capita limitation on taxes imposed by chapter 275 section 275.11.~~

Sec. 8. Minnesota Statutes 1988, section 112.61, subdivision 2, is amended to read:

Subd. 2. [ORGANIZATIONAL EXPENSE FUND.] The organizational expense fund consists of an ad valorem tax levy, not to exceed ~~two thirds of one mill on each dollar of gross tax capacity of all taxable property within the district 0.01596 percent of taxable market value,~~ or \$60,000, whichever is less. The funds shall be used for organizational expenses and preparation of an overall plan for projects and improvements. The managers of the district may borrow from the affected counties up to 75 percent of the anticipated funds to be collected from the organizational expense fund levy and the counties affected may make the advancements. The advancement of anticipated funds shall be apportioned among affected counties in the same ratio as the gross tax capacity of the area of the counties within the district bears to the gross tax capacity of the entire district. If an established district is enlarged, an organizational expense fund may be levied against the area added to the district in the way provided in this subdivision. Unexpended funds collected for the organizational expense may be transferred to the administrative fund and used for the purposes authorized for it.

Sec. 9. Minnesota Statutes 1988, section 112.61, subdivision 3, is amended to read:

Subd. 3. [ADMINISTRATIVE FUND.] The administrative fund consists of an ad valorem tax levy not to exceed ~~one mill on each dollar of gross tax capacity of all taxable property within the district~~ *0.02418 percent of taxable market value*, or \$125,000, whichever is less. The funds shall be used for general administrative expenses and to construct and maintain projects of common benefit to the district. The managers may make an annual levy for this fund as provided in section 112.611. In addition to the annual administrative levy, the managers may annually levy a tax ~~of not to exceed one-third of one mill~~ *0.00798 percent of taxable market value* for a period of not to exceed 15 consecutive years to pay the cost attributable to the basic water management features of projects initiated by petition of a municipality of the district.

Sec. 10. Minnesota Statutes 1988, section 112.61, subdivision 8, is amended to read:

Subd. 8. [SURVEY AND DATA ACQUISITION FUND.] The survey and data acquisition fund is established or used only when no other funds are available to the district to pay to make necessary surveys and acquire data. The fund consists of ~~an ad valorem levy the proceeds of a property tax, which can be levied not more than once every five years, not to exceed one mill on each dollar of gross tax capacity of all taxable property within the district~~ *0.02418 percent of taxable market value*. The balance of the survey and data acquisition fund must never exceed \$50,000. In a subsequent proceeding for a work where a survey has been made, the attributable cost of the survey as determined by the managers shall be included as a part of the cost of the work and repaid to the survey and data acquisition fund.

Sec. 11. Minnesota Statutes 1988, section 138.053, is amended to read:

138.053 [COUNTY HISTORICAL SOCIETY; TAX LEVY; CITIES OR TOWNS.]

The governing body of any home rule charter or statutory city or town excepting cities of the first class may appropriate annually an amount from its general fund of not to exceed ~~one mill of the gross tax capacity of the taxable property in the city or town~~ *the amount raised by a levy of 0.02418 percent of taxable market value* to be paid to the historical society of ~~their~~ *its* respective county to be used for the promotion of historical work and to aid in defraying the expenses of carrying on the historical work in ~~said~~ *the* county. No city or town may appropriate any funds for the benefit of any historical society unless ~~such the society shall be~~ *is* affiliated with and approved by the Minnesota historical society.

Sec. 12. Minnesota Statutes 1988, section 162.07, subdivision 3, is amended to read:

Subd. 3. [COMPUTATIONS FOR RURAL COUNTIES.] ~~A two-thirds of one mill levy~~ *An amount equal to a levy of 0.01596 percent* on each rural county's total ~~gross tax capacity taxable market value~~ for the last preceding calendar year shall be computed and shall be subtracted from ~~such the county's total estimated construction costs~~. The result thereof shall be the money needs of ~~such the county~~. For the purpose of this section, "rural counties" ~~shall be construed to mean~~ *means* all counties having a population of less than 175,000.

Sec. 13. Minnesota Statutes 1988, section 162.07, subdivision 4, is amended to read:

Subd. 4. [COMPUTATION FOR URBAN COUNTIES.] A ~~four-tenths mill levy~~ *An amount equal to a levy of 0.00967 percent* on each urban county's total ~~gross tax capacity~~ *taxable market value* for the last preceding calendar year shall be computed and shall be subtracted from ~~such the~~ county's total estimated construction costs. The result thereof shall be the money needs of the county. For the purpose of this section, "urban counties" ~~shall be construed to mean~~ *means* all counties having a population of 175,000 or more.

Sec. 14. Minnesota Statutes 1988, section 162.081, subdivision 4, is amended to read:

Subd. 4. [PURPOSES.] Money apportioned to a county from the town road account must be distributed to the treasurer of each town within the county, according to a distribution formula adopted by the county board. The formula must take into account each town's levy for road and bridge purposes, its population and town road mileage, and other factors as the county board deems advisable in the interests of achieving equity among the towns. Distribution of town road funds to the treasurer of the towns must be made at the same time as the first payment is made for tax payments received by the county treasurer as provided in section 276.11. Distribution of funds to town treasurers in a county which has not adopted a distribution formula under this subdivision must be made according to a formula prescribed by the commissioner by rule. A formula adopted by a county board or by the commissioner must provide that a town, in order to be eligible for distribution of funds from the town road account in a calendar year, must have levied in the previous year for road and bridge purposes at least ~~two mills on the dollar of the gross tax capacity of the town~~ *0.04835 percent of taxable market value*.

Money distributed to a town under this subdivision may be expended by the town only for the construction, reconstruction, and gravel maintenance of town roads within the town.

Sec. 15. Minnesota Statutes 1988, section 164.04, subdivision 3, is amended to read:

Subd. 3. [EMERGENCIES.] In case of emergency after the town meeting, but not later than October 1 in the same year, the town board may levy a tax on the property in the town for road and bridge purposes, in addition to any tax voted at the annual town meeting for road and bridge purposes, in an amount not to exceed ~~1.6-2/3 mills on the dollar of the gross tax capacity of the property in the town~~ *0.04028 percent of taxable market value*. Any tax so levied shall ~~forthwith~~ be certified to the county auditor for extension and collection. The town board may thereafter pledge the credit of the town by issuing town orders, not exceeding the amount of the additional tax so levied for road and bridge purposes, in payment for the emergency work done or material used on the roads within the town.

Sec. 16. Minnesota Statutes 1988, section 164.05, subdivision 1, is amended to read:

Subdivision 1. [POWERS.] In any town ~~wherein in which~~ the voters shall ~~at the annual town meeting vote as hereinafter provided~~ to authorize the town board ~~so to do so as provided in this section~~, the town board may levy and assess on the real and personal property in the town, other than money and credits taxed under the provisions of chapter 285, a tax not to exceed in amount ~~3-1/3 mills on the dollar of the gross tax capacity of~~

such property, which tax so levied 0.08051 percent of taxable market value. The tax shall be known as the town road drainage tax. Such tax shall be additional to all other taxes which the town is or may hereafter be authorized to levy, and the amount of such tax so levied and collected shall be deemed to have been levied and collected for road and bridge purposes within the meaning of any law limiting the amount of taxes which may be levied or voted at the annual town meeting; provided, that in towns having a gross tax capacity of not less than \$1,000,000, nor more than \$8,000,000, and which otherwise come under the provisions of sections 368.02 to 368.11 the amount of such tax so levied and collected shall not be deemed to have been levied and collected for road and bridge purposes within the meaning of any law limiting the amount of taxes which may be levied or voted at the annual town meeting.

Sec. 17. Minnesota Statutes 1988, section 174.27, is amended to read:

174.27 [PUBLIC EMPLOYER COMMUTER VAN PROGRAMS.]

Any statutory or home rule charter city, county, school district, independent board or agency may acquire or lease commuter vans, enter into contracts with another public or private employer to acquire or lease such vans, or purchase such a service for the use of its employees. The governing body of any such city, county, or school district may by resolution establish a commuter van revolving fund to be used to acquire or lease commuter vans for the use of its employees. Any payments out of the fund shall be repaid to the fund out of revenues derived from the use by the employees of the city, county, or school district, of the vans so purchased or leased. For the purpose of establishing the fund any city, county, or school district is authorized to make a one time levy not to exceed ~~one tenth of a mill~~ 0.00242 percent of taxable market value in excess of all taxing limitations except the limitations imposed under sections 275.50 to 275.56, without affecting the amount or rate of taxes which may be levied by the city, county, or school district for other purposes or by any local governments in the area. Any city, county, or school district which establishes a commuter van acquisition program or contracts for this service is authorized to levy a tax not to exceed ~~4400 mill~~ 0.00024 percent of taxable market value for the purpose of paying the administrative and promotional costs of the program which levy shall be in excess of all taxing limitations, ~~without affecting the amount or rate of taxes which may be levied by the city, county, or school district for other purposes or by a local government in the area except the limitations imposed under sections 275.50 to 275.56.~~ The governing body of any city, county, or school district may by resolution terminate the commuter van revolving fund and use the funds for other purposes authorized by law.

Sec. 18. Minnesota Statutes 1988, section 193.145, subdivision 2, is amended to read:

Subd. 2. [TAX LEVY, LIMITATION.] A county or municipality in which an armory has been constructed or is to be constructed hereunder may by resolution of its governing body irrevocably provide for levying and collecting annually for a specified period, not exceeding 40 years, a tax upon all taxable property therein of such amount as such governing body may determine, which, unless levied by a county, shall not exceed ~~one third of one mill~~ 0.00798 percent of taxable market value.

The proceeds of ~~such~~ the levy as collected shall be paid to ~~such~~ the

corporation for the purposes herein prescribed. ~~Such~~ *The* county or municipality ~~shall have power to~~ *may* make ~~such tax~~ *the* levies and payments and ~~to~~ bind itself thereto by ~~such~~ resolution of its governing body. The provisions of ~~such the~~ resolution may be made conditional upon the giving of an agreement by the adjutant general as authorized in subdivision 4. The obligations of ~~such the~~ county or municipality to levy, collect, and pay over ~~such the~~ taxes shall not be deemed ~~or construed~~ to constitute an indebtedness of ~~such the~~ county or municipality within the meaning of any provision of law or of its charter limiting its total or net indebtedness, and such taxes may be levied and collected without regard to any statutory or charter provision limiting the amount or rate of taxes which such county or municipality is otherwise authorized to levy.

Sec. 19. Minnesota Statutes 1988, section 237.35, is amended to read:
237.35 [TAX LEVY FOR CONSTRUCTION.]

When any town ~~shall have~~ *has* authorized the construction, acquiring, operation, or maintenance of a telephone system, as set forth in sections 237.33 and 237.34, and determined the amount of money to be raised for that purpose, the town board of supervisors may levy a tax for the amount of money to be raised therefor. The ~~annual~~ tax levy for ~~such that~~ purpose shall not exceed ~~3 1/3 mills upon the taxable property of such town~~ *0.08051 percent of taxable market value.*

Sec. 20. Minnesota Statutes 1988, section 273.1102, subdivision 3, is amended to read:

Subd. 3. [1988 ADJUSTMENT.] ~~For School districts~~ *district* levy limitations or authorities expressed in terms of mills and adjusted assessed value, ~~their levy limitations in any special law that is not codified in Minnesota Statutes shall be converted by the department of education to~~ *“equalized gross tax capacity rates” for taxes payable in 1989 and 1990 and to equalized net tax capacity rates for taxes payable in 1991 and thereafter.* For purposes of this calculation, the 1987 adjusted assessed values of the district shall be converted to “adjusted gross tax capacities” by multiplying the equalized market values by class of property by the gross tax capacity rates provided in section 273.13. Each county assessor and the city assessors of Minneapolis, Duluth, and St. Cloud shall furnish the commissioner of revenue the 1987 market value for taxes payable in 1988 for any new classes of property established in this article. The commissioner shall use those values, and estimate values where needed, in developing the 1987 tax capacity for each school district under this section. The requirements of section 124.2131, subdivisions 1, paragraph (c), and 2 and 3, shall remain in effect.

Sec. 21. Minnesota Statutes 1988, section 275.011, subdivision 1, is amended to read:

Subdivision 1. The property tax levied for any purpose *under a special law that is not codified in Minnesota Statutes or a city charter provision and that is* subject to a mill rate limitation imposed by ~~statute or the special law or city charter provision~~, excluding levies subject to mill rate limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, must not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of the applicable mill rate

limitation imposed by ~~statute~~ or special law or city charter provision multiplied by the total assessed valuation of all taxable property subject to the tax as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, the product of (1) the property tax levy limitation for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property subject to the tax divided by the assessment year 1987 total market valuation of all taxable property subject to the tax; and

(c) for taxes payable in 1990 and subsequent years, the product of (1) the property tax levy limitation for the previous year determined pursuant to this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property subject to the tax for the current assessment year divided by the total market valuation of all taxable property subject to the tax for the previous assessment year.

For the purpose of determining the property tax levy limitation for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property subject to the tax without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

Sec. 22. Minnesota Statutes 1988, section 275.011, subdivision 2, is amended to read:

Subd. 2. A mill rate levy limitation imposed by ~~statute~~ or a special law or city charter provision that is presently in effect, excluding those mill rate levy limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, shall be construed to allow no more and no less property taxes than the amount determined under this section.

Sec. 23. Minnesota Statutes 1988, section 275.077, subdivision 2, is amended to read:

Subd. 2. The difference between the correct levy and the erroneous levy shall be added to the township levy for the subsequent levy year; provided that if the amount of the difference exceeds ~~five mills~~ *0.12089 percent of taxable market value*, the excess shall be added to the township levy for the second and later subsequent levy years, not to exceed an additional levy of ~~five mills~~ *0.12089 percent of taxable market value* in any year, until the full amount of the difference has been levied. The funds collected from the corrected levies shall be used to reimburse the county for the payment required by subdivision 1.

Sec. 24. Minnesota Statutes 1988, section 275.28, subdivision 1, is amended to read:

Subdivision 1. [AUDITOR TO MAKE.] The county auditor shall make out the tax lists according to the prescribed form, and to correspond with the assessment districts. The rate percent necessary to raise the required amount of the various taxes shall be calculated on the gross tax capacity of property as determined by the state board of equalization, but, in calculating such rates, no rate shall be used resulting in a fraction other than a decimal fraction, or less than ~~one-tenth of a mill~~ *a gross tax capacity*

rate of .01 percent or a net tax capacity rate of .01 percent; and, in extending any tax, whenever it amounts to the fractional part of a cent, it shall be made one cent. The tax lists shall also be made out to correspond with the assessment books in reference to ownership and description of property, with columns for the valuation and for the various items of tax included in the total amount of all taxes set down opposite each description; ~~and~~. Opposite each description which has been sold for taxes, and which is subject to redemption, but not redeemed, shall be placed the words "sold for taxes." The amount of all special taxes shall be entered in the proper columns, but the general taxes may be shown by entering the rate percent of each tax at the head of the proper columns, without extending the same, in which case a schedule of the rates percent of such taxes shall be made on the first page of each tax list. If the auditor ~~shall fail~~ fails to enter on any such list before its delivery to the treasurer any tax levied, ~~such the~~ tax may be subsequently entered. The tax lists shall be deemed completed, and all taxes extended thereon, as of October 16 annually.

Sec. 25. Minnesota Statutes 1988, section 275.56, is amended to read:

275.56 [EFFECT UPON OTHER LEVY LIMITS.]

All special and general laws and charter provisions establishing per capita, mill, *tax capacity rate*, or other general limitations on tax levies of governmental subdivisions are ~~hereby~~ superseded to the extent that they authorize property taxation in excess of the limitations established by sections 275.50 to 275.56, but otherwise such levy limitations and those established for special purposes are in no way affected by sections 275.50 to 275.56.

Sec. 26. Minnesota Statutes 1988, section 275.58, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding the provisions of sections 275.50 to 275.56, but subject to other law or charter provisions establishing per capita, mill, *tax capacity rate*, or other limitations on the amount of taxes that may be levied, the levy of a governmental subdivision, as defined by section 275.50, subdivision 1, may be increased above the limitation imposed by sections 275.50 to 275.56 in any per capita or dollar amount which is approved by the majority of voters of the governmental subdivision voting on the question at a general or special election. When the governing body of the governmental subdivision resolves to increase the levy of the governmental subdivision pursuant to this section, it shall provide for submission of the proposition of an increase in the levy limit base per capita or the proposition of an additional levy, as the case may be, at a general or special election. Notice of ~~such the~~ election shall be given in the manner required by law. If the proposition is for an adjustment to the governmental subdivision's levy limit base per capita, increasing the levy limit base per capita over the per capita amount established pursuant to section 275.51, subdivision 3, ~~such the~~ notice shall state the purpose of ~~such the~~ per capita adjustment and the per capita amount of ~~such the~~ adjustment. If the proposition is for an additional levy, ~~such the~~ notice shall state the purpose and maximum yearly amount of ~~such the~~ additional levy.

Sec. 27. Minnesota Statutes 1988, section 298.28, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] (a) 27.5 cents per taxable ton plus the increase provided in paragraph (d) must be allocated to qualifying school

districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) and (c).

(b) 5.5 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(c)(i) 22 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts ~~wherein~~ *in which* the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 124.17 for the prior school year shall be multiplied by the ratio of the average adjusted gross tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapter 124A for the school year ending prior to distribution to the adjusted gross tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values that is less than the amount of its levy reduction under section 275.125, subdivision 9, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause (i).

(d) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by paragraph (c) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in paragraph (c) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988, the increase over the amount established for 1987 shall be determined as if there had been an increase in the tax rate under section 298.24, subdivision 1, paragraph (b), according to the increase in the implicit price deflator. On July 15, 1989, and subsequent years, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of ~~1-3/4 mills~~ *0.04231 percent* times the district's taxable ~~valuation~~ *market value* in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 124A.03, subdivision 2, in the previous year, to the product of ~~1-3/4 mills~~ *0.04231*

percent times the district's taxable valuation market value in the second previous year.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of \$150 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 124A.23 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of iron range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in subdivision 11.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

Sec. 28. Minnesota Statutes 1988, section 298.282, subdivision 2, is amended to read:

Subd. 2. (a) Each year following the final determination of the amount of taxes payable under section 298.24, the commissioner of revenue shall determine the amount in the taconite municipal aid account as of July 1 of ~~such~~ that year and the amount to be distributed to each qualifying municipality during ~~such~~ the year. The amount to be distributed to each qualifying municipality shall be determined by determining an index for each qualifying municipality by subtracting its local effort tax capacity rate, multiplied by its equalized gross tax capacity, from its fiscal need factor. For the purposes of this subdivision, the following terms have the meanings given them herein. A municipality's "local effort tax capacity rate" means its fiscal need factor per capita divided by ~~\$17~~ \$21 per capita ~~per mill for each one percent of the gross tax capacity rate or \$17 per capita for each one percent of the net tax capacity rate~~ for the first \$350 of its fiscal need factor per capita; plus its fiscal need factor per capita divided by ~~\$15~~ \$18 per capita ~~per mill for each one percent of the gross tax capacity rate or \$15 per capita for each one percent of the net tax capacity rate~~ on that part of its fiscal need factor per capita, if any, in excess of \$350. In no case shall a municipality's local effort tax capacity rate be less than ~~eight mills~~, a gross tax capacity rate of 6.56 percent or a net tax capacity rate of 8.16 percent. A municipality's "equalized ~~cap-~~ tured gross tax capacity" means its previous year tax capacity, less the tax capacity in any tax increment district, divided by the municipality's aggregate sales ratio covering the period ending two years prior to the year of aid distribution. A municipality's "fiscal need factor" means the three-year average of the sum of its municipal levy, taconite aids received under section 298.28, subdivisions 2, 11, paragraph (b), and this section and its local government aid distribution amount, for taxes payable and distribution amounts receivable in the three years immediately preceding the aid distribution year.

The ratio of the resulting index for each qualifying municipality to the sum of all qualifying municipalities' indexes shall be multiplied by the total amount in the taconite municipal aid account less the amount distributed pursuant to subdivision 5. ~~For the distribution made in 1987, one-third of the distribution shall be distributed pursuant to this subdivision~~

~~and two thirds pursuant to Minnesota Statutes 1984, section 298.282, subdivision 2. For the distribution made in 1988, two thirds shall be distributed pursuant to this subdivision and one third pursuant to Minnesota Statutes 1984, section 298.282, subdivision 2.~~

(b) If the distribution under this section, sections 273.138, 298.26 and 298.28, and chapter 477A, to any municipality would exceed that municipality's levy limit base for that year, computed pursuant to sections 275.50 to 275.58, the amount in excess of the levy limit base for that year shall reduce the amount distributed to the municipality under this section and this excess amount shall be distributed to the other qualifying municipalities in the same manner as the distribution made pursuant to subdivision 2, except that the qualifying municipality receiving an initial distribution when added to that received pursuant to sections 273.138, 298.26, 298.28, and chapter 477A in excess of the qualifying municipality's levy limit base, shall not receive a distribution nor shall its index be used in computing the distribution pursuant to this clause. The distributions to be received in the year in which the taxes are payable shall be compared to the levy limit base for that same year. Upon completion of ~~such~~ *the* determination, the commissioner of revenue shall certify to the chief clerical officer of each qualifying municipality the amount which will be distributed to ~~such~~ *the* municipality from the taconite municipal aid account that year.

Sec. 29. Minnesota Statutes 1988, section 366.27, is amended to read:
366.27 [FIREFIGHTERS' RELIEF; TAX LEVY.]

The town board of any town in this state having therein a platted portion on which ~~there reside~~ *resides* 1,200 or more people, and wherein a duly incorporated firefighters' relief association is located may each year ~~at the time the tax levies for the support of the town are made and in addition thereto~~ levy a tax not to exceed ~~one-third of one mill on all taxable property within the town~~ *0.00806 percent of taxable market value* for the benefit of ~~such~~ *the* relief association.

Sec. 30. Minnesota Statutes 1988, section 373.40, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS ON AMOUNT.] A county, other than Hennepin or Ramsey, may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued pursuant to this section (including the bonds to be issued) will equal or exceed ~~one mill multiplied by the taxable gross tax capacity~~ *0.05367 percent of taxable market value* of property in the county. Ramsey county may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued pursuant to this section (including the bonds to be issued) will equal or exceed ~~1.2 mills multiplied by the taxable gross tax capacity~~ *0.06455 percent of taxable market value* of property in the county. Hennepin county may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued pursuant to this section together with the bonds proposed to be issued, will equal or exceed ~~one-half mill multiplied by the taxable gross tax capacity~~ *0.02684 percent of taxable market value* of the property in the county. Calculation of the limit must be made using the taxable ~~gross tax capacity~~ *market value* for the taxes payable year in which the obligations are issued and sold. This section does not limit the authority to issue bonds under any other special or general law.

Sec. 31. Minnesota Statutes 1988, section 373.40, subdivision 6, is amended to read:

Subd. 6. [BUILDING FUND LEVY.] (a) If a county other than Hennepin has an approved capital improvement plan, the county board may annually levy ~~an amount equal to one mill~~ *0.05367 percent of taxable market value*, less the amount levied to pay principal and interest on bonds issued under this section. If the Hennepin county board has an approved capital improvement plan, the county board may annually levy ~~an amount equal to one-half mill~~ *0.02684 percent of taxable market value*, less the amount levied to pay principal and interest on bonds issued under this section. The proceeds of this levy must be deposited in the county building fund under section 373.25 and may only be expended for capital improvements as provided in the approved capital improvement plan.

(b) The maximum amount of the levy, when added to the unexpended balance in the building fund, must not exceed the projected cost of the remaining improvements in the capital improvement plan. A levy made under this section is not subject to any other levy limitation, nor may the levy be included in the computation of any other levy limitation.

(c) This subdivision and the exercise of levy authority under it does not supersede or preempt the authority to levy under section 373.25 or any other law.

Sec. 32. Minnesota Statutes 1988, section 375.167, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATIONS.] Notwithstanding any contrary law, a county board may appropriate from the general revenue fund to any nonprofit corporation a sum not to exceed ~~one-fourth of a mill on the dollar of the taxable gross tax capacity of the county~~ *an amount equal to a levy of 0.00604 percent of taxable market value* to provide legal assistance to persons who are unable to afford private legal counsel. ~~This levy is subject to the levy limits established by sections 275.50 to 275.58.~~

Sec. 33. Minnesota Statutes 1988, section 375.18, subdivision 3, is amended to read:

Subd. 3. [COURTHOUSE.] Each county board may erect, furnish, and maintain a suitable courthouse. No indebtedness shall be created for a courthouse in excess of ~~1-2/3 mills on each dollar of gross tax capacity~~ *an amount equal to a levy of 0.04030 percent of taxable market value* without the approval of a majority of the voters of the county voting on the question of issuing the obligation at an election.

Sec. 34. Minnesota Statutes 1988, section 375.555, is amended to read:
375.555 [FUNDING.]

To implement the county emergency jobs program, the county board may expend an amount equal to what would be generated by a levy of ~~0-5 mills on all taxable property within the county~~ *0.01209 percent of taxable market value*. The money to be expended may be from any available funds not otherwise earmarked.

Sec. 35. Minnesota Statutes 1988, section 383A.03, subdivision 4, is amended to read:

Subd. 4. [ICE ARENAS AND GALL'S GOLF COURSE.] Ramsey county may levy, annually, a tax not to exceed ~~one mill~~ *0.02418 percent of taxable*

market value for the acquisition and construction of nine artificial ice arenas and a golf course, to pay the interest on the bonds as it accrues and to pay the principal thereof in full at maturity, and not to exceed ~~one-half mill~~ *0.01209 percent of taxable market value* to provide for the operation of these facilities. The board of county commissioners shall levy a tax for this purpose.

Sec. 36. Minnesota Statutes 1988, section 383A.411, subdivision 5, is amended to read:

Subd. 5. In substitution of, but not in addition to, powers granted to Ramsey county in subdivision 4, Ramsey county may levy and collect a tax, not to exceed the lesser of \$5,000,000 or ~~two mills, upon all taxable property in Ramsey county~~ *0.04835 percent of taxable market value* to finance the construction, installation, modification, or improvement of heating, cooling, and domestic hot water systems serving buildings owned in whole or part, operated, or maintained by the county or Ramsey county medical center commission. ~~A levy made pursuant to this subdivision shall not be subject to any limitation provided by other law.~~

Sec. 37. Minnesota Statutes 1988, section 383A.49, subdivision 2, is amended to read:

Subd. 2. [EMERGENCY APPROPRIATIONS.] To meet a public emergency affecting life, health, property or the public peace, and to the extent that there are no available unappropriated revenues to meet the emergency, the board may, by unanimous vote, authorize the issuance of emergency notes. These notes may be renewed from time to time but the emergency notes and renewals in a fiscal year shall be paid not later than the last day of the fiscal year next succeeding that in which the emergency appropriation was made. The issuance and payment of these notes is subject to the ~~mill~~ limits on taxing power established by law for Ramsey county.

Sec. 38. Minnesota Statutes 1988, section 383B.152, is amended to read:

383B.152 [BUILDING AND MAINTENANCE FUND.]

The county board may by resolution levy a ~~direct general ad valorem tax upon all taxable property in the county~~ to provide money which shall be kept in a fund known as the county reserve building and maintenance fund ~~and. Money in the fund shall be used solely for the construction, maintenance and equipping of such county buildings as are now or hereafter may be that are constructed or maintained by the board.~~ The levy shall not be subject to any limit fixed by any other law ~~except the limitations imposed in sections 275.50 to 275.56 or by any board of tax levy or other corresponding body, but shall not exceed a sum equal to 1/12 mills times the gross tax capacity of all taxable property in the county in any year~~ *0.02215 percent of taxable market value*, less the amount required by chapter 475 to be levied in ~~such~~ the year for the payment of the principal of and interest on all bonds issued pursuant to Extra Session Laws 1967, chapter 47, section 1.

Sec. 39. Minnesota Statutes 1988, section 383B.245, is amended to read:

383B.245 [~~MILL~~ LEVY.]

The county board may also levy a tax of not more than ~~two-thirds mills~~ *0.01612 percent of market value* on taxable property within the county outside of any city in which is situated a free public library of the city to acquire, better and construct county library buildings and branches and to

pay principal and interest on bonds issued for that purpose. The levy of the tax shall not cause the amount of other taxes levied or to be levied by the county, which are subject to any limitation, to be reduced in any amount ~~whatsoever~~.

The county board may by resolution adopted by a five-sevenths vote issue and sell general obligation bonds of the county in the manner provided in sections 475.60 to 475.73. The bonds shall not be subject to the limitations of sections 475.51 to 475.59, but the maturity years and amounts and interest rates of each series of bonds shall be fixed so that the maximum amount of principal and interest to become due in any year, on the bonds of that series and of all outstanding series issued by or for the purposes of libraries, shall not exceed an amount equal to ~~two-thirds mills times the gross tax capacity~~ *0.01612 percent of market value* of all taxable property in the county, which was not taxed in 1987 by any city for the support of any free public library, as last finally equalized before the issuance of the new series. When the tax levy authorized in this section is collected it shall be appropriated and credited to a debt service fund for the bonds in amounts required each year in lieu of a countywide tax levy for the debt service fund under section 475.61.

Sec. 40. Minnesota Statutes 1988, section 383B.73, subdivision 1, is amended to read:

Subdivision 1. [LEVY.] To provide funds for the purposes of the Hennepin county park reserve district as set forth in its annual budget, in lieu of the levies authorized by any other special law for such purposes, the board of park district commissioners may levy taxes on all the taxable property in the county and park district at a rate not exceeding ~~4.3 mills on the gross tax capacity thereof~~ *0.03224 percent of market value*. Notwithstanding section 398.16, on or before October 1 of each year, after public hearing, the board of park district commissioners shall adopt a budget for the ensuing year and shall determine the total amount necessary to be raised from ad valorem tax levies to meet its budget. The board of park district commissioners shall submit the budget to the county board. The county board may veto or modify an item contained in the budget. If the county board determines to veto or to modify an item in the budget, it must, within 15 days after the budget was submitted by the district board, state in writing the specific reasons for its objection to the item vetoed or the reason for the modification. The park reserve district board, after consideration of the county board's objections and proposed modifications, may reapprove a vetoed item or the original version of an item with respect to which a modification has been proposed, by a two-thirds majority. If the district board does not reapprove a vetoed item, the item shall be deleted from the budget. If the district board does not reapprove the original version of a modified item, the item shall be included in the budget as modified by the county board. After adoption of the final budget and no later than October 1, the superintendent of the park district shall certify to the office of the Hennepin county director of tax and public records exercising the functions of the county auditor the total amount to be raised from ad valorem tax levies to meet its budget for the ensuing year. The director of tax and public records shall add the amount of any levy certified by the district to other tax levies on the property of the county within the district for collection by the director of tax and public records with other taxes. When collected, the director shall make settlement of such taxes with the district in the same manner as other taxes are distributed to the other political subdivisions

in Hennepin county. ~~The levy authorized by this section shall be in addition to any other taxes authorized by law.~~

Sec. 41. Minnesota Statutes 1988, section 383B.73, subdivision 2, is amended to read:

Subd. 2. [BONDS.] To provide funds for the acquisition and betterment of park properties and facilities of the district in accordance with plans filed by it under section 398.19, upon request of the board of park district commissioners by a resolution or resolutions regularly adopted by a majority of all members thereof, the board of county commissioners of Hennepin county may, prior to August 1, 1985, in addition to bonds issued by the county for this purpose before January 1, 1973, by resolution issue and sell general obligation bonds of the county in the manner provided in sections 475.60 to 475.753, in an aggregate amount not exceeding \$2,500,000. Taxes for the payment of the principal of and interest on such bonds shall be assessed and extended upon all taxable property in the county. Such bonds shall not be subject to the limitations of sections 475.51 to 475.59, but the maturity years and amounts and interest rates of each series of bonds shall be fixed so that the maximum amount of principal and interest to become due in any year on the bonds authorized by this law and all bonds issued by the county for the purposes of the district before January 1, 1973, shall not exceed an amount equal to ~~three-tenths of one mill times the gross tax capacity of a levy of 0.00725 percent of market value~~ on all taxable property in the county as last finally equalized before the issuance of the new series. Taxes for the payment of principal and interest on bonds issued after August 1, 1985 shall be assessed and extended upon all taxable property in the park district.

Sec. 42. Minnesota Statutes 1988, section 383C.42, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] To provide necessary funds to construct and maintain county or regional juvenile detention and/or treatment centers and to provide matching funds for any federal, state or regional grant, the county boards of St. Louis, Carlton, Cook, Lake, Itasca, Koochiching and Aitkin counties may levy annually upon all taxable property in their respective counties; ~~a special tax in excess of any tax capacity rate, per capita, or other statutory limitation, but such levy shall that does not exceed 1-1/2 mills 0.01209 percent of market value.~~

Sec. 43. Minnesota Statutes 1988, section 398A.04, subdivision 8, is amended to read:

Subd. 8. [TAXATION.] Before deciding to exercise the power to tax, the authority shall give six weeks published notice in all municipalities in the region. If a number of voters in the region equal to five percent of those who voted for candidates for governor at the last gubernatorial election present a petition within nine weeks of the first published notice to the secretary of state requesting that the matter be submitted to popular vote, it shall be submitted at the next general election. The question prepared shall be:

“Shall the regional rail authority have the power to impose a property tax?

Yes
No”

If a majority of those voting on the question approve or if no petition is

presented within the prescribed time the authority may thereafter levy a tax at any annual rate not exceeding ~~two mills on the gross tax capacity~~ *0.04835 percent of market value* of all taxable property situated within the municipality or municipalities named in its organization resolution. Its recording officer shall file in the office of the county auditor of each county in which territory under the jurisdiction of the authority is located a certified copy of the board of commissioners' resolution levying the tax, and each county auditor shall assess and extend upon the tax rolls of each municipality named in the organization resolution the portion of the tax that bears the same ratio to the whole amount that the gross tax capacity of taxable property in that municipality bears to the gross tax capacity of taxable property in all municipalities named in the organization resolution. Collections of the tax shall be remitted by each county treasurer to the treasurer of the authority.

Sec. 44. Minnesota Statutes 1988, section 412.251, is amended to read:

412.251 [ANNUAL TAX LEVY.]

The council shall make its annual tax levy by resolution within the per capita limits established by statute. The amount of taxes levied for general city purposes shall not exceed ~~11-2/3 mills on each dollar of the gross tax capacity of the property taxable in the city~~ *0.28207 percent of taxable market value* in cities having a ~~gross tax capacity taxable market value~~ of less than \$1,500,000 \$6,200,000 and ~~ten mills on each dollar~~ *0.24177 percent of taxable market value* in cities having a ~~gross tax capacity taxable market value~~ of more than \$1,500,000 \$6,200,000. ~~In calculating such limit property used for homestead purposes shall be figured as provided in section 273.13, subdivision 7a.~~ The following taxes may be levied in addition to the levies above authorized:

- (1) a tax for the payment of principal and interest on outstanding obligations of the city as provided by sections 475.61, 475.73 and 475.74-;
- (2) a tax for the payment of judgments as authorized by section 465.14-;
- ~~(4)~~ (3) a maximum of ~~one third of one mill~~ *0.00805 percent of taxable market value* but not to exceed \$500 to provide musical entertainment to the public in public buildings or on public grounds-;
- ~~(5)~~ (4) a tax for band purposes as authorized by section 449.09-;
- ~~(6)~~ (5) a tax for the support of a municipal forest, as authorized by section 459.06-;
- ~~(7)~~ (6) a tax for advertising purposes, as authorized by section 469.189-;
- ~~(8)~~ (7) a tax for forest fire protection in any city in a forest area, as authorized by section 88.04-;
- ~~(9)~~ (8) a maximum of ~~1-2/3 mills~~ *0.04030 percent of taxable market value* for the utilities fund in any city whose utilities are under the jurisdiction of a public utilities commission. ~~Such~~ *The* tax shall be levied for the purpose of paying the cost of the utility service or other services supplied to the city-;
- ~~(10)~~ (9) a tax for the support of a public library, as authorized by section 134.07-;
- ~~(11)~~ (10) a tax for firefighters' relief association purposes as authorized by sections 69.772, subdivision 4, 69.773, subdivision 5, or other statutes-; and
- ~~(12)~~ ~~Such~~ (11) other special taxes as may be authorized by law.

Nothing in this section shall be construed to reduce levies of any municipality below the per capita levy spread in 1970.

Sec. 45. Minnesota Statutes 1988, section 412.531, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT, TRANSFER; TAX LEVIES.] For the purpose of carrying out the powers of the park board there shall be established in the city treasury a special fund to be called a park fund. The council may transfer to the park fund ~~such moneys as it shall consider~~ *the money it deems* necessary for park purposes. No later than September 1 of each year the park board shall present to the council in ~~such~~ *the* detail as the council ~~shall require~~ *requires* its estimate of the financial needs of the board for the ensuing fiscal year. In any county having a population of more than 200,000 the council of any city, whether having a park board or not, may annually ~~at the time of levying other taxes~~ levy a ~~special~~ tax of not to exceed ~~two-thirds of one mill~~ *0.01620 percent of taxable market value* for park purposes. The proceeds of this tax shall be placed in the park fund.

Sec. 46. Minnesota Statutes 1988, section 414.035, is amended to read:

414.035 [DIFFERENTIAL TAXATION.]

Whenever a board order, under section 414.031, 414.0325, or 414.033, annexes part or all of a township to a municipality, the board may provide that the ~~mill levy tax rate~~ of the annexing municipality on the area annexed shall be increased in substantially equal proportions over not more than six years to equality with the ~~mill levy tax rate~~ on the property already within the municipality. The appropriate period, if any, shall be based on the time reasonably required to effectively provide full municipal services to the annexed area.

Sec. 47. Minnesota Statutes 1988, section 414.041, subdivision 7, is amended to read:

Subd. 7. [DIFFERENTIAL TAXATION.] Where one municipality is receiving substantially fewer municipal services, the board may provide that the ~~mill levy tax rate of such a~~ *the* municipality shall be increased in substantially equal proportions over a period of not more than five years to equality with the ~~mill levy tax rate~~ in the remainder of the new municipality; ~~such~~. ~~The period to~~ *shall* be determined by the board on the basis of the period reasonably required ~~effectively~~ to provide substantially equal municipal services.

Sec. 48. Minnesota Statutes 1988, section 426.04, is amended to read:

426.04 [TAXES FOR GENERAL PURPOSES.]

The governing body of any home rule charter city of the third or fourth class in this state is ~~hereby authorized to~~ *may* levy taxes ~~annually against the taxable property in any such city~~ for all general fund purposes, not exceeding ~~13 1/3 mills on the dollar of the gross tax capacity of the city, computed as permitted under section 273.13, subdivision 7a.~~ *If 0.32237 percent of taxable market value unless the charter of such the city authorizes it to levy taxes for general fund purposes in excess of 13 1/3 mills on the dollar, these provisions shall not limit any such city that amount.* This section does not apply to a third class city which is contiguous to a city of the first class located in a different county or to a fourth class city in a county containing a first class city.

Sec. 49. Minnesota Statutes 1988, section 447.10, is amended to read:

447.10 [TAX LEVY FOR OPERATING AND MAINTAINING HOSPITAL.]

The governing body of a city of the first class owning a hospital may annually levy a tax to operate and maintain the hospital. The tax must not exceed ~~one-third of one mill on each dollar of the city's taxable property~~ *0.00806 percent of taxable market value.*

Sec. 50. Minnesota Statutes 1988, section 449.06, is amended to read:

449.06 [ENTERTAINMENT TAX IN CITIES OF THE FOURTH CLASS.]

The governing body of any city of the fourth class ~~in this state~~ operating under a home rule charter of commission form of government: ~~is hereby authorized to annually~~ *may* levy a tax not exceeding ~~one-half of one mill on the dollar in excess of existing mill limitations but not in excess of any existing per capita limitations against taxable property in the city~~ *0.01209 percent of taxable market value* for the purpose of providing musical entertainments to the public in public buildings or upon public grounds. The total sum that may be levied or expended in any year shall not exceed ~~the sum of~~ \$3,500.

Sec. 51. Minnesota Statutes 1988, section 449.08, is amended to read:

449.08 [TAX LEVY FOR MUSICAL ENTERTAINMENTS IN CITIES OF THE THIRD CLASS.]

The council of any city of the third class ~~is hereby authorized and empowered to~~ *may* levy a tax of not exceeding ~~one-third of one mill on all the taxable property within the city~~ *0.00806 percent of taxable market value* for the purpose of providing free musical entertainment for the general public. ~~This tax shall be levied by the council in the same manner and at the same times as taxes for other purposes are levied, and shall be collected in the same manner.~~ The proceeds of this tax shall be used only for the purpose of providing free musical entertainment for the public. The annual expenditure for this purpose is ~~hereby~~ limited to the sum of \$3,000.

Sec. 52. Minnesota Statutes 1988, section 449.09, is amended to read:

449.09 [BANDS, ORCHESTRAS OR CHORUSES, TAX LEVY.]

Cities of the second, third, or fourth class, statutory cities, or towns, however organized, may, when authorized as ~~hereinafter~~ *provided in section 449.10*, levy each year a tax not to exceed ~~one mill~~ *0.02418 percent of taxable market value* for the purpose of providing a fund for the maintenance, transportation, or employment of a band, orchestra, or chorus for municipal purposes. No levy by any municipality shall exceed, in any one year, \$10,000 except in cities of the second class, situated in a county having over 45,000 and less than 49,000 inhabitants according to the 1950 federal census, ~~wherein~~ *such in which* the levy shall not exceed \$25,000 in any one year. No levy by any town shall exceed \$1,500. All sums shall be separately levied and when collected these sums shall be paid into *a* special fund and used for these purposes. When taxes are levied and collected for the maintenance or employment of a band, orchestra, or chorus for municipal purposes and the band, orchestra, or chorus is discontinued or the city or town by a vote of the people as now provided by law decide not to employ a band, orchestra, or chorus, the governing body may transfer the sums so levied and collected to the general fund. No levy shall be made ~~of~~ *for* any such fund when there is in

the fund an unexpended balance equal to the maximum levy permitted by law ~~therefor~~ *this section*.

Sec. 53. Minnesota Statutes 1988, section 449.10, is amended to read:

449.10 [TAX LEVY ELECTION; PETITION.]

~~Such~~ *The* authority shall be initiated by a petition signed by ten percent of the legal voters of the city or town, as shown by the last regular municipal election. This petition shall be filed with the governing body of the city or town, and shall request that the following question be submitted to the voters: "Shall a tax of not exceeding mills percent of tax capacity be levied each year for the purpose of furnishing a band, orchestra, or chorus fund?"

Sec. 54. Minnesota Statutes 1988, section 450.19, is amended to read:

450.19 [TOURIST CAMPING GROUNDS.]

~~All cities and towns in the state are hereby authorized and empowered to~~ *A home rule charter or statutory city or town may establish and maintain public tourist camping grounds and. The council or other legislative or governing body thereof is hereby empowered to* ~~may~~ acquire, by lease, purchase, or by gift, suitable lands located either within or without the corporate limits for use as public tourist camping grounds and ~~to~~ provide for the equipment, operation, and maintenance of the same. The amount that may be expended for the maintenance, improvement, or operation of tourist camping grounds shall not exceed, in any ~~one~~ year, a sum equal to the amount ~~which may be raised by a one-third of one mill tax upon the taxable property of the municipality of 0.00806 percent of taxable market value.~~

Sec. 55. Minnesota Statutes 1988, section 450.25, is amended to read:

450.25 [MUSEUM, GALLERY, OR SCHOOL OF ARTS OR CRAFTS; TAX LEVY.]

~~After the requirement acquisition of any museum, gallery or school of arts or crafts, there shall be annually levied and it shall be the duty of the board of park commissioners of the city in which it is located any museum, gallery, or school of arts or crafts to shall~~ cause to be included in the annual tax levy, upon all the taxable property of the county in which is ~~located said the~~ museum, gallery, or school of arts or crafts *is located*, a tax of ~~.35 mills upon each dollar of the gross tax capacity of property in the county in which is located said museum, gallery, or school of arts or crafts subject to taxation, and of 0.00846 percent of market value.~~ The board shall certify the levy to the county auditor of the county in which ~~the museum, gallery, or school of arts or crafts is situated, and the same~~ *it* shall be added to, and collected with and as part of, the general, real, and personal property taxes, with like penalties and interest, in case of nonpayment and default, and all provisions of law in respect to the levy, collection, and enforcement of other taxes shall, so far as applicable, be followed in respect of these taxes. All of these taxes, penalties, and interest, when collected, shall be paid to the city treasurer of the city in which is located ~~said the~~ museum, gallery, or school of arts or crafts and shall be credited to a fund to be known and ~~denominated~~ *denominated* as the park museum fund, and shall be used *only* for the purposes specified in sections 450.23 to 450.25, ~~and for no other purpose.~~ Any part of the proceeds of the levy not expended for the purposes specified in section 450.24 may be used for the erection of new buildings for the same purposes. ~~The tax capacity rate~~

referred to herein shall be mills as determined after the adoption of section 273.1102-

Sec. 56. Minnesota Statutes 1988, section 458A.10, is amended to read:
458A.10 [PROPERTY TAX.]

The commission shall ~~subject to the further provisions hereof,~~ annually levy a ~~direct~~ tax not to exceed ~~five mills~~ *0.12089 percent of market value* on all the taxable property in the transit area at a rate sufficient to produce an amount necessary for the purposes of sections 458A.01 to 458A.15, other than the payment of principal and interest due on any revenue bonds issued pursuant to section 458A.05. Property taxes levied under this section shall be certified by the commission to the county auditors of the transit area, extended, assessed, and collected in ~~like the~~ manner as provided by law for the ~~regular~~ property taxes levied by the governing bodies of cities. The proceeds of the taxes levied under this section shall be remitted by the respective county treasurers to the treasurer of the commission, who shall credit the same to the funds of the commission for use for the purposes of sections 458A.01 to 458A.15 subject to any applicable pledges or limitations on account of tax anticipation certificates or other specific purposes. At any time after making a tax levy under this section and certifying ~~the same~~ *it* to the county auditors, the commission may issue general obligation certificates of indebtedness in anticipation of the collection of ~~such the~~ taxes ~~upon like procedure and subject to the provisions and limitations~~ as provided by section 412.261.

Sec. 57. Minnesota Statutes 1988, section 458A.31, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding anything to the contrary contained in the charter of the city of Duluth, any ordinance thereof, or any statute applicable thereto, limiting the amount levied in any one year for general or special purposes, the city council of the city of Duluth shall each year, ~~at the time the tax levies for the support of the city are made,~~ levy a tax on all taxable property in an amount not to exceed ~~three mills in any year~~ *0.07253 percent of taxable market value*, by ordinance. An ordinance fixing the levy shall take effect immediately upon its passage and approval. The proceeds ~~from such of the~~ levy shall be paid into the city treasury, and ~~shall be~~ deposited in the operating fund provided for in section 458A.24, subdivision 3.

Sec. 58. Minnesota Statutes 1988, section 459.06, subdivision 1, is amended to read:

Subdivision 1. [ACCEPT DONATIONS.] Any county, city, or town ~~in this state,~~ *may* by resolution of ~~the its~~ governing body ~~thereof,~~ *may* accept donations of land that ~~such the~~ governing body ~~may deem~~ *deems* to be better adapted for the production of timber and wood than for any other purpose, for a forest, and may manage ~~the same~~ *it* on forestry principles. The donor of not less than 100 acres of any such land shall be entitled to have the ~~same land~~ perpetually bear the donor's name. The governing body of any city, or town ~~in this state,~~ when funds are available or have been levied therefor, may, when authorized by a majority vote by ballot of the voters voting at any general or special city election or town meeting where ~~such the~~ question is properly submitted, purchase or obtain by condemnation proceedings, and preferably at the sources of streams, any tract of land for a forest which is better adapted for the production of timber and

wood than for any other purpose, and which is conveniently located for the purpose, and manage ~~the same~~ *it* on forestry principles. The selection of ~~such~~ *the* lands and the plan of management ~~thereof shall have the approval of~~ *must be approved by* the director of lands and forestry. ~~Such~~ *The* city or town is ~~authorized to may~~ *authorized to* levy and collect an annual tax of not exceeding ~~1-2/3~~ *1-2/3* mills on the dollar of its real estate gross tax capacity, in addition to all other taxes authorized or permitted by law, ~~0.04030~~ *0.04030* percent of taxable market value to procure and maintain such forests.

Sec. 59. Minnesota Statutes 1988, section 459.14, subdivision 2, is amended to read:

Subd. 2. [FINANCING.] ~~Any such~~ *The* municipality may pay for any portion of the cost of providing automobile parking facilities by:

~~(a)~~ *(1)* appropriating ~~moneys therefor~~ *money* as authorized in subdivision 1;

~~(b)~~ *(2)* levying a tax, not exceeding ~~one-sixth of one mill in any one year, on all taxable property in the municipality~~ *0.00403 percent of taxable market value*;

~~(c)~~ *(3)* levying special assessments against benefited property;

~~(d)~~ *(4)* appropriating any or all net revenues derived from the operation of its parking facilities;

~~(e)~~ *(5)* classifying the users of ~~such~~ *the* facilities as a subject for taxation, and imposing taxes thereon computed according to the extent of use of the facilities;

~~(f)~~ *(6)* imposing reasonable rates, rents, fees and charges for the use of any on-street or off-street parking privilege or facility, which may be in excess of actual cost of operation, maintenance, regulation and supervision of parking at the particular location where the privilege is exercised;

~~(g)~~ *(7)* leasing any off-street facilities at specified or determinable rents to be paid to the municipality under a lease made as ~~hereinafter~~ *authorized and limited provided in subdivision 4*;

~~(h)~~ *(8)* borrowing money and issuing bonds as authorized and limited by subdivision 3; or

~~(i)~~ *(9)* any combination of ~~all or any of~~ the foregoing.

Sec. 60. Minnesota Statutes 1988, section 462.396, subdivision 2, is amended to read:

Subd. 2. On or before August 20, ~~1971, and~~ each year thereafter, the commission shall submit its proposed budget for the ensuing calendar 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 clerk within the region 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~~ each year thereafter, the commission shall adopt, after a public hearing held not later than September 20, a budget covering its anticipated receipts and disbursements for the ensuing 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 shall certify to the auditor of each county within the region the county

share of ~~such~~ the tax, which shall be an amount bearing the same proportion to the total levy agreed on by the commission as the gross tax capacity of the county bears to the gross tax capacity of the region. 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 0.00403 percent of market value on~~ all taxable property in the region. The auditor of each county in the region shall add the amount of any levy made by the commission 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 in the same manner as other taxes are distributed to political subdivisions. ~~The levy authorized by this section shall be in addition to any other county taxes authorized by law.~~

Sec. 61. Minnesota Statutes 1988, section 469.033, subdivision 6, is amended to read:

Subd. 6. [OPERATION AREA AS TAXING DISTRICT, SPECIAL TAX.] All of the territory included within the area of operation of any authority shall constitute a taxing district for the purpose of levying and collecting special benefit taxes as provided in this subdivision. All of the taxable property, both real and personal, within that taxing district shall be deemed to be benefited by projects to the extent of the special taxes levied under this subdivision. Subject to the consent by resolution of the governing body of the city in and for which it was created, an authority may levy each year a ~~special tax upon all taxable property, both real and personal,~~ within that taxing district. The authority shall ~~cause~~ *certify* the tax ~~so levied each year to be certified~~ to the auditor of the county in which the taxing district is located on or before October 10 each year. The tax shall be extended, spread, and included with and as a part of the general taxes for state, county, and municipal purposes by the county auditor, to be collected and enforced therewith, together with the penalty, interest, and costs. As the tax, including any penalties, interest, and costs, is collected by the county treasurer it shall be accumulated and kept in a separate fund to be known as the "housing and redevelopment project fund." The money in the fund shall be turned over to the authority at the same time and in the same manner that the tax collections for the city are turned over to the city, and shall be expended ~~and applied only for the purposes of sections 469.001 to 469.047, and for no other purpose.~~ It shall be paid out upon vouchers signed by the chair of the authority or an authorized representative. The amount of the ~~special tax~~ levy shall be an amount approved by the governing body of the city, but shall not exceed ~~ten cents on each \$100 of gross tax capacity in the area of operation, .0081 percent of taxable market value~~ except that in cities of the first class having a population of less than 200,000, the ~~special tax~~ levy shall not exceed ~~five cents on each \$100 of gross tax capacity in the area of operation .00403 percent of taxable market value.~~ The authority may levy an additional levy, not to exceed ~~one cent on each \$100 of gross tax capacity in the area of operation .0008 percent of taxable market value,~~ to be used to defray costs of providing informational service and relocation assistance as set forth in section 462.445, subdivision 4. The authority shall each year formulate and file a budget in accordance with the budget procedure of the city in the same manner as required of executive departments of the city or, if no budgets are required to be filed, by August 1. The amount of the tax levy for the following year shall be based on that budget and shall be approved by the governing body.

Sec. 62. Minnesota Statutes 1988, section 469.053, subdivision 4, is amended to read:

Subd. 4. [MANDATORY CITY LEVY.] A city shall, at the request of the port authority, levy a tax in any year for the benefit of the port authority. The tax must not exceed ~~75 mill times the gross tax capacity of taxable property in the city~~ *0.01813 percent of taxable market value*. ~~The tax is not subject to levy limits.~~ The amount levied must be paid by the city treasurer to the treasurer of the port authority, to be spent by the authority.

Sec. 63. Minnesota Statutes 1988, section 469.053, subdivision 6, is amended to read:

Subd. 6. [DISCRETIONARY CITY LEVY.] Upon request of a port authority, the port authority's city may levy a tax to be spent by and for its port authority. The tax must enable the port authority to carry out efficiently and in the public interest sections 469.048 to 469.068 to create and develop industrial development districts. The levy must not be ~~for more than 7/60 of one mill on each dollar of gross tax capacity of taxable property in the city~~ *0.00282 percent of taxable market value*. The county treasurer shall pay the proceeds of the tax to the port authority treasurer. The money may be spent by the authority in performance of its duties to create and develop industrial development districts. In spending the money the authority must judge what best serves the public interest. The levy in this subdivision is in addition to the levy in subdivision 4 ~~and is not subject to levy limits~~.

Sec. 64. Minnesota Statutes 1988, section 469.107, subdivision 1, is amended to read:

Subdivision 1. [CITY TAX LEVY.] A city may, at the request of the authority, levy a tax in any year for the benefit of the authority. The tax must be ~~for not more than 75 mill times the gross tax capacity of taxable property in the city~~ *0.01813 percent of taxable market value*. ~~The tax is not subject to levy limits.~~ The amount levied must be paid by the city treasurer to the treasurer of the authority, to be spent by the authority.

Sec. 65. Minnesota Statutes 1988, section 469.180, subdivision 2, is amended to read:

Subd. 2. [TAX LEVIES.] Notwithstanding any law, the county board of any county may appropriate from the general revenue fund a sum not to exceed ~~1/30 of a mill on the gross tax capacity of the a county~~ *levy of 0.00080 percent of taxable market value* to carry out the purposes of this section.

Sec. 66. Minnesota Statutes 1988, section 469.187, is amended to read:

469.187 [EXPENDITURE FOR PUBLICITY; PUBLICITY BOARD; FIRST CLASS CITIES.]

Any city of the first class may expend money for city publicity purposes. The city may levy a tax, ~~at a rate not exceeding 1/30 of one mill upon the gross tax capacity of the taxable property of the city~~ *0.00080 percent of taxable market value*. The proceeds of the levy shall be expended in the manner and for the city publicity purposes the council directs. The council may establish and provide for a publicity board or bureau to administer the fund, subject to the conditions and limitations the council prescribes by ordinance.

Sec. 67. Minnesota Statutes 1988, section 469.188, is amended to read:

469.188 [TAX FOR ADVERTISING RESOURCES; CITIES OF SECOND OR THIRD CLASS.]

The governing body of any city of the second or third class in this state may levy a tax ~~of not to exceed one-third of one mill against the taxable property in the city~~ *0.00806 percent of taxable market value* for the purpose of advertising agricultural, industrial business, and all other resources of the community ~~subject to the city's levy limits.~~

Sec. 68. Minnesota Statutes 1988, section 471.191, subdivision 2, is amended to read:

Subd. 2. Any such city may issue bonds pursuant to chapter 475, for the acquisition and betterment of land, buildings, and facilities for the purpose of carrying out the powers granted by this section. Such bonds, unless authorized as general obligations of the issuer pursuant to approval of the electors or pursuant to another law or charter provision permitting such issuance without an election, shall be payable solely from the income of land, buildings, and facilities used or useful for the operation of the program, but may be secured by a pledge to the bondholders, or to a trustee, of all income and revenues of whatsoever nature derived from any such land, buildings, and facilities, as a first charge on the gross revenues thereof to the extent necessary to pay the bonds and interest thereon when due and to accumulate and maintain an additional reserve for that purpose in an amount equal to the total amount of ~~such~~ payments to become due in any fiscal year. In this event the governing body of the issuer may by resolution or trust indenture define the land, buildings, or facilities, the revenues of which are pledged, and establish covenants and agreements to be made by the issuer for the security of the bonds, including a covenant that the issuer will establish, maintain, revise when necessary, and collect charges for all services, products, use, and occupancy of the land, buildings, and facilities, in the amounts and at the times required to produce the revenues pledged, and also sufficient, with any other funds appropriated by the governing body from time to time, to provide adequately for the operation and maintenance of the land, buildings, and facilities. ~~From and~~ After the issuance of any bonds for which revenues are so pledged, the governing body of the issuer shall provide in its budget each year for any anticipated deficiency in the revenues available for such operation and maintenance. For this purpose any issuer other than a city of the first class may levy a tax of not more than ~~two-thirds of one mill on the gross tax capacity of all taxable property within its corporate limits~~ *0.01612 percent of taxable market value*, in excess of taxes which may otherwise be levied within legal and charter limitations, provided ~~such~~ *the* excess levy is approved by a majority of its electors voting on ~~such~~ *the* question at a regular or special election. The authority to levy additional taxes granted herein shall not apply to cities or towns in which the gross tax capacity consists in part of iron ore or lands containing taconite or semitaconite.

Sec. 69. Minnesota Statutes 1988, section 471.1921, is amended to read:

471.1921 [CITIES AND TOWNS; PLAYGROUNDS AND RECREATION; TAX LEVY.]

Whenever any city or town in which the gross tax capacity consists in part of iron ore or lands containing taconite or semitaconite operates a program of public recreation and playgrounds or other recreational facilities and expends funds for the operation of the program pursuant to sections 471.15 to 471.19, in addition to funds otherwise provided therefor, the

governing body of the city or town may levy a tax in excess of any charter or statutory limitation, except the limitation imposed in sections 275.50 to 275.58, for the support of this program of public recreation and playgrounds as follows:

(a) (1) in cities the council or governing body may levy a tax of not exceeding ~~two-ninths of a mill and not exceeding the lesser of (i) 0.00537 percent of taxable market value; (ii) \$3 per capita and not exceeding; or (iii) \$15,000-;~~ and

(b) (2) in towns the governing body may levy a tax of not exceeding ~~two-ninths of a mill and not exceeding the lesser of (i) 0.00537 percent of taxable market value; or (ii) \$10,000.~~

Sec. 70. Minnesota Statutes 1988, section 471.571, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] This section applies to each city in which the gross tax capacity of real and personal property consists in part of iron ore or lands containing taconite or semitaconite and in which the total ~~gross tax capacity~~ taxable market value of real and personal property exceeds ~~\$200,000~~ \$2,500,000.

Sec. 71. Minnesota Statutes 1988, section 471.571, subdivision 2, is amended to read:

Subd. 2. [CREATION OF FUND, TAX LEVY.] The governing body of ~~such~~ the city may create a permanent improvement and replacement fund to be maintained by an annual tax levy. The governing body may levy a tax in excess of any charter ~~or statutory~~ limitation ~~and in excess of the per capita limitation imposed under section 275.11~~ for the support of ~~such~~ the permanent improvement and replacement fund, but not exceeding the following:

(a) In cities having a population of not more than 500 inhabitants, the lesser of \$20 per capita or ~~3-1/3 mills~~ 0.08059 percent of taxable market value;

(b) In cities having a population of more than 500 and less than 2500, the greater of \$12.50 per capita or \$10,000 but not exceeding ~~3-1/3 mills~~ 0.08059 percent of taxable market value;

(c) In cities having a population of more than 2500 inhabitants, the greater of \$10 per capita or \$31,500 but not exceeding ~~3-1/3 mills~~ 0.08059 percent of taxable market value.

Sec. 72. Minnesota Statutes 1988, section 473.325, subdivision 2, is amended to read:

Subd. 2. The metropolitan council shall sell and issue ~~such~~ the bonds in the manner provided in chapter 475, and shall have the same powers and duties as a municipality issuing bonds under that law, except that the approval of a majority of the electors shall not be required and the net debt limitations ~~therein~~ shall not apply. The terms of each series of ~~such~~ bonds shall be fixed so that the amount of principal and interest on all outstanding and undischarged bonds, together with the bonds proposed to be issued, due in any year shall not exceed ~~5 mills~~ times the gross tax capacity 0.01209 percent of market value of all taxable property in the metropolitan area as last finally equalized prior to a proposed issue. The bonds shall be secured in accordance with section 475.61, subdivision 1, and any taxes

required for their payment shall be levied by the council, shall not affect the amount or rate of taxes which may be levied by the council for other purposes, shall be spread against all taxable property in the metropolitan area and shall not be subject to limitation as to rate or amount. Any taxes certified by the council to the county auditors for collection shall be reduced by the amount received by the council from the commissioner of finance or the federal government for the purpose of paying the principal and interest on bonds to which the levy relates. The council shall certify the fact and amount of all money so received to the county auditors, and the auditors shall reduce the levies ~~thereof~~ *theretofore previously made for such the bonds* in the manner and to the extent provided in section 475.61, subdivision 3.

Sec. 73. Minnesota Statutes 1988, section 473.446, subdivision 1, is amended to read:

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.404 to 473.449 and the metropolitan transit system, except as otherwise provided in this subdivision, the regional transit board shall levy each year upon all taxable property within the metropolitan transit taxing district, defined in subdivision 2, a transit tax consisting of:

(a) an amount which shall be used for payment of the expenses of operating transit and paratransit service and to provide for payment of obligations issued by the commission under section 473.436, subdivision 6;

(b) an additional amount, if any, as the board determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1985, to which property taxes under this section have been pledged; and

(c) an additional amount necessary to provide full and timely payment of certificates of indebtedness, bonds, including refunding bonds or other obligations issued or to be issued under section 473.39 by the council for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the council or board has specifically pledged tax levies under this clause.

The property tax levied by the regional transit board for general purposes under clause (a) must not exceed the following amount for the years specified:

(1) for taxes payable in 1988, the product of two mills multiplied by the total assessed valuation of all taxable property located within the metropolitan transit taxing district as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(2) for taxes payable in 1989, the product of (i) the regional transit board's property tax levy limitation for general purposes for the taxes payable year 1988 determined under clause (1) multiplied by (ii) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan transit taxing district divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan transit taxing district; and

(3) for taxes payable in 1990 and subsequent years, the product of (i) the regional transit board's property tax levy limitation for general purposes for the previous year determined under this subdivision multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan transit taxing district for the current assessment year divided by the total market valuation of all

taxable property located within the metropolitan transit taxing district for the previous assessment year.

For the purpose of determining the regional transit board's property tax levy limitation for general purposes for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan transit taxing district without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive full peak service and limited off-peak service by an amount equal to the tax levy that would be produced by applying a rate of ~~0.5 mills~~ *0.01209 percent of market value* on the property. The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive limited peak service by an amount equal to the tax levy that would be produced by applying a rate of ~~0.75 mills~~ *0.01813 percent of market value* on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner shall review the certifications to determine their accuracy and may make changes in the certification as necessary or return a certification to the county auditor for corrections. The commissioner shall pay to the regional transit board the amounts certified by the county auditors on the dates provided in section 273.1398. There is annually appropriated from the general fund in the state treasury to the department of revenue the amounts necessary to make these payments ~~in fiscal year 1987 and thereafter.~~

For the purposes of this subdivision, "full peak and limited off-peak service" means peak period regular route service, plus weekday midday regular route service at intervals longer than 60 minutes on the route with the greatest frequency; and "limited peak period service" means peak period regular route service only.

Sec. 74. Minnesota Statutes 1988, section 473.661, subdivision 3, is amended to read:

Subd. 3. In any budget certified by the commissioners, ~~pursuant to any of the provisions of~~ *under* this section, the amount included for operation and maintenance shall not exceed an amount which, when extended against the ~~gross tax capacity of property then~~ taxable therefor under the provisions of section 473.621, subdivision 5, will require a levy at the rate of ~~one-third of one mill upon such gross tax capacity~~ *0.00806 percent of market value*. Taxes levied by the corporation shall not affect the amount or rate of taxes which may be levied by any other local government unit within the metropolitan area under the provisions of any ~~law or~~ charter.

Sec. 75. Minnesota Statutes 1988, section 473.667, subdivision 9, is amended to read:

Subd. 9. [ADDITIONAL TAXES.] Nothing herein shall prevent the commission from levying a tax not to exceed ~~in any year 1/20 of one mill on the gross tax capacity of~~ *0.00121 percent of market value* on taxable property within its taxing jurisdiction, ~~over and above in addition to any levies~~

found necessary for the debt service fund as authorized by section 473.671. Nothing herein shall prevent the levy and appropriation for purposes of the commission of any other tax on property or on any income, transaction, or privilege, when and if authorized by law. All collections of any taxes so levied shall be included in the revenues appropriated for the purposes referred to in this section, unless otherwise provided in the law authorizing ~~such~~ the levies; but no covenant as to the continuance or as to the rate and amount of any such levy shall be made with the holders of the commission's bonds unless specifically authorized by law.

Sec. 76. Minnesota Statutes 1988, section 473.671, is amended to read:
473.671 [LIMIT OF TAX LEVY.]

The taxes levied against the property of the metropolitan area in any one year shall not exceed ~~one third of one mill upon the gross tax capacity thereof~~ *0.00806 percent of taxable market value*, exclusive of the taxes ~~it may be necessary to levy~~ levied to pay the principal or interest on any bonds or indebtedness of ~~said the city~~ issued by it under the provisions of Laws 1943, chapter 500, and exclusive of any ~~amounts required~~ *taxes levied* to pay the share of ~~such~~ the city for payments on bonded indebtedness of the corporation provided for in Laws 1943, chapter 500. The levy of taxes authorized in Laws 1943, chapter 500, shall be in addition to the maximum rate allowed to be levied to defray the cost of government under the provisions of the charter of any city affected by Laws 1943, chapter 500.

Sec. 77. Minnesota Statutes 1988, section 473.882, subdivision 3, is amended to read:

Subd. 3. [TAX.] After adoption of the ordinance under subdivision 2, a local government unit may annually levy a tax on all taxable property in the district for the purposes for which the tax district is established. The tax ~~levied~~ may not exceed ~~one mill~~ *0.02418 percent of market value on taxable* property located in rural towns other than urban towns, unless allowed by resolution of the town electors. The proceeds of the tax shall be paid into a fund reserved for these purposes. Any proceeds remaining in the reserve fund at the time the tax is terminated or the district is dissolved shall be transferred and irrevocably pledged to the debt service fund of the local unit to be used solely to reduce tax levies for bonded indebtedness of taxable property in the district. A tax levied in accordance with this subdivision for paying capital costs is a levy for the payment of principal and interest on bonded indebtedness within the meaning of section 275.50, subdivision 5, clause (e).

Sec. 78. Minnesota Statutes 1988, section 473.883, subdivision 6, is amended to read:

Subd. 6. [TAX.] For the payment of principal and interest on the bonds issued under subdivision 5 and the payment required under subdivision 4, the county shall irrevocably pledge and appropriate the proceeds of ~~an ad valorem~~ a tax levied on all taxable property located within the territory of the watershed management organization or minor watershed unit for which the bonds are issued. Each year until the reserve for payment of the bonds is sufficient to retire the bonds, the county shall levy on all taxable property in the territory of the organization or unit, without respect to any statutory or other limitation on taxes, an amount of taxes sufficient to pay principal and interest on the bonds and to restore any deficiencies in reserves required to be maintained for payment of the bonds. The tax levied on rural towns

other than urban towns may not exceed ~~one mill~~ *0.02418 percent of taxable market value*, unless approved by resolution of the town electors. If at any time the amounts available from the levy on property in the territory of the organization are insufficient to pay principal and interest on the bonds when due, the county shall make payment from any available funds in the county treasury. The amount of any taxes which are required to be levied outside of the territory of the watershed management organization or unit or taken from the general funds of the county to pay principal or interest on the bonds shall be reimbursed to the county from taxes levied within the territory of the watershed management organization or unit.

Sec. 79. Minnesota Statutes 1988, section 641.23, is amended to read:
641.23 [FUNDS, HOW PROVIDED.]

Before any contract is made for the erection of a county jail, sheriff's residence, or both, the county board shall either levy a sufficient tax to provide the necessary funds, or issue county bonds therefor in accordance with the provisions of chapter 475, provided that the amount of all bonds issued for this purpose and interest on them which are due and payable in any year shall not exceed an amount equal to ~~four mills times the gross tax capacity~~ *0.09671 percent of market value of taxable property within the county, as last determined before the bonds are issued.*

Sec. 80. [REPEALER.]

Minnesota Statutes 1988, sections 69.36; 423.376; 423.47; 423.807; 424.12; and 424.13, are repealed.

Sec. 81. [EFFECTIVE DATE.]

Sections 30, 35, 39, 41, 72, 78, and 79 are effective for bonds and other obligations issued after June 30, 1989, provided that the limitations in those sections include the amount of debt service on obligations issued before that date. Section 33 is effective for obligations issued after the date of enactment of this act."

Delete the title and insert:

"A bill for an act relating to taxation; making technical corrections, clarifications and administrative and enforcement changes to property taxes, premium taxes, cigarette taxes, sales taxes, motor vehicle excise taxes, gasoline and special fuel taxes, taxes on flight property, liquor taxes, marijuana and controlled substances taxes, lodging taxes, and the metropolitan solid waste landfill fee; correcting dates relating to income maintenance aids; providing for unmarked vehicles for use by the department of revenue; providing for cancellation of sales tax permits; providing for sales of unstamped tobacco products and liquor to Indian tribes; repealing obsolete or unnecessary terms or provisions; changing terms; repealing certain gross earnings taxes; requiring notification of the commissioner prior to selling cigarettes at prices other than those presumed by law; changing cigarette distribution licensing requirements; converting mill rate limitations to percentages of market value; changing assessor senior accreditation requirements; exempting certain property from property taxes; changing requirements for valuation and tax deferral for certain property; allowing homestead classification in certain cases; providing for subordinate service districts; authorizing the cities of Mankato and Hopkins to establish special service districts; increasing and imposing fees; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 3.983, subdivision 3;

16B.54, subdivision 2; 18.022, subdivision 2; 18.111, subdivision 1; 38.27, subdivision 1; 40A.15, subdivision 2; 41A.09, subdivision 3; 69.011, subdivision 2; 69.54; 88.04, subdivision 3; 93.55, subdivision 4; 110.71, subdivision 2; 110B.20; 112.61, subdivisions 2, 3, and 8; 124.155, subdivision 2; 124.2139; 138.053; 162.07, subdivisions 3 and 4; 162.081, subdivision 4; 164.04, subdivision 3; 164.05, subdivision 1; 168.012, subdivision 1; 174.27; 193.145, subdivision 2; 237.35; 256.82, subdivision 1; 256.871, subdivision 6; 256B.041, subdivision 5; 270.06; 270.071, subdivision 6; 270.072, subdivisions 2 and 3; 270.075, subdivision 2; 270.12, subdivision 2; 270.485; 270.60; 272.01, subdivision 2; 272.02, subdivision 1; 273.01; 273.061, subdivisions 1 and 2; 273.1102, subdivision 3; 273.111, subdivision 3; 273.112, subdivision 3, and by adding a subdivision; 273.124, subdivisions 1, 8, 9, 12, 13, and by adding a subdivision; 273.13, subdivisions 22 and 23; 273.135, subdivision 2; 273.1391, subdivision 2; 273.1393; 273.1398, subdivisions 1, 4, 5, and 6; 275.011, subdivisions 1 and 2; 275.07, subdivision 3; 275.077, subdivision 2; 275.28, subdivision 1; 275.56; 275.58 subdivision 1; 278.01, subdivision 1; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivisions 1 and 3; 279.37, subdivision 7; 290A.03, subdivision 12; 296.18, subdivision 1; 297.01, subdivision 13, and by adding a subdivision; 297.03, subdivision 6; 297.04, subdivisions 4, 5, and 6; 297.041, subdivisions 1, 2, and 4; 297.08, subdivision 1; 297.31, by adding a subdivision; 297.33, subdivisions 4, 5, 6, 7, and 8; 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.025, subdivision 2; 297B.03; 297C.03, subdivision 1; 297C.09; 297D.13, by adding a subdivision; 298.28, subdivisions 3 and 4; 298.282, subdivision 2; 325D.32, subdivision 10; 325D.37, by adding a subdivision; 366.27; 373.40, subdivisions 4 and 6; 375.167, subdivision 1; 375.18, subdivision 3; 375.192, subdivision 2; 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, and by adding a subdivision; 462.396, subdivision 2; 469.012, by adding a subdivision; 469.033, subdivision 6; 469.040, subdivision 2; 469.053, subdivisions 4 and 6; 469.107, subdivision 1; 469.174, subdivision 8; 469.175, subdivision 7; 469.176, subdivision 4c; 469.180, subdivision 2; 469.187; 469.188; 469.190, subdivision 1; 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; 473.843, subdivision 1; 473.882, subdivision 3; 473.883, subdivision 6; 475.53, subdivision 4; 477A.011, subdivision 15; 477A.013, subdivision 1; 641.23; Laws 1988, chapter 719, articles 7, section 9; 8, section 37; and 12, section 29; proposing coding for new law in Minnesota Statutes, chapters 276; 297; 297A; 297C; 297D; 325D; and 365B; repealing Minnesota Statutes 1988, sections 38.17; 38.27, subdivision 3; 38.28; 69.36; 275.57; 275.58, subdivision 4; 276.13; 276.14; 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; 297.01, subdivision 15; 297.03, subdivision 12; 297.04, subdivision 10; 297.33, subdivision 13; 297A.19; 297A.253; 297C.03, subdivisions 4 and 4a; 423.376; 423.47; 423.807; 424.12; 424.13; 477A.018; and 477A.019; Laws 1988, chapter 719, article 8, section 35."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Dee Long, Alan W. Welle, John Himle

Senate Conferees: (Signed) LeRoy A. Stumpf, John Bernhagen, A. W. "Bill" Diessner

Mr. Stumpf moved that the foregoing recommendations and Conference Committee Report on H.F. No. 266 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. 266 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 38 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Johnson, D.J.	Metzen	Renneke
Anderson	Davis	Knaak	Morse	Schmitz
Beckman	Decker	Knutson	Novak	Solon
Belanger	Diessner	Kroening	Olson	Storm
Berg	Frank	Laidig	Pariseau	Stumpf
Bernhagen	Frederickson, D.J.	Langseth	Piper	Vickerman
Bertram	Frederickson, D.R.	McQuaid	Ramstad	
Brandl	Gustafson	Mehrkens	Reichgott	

Messrs. Benson, Frederick and Larson voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Freeman moved that the following members be excused for a Conference Committee on H.F. No. 46 at 7:00 p.m.:

Messrs. Freeman, Morse, Samuelson, Waldorf and Johnson, D.E. The motion prevailed.

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. 826, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 826 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON 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.

May 17, 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. 826, 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. 826 be further 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, date of birth, and place of employment; the name and address of the juvenile's parents or guardians; and the factual part of police reports related to the investigation of the delinquent act.*

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, subdivision 5a.* This subdivision applies to all proceedings under this chapter, including appeals from orders of the juvenile court, except that this subdivision does not apply to proceedings under section 260.255, 260.261, or 260.315 when the proceeding involves an adult defendant. The court shall maintain the confidentiality of adoption files and records in accordance with the provisions of laws relating to adoptions. In juvenile court proceedings any report or social history furnished to the court shall be open to inspection by the attorneys of record and the guardian ad litem a reasonable time before it is used in connection with any proceeding before the court.

When a judge of a juvenile court, or duly authorized agent of the court, determines under a proceeding under this chapter that a child has violated a state or local law, ordinance, or regulation pertaining to the operation of a motor vehicle on streets and highways, except parking violations, the judge or agent shall immediately report the violation to the commissioner

of public safety. The report must be made on a form provided by the department of public safety and must contain the information required under section 169.95.”

Amend the title as follows:

Page 1, line 4, delete “law enforcement”

Page 1, line 5, after “purposes” insert “of victim restitution”

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Charlie Weaver, Randy C. Kelly, Sandy Pappas

Senate Conferees: (Signed) Gene Merriam, Fritz Knaak, Randolph W. Peterson

Mr. Merriam moved that the foregoing recommendations and Conference Committee Report on H.F. No. 826 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. 826 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Knaak	Metzen	Renneke
Anderson	Dahl	Knutson	Moe, D.M.	Schmitz
Beckman	Davis	Kroening	Moe, R.D.	Solon
Belanger	Decker	Laidig	Morse	Storm
Benson	Diessner	Langseth	Novak	Stumpf
Berg	Frank	Larson	Olson	Vickerman
Berglin	Frederick	Marty	Pariseau	
Bernhagen	Frederickson, D.J.	McQuaid	Piper	
Bertram	Frederickson, D.R.	Mehrkens	Ramstad	
Brandl	Gustafson	Merriam	Reichgott	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce 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. 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

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.54, subdivision 2a; 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.919; 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; 400.04, subdivision 3; 466.04, subdivision 1; 473.149, subdivisions 2d and 2e, and by adding a subdivision; 473.803, by adding a subdivision; 473.811, subdivisions 1a and 4; 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.

Senate File No. 530 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1989

Mr. Merriam moved that the Senate do not concur in the amendments by the House to S.F. No. 530, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Marty introduced—

S.F. No. 1650: A bill for an act relating to the environment; requiring the pollution control agency to amend noise pollution rules.

Referred to the Committee on Environment and Natural Resources.

Mr. Diessner introduced—

S.F. No. 1651: A bill for an act relating to state government; requiring the state planning agency to study data collection practices in state agencies.

Referred to the Committee on Governmental Operations.

Messrs. Moe, R.D. and Stumpf introduced—

S.F. No. 1652: A bill for an act relating to environment; requiring an environmental impact statement for over-the-horizon backscatter central radar receiver systems; prescribing criteria.

Referred to the Committee on Environment and Natural Resources.

Messrs. Pogemiller and Johnson, D.J. introduced—

S.F. No. 1653: A bill for an act relating to tax administration; recodifying and providing for the administration of certain taxes; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 270.06; 270.07, subdivision 1, and by adding a subdivision; 270.65; 270.67, subdivision 2; 270.68, subdivisions 1 and 3; 270.69, subdivisions 2, 3, 7, 8, and by adding a subdivision; 270.70, subdivisions 1 and 2; 270.73, subdivision 1; 290.05, subdivision 4; 290.92, subdivisions 6a, 15, 23, and 24; 290A.07, subdivisions 2a and 3; 290A.19; 291.09, subdivision 3a; 296.18, subdivisions 2 and 3; 296.25; 297A.03, subdivision 2; 297A.041; 297A.17; 297A.18; and 297A.211, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 270; proposing coding for new law as Minnesota Statutes, chapter 289A; repealing Minnesota Statutes 1988, sections 270.08; 270.10, subdivision 4; 270.651; 270.77; 271.061; 290.05, subdivision 5; 290.067, subdivision 5; 290.281, subdivision 5; 290.29; 290.37; 290.38; 290.39; 290.391; 290.40; 290.41; 290.42; 290.43; 290.44; 290.45; 290.46; 290.47; 290.49; 290.50, as amended; 290.52; 290.521; 290.522; 290.523; 290.53, subdivisions 1, 1a, 2, 2a, 3, 3a, 4, 5, 7, 8, 9, 10, and 11; 290.54; 290.56; 290.57; 290.58; 290.59; 290.65; 290.92, subdivisions 6, 7, 8, 11, 13, 14, and 15; 290.923, subdivision 7; 290.93; 290.931; 290.932; 290.933; 290.934; 290.935; 290.936; 290.974; 290A.06; 290A.11, subdivisions 1, 1a, 2, 3, and 4; 290A.111; 290A.112; 290A.12; 291.09, subdivisions 1a, 2a, 4a, 6, and 7; 291.11; 291.131; 291.14; 291.15, subdivisions 1 and 3; 291.215, subdivisions 2 and 3; 291.31, subdivisions 1 and 2; 291.32; 296.027; 296.16, subdivision 3; 296.17, subdivision 13; 296.18, subdivisions 3a and 7; 296.24; 297A.08; 297A.121; 297A.15, subdivision 3; 297A.20; 297A.26; 297A.27; 297A.275; 297A.29; 297A.30; 297A.31; 297A.32; 297A.33, subdivisions 1, 3, 4, and 5; 297A.34; 297A.35; 297A.39, subdivisions 1, 2, 2a, 3, 4, 5, 7, and 8; 297A.40; 297A.41; 297A.42; and 297A.44, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mr. Freeman and Ms. Piper introduced—

S.F. No. 1654: A bill for an act relating to employment; regulating employment termination; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Mr. Diessner introduced—

S.F. No. 1655: A bill for an act relating to health; requiring a study of quality control mechanisms for health care.

Referred to the Committee on Health and Human Services.

Mr. Frederickson, D.J. introduced—

S.F. No. 1656: A bill for an act relating to agriculture; providing for agriculture curriculum; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture and Rural Development.

Mr. Diessner introduced—

S.F. No. 1657: A bill for an act relating to education; restricting events on school nights; amending Minnesota Statutes 1988, sections 123.33, by adding a subdivision; and 129.121, by adding a subdivision.

Referred to the Committee on Education.

Mr. Bertram introduced—

S.F. No. 1658: 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.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 878 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 878: A bill for an act relating to agriculture; providing partial premium payment for federal crop insurance; requiring lawn waste containers to be degradable; establishing uniformity with certain federal regulations; requiring the use of soy-oil based inks for printing under certain conditions; providing Minnesota-grown coupons to WIC coupon recipients at test sites; suspending certain noxious weed control practices during drought conditions; providing for development of a community needs assessment model; authorizing an investigation of cheese marketing institutions and practices; establishing a grasshopper control program; creating an agricultural liming materials law; establishing an advisory task force on farm safety; extending the farmer-lender mediation act and clarifying various provisions; extending the date for a report of the team study on low livestock productivity; changing certain requirements for motor vehicle fuel labeling; establishing an agricultural landlord rental incentive program; limiting liability of certain agricultural society board numbers; setting a dairy industry check-off rate; providing for arbitration of seed claims; providing for purchase of the agriculture department building; authorizing

bond sales; regulating wild rice labeling; appropriating money; amending Minnesota Statutes 1988, sections 17.7242, subdivisions 1 and 2; 17.59, by adding a subdivision; 30.49; 31.101; 31.102, subdivision 1; 31.103, subdivision 1; 31.104; 31.11; 38.013; 47.20, subdivision 15; 116O.09, subdivision 5; 239.79, subdivision 2, and by adding a subdivision; 308.12, subdivision 5; 325E.045, subdivision 1, and by adding subdivisions; 500.24, subdivision 6; 550.37, subdivisions 4a, 5, and 7; 580.031; 583.24, subdivision 4; 583.26, subdivision 1; Laws 1983, chapter 215, section 16, as amended; Laws 1986, chapter 398, article 1, section 18, as amended; Laws 1987, chapter 396, article 9, section 1, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 16B; 17; 17B; 18; 21; 41B; and 169; repealing Minnesota Statutes 1988, sections 17.7241; 17.4244; 17.7246; and 84.152, subdivision 5.

Mr. Knaak moved to amend H.F. No. 878, as amended pursuant to Rule 49, adopted by the Senate May 18, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1404.)

Page 44, after line 6, insert:

"ARTICLE 12

SCHOOL TRUST FUND LANDS

Section 1. [MORATORIUM ON LOT SALES.]

Notwithstanding any law to the contrary, the commissioner of natural resources shall cease all proceedings relating to the sale of permanent school fund land until July 1, 1990.

Sec. 2. [LEGISLATIVE AUDITOR REPORT.]

By January 1, 1990, the legislative auditor shall review the sale of permanent school fund lands. The legislative auditor shall determine whether selling or leasing land at market value would produce a greater benefit to the permanent school fund. The legislative auditor shall also review the actions of the department of natural resources relating to permanent school fund land, including sale, procedures, practices, and the use of the assets of the permanent school fund to pay the costs of sale."

Re-number the articles in sequence and correct the internal references

Amend the title accordingly

Mr. Berg questioned whether the amendment was germane.

The President ruled that the amendment was germane.

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on the Knaak amendment. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Knaak amendment.

The roll was called, and there were yeas 11 and nays 31, as follows:

Those who voted in the affirmative were:

Knaak	McQuaid	Metzen	Olson	Ramstad
Knutson	Merriam	Moe, D.M.	Pariseau	Renneke
McGowan				

Those who voted in the negative were:

Adkins	Brandl	Diessner	Larson	Solon
Anderson	Chmielewski	Frank	Luther	Stumpf
Beckman	Cohen	Frederickson, D.J.	Marty	Vickerman
Berg	Dahl	Frederickson, D.R.	Mehrkens	
Berglin	Davis	Gustafson	Morse	
Bernhagen	Decker	Johnson, D.J.	Reichgott	
Bertram	Dicklich	Langseth	Schnitz	

The motion did not prevail. So the amendment was not adopted.

Mr. Bernhagen moved to amend H.F. No. 878, as amended pursuant to Rule 49, adopted by the Senate May 18, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1404.)

Page 44, after line 6, insert:

“ARTICLE 12

PURCHASE OF FEDERAL CROP INSURANCE

Section 1. [FINDING OF PUBLIC PURPOSE.]

The legislature finds that federal crop insurance represents the lowest cost, most economically feasible mechanism for protecting farm families from severe economic stress caused by drought and other natural disasters. The legislature further finds that costs to the state for rural disaster relief are greatly reduced when a majority of farmers carry federal crop insurance. In order to encourage all farmers to carry federal crop insurance, it is a valid public purpose for state funds to be used to make grants for a portion of the premium costs of the crop insurance.

Sec. 2. [GRANTS FOR PARTIAL PAYMENT OF FEDERAL CROP INSURANCE.]

Subdivision 1. [CERTIFICATION OF ELIGIBILITY.] An applicant for a grant under this section must apply to the Minnesota extension service or the agricultural stabilization and conservation service for a certificate of eligibility. That service must determine which crops are or will be covered by federal crop insurance and the premium cost paid or to be paid by the farmer. The service must then provide to the commissioner of agriculture a certificate of eligibility stating the acreage of each crop covered and the total premium cost.

Subd. 2. [PAYMENT OF GRANT LIMITS.] Within funds appropriated for this program the commissioner shall reimburse eligible farmers certified by the Minnesota extension service or the agricultural stabilization and conservation service for 20 percent of the annual premium paid by the farmer for federal crop insurance. The maximum grant to any farmer in a calendar year is \$1,000.

Sec. 3. [RULES.]

The commissioner of agriculture may adopt rules for purposes of sections 1 to 3.”

Page 48, after line 13, insert:

“Subd. 24. [FEDERAL CROP INSURANCE GRANTS.] \$5,000,000 is appropriated from the general fund to the commissioner of agriculture to make federal crop insurance grants under article 12, sections 1 to 3, to be available until June 30, 1991. Of this amount, not more than \$75,000 is available for administrative expenses of the program.”

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on H.F. No. 878. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Bernhagen amendment.

The roll was called, and there were yeas 13 and nays 25, as follows:

Those who voted in the affirmative were:

Adkins	Bernhagen	Gustafson	Mehrkens	Vickerman
Anderson	Frederick	Larson	Moe, D.M.	
Belanger	Frederickson, D.R.	McGowan	Renneke	

Those who voted in the negative were:

Beckman	Chmielewski	Frank	Marty	Ramstad
Berg	Cohen	Frederickson, D.J.	McQuaid	Reichgott
Berglin	Dahl	Langseth	Merriam	Schmitz
Bertram	Davis	Lantry	Metzen	Spear
Brandl	Decker	Luther	Olson	Stumpf

The motion did not prevail. So the amendment was not adopted.

Mr. Berg moved to amend H.F. No. 878, as amended pursuant to Rule 49, adopted by the Senate May 18, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1404.)

Page 35, after line 8, insert:

“Section 1. [41.535] [TRANSFER OF PROGRAM TO RURAL FINANCE AUTHORITY.]

The family farm security program is terminated and administration of existing loans is transferred to the rural finance authority. Existing loans may not be assigned. Properties acquired are transferred to the rural finance authority for disposal in accordance with law.”

Page 44, after line 6, insert:

“Sec. 20. [REPEALER.]

Minnesota Statutes, sections 41.54, 41.55, and 41.56, subdivisions 1 and 2, are repealed.”

Renumber the sections of article 11 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Bernhagen moved to amend H.F. No. 878, as amended pursuant to Rule 49, adopted by the Senate May 18, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1404.)

Page 44, after line 6, insert:

“ARTICLE 12

HAY-RELATED DROUGHT RELIEF

Section 1. [PURCHASE OF HAY.]

The commissioner of agriculture shall reimburse a farmer for hay the farmer must purchase to feed the farmer's livestock if the farmer has no

hay because of the 1988 drought. To be eligible for reimbursement, the farmer must have owned and been feeding livestock on April 1, 1989, and on the date of application. The farmer must be reimbursed for the purchase of hay for feed at maintenance levels for a four-week period for the number and type of livestock the farmer owns and feeds as of April 1, 1989, or the date the farmer applies for the reimbursement, whichever is fewer. The farmer may only be reimbursed for hay purchased through April 1, 1989.

The farmer must apply for reimbursement by June 30, 1989, to the Minnesota extension service, which must review the farmer's application, investigate the farmer's circumstances, and certify to the commissioner of agriculture the applicant's eligibility for reimbursement under this section. Payments may not be made until July 1, 1989.

Sec. 2. [APPEALS.]

A farmer may appeal a decision of the commissioner of agriculture or the University of Minnesota agricultural extension service under the Minnesota administrative procedure act in Minnesota Statutes, chapter 14."

Page 48, after line 13, insert:

"Subd. 24. [PURCHASED HAY.] \$3,000,000 is appropriated from the general fund to the commissioner of agriculture for the purposes of article 12, section 1, to be available until June 30, 1991. If there is an insufficient amount for reimbursement to all applicants, the reimbursement shall be made on a pro rata basis."

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mrs. McQuaid moved to amend H.F. No. 878, as amended pursuant to Rule 49, adopted by the Senate May 18, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 1404.)

Page 8, after line 32, insert:

"Sec. 2. Minnesota Statutes 1988, section 92.67, is amended by adding a subdivision to read:

Subd. 1a. [SINGLE LOT SALE.] The commissioner shall not sell more than one lot that borders public waters to an individual, partnership, or corporation. A person acting as an agent of or on behalf of an individual, partnership, or corporation must disclose the name of the individual, partnership, or corporation for which the person is acting."

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

H.F. No. 878 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 44 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Brandl	Frederickson, D.J.	McGowan	Purfeerst
Anderson	Chmielewski	Frederickson, D.R.	McQuaid	Ramstad
Beckman	Cohen	Gustafson	Mehrkens	Reichgott
Belanger	Dahl	Knaak	Merriam	Renneke
Benson	Davis	Knutson	Metzen	Schmitz
Berg	Decker	Lantry	Moe, D.M.	Storm
Berglin	Diessner	Larson	Novak	Stumpf
Bernhagen	Frank	Luther	Olson	Vickerman
Bertram	Frederick	Marty	Pariseau	

So the bill, as amended, was passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Luther moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Chmielewski in the chair.

After some time spent therein, the committee arose, and Mr. Chmielewski reported that the committee had considered the following:

H.F. No. 257, which the committee reports progress, subject to the following motions:

Mr. Moe, D.M. moved to amend H.F. No. 257, as amended pursuant to Rule 49, adopted by the Senate May 12, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 257.)

Page 2, line 23, reinstate the stricken "provided"

Amend the title as follows:

Page 1, line 18, after the semicolon, insert "appropriating money;"

The motion prevailed. So the amendment was adopted.

Mr. Moe, D.M. then moved to amend H.F. No. 257, as amended pursuant to Rule 49, adopted by the Senate May 12, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 257.)

Pages 15 to 17, delete section 19 and insert:

"Sec. 19. [TECHNOLOGY AND COMMUNICATIONS TASK FORCE.]

Subdivision 1. [MEMBERSHIP] The technology and communications task force consists of:

- (1) the commissioners of administration and state planning;
- (2) a member of the senate appointed by the subcommittee on committees of the committee on rules and administration and a member of the house of representatives appointed by the speaker;
- (3) a representative of the courts appointed by the chief justice;
- (4) a representative of private industry and two representatives of local governmental units appointed by the governor; and
- (5) the chair of the advisory task force established by Minnesota Statutes, section 16B.41, subdivision 4.

The assistant commissioner of administration assigned to the information

policy office shall serve as the primary staff person for the task force. Members of the task force may designate other agency, legislative, or judicial staff to assist the task force.

Subd. 2. [DUTIES.] (a) The task force shall determine the current capabilities and anticipated future needs of state agencies, the legislature, the courts, public post-secondary educational institutions, public corporations, and local governmental units with respect to the communication of voice, data, and video within and among themselves and with the public. In making this determination, the task force shall use information gathered by the advisory council established by section 12, subdivision 2, and the advisory task force established by Minnesota Statutes, section 16B.41, subdivision 4, and may make any additional studies or surveys necessary.

(b) In addition, the task force shall:

(1) compile a list of technological equipment and systems currently in use by the entities listed in paragraph (a), whether owned by the entity or leased from an outside public or private supplier, and a list of equipment or systems the entities plan to acquire;

(2) identify any duplication or underutilization of equipment or systems and any unmet needs for equipment or systems; and

(3) recommend the designation of an existing state agency or the establishment of a new state agency to oversee public sector communications technology, including the statewide telecommunications access routing system established by section 12, and to coordinate the design, acquisition, maintenance, and use of public communications and other technological equipment and systems to serve the current and future needs of state agencies, the legislature, the courts, public post-secondary educational institutions, public corporations, and local governmental units efficiently and effectively.

The task force recommendation under clause (3) must recommend an administrative structure capable of evaluating communications and other technological needs and selecting appropriate equipment and systems to meet those needs consistent with the overall needs of the state's public sector and the equipment and systems already in use.

Subd. 3. [REPORT.] The task force shall report its findings and recommendation to the legislature by February 15, 1990. Upon submission of its report and recommendation, the task force is disbanded.

Subd. 4. [MORATORIUM.] The University of Minnesota, the state universities, the community colleges, and the technical institutes may not purchase, contract for, or otherwise commit themselves to new two-way interactive television equipment, systems, or services, other than maintenance agreements, that expand the capacity of two-way interactive television until the task force has submitted the report and recommendation required by subdivision 3. This subdivision does not prevent an institution from implementing a contract entered into before the effective date of this section."

The motion prevailed. So the amendment was adopted.

Ms. Reichgott moved to amend H.F. No. 257, as amended pursuant to Rule 49, adopted by the Senate May 12, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 257.)

Page 1, after line 28, insert:

“ARTICLE I

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, speaker of the house, and 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. [WCCA; 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 the chief judge prior to assignment of the case to a panel, or by a ~~four-fifths~~ three-fifths vote of the judges prior to assignment of the case 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 clerks.* 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 Minnesota Statutes, 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. [EFFECTIVE DATE.]

Sections 1 to 6 are effective July 1, 1989.

ARTICLE 2"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Storm moved to amend H.F. No. 257, as amended pursuant to Rule 49, adopted by the Senate May 12, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 257.)

Pages 7 and 8, delete section 10

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 12, as follows:

Those who voted in the affirmative were:

Anderson	Dicklich	Johnson, D.E.	Larson	Ramstad
Beckman	Frank	Knaak	Lessard	Solon
Benson	Frederick	Knutson	McGowan	Storm
Berg	Frederickson, D.J.	Kroening	Mehrkens	Vickerman
Chmielewski	Frederickson, D.R.	Laidig	Pariseau	
Decker	Gustafson	Langseth	Purfeerst	

Those who voted in the negative were:

Adkins	Lantry	Moe, D.M.	Piper	Spear
Bertram	Luther	Moe, R.D.	Schmitz	Waldorf
Diessner	Marty			

The motion prevailed. So the amendment was adopted.

H.F. No. 257 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

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House and First Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1764, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1764 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1764

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 city streets and town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; 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; and 297B.09, subdivision 1.

May 18, 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. 1764, 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. 1764 be further amended as follows:

Page 5, line 16, strike "20" and insert "40"

Page 5, line 17, strike "15" and insert "30"

Pages 5 and 6, delete section 6 and insert:

"Sec. 6. Minnesota Statutes 1988, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [GENERAL FUND SHARE.] (a) Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund. The amounts collected and received shall be credited as provided in this subdivision, and transferred from the general fund on July 15 and January 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund.

(b) Thirty percent of the money collected and received under this chapter after June 30, 1988, and before July 1, 1991, must be ~~deposited in transferred~~ to the highway user tax distribution fund and the transit assistance fund for apportionment as follows: 75 percent must be ~~credited~~ transferred to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent of the money must be ~~credited~~ transferred to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board.

(c) ~~Thirty~~ Five percent of the money collected and received under this chapter after June 30, 1989 and before July 1, 1991, must be transferred as follows: 75 percent must be transferred to the trunk highway fund and 25 percent must be transferred to the transit assistance fund.

(d) ~~Thirty-five~~ percent of the money collected and received under this chapter after June 30, 1991, must be ~~deposited in the trunk highway fund and the transit assistance fund for apportionment~~ transferred as follows: 75 percent must be ~~credited~~ transferred to the trunk highway fund and ~~the remaining~~ 25 percent must be ~~credited~~ transferred to the transit assistance fund.

(~~d~~) (e) The distributions under this subdivision to the highway user tax distribution fund until June 30, 1991, and to the trunk highway fund thereafter, must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate

the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period."

Page 7, line 35, delete "\$40,000,000" and insert "\$60,900,000"

Page 8, line 4, delete "\$5,700,000 \$18,400,000"
and insert "\$5,800,000 \$17,600,000"

Page 8, line 7, after "fund" insert "and is for highway development"

Page 8, after line 7, insert:
"(b) Trunk highways \$1,000,000 \$3,100,000

This appropriation is from the trunk highway fund and is for program delivery."

Page 8, line 8, delete "(b)" and insert "(c)"
and delete "\$2,950,000 \$9,400,000"
and insert "\$11,500,000 \$18,100,000"

Page 8, line 13, delete "(c)" and insert "(d)"
and delete "\$850,000 \$2,700,000"
and insert "\$900,000 \$2,900,000"

Page 8, line 19, delete "5" and insert "4, 6,"

Page 8, line 20, delete "November 15, 1989" and insert "January 1, 1990"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Henry J. Kalis, Harold Lasley, Elton R. Redalen, Chuck Brown, Andy Steensma

Senate Conferees: (Signed) Keith Langseth, Marilyn M. Lantry, James P. Metzen, Gary M. DeCramer

Mr. Langseth moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1764 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.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on H.F. No. 1764. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 1764 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 37 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Lantry	Morse	Schmitz
Beckman	Dicklich	Larson	Pehler	Spear
Berg	Diessner	Lessard	Peterson, D.C.	Stumpf
Berglin	Frederickson, D.J.	Luther	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Marty	Piper	Waldorf
Brandl	Freeman	Merriam	Pogemiller	
Chmielewski	Johnson, D.J.	Moe, D.M.	Purfeerst	
Davis	Langseth	Moe, R.D.	Reichgott	

Those who voted in the negative were:

Anderson	Decker	Knaak	Olson	Storm
Belanger	Frank	Knutson	Pariseau	Taylor
Benson	Frederick	Kroening	Ramstad	
Bernhagen	Gustafson	McGowan	Renneke	
Dahl	Johnson, D.E.	Mehrkens	Samuelson	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 104, and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 104 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1989

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. 1618, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1618: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; requiring studies and reports; fixing and limiting fees; amending Minnesota Statutes 1988, sections 12.14; 41A.09; 43A.08, subdivision 1; 237.30; 341.10; 473.384, subdivision 7; and 473.386,

subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299C.

Senate File No. 1618 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 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. 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.

Senate File No. 738 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1989

Mr. Stumpf moved that the Senate do not concur in the amendments by the House to S.F. No. 738, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 491: A bill for an act relating to health care; creating a health care access commission; requiring a health care access study; appropriating money.

Senate File No. 491 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1989

Ms. Berglin moved that the Senate do not concur in the amendments by the House to S.F. No. 491, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 878:

H.F. No. 878: A bill for an act relating to agriculture; providing partial

premium payment for federal crop insurance; requiring lawn waste containers to be degradable; establishing uniformity with certain federal regulations; requiring the use of soy-oil based inks for printing under certain conditions; providing Minnesota-grown coupons to WIC coupon recipients at test sites; suspending certain noxious weed control practices during drought conditions; providing for development of a community needs assessment model; authorizing an investigation of cheese marketing institutions and practices; establishing a grasshopper control program; creating an agricultural liming materials law; establishing an advisory task force on farm safety; extending the farmer-lender mediation act and clarifying various provisions; extending the date for a report of the team study on low livestock productivity; changing certain requirements for motor vehicle fuel labeling; establishing an agricultural landlord rental incentive program; limiting liability of certain agricultural society board numbers; setting a dairy industry check-off rate; providing for arbitration of seed claims; providing for purchase of the agriculture department building; authorizing bond sales; regulating wild rice labeling; appropriating money; amending Minnesota Statutes 1988, sections 17.7242, subdivisions 1 and 2; 17.59, by adding a subdivision; 30.49; 31.101; 31.102, subdivision 1; 31.103, subdivision 1; 31.104; 31.11; 38.013; 47.20, subdivision 15; 116O.09, subdivision 5; 239.79, subdivision 2, and by adding a subdivision; 308.12, subdivision 5; 325E.045, subdivision 1, and by adding subdivisions; 500.24, subdivision 6; 550.37, subdivisions 4a, 5, and 7; 580.031; 583.24, subdivision 4; 583.26, subdivision 1; Laws 1983, chapter 215, section 16, as amended; Laws 1986, chapter 398, article 1, section 18, as amended; Laws 1987, chapter 396, article 9, section 1, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 16B; 17; 17B; 18; 21; 41B; and 169; repealing Minnesota Statutes 1988, sections 17.7241; 17.4244; 17.7246; and 84.152, subdivision 5.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Wenzel, Cooper, Dille, Sparby and Winter have been appointed as such committee on the part of the House.

House File No. 878 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 May 19, 1989

Mr. Davis moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 878, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Morse moved that the following members be excused for a Conference Committee on S.F. No. 262 at 9:30 p.m.:

Messrs. Morse, Merriam, Davis, Dahl and Bernhagen. The motion prevailed.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 871, 1163, 1194 and 618.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1989

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 871: 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.

H.F. No. 1163: 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 Finance.

H.F. No. 1194: 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; 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 Rules and Administration for comparison with S.F. No. 1044, now on General Orders.

H.F. No. 618: A bill for an act relating to corrections; requiring the commissioner of corrections to make high school diploma equivalency programs available to inmates; providing a reduction in an inmate's supervised release term if the inmate completes such a program; amending Minnesota Statutes 1988, sections 244.03; and 244.05, subdivision 1, and by adding a subdivision.

Referred to the Committee on Finance.

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. 1408: Messrs. Novak, Metzen and Mrs. McQuaid.

H.F. No. 1155: Mr. Frederick replaces Mr. Laidig.

S.F. No. 783: Messrs. Solon; Moe, R.D.; Pogemiller; Moe, D.M. and Renneke.

S.F. No. 530: Messrs. Merriam, Dahl, Stumpf, Marty and Mrs. McQuaid.

S.F. No. 738: Messrs. Stumpf, Frederick and Langseth.

S.F. No. 491: Ms. Berglin, Messrs. Samuelson and Larson.

H.F. No. 878: Messrs. Davis; Decker; Frederickson, D.J.; Vickerman and Berg.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that S.F. No. 539, No. 39 on General Orders, be stricken and returned to its author. The motion prevailed.

Ms. Berglin moved that S.F. No. 621, No. 49 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Freeman moved that S.F. No. 1036, No. 47 on General Orders, be stricken and returned to its author. The motion prevailed.

Ms. Peterson, D.C. moved that S.F. No. 1095, No. 12 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Benson moved that S.F. No. 680, No. 1 on General Orders, be stricken and returned to its author. The motion prevailed.

Mrs. Lantry moved that S.F. No. 235, No. 2 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Frederickson, D.J. moved that S.F. No. 1047, No. 5 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Moe, D.M. moved that S.F. No. 1201, No. 15 on General Orders, be stricken and re-referred to the Committee on Governmental Operations. The motion prevailed.

Mr. Davis moved that H.F. No. 1014, No. 22 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

MEMBERS EXCUSED

Mr. Frederickson, D.R. was excused from the Session of today from 5:00 to 6:00 p.m. Mrs. McQuaid was excused from the Session of today at 8:45 p.m. Mr. Renneke was excused from the Session of today from 9:20 to 9:55 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Saturday, May 20, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate