

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

STATE OF MINNESOTA

**SEVENTY-SEVENTH LEGISLATURE**

**1991**

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# Introduction

The 1991 Session of the Seventy-Seventh Legislature began with the same leadership as the 1990 Session.

Senator Roger D. Moe, (DFL), Erskine, was elected Majority Leader and Chairman of the Committee on Rules and Administration.

Senator Duane D. Benson, (IR), Lanesboro, was elected Minority Leader.

Senator Jerome M. Hughes, (DFL), Maplewood, was elected President of the Senate.

Following the 1990 general election, the political makeup of the 1991 Senate, Seventy-Seventh Legislature, was 46 DFL-ers and 21 Independent Republicans.

# Members of the Senate

Adkins, Betty A. (DFL)*	Langseth, Keith (DFL)
Beckman, Tracy L. (DFL)	Larson, Cal (IR)
Belanger, William V., Jr. (IR)**	Lessard, Bob (DFL)
Benson, Duane D. (IR)	Luther, William P. (DFL)
Benson, Joanne E. (IR)	Marty, John (DFL)
Berg, Charles A. (DFL)	McGowan, Patrick D. (IR)
Berglin, Linda (DFL)	Mehrrens, Lyle G. (IR)
Bernhagen, John (IR)	Merriam, Gene (DFL)
Bertram, Joe, Sr. (DFL)	Metzen, James (DFL)
Brataas, Nancy (IR)	Moe, Roger D. (DFL)
Chmielewski, Florian (DFL)	Mondale, Ted A. (DFL)
Cohen, Richard J. (DFL)	Morse, Steven (DFL)
Dahl, Gregory L. (DFL)	Neuville, Thomas M. (IR)
Davis, Charles R. (DFL)	Novak, Steven G. (DFL)
Day, Dick (IR)	Olson, Gen (IR)
DeCramer, Gary M. (DFL)	Pappas, Sandra L. (DFL)
Dicklich, Ronald R. (DFL)	Pariseau, Pat (IR)
Finn, Harold R. "Skip" (DFL)	Piper, Pat (DFL)
Flynn, Carol (DFL)	Pogemiller, Lawrence J. (DFL)
Frank, Don (DFL)	Price, Leonard R. (DFL)
Frederickson, David J. (DFL)	Ranum, Jane B. (DFL)
Frederickson, Dennis R. (IR)	Reichgott, Ember D. (DFL)
Gustafson, Jim (IR)	Renneke, Earl W. (IR)
Halberg, Chuck (IR)	Riveness, Phil J. (DFL)
Hottinger, John C. (DFL)	Sams, Dallas C. (DFL)
Hughes, Jerome M. (DFL)	Samuelson, Don (DFL)
Johnson, Dean E. (IR)	Solon, Sam G. (DFL)
Johnson, Douglas J. (DFL)	Spear, Allan H. (DFL)
Johnson, Janet B. (DFL)	Storm, Donald A. (IR)
Johnston, Terry D. (IR)	Stumpf, LeRoy A. (DFL)
Kelly, Randy C. (DFL)	Traub, Judy (DFL)
Knaak, Fritz (IR)	Vickerman, Jim (DFL)
Kroening, Carl W. (DFL)	Waldorf, Gene (DFL)
Laidig, Gary W. (IR)	

\*DFL—Democratic-Farmer-Labor

\*\*IR—Independent Republican

## Senate Leaders

Roger D. Moe	Majority Leader
William P. Luther	Assistant Majority Leader
Carol Flynn	Majority Whip
Ember D. Reichgott	Majority Whip
Phil J. Riveness	Majority Whip
LeRoy A. Stumpf	Majority Whip
Duane D. Benson	Minority Leader
John Bernhagen	Assistant Minority Leader
Patrick D. McGowan	Assistant Minority Leader/Minority Whip
Dean E. Johnson	Assistant Minority Leader
Pat Pariseau	Assistant Minority Leader
Donald A. Storm	Assistant Minority Leader

# Officers of the Senate

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

## Desk Assistants to the Secretary of the Senate:

Colleen J. Barry ..... Third Assistant Secretary  
Michael R. Linn ..... Fourth Assistant Secretary

STATE OF MINNESOTA

# Journal of the Senate

SEVENTY-SEVENTH LEGISLATURE

FIRST DAY

St. Paul, Minnesota, Tuesday, January 8, 1991

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

Prayer was offered by Rev. Arlen Hermodson.

The Lieutenant Governor then appointed Mr. Florian Chmielewski as Clerk Pro Tem.

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

First District	LeRoy A. Stumpf
Second District	Roger D. Moe
Third District	Bob Lessard
Fourth District	Harold R. "Skip" Finn
Fifth District	Ronald R. Dicklich
Sixth District	Douglas J. Johnson
Seventh District	Sam G. Solon
Eighth District	Jim Gustafson
Ninth District	Keith Langseth
Tenth District	Cal Larson
Eleventh District	Charles A. Berg
Twelfth District	Dallas C. Sams
Thirteenth District	Don Samuelson
Fourteenth District	Florian Chmielewski
Fifteenth District	Dean E. Johnson
Sixteenth District	Joe Bertram, Sr.
Seventeenth District	Joanne E. Benson
Eighteenth District	Charles R. Davis
Nineteenth District	Janet B. Johnson
Twentieth District	David J. Frederickson
Twenty-first District	John Bernhagen
Twenty-second District	Betty A. Adkins
Twenty-third District	Dennis R. Frederickson
Twenty-fourth District	John C. Hottinger
Twenty-fifth District	Thomas M. Neuville
Twenty-sixth District	Lyle G. Mehrkens
Twenty-seventh District	Gary M. DeCramer
Twenty-eighth District	Jim Vickerman

Twenty-ninth District	Tracy L. Beckman
Thirtieth District	Dick Day
Thirty-first District	Pat Piper
Thirty-second District	Duane D. Benson
Thirty-third District	Nancy Brataas
Thirty-fourth District	Steven Morse
Thirty-fifth District	Earl W. Renneke
Thirty-sixth District	Terry D. Johnston
Thirty-seventh District	Pat Pariseau
Thirty-eighth District	Chuck Halberg
Thirty-ninth District	James Metzen
Fortieth District	Phil J. Riveness
Forty-first District	William V. Belanger, Jr.
Forty-second District	Donald A. Storm
Forty-third District	Gen Olson
Forty-fourth District	Ted A. Mondale
Forty-fifth District	Judy Traub
Forty-sixth District	Ember D. Reichgott
Forty-seventh District	William P. Luther
Forty-eighth District	Patrick D. McGowan
Forty-ninth District	Gene Merriam
Fiftieth District	Gregory L. Dahl
Fifty-first District	Don Frank
Fifty-second District	Steven G. Novak
Fifty-third District	Fritz Knaak
Fifty-fourth District	Jerome M. Hughes
Fifty-fifth District	Gary W. Laidig
Fifty-sixth District	Leonard R. Price
Fifty-seventh District	Carl W. Kroening
Fifty-eighth District	Lawrence J. Pogemiller
Fifty-ninth District	Allan H. Spear
Sixtieth District	Linda Berglin
Sixty-first District	Carol Flynn
Sixty-second District	Jane B. Ranut
Sixty-third District	John Marty
Sixty-fourth District	Richard J. Cohen
Sixty-fifth District	Sandra L. Pappas
Sixty-sixth District	Gene Waldorf
Sixty-seventh District	Randy C. Kelly

The Lieutenant Governor declared a quorum present.

### OATH OF OFFICE

The Senators in a body then subscribed to the oath of office as administered by the Honorable Alexander M. Keith, Chief Justice of the Supreme Court.

### ELECTION OF PRESIDENT

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

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

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

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

**OATH OF OFFICE**

Mr. Jerome M. Hughes subscribed to the oath of office as administered by the Honorable Alexander M. Keith.

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

**ELECTION OF OFFICERS**

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

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

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

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

**OATH OF OFFICE**

The Secretary of the Senate advanced to the Bar of the Senate and subscribed to the oath of office as administered by the Honorable Alexander M. Keith.

**ELECTION OF OFFICERS - CONTINUED**

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

Mr. Spear nominated Janine Mattson for First Assistant Secretary.

Mr. Merriam nominated Patrice Dworak for Second Assistant Secretary.

Mr. Johnson, D.J. nominated Catherine Morrison for Engrossing Secretary.

Mr. Luther nominated Sven Lindquist for Sergeant at Arms.

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

Mr. Moe, R.D. nominated Rev. Arlen Hermodson for Chaplain.

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

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

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

### OATH OF OFFICE

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

### MOTIONS AND RESOLUTIONS

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

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

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

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

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

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

Senate Resolution No. 2: A Senate resolution relating to rules; adopting temporary rules for the 77th session of the Legislature.

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

The permanent rules of the Senate for the 76th session of the Legislature are adopted as the temporary rules of the 77th session, to be effective until the adoption of permanent rules by a majority vote of the Senate, subject



to the following conditions:

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

The rules referred to above are amended as follows:

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

Agriculture and Rural Development

Commerce

Economic Development and Housing

Education

Elections and Ethics

Employment

*Energy and Public Utilities*

Environment and Natural Resources

Finance

~~General Legislation and Public Gaming~~ *Gaming Regulation*

Governmental Operations

Health and Human Services

Judiciary

~~Local and Urban Government~~ *Local Government*

*Metropolitan Affairs*

~~Public Utilities and Energy~~

*Redistricting*

Rules and Administration

Taxes and Tax Laws

Transportation

~~Veterans and Military Affairs~~ *Veterans and General Legislation*

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

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

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

The question was taken on the adoption of the resolution.

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The motion prevailed. So the resolution was adopted.

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

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

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

The Joint Rules of the Senate and the House of Representatives for the 76th session are adopted as the temporary joint rules of the 77th session, to be effective until the adoption of Permanent Joint Rules by the Senate and the House of Representatives.

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

The question was taken on the adoption of the resolution.

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The motion prevailed. So the resolution was adopted.

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

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

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

The standing committees of the Senate for the 77th session have the membership shown in this resolution.

COMMITTEE ON AGRICULTURE AND  
RURAL DEVELOPMENT (12)

Davis, Chair	Frederickson, D.R.
Beckman, Vice Chair	Larson
Berg	Morse
Bertram	Renneke
Day	Sams
Frederickson, D.J.	Vickerman

COMMITTEE ON COMMERCE (16)

Solon, Chair	Hottinger
Pappas, Vice Chair	Kroening
Adkins	Larson
Belanger	Luther
Berglin	Mehrkens
Brataas	Metzen
Cohen	Samuelson
Day	Spear

COMMITTEE ON ECONOMIC DEVELOPMENT AND HOUSING (12)

Metzen, Chair	Kelly
Johnson, J.B., Vice Chair	Kroening
Beckman	Neuville
Bernhagen	Sams
Davis	Storm
Gustafson	Traub

COMMITTEE ON EDUCATION (23)

Dahl, Chair	Larson
Traub, Vice Chair	Mehrkens
Beckman	Mondale
Benson, J.E.	Morse
DeCramer	Neuville
Dicklich	Olson
Frederickson, D.J.	Pappas
Hottinger	Pogemiller
Hughes	Ranum
Johnston	Reichgott
Knaak	Stumpf
Langseth	

COMMITTEE ON ELECTIONS AND ETHICS (13)

Hughes, Chair	Marty
Luther, Vice Chair	McGowan
Cohen	Moe, R.D.
Halberg	Piper
Johnson, D.E.	Pogemiller
Johnson, D.J.	Samuelson
Laidig	

## COMMITTEE ON EMPLOYMENT (10)

Chmielewski, Chair	Gustafson
Mondale, Vice Chair	Halberg
Adkins	Kroening
Brataas	Piper
Frank	Solon

## COMMITTEE ON ENERGY AND PUBLIC UTILITIES (12)

Novak, Chair	Marty
Finn, Vice Chair	Olson
Benson, J.E.	Piper
Dicklich	Reichgott
Gustafson	Storm
Johnson, D.J.	Waldorf

COMMITTEE ON ENVIRONMENT AND  
NATURAL RESOURCES (19)

Lessard, Chair	Marty
Price, Vice Chair	Merriam
Benson, J.E.	Mondale
Berg	Morse
Bernhagen	Novak
Dahl	Olson
Finn	Pariseau
Frederickson, D.R.	Riveness
Johnson, J.B.	Stumpf
Laidig	

## COMMITTEE ON FINANCE (30)

Merriam, Chair	Larson
Vickerman, Vice Chair	Lessard
Beckman	Luther
Berg	McGowan
Brataas	Mehrkens
Cohen	Metzen
Dahl	Morse
Davis	Piper
DeCramer	Renneke
Dicklich	Samuelson
Frederickson, D.R.	Solon
Johnson, D.E.	Spear
Kroening	Storm
Laidig	Stumpf
Langseth	Waldorf

## COMMITTEE ON GAMING REGULATION (10)

Berg, Chair	McGowan
Bertram, Vice Chair	Metzen
Dicklich	Price
Frederickson, D.R.	Samuelson
Johnson, D.E.	Spear

## COMMITTEE ON GOVERNMENTAL OPERATIONS (12)

Waldorf, Chair	Hughes
Ranum, Vice Chair	Morse
Belanger	Pariseau
DeCramer	Pogemiler
Frederickson, D.J.	Renneke
Frederickson, D.R.	Riveness

## COMMITTEE ON HEALTH AND HUMAN SERVICES (17)

Berglin, Chair	Hottinger
Sams, Vice Chair	Johnson, J.B.
Adkins	Piper
Benson, D.D.	Solon
Brataas	Storm
Day	Traub
Finn	Vickerman
Flynn	Waldorf
Halberg	

## COMMITTEE ON JUDICIARY (17)

Spear, Chair	Marty
Kelly, Vice Chair	McGowan
Belanger	Merriam
Berglin	Neuville
Cohen	Pogemiller
Finn	Ranum
Knaak	Reichgott
Laidig	Stumpf
Luther	

## COMMITTEE ON LOCAL GOVERNMENT (9)

Adkins, Chair	Day
Hottinger, Vice Chair	Lessard
Bernhagen	Neuville
Chmielewski	Traub
Davis	

## COMMITTEE ON METROPOLITAN AFFAIRS (13)

Frank, Chair	Langseth
Flynn, Vice Chair	Mondale
Cohen	Pappas
Johnston	Pariseau
Kelly	Price
Knaak	Ranum
Laidig	

## COMMITTEE ON REDISTRICTING (10)

Moe, R.D., Chair	Johnson, D.J.
Luther, Vice Chair	Knaak
Benson, D.D.	Pogemiller
Cohen	Reichgott
DeCramer	Storm

## COMMITTEE ON RULES AND ADMINISTRATION (29)

Moe, R.D., Chair	Hughes
Luther, Vice Chair	Johnson, D.E.
Adkins	Johnson, D.J.
Belanger	Knaak
Benson, D.D.	Laidig
Berg	Lessard
Berglin	Merriam
Bernhagen	Metzen
Bertram	Novak
Brataas	Renneke
Chmielewski	Solon
Dahl	Spear
Davis	Storm
DeCramer	Waldorf
Frank	

## COMMITTEE ON TAXES AND TAX LAWS (22)

Johnson, D.J., Chair	Halberg
Frederickson, D.J., Vice Chair	Hughes
Belanger	Kelly
Benson, D.D.	Marty
Berglin	Novak
Bernhagen	Olson
Bertram	Pariseau
Chmielewski	Pogemiller
Flynn	Price
Frank	Reichgott
Gustafson	Riveness

## COMMITTEE ON TRANSPORTATION (14)

DeCramer, Chair	Johnston
Riveness, Vice Chair	Langseth
Benson, J.E.	Mehrkens
Chmielewski	Novak
Flynn	Olson
Frank	Pappas
Johnson, D.E.	Vickerman

## COMMITTEE ON VETERANS AND GENERAL LEGISLATION (11)

Bertram, Chair	Pariseau
Johnson, J.B., Vice Chair	Renneke
Dahl	Sams
Johnson, D.E.	Samuelson
Johnston	Vickerman
Lessard	

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

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

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

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

The standing committees shall meet during the 77th Legislature according to the following schedule:

SENATE COMMITTEE SCHEDULE

COMMITTEE/CHAIR				
Office Room	Phone 296-	Meeting Day	Room No.	Hour
<b>Agriculture and Rural Development/Davis</b>				
24	7405	T, Th	112	10-12 noon
<b>Commerce/Solon</b>				
303	4158	T, W, F	112	1-3 p.m.
<b>Economic Development and Housing/Metzen</b>				
303	8864	M, Th	107	12-2 p.m.
<b>Education/Dahl</b>				
235	4185	M, W, F	15	8-10 a.m.
<b>Education Funding Division/Dicklich</b>				
235	8018	M, Th	107	3-6 p.m.
<b>Elections and Ethics/Hughes</b>				
328	8866	W	107	11:30 a.m.-1 p.m.
<b>Employment/Chmielewski</b>				
325	8865	M, W	107	10-12 noon
<b>Energy and Public Utilities/Novak</b>				
321	1767	T, Th	107	10-12 noon
<b>Environment and Natural Resources/Lessard</b>				
111	1113	T, W, F	107	1-3 p.m.
<b>Finance/Merriam</b>				
122	4157	T, W, F	123	3-6 p.m.
<b>Gaming Regulation/Berg</b>				
328	5539	M, W	107	8-10 a.m.
<b>Governmental Operations/Waldorf</b>				
317	4175	T, Th	15	8-10 a.m.
<b>Health and Human Services/Berglin</b>				
G-9	4151	M, Th	15	3-6 p.m.
<b>Judiciary/Spear</b>				
G-27	4191	M, W, F	15	10-12 noon
<b>Local Government/Adkins</b>				
G-29	4150	T, Th	107	8-10 a.m.
<b>Metropolitan Affairs/Frank</b>				
226	297-8070	T, Th	15	10-12 noon
<b>Redistricting/Moe, R.D.</b>				
208	4196	On call		

**Rules and Administration/Moe, R.D.**

208 4196 On call

**Taxes and Tax Laws/Johnson, D.J.**

205 4839 T, W, F 15 3-6 p.m.

**Transportation/DeCramer**

309 4186 M, Th 112 12-2 p.m.

**Veterans and General Legislation/Bertram**

323 1771 M, W 112 10-12 noon

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

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

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

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

For the 1991 session of the 77th Legislature, the Secretary of the Senate may purchase postage to furnish each member of the Senate 5,500 stamps. Each member named as chair of a standing committee in the Senate resolution designating committee assignments may be furnished with an additional 1,000 stamps for the necessary business of the committee.

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

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

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

The question was taken on the adoption of the resolution.

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The motion prevailed. So the resolution was adopted.

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

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



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

The custodian of the Capitol shall reserve all parking space necessary on the Capitol grounds, Capitol Approach and Aurora Avenue for the use of the members and staff of the Legislature for the 77th session of the Legislature, allowing reasonable space for parking to the general public having business at the Capitol. The Committee on Rules and Administration of the Senate and the Committee on Rules and Legislative Administration of the House of Representatives may designate necessary personnel to assist the custodian of the Capitol in this matter.

The Secretary of the Senate and the Chief Clerk of the House of Representatives may deduct from the check of any legislator or legislative employee in each year of the 77th session of the Legislature a sum adequate to cover the exercise of the parking privilege defined in this resolution in conformity with the practice of the Department of Administration.

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

The question was taken on the adoption of the resolution.

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R. D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The motion prevailed. So the resolution was adopted.

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

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

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

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

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

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

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 61 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Moe, R.D.	Sams
Beckman	Day	Kelly	Mondale	Samuelson
Belanger	DeCramer	Kroening	Morse	Solon
Benson, D.D.	Dicklich	Laidig	Neuville	Spear
Benson, J.E.	Finn	Langseth	Novak	Storm
Berg	Frank	Larson	Pappas	Stumpf
Berglin	Frederickson, D.J.	Lessard	Piper	Traub
Bernhagen	Frederickson, D.R.	Luther	Pogemiller	Vickerman
Bertram	Halberg	Marty	Price	Waldorf
Brataas	Hottinger	McGowan	Ranum	
Chmielewski	Hughes	Mehrkens	Reichgott	
Cohen	Johnson, D.E.	Merriam	Renneke	
Dahl	Johnson, D.J.	Metzen	Riveness	

Those who voted in the negative were:

Gustafson	Johnston	Knaak	Olson	Pariseau
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The motion prevailed. So the resolution was adopted.

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

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

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

For the 1991 session of the 77th Legislature, each member of the Senate may be reimbursed for the cost of meals and transportation furnished by the member to any volunteer interns assisting with the member's work, up to a maximum of \$35 during each week the Legislature is in session.

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

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

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

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Moe, R.D.	Riveness
Beckman	DeCramer	Kelly	Mondale	Sams
Belanger	Dicklich	Knaak	Morse	Samuelson
Benson, D.D.	Finn	Kroening	Neuville	Solon
Benson, J.E.	Frank	Laidig	Novak	Spear
Berg	Frederickson, D.J.	Langseth	Olson	Storm
Berglin	Frederickson, D.R.	Larson	Pappas	Stumpf
Bernhagen	Gustafson	Lessard	Pariseau	Traub
Bertram	Halberg	Luther	Piper	Vickerman
Brataas	Hottinger	Marty	Pogemiller	Waldorf
Chmielewski	Hughes	McGowan	Price	
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

The motion prevailed. So the resolution was adopted.

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

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

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

The President Pro Tempore of the Senate is Florian Chmielewski. The Majority President Pro Tempore of the Senate is Allan H. Spear. The Minority President Pro Tempore of the Senate is Earl W. Renneke.

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

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

Senate Resolution No. 9: A Senate resolution relating to appointment of a committee to notify the Governor the Senate is organized.

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

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

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

### APPOINTMENTS

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

Messrs. Chmielewski, Solon, Spear, Renneke and Lessard.

### MOTIONS AND RESOLUTIONS - CONTINUED

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

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

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

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

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

### APPOINTMENTS

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

Mses. Johnston; Johnson, J.B.; Messrs. Neuville, Riveness and Finn.

**MOTIONS AND RESOLUTIONS - CONTINUED**

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

Senate Resolution No. 11: A Senate resolution relating to appointment of a committee to escort the Governor to the House Chamber for a Joint Convention.

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

The President of the Senate shall appoint a committee of five members of the Senate to act with a like committee on the part of the House of Representatives to escort the Honorable Arne H. Carlson, Governor of the State of Minnesota, to the House Chamber on the occasion of the Joint Convention on Wednesday, January 16, 1991, at 7:00 o'clock p.m.

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

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

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

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

1. Upon its adjournment on Wednesday, January 9, 1991, the Senate may set its next day of meeting for Monday, January 14, 1991.
2. Upon its adjournment on Wednesday, January 9, 1991, the House of Representatives may set its next day of meeting for Monday, January 14, 1991.
3. Pursuant to the Minnesota Constitution, Article IV, Section 12, the Senate and House of Representatives each consents to the adjournment of the other for more than three days.

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

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, January 9, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## SECOND DAY

St. Paul, Minnesota, Wednesday, January 9, 1991

The Senate met at 12:00 noon 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. James D. Gorman.

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

Adkins	Day	Johnson, J.B.	Metzen	Riveness
Beckman	DeCramer	Johnston	Moe, R. D.	Sams
Belanger	Dicklich	Kelly	Mondale	Samuelson
Benson, D.D.	Finn	Knaak	Novak	Spear
Benson, J.E.	Flynn	Kroening	Olson	Storm
Berg	Frank	Laidig	Pappas	Stumpf
Berglin	Frederickson, D.J.	Langseth	Pariseau	Traub
Bernhagen	Frederickson, D.R.	Larson	Piper	Vickerman
Bertram	Halberg	Lessard	Pogemiller	Waldorf
Brataas	Hottinger	Luther	Price	
Chmielewski	Hughes	Marty	Ranum	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Merriam	Renneke	

The President declared a quorum present.

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

### MEMBERS EXCUSED

Messrs. Davis, Gustafson, McGowan, Morse, Neuville and Solon were excused from the Session of today.

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

Various reports were filed during the 1990 interim by Retirement and Relief Associations and are filed in the office of the Secretary of the Senate; also reports made by the Legislative Audit Commission on various state institutions and boards; Department of Health, Hearing Instrument Seller Bond Study, 1990; Department of Agriculture, By-Product Lime Materials Soil Buffering Demonstration/Research Project, 1990; Department of Agriculture, Efficacy of Ranking Agricultural Chemicals According to their Potential Health Hazards, 1990; Department of Human Services, Aid to

Families With Dependent Children, Annual Report, 1989; Department of Human Services, General Assistance Medical Care, 1989; Board on Judicial Standards, Annual Report, 1989; State Board of Investment, External Money Manager Report, 1990; Department of Health, Subacute Care In Minnesota Hospitals, 1988; Southwest Regional Development Commission, Overall Work Program for Fiscal Year 1991; Board of Unlicensed Mental Health Providers, 1990; Board of Aging, Congregate Housing Service Programs, 1990; Legislative Commission on Minnesota Resources, 1991 Final Recommendations; Regional Transit Board, Metro Mobility Customer Service Quality, 1990; Board of Teaching, Biennial Report, July 1, 1988 to June 30, 1990; Board of Nursing Home Administrator, Biennial Report, July 1, 1988 to June 30, 1990; Department of Agriculture, Agricultural Chemical Response Compensation Board and the Commissioner of Agriculture, 1990; State Auditor of Minnesota, Pine Point Experimental School, Ponsford, Minnesota, year ended June 30, 1989; Board of Electricity, Biennial Report, July 1, 1989 to July 1, 1990; Spanish Speaking Affairs Council, Recommendations on Out-of-Home Placement of Children of Hispanic People in Minnesota, 1990; Board of Assessors, Biennial Report, July 1, 1989 to June 30, 1990; Department of Transportation, Results of the Minnesota Highway User Cost Allocation Study, 1990; Department of Human Services, General Assistance and Work Readiness, Annual Report, 1989; State Ethical Practices Board, Annual Report, July 1, 1989 to June 30, 1990; Board of Dentistry, Biennial Report, July 1, 1988 to June 30, 1990; Minnesota Historical Society, Sibley Site Ownership and Management Report, 1990; Board of Veterinary Medicine, Biennial Report, July 1, 1988 to June 30, 1990; Board of Chiropractic Examiners, Biennial Report, July 1, 1988 to June 30, 1990; Metropolitan Council, Work Program and Budget, 1991; Supreme Court, State Court Administrator, Report on Wiretaps, 1990; Metropolitan Council, General Land Availability for a New Major Airport to Serve the Twin Cities Metropolitan Area, 1990; Department of Public Safety, Status of the Minnesota Emergency Response Plan for High Level Radio-Active Waste Transportation Accidents/Incidents, 1990; Board of Animal Health, Annual Report, July 1, 1989 to June 30, 1990; Environmental Quality Board, Minnesota Water Plan, 1990; Legislative Commission on Minnesota Resources, Fish Hatchery Cost Comparison Study, Final Report, 1990; Board of Pharmacy, Biennial Report, July 1, 1988 to June 30, 1990; Board of Nursing, Biennial Report, July 1, 1988 to June 30, 1990; Board of Barber Examiners, Biennial Report, July 1, 1988 to June 30, 1990; Board of Optometry, Biennial Report, July 1, 1988 to June 30, 1990; Board of Teaching, Alternative Teacher Education Programs in Minnesota with Recommendations for Future Programming, 1990; Office of Administrative Hearings, Chief Administrative Law Judge, Report on Attorney Fees and Expenses, 1990; Department of Administration, Surplus State Lands, Biennial Status Report, November 15, 1988 to November 15, 1990; Regional Transit Board, Metro Mobility Customer Service Procedure, 1990; Department of Agriculture, Recommendations for a Mandatory State Crop Consultant Certification Program, 1990; Indian Affairs Council, Annual Report, July 1989 to June 1990; Minnesota Sentencing Guidelines Commission, 1991; Harmful Substance Compensation Board, Annual Report, 1990; Public Employees Retirement Association, Comprehensive Annual Financial Report, 1990; Department of Agriculture, Weather Modification Activities, 1990; Department of Jobs and Training, Community Services Block Grant Discretionary Funds, 1991; Department of Jobs and Training, Minnesota Head Start, 1991; State Auditor, Revenues, Expenditures, and Debt of the Cities in Minnesota, 1989; Department of Finance, Internal Auditing in

Minnesota State Agencies, Progress Report; University of Minnesota, Annual Report, 1990; Metropolitan Council, Metropolitan Agencies, 1990 Consolidated Financial Report; Interagency Board for Quality Assurance, Conclusions and Recommendations regarding Indicators of High Quality Long Term Care Service and the Feasibility of Establishing a Quality Incentive Program for Minnesota Nursing Homes and Boarding Care Homes, 1990; Department of Agriculture, Agricultural Contracts Task Force, 1990; State Planning Agency, Hazardous Waste Incineration: Environmental Review and Permit Processes, 1990; State Planning Agency, Biennial Report, July 1, 1989 to June 30, 1991; Departments of Corrections and Human Services, Sex Offender Treatment Programs, 1991; Department of Human Services, Child Care Information Service, 1990; Board of Peace Officer Standards and Training, Operation of Vehicles and Watercraft Without Lights, 1990; Department of Public Safety, A Plan for Implementation of Regional Teams for Response to Hazardous Materials Incidents in the State of Minnesota, 1990; Department of Public Safety, Study on the Feasibility of Requiring the Installation Back-up Warning Devices on Trucks in the State of Minnesota, 1990; Iron Range Resources and Rehabilitation Board, Northeast Minnesota Economic Protection Trust Fund, Long Range Plan for the Economic Development and Diversification of the Taconite Tax Relief Area; Board of Peace Officer Standards and Training, Regarding Monies Distributed by the P.O.S.T., Annual Report, 1990; Board of Peace Officer Standards and Training, Biennial Report, July 1, 1988 to June 30, 1990.

### MESSAGES FROM THE HOUSE

Mr. President:

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

Robert E. Vanasek, Speaker  
Edward A. Burdick, Chief Clerk  
Albin A. Mathiowetz, First Assistant Chief Clerk  
Teresa B. Kittridge, Second Assistant Chief Clerk  
Ronald G. Lawrence, Postmaster  
Song K. Kong, Assistant Postmaster  
Margaret M. Olson, Assistant Sergeant at Arms  
Sandra A. Dicke, Assistant Sergeant at Arms  
LeClair G. Lambert, Assistant Sergeant at Arms  
Frank J. Strohmayer, Index Clerk  
Monsignor James D. Habiger, Chaplain

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 8, 1991

Mr. President:

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

Segal, Chair; Lourey; Nelson, S.; Orfield; Jaros; Hartle and Morrison have been appointed to such committee on the part of the House.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 8, 1991

### MOTIONS AND RESOLUTIONS

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

Senate Resolution No. 12: A Senate resolution congratulating the Tracy-Milroy Girls Volleyball team for winning the 1990 Minnesota Class A Volleyball Championship.

Referred to the Committee on Rules and Administration.

Mr. DeCramer introduced—

Senate Resolution No. 13: A Senate resolution congratulating the Hills-Beaver Creek High School Football Team for winning the 1990 State Nine-Man Football Championship.

Referred to the Committee on Rules and Administration.

Ms. Reichgott introduced—

Senate Resolution No. 14: A Senate resolution congratulating Ben Sass of Robbinsdale, Minnesota, for receiving the Heroism Award Medal from the Boy Scouts of America.

Referred to the Committee on Rules and Administration.

Mr. McGowan introduced—

Senate Resolution No. 15: A Senate resolution congratulating Robert and Barbara McGowan of Hibbing, Minnesota, on their 50th Wedding Anniversary.

Referred to the Committee on Rules and Administration.

Mr. Storm introduced—

Senate Resolution No. 16: A Senate resolution congratulating Representative Mary M. Forsythe as she retires after serving nine terms with the Minnesota House of Representatives.

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.

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

S.F. No. 1: A bill for an act relating to finance; extending the deadline for submission of the governor's budget to the 1991 legislature.

Mr. Moe, R.D. moved that S.F. No. 1 be laid on the table. The motion prevailed.

Ms. Berglin, Messrs. Johnson, D.J.; Moe, R.D.; Ms. Piper and Mr. Luther introduced—

S.F. No. 2: A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

Referred to the Committee on Health and Human Services.

Messrs. Davis; Merriam; Moe, R.D.; Renneke and Lessard introduced—

S.F. No. 3: A bill for an act relating to wetlands; preserving, enhancing, establishing, and restoring wetlands; identifying wetlands; establishing wetland public value criteria; designating priority areas to establish and preserve wetlands; requiring local water plans to include wetlands with high public value; establishing wetland preservation areas; authorizing a tax exemption for wetland preservation areas; establishing a wetland restoration and compensation fund; establishing fees to pay for wetland establishment, preservation, and restoration; requiring permits and providing criteria for alternative uses of wetlands; requiring compensation for denied uses of wetlands; providing authority to establish and restore wetlands on private land; requiring assessment of direct benefits and payment of damages for establishment of wetlands; requiring a report on simplification and coordination of state and federal wetland permitting procedures; amending Minnesota Statutes 1990, sections 97A.475, by adding a subdivision; 103B.155; 103B.231, subdivision 6; 103B.311, subdivision 6; 103G.005, subdivisions 15 and 18; 103G.221; 103G.225; 103G.231; 103G.235; 103G.301, by adding a subdivision; 103I.208, by adding a subdivision; and 272.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 103F; 103G; 116P; and 144.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 4: A bill for an act relating to elections; clarifying the method of withdrawal of candidates for constitutional office; authorizing political parties to select a new candidate following withdrawal or death of nominee; providing deadlines for filling vacancies in nominations; allowing substituted gubernatorial candidates to select running mates; amending Minnesota Statutes 1990, sections 204B.12; 204B.13; and 204B.41.

Referred to the Committee on Elections and Ethics.

Mr. Johnson, D.J. introduced—

S.F. No. 5: A bill for an act relating to retirement; authorizing a benefit increase for certain retired police officers, firefighters, and surviving spouses in the city of Eveleth.

Referred to the Committee on Governmental Operations.

Mr. Waldorf introduced—

S.F. No. 6: A bill for an act relating to insurance; clarifying policy requirement provisions relating to Medicare supplement insurance plans; amending Minnesota Statutes 1990, section 62A.31, subdivision 1.

Referred to the Committee on Commerce.

Mr. Waldorf introduced—

S.F. No. 7: A bill for an act relating to liquor; authorizing the possession or use of alcoholic beverages at a private school under certain conditions; amending Minnesota Statutes 1990, section 624.701, subdivision 1a.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 8: A bill for an act relating to health; prohibiting public funds, employees, and facilities from being used for abortions; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 9: A bill for an act relating to retirement; allowing a certain public employees retirement association annuitant to repay amounts received and resume active member status.

Referred to the Committee on Governmental Operations.

Mr. Chmielewski introduced—

S.F. No. 10: A bill for an act relating to retirement; public employees retirement association; authorizing a certain member to purchase prior service credit.

Referred to the Committee on Governmental Operations.

Messrs. Spear, Kelly, Mses. Reichgott, Ranum and Mr. McGowan introduced—

S.F. No. 11: A bill for an act relating to crimes; controlled substances; increasing penalties for sale or possession of cocaine to be identical to the penalties for sale or possession of cocaine base; amending Minnesota Statutes 1990, sections 152.021, subdivisions 1 and 2; 152.022, subdivisions 1 and 2; and 152.023, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Samuelson, Mses. Berglin, Piper, Messrs. Renneke and Solon introduced—

S.F. No. 12: A bill for an act relating to human services; providing for cost-based reimbursement for outpatient services provided by pediatric specialty hospitals to children under age 18 under the medical assistance and general assistance medical care programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256B.

Referred to the Committee on Health and Human Services.

### **MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Moe, R.D. moved that S.F. No. 1 be taken from the table. The motion prevailed.

S.F. No. 1: A bill for an act relating to finance; extending the deadline for submission of the governor's budget to the 1991 legislature.

### **SUSPENSION OF RULES**

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 1 and that the rules of the Senate be so far suspended as to give S.F. No. 1 its second and third reading and place it on its final passage. The motion prevailed.

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

Mr. Moe, R.D. moved to amend S.F. No. 1 as follows:

Page 1, line 9, delete "18" and insert "20"

The motion prevailed. So the amendment was adopted.

S.F. No. 1 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.J.	Merriam	Reichgott
Beckman	DeCramer	Johnson, J.B.	Metzen	Renneke
Belanger	Dicklich	Johnston	Moe, R. D.	Riveness
Benson, D.D.	Finn	Knaak	Mondale	Sams
Benson, J.E.	Flynn	Kroening	Novak	Samuelson
Berg	Frank	Laidig	Olson	Spear
Berglin	Frederickson, D.J.	Langseth	Pappas	Storm
Bernhagen	Frederickson, D.R.	Larson	Pariseau	Stumpf
Bertram	Halberg	Lessard	Piper	Traub
Chmielewski	Hottinger	Luther	Pogemiller	Vickerman
Cohen	Hughes	Marty	Price	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Ranum	

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

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, January 14, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

### THIRD DAY

St. Paul, Minnesota, Monday, January 14, 1991

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

#### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. David Wall.

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

Adkins	Day	Johnston	Moe, R.D.	Renneke
Beckman	DeCramer	Kelly	Mondale	Riveness
Belanger	Dicklich	Knaak	Morse	Sams
Benson, D.D.	Finn	Kroening	Neuville	Samuelson
Benson, J.E.	Flynn	Laidig	Novak	Solon
Berg	Frank	Langseth	Olson	Spear
Berglin	Frederickson, D.J.	Larson	Pappas	Storm
Bernhagen	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Bertram	Gustafson	Luther	Piper	Traub
Chmielewski	Hottinger	Marty	Pogemiller	Vickerman
Cohen	Hughes	McGowan	Price	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Ranum	
Davis	Johnson, J.B.	Merriam	Reichgott	

The President declared a quorum present.

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

#### MEMBERS EXCUSED

Messrs. Halberg; Johnson, D.E.; Metzen and Mrs. Brataas were excused from the Session of today.

#### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

January 19, 1989

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Lorraine Mayasich, 3421 Kent St., Shoreview, Ramsey County, has been appointed by me, effective January 24, 1989, for a term expiring the first Monday in January, 1995.

(Referred to the Committee on Transportation.)

November 16, 1989

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Sally Howard, 1201 Yale Pl., Minneapolis, Hennepin County, has been appointed by me, effective November 12, 1989, for a term expiring June 30, 1992.

(Referred to the Committee on Gaming Regulation.)

January 19, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment to the Minnesota Environmental Quality Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Robert Dunn, 708 - 4th St. S., Princeton, Mille Lacs County, has been appointed by me, effective January 16, 1990, for a term expiring the first Monday in January, 1994.

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

February 8, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment as Chair of the Board of Water and Soil Resources is hereby respectfully submitted to the Senate for confirmation as required by law:

Donald Ogaard, 705 - 5th St. W., Ada, Norman County, has been appointed by me, effective January 24, 1990, for a term expiring the first Monday in January, 1994.

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

February 14, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointments to the Environmental Trust Fund Citizens' Advisory Committee are hereby respectfully submitted to the Senate for confirmation as required by law:

C. Merle Anderson, R.R. 1, Box 171, St. James, Watonwan County, has been appointed by me, effective April 26, 1989, for a term expiring the first Monday in January, 1991.

Al Brodie, 2411 Woodland Dr., Faribault, Rice County, has been appointed by me, effective April 26, 1989, for a term expiring the first Monday in January, 1994.

Robert DeVries, 7213 Major Ave. N., Brooklyn Center, Hennepin County, has been appointed by me, effective April 26, 1989, for a term expiring the first Monday in January, 1994.

Gena Doyscher, 5801 - 216th St. N., Forest Lake, Washington County, has been appointed by me, effective April 26, 1989, for a term expiring the first Monday in January, 1992.

Robert Dunn, 708 - 4th St. S., Princeton, Mille Lacs County, has been appointed by me, effective April 26, 1989, for a term expiring the first Monday in January, 1991.

Ruth Fitzmaurice, 6400 York Ave. S., Edina, Hennepin County, has been appointed by me, effective April 26, 1989, for a term expiring the first Monday in January, 1992.

Jo Ellen Hurr, 930 Partenwood Rd., Long Lake, Hennepin County, has been appointed by me, effective April 26, 1989, for a term expiring the first Monday in January, 1991.

Jack LaVoy, 1725 Kenwood Ave., Duluth, St. Louis County, has been appointed by me, effective April 26, 1989, for a term expiring the first Monday in January, 1993.

Darby Nelson, 1013 Vera St., Champlin, Hennepin County, has been appointed by me, effective April 26, 1989, for a term expiring the first Monday in January, 1994.

John Rose, Rt. 1, Box 60, Underwood, Otter Tail County, has been appointed by me, effective April 26, 1989, for a term expiring the first Monday in January, 1992.

Joseph Sizer, 1974 Shryer Ave. W., Roseville, Ramsey County, has been appointed by me, effective April 26, 1989, for a term expiring the first Monday in January, 1993.

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

February 14, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Doris Caranicas, 2425 E. Franklin Ave., Minneapolis, Hennepin County, has been appointed by me, effective August 9, 1989, for a term expiring the first Monday in January, 1993.

Terrance O'Toole, 1009 Summit Ave., St. Paul, Ramsey County, has been appointed by me, effective August 9, 1989, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Metropolitan Affairs.)

March 14, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Nicholas Zuber, 25 S. 26th Ave. E., Duluth, St. Louis County, has been appointed by me, effective February 10, 1990, for a term expiring June 30, 1992.

(Referred to the Committee on Gaming Regulation.)

April 9, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Russell W. Domino, 23 West Rd., Circle Pines, Anoka County, has been appointed by me, effective April 9, 1990, for a term expiring the first Monday in January, 1994.

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

April 10, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Harry A. Sieben, Jr., 90 Valley Ln., Hastings, Dakota County, has been appointed by me, effective April 2, 1990, for a term expiring the first



Monday in January, 1994.

H. Theodore Grindal, 9517 Bennett Pl., Eden Prairie, Hennepin County, has been appointed by me, effective April 2, 1990, for a term expiring the first Monday in January, 1994.

(Referred to the Committee on Education.)

April 30, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Jonelle Moore, Rt. 1, Box 63, Winona, Winona County, has been appointed by me, effective April 24, 1990, for a term expiring the first Monday in January, 1994.

(Referred to the Committee on Education.)

April 30, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Loni Kemp, R.R. 1, Canton, Fillmore County, has been appointed by me, effective April 24, 1990, for a term expiring the first Monday in January, 1994.

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

June 8, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Peter Westerhaus, 3758 Greensboro Dr., Eagan, Dakota County, has been appointed by me, effective May 30, 1990, for a term expiring the first Monday in January, 1995.

(Referred to the Committee on Judiciary.)

June 22, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment to the Minnesota Environmental Quality Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Pat Davies, 687 Woodridge Dr., Mendota Heights, Dakota County, has been appointed by me, effective July 11, 1990, for a term expiring the first Monday in January, 1992.

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

July 6, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Gary Mohrenweiser, 12772 Gordon Dr., Eden Prairie, Hennepin County, has been appointed by me, effective July 4, 1990, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Education.)

July 6, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Anthony Thomas, Sr., 5544 - 34th Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective July 4, 1990, for a term expiring June 30, 1994.

(Referred to the Committee on Gaming Regulation.)

July 24, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment to the Environmental Trust Fund Citizens' Advisory Committee is hereby respectfully submitted to the Senate for confirmation as required by law:

Bill Dorn, 4104 Columbus Ave. S., Minneapolis, Hennepin County, has

been appointed by me, effective July 11, 1990, for a term expiring the first Monday in January, 1991.

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

July 27, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

John Pacheco, Jr., 2604 - 14th Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective July 11, 1990, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Metropolitan Affairs.)

December 14, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Tom Martinson, 4536 Oxford Ave., Edina, Hennepin County, has been appointed by me, effective August 29, 1990, for a term expiring the first Monday in January, 1992.

(Referred to the Committee on Education.)

December 14, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Michael Ehrlichmann, 433 S. 7th St., Minneapolis, Hennepin County, has been appointed by me, effective November 2, 1990, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Metropolitan Affairs.)

December 20, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Peter Popovich, 2301 River Rd. S., St. Mary's Point, Washington County, has been appointed by me, effective December 20, 1990, for a term expiring the first Monday in January, 1996.

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

January 4, 1991

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

William Jones, 4900 Prescott Cir., Edina, Hennepin County, has been appointed by me, effective January 4, 1991, for a term expiring the first Monday in January, 1992.

(Referred to the Committee on Education.)

Sincerely,  
Rudy Perpich, Governor

February 15, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Senator Hughes:

The following appointments were made by the Metropolitan Council on July 31, 1989, and are hereby respectfully submitted to the Senate for confirmation as required by law:

#### REGIONAL TRANSIT BOARD

John Finley, 1050 Mary Ln., St. Paul, MN 55117, appointed for a term ending January 1, 1993.

Richard Wedell, 1003 Richmond Ct., Shoreview, MN 55126, appointed for a term ending January 1, 1993.

Jeff Spartz, 4454 Edmund Blvd., Minneapolis, MN 55406, appointed for a term ending January 1, 1993.

Sandra Hilary, 2306 Fremont Ave. N., Minneapolis, MN 55411, appointed for a term ending January 1, 1993.

Elwyn Tinklenberg, 11348 Quincy St. N.E., Blaine, MN 55434, appointed for a term ending January 1, 1991.

Ruth Franklin, 430 Rice St., Anoka, MN 55303, appointed for a term ending January 1, 1991.

Norbert Theis, 12466 Marystown Rd., Shakopee, MN 55379, appointed for a term ending January 1, 1991.

Edward Kranz, 10955 - 140th St. E., Hastings, MN 55033, appointed for a term ending January 1, 1991.

(Referred to the Committee on Metropolitan Affairs.)

Sincerely,  
Steve Keefe  
Chair, Metropolitan Council

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to inform the Senate that the House of Representatives invites and is ready to meet with the Senate at 6:45 p. m., Wednesday, January 16, 1991, to receive the message of the Honorable Arne Carlson, Governor of the State of Minnesota, said message to be delivered at 7:00 p.m., Wednesday, January 16, 1991.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 8, 1991

Mr. Moe, R.D. moved that the Senate accede to the request of the House of Representatives to meet in Joint Convention in the House Chamber at 6:45 p.m., Wednesday, January 16, 1991, to receive the message of the Honorable Arne Carlson, Governor of the State of Minnesota. The motion prevailed.

Mr. President:

I have the honor to announce that the House has appointed a committee of seven members of the House to act with a similar committee on the part of the Senate to escort the Governor to the Joint Convention to be held in the House Chamber, Wednesday, January 16, 1991, said Joint Convention to be convened at 6:45 p.m. and said message of the Governor to be delivered at 7:00 p.m.

Welle, Chair; Garcia; Thompson; Bodahl; Olson, K.; Johnson, V. and Leppik have been appointed as members of such committee on the part of the House.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 8, 1991

Mr. President:

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

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

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 9, 1991

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. 2: A Senate concurrent resolution relating to parking space on the Capitol grounds, Capitol Approach and Aurora Avenue for members of the Legislature and staff.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 9, 1991

Mr. President:

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

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

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 9, 1991

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 9, 1991

### MOTIONS AND RESOLUTIONS

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

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

Ms. Berglin, Mr. Storm, Ms. Pappas, Messrs. Kelly and Kroening introduced—

Senate Resolution No. 17: A Senate resolution commemorating the life and work of Dr. Martin Luther King, Jr.

Mr. Moe, R.D. moved that Senate Resolution No. 17 be laid on the table. The motion prevailed.

Mr. Moe, R.D. introduced—

Senate Concurrent Resolution No. 4: A Senate concurrent resolution relating to adjournment for more than three days.

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

1. Upon the House of Representatives' adjournment on Wednesday, January 16, 1991, the House of Representatives may set its next day of meeting for Tuesday, January 22, 1991.

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

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

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

Senate Resolution No. 11: A Senate resolution relating to appointment of a committee to escort the Governor to the House Chamber for a Joint Convention.

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

The President of the Senate shall appoint a committee of five members of the Senate to act with a like committee on the part of the House of Representatives to escort the Honorable Arne H. Carlson, Governor of the State of Minnesota, to the House Chamber on the occasion of the Joint Convention on Wednesday, January 16, 1991, at 7:00 o'clock p.m.

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

### **APPOINTMENTS**

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

Messrs. Bertram, Laidig, Sams, Mrs. Benson, J.E. and Ms. Traub.

### **MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Moe, R.D. moved that Senate Resolution No. 17 be taken from the table. The motion prevailed.

Senate Resolution No. 17: A Senate resolution commemorating the life and work of Dr. Martin Luther King, Jr.

**WHEREAS**, the anniversary of the birth of Dr. Martin Luther King is January 15; and

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

**WHEREAS**, achievements in human and civil rights were accomplished through his personal efforts; and

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

**WHEREAS**, his life was ended by assassination; and

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

**BE IT RESOLVED** by the Senate of the State of Minnesota that it commemorates the life and work of Dr. Martin Luther King, Jr.

**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 Chair of the Senate Rules and Administration Committee, and present it to representatives of an appropriate group organizing public commemorations of the birth of Dr. Martin Luther King, Jr.

Ms. Berglin moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

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

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

Messrs. Bertram and Bernhagen introduced—

S.F. No. 13: A bill for an act relating to waste management; requiring environmental impact statements and air emission permits for all new medical waste incineration facilities; amending Minnesota Statutes 1990, section 116.07, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Messrs. Kelly; Moe, R.D.; Mondale; Ms. Piper and Mr. Luther introduced—

S.F. No. 14: A bill for an act relating to employment; increasing the minimum wage; amending Minnesota Statutes 1990, section 177.24, subdivision 1.

Referred to the Committee on Employment.

Mr. Vickerman introduced—

S.F. No. 15: A bill for an act relating to health; prohibiting the Minnesota state high school league from establishing policies that disqualify chiropractors from signing health certificates; amending Minnesota Statutes 1990, section 128C.02, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Vickerman introduced—

S.F. No. 16: A bill for an act relating to nursing; establishing a loan forgiveness program for nurses who agree to practice in a nursing home; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144A.

Referred to the Committee on Health and Human Services.

Mr. Lessard introduced—

S.F. No. 17: A bill for an act relating to juries; requiring persons who are 75 years or older and impaired to be excused from jury service upon request; proposing coding for new law in Minnesota Statutes, chapter 593.

Referred to the Committee on Judiciary.



Mr. Johnson, D.E. introduced—

S.F. No. 18: A bill for an act relating to taxation; property; allowing Pope county a special levy for certain purposes.

Referred to the Committee on Taxes and Tax Laws.

Ms. Johnson, J.B. introduced—

S.F. No. 19: A bill for an act relating to education; designating and appropriating money for full campus status for Cambridge community college; amending Minnesota Statutes 1990, sections 136.60 and 136.602.

Referred to the Committee on Education.

Mr. Mehrkens introduced—

S.F. No. 20: A bill for an act relating to human services; prohibiting retroactive effect of time limitations for appeals of hospital payment rates and payment rate determinations; amending Minnesota Statutes 1990, section 256.9695, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Waldorf introduced—

S.F. No. 21: A bill for an act relating to taxation; eliminating the penalty for late filing of property tax refund claims; amending Minnesota Statutes 1990, section 289A.60, subdivision 12.

Referred to the Committee on Taxes and Tax Laws.

Mr. Waldorf introduced—

S.F. No. 22: A bill for an act relating to taxation; advancing the date for the mailing of tax statements; amending Minnesota Statutes 1990, section 276.04, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Stumpf, Hughes, Renneke, Bertram and Spear introduced—

S.F. No. 23: A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

Referred to the Committee on Health and Human Services.

Mr. Langseth, Ms. Flynn, Messrs. Frank, Vickerman and Larson introduced—

S.F. No. 24: A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

Referred to the Committee on Health and Human Services.

Messrs. Pogemiller, Price, Hottinger, Cohen and Laidig introduced—

S.F. No. 25: A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

Referred to the Committee on Health and Human Services.

Messrs. Vickerman, Beckman and Finn introduced—

S.F. No. 26: A bill for an act relating to wetlands; preserving, enhancing, establishing, and restoring wetlands; identifying wetlands; establishing wetland public value criteria; designating priority areas to establish and preserve wetlands; requiring local water plans to include wetlands with high public value; establishing wetland preservation areas; authorizing a tax exemption for wetland preservation areas; establishing a wetland restoration and compensation fund; establishing fees to pay for wetland establishment, preservation, and restoration; requiring permits and providing criteria for alternative uses of wetlands; requiring compensation for denied uses of wetlands; providing authority to establish and restore wetlands on private land; requiring assessment of direct benefits and payment of damages for establishment of wetlands; requiring a report on simplification and coordination of state and federal wetland permitting procedures; amending Minnesota Statutes 1990, sections 97A.475, by adding a subdivision; 103B.155; 103B.231, subdivision 6; 103B.311, subdivision 6; 103G.005, subdivisions 15 and 18; 103G.221; 103G.225; 103G.231; 103G.235; 103G.301, by adding a subdivision; 103I.208, by adding a subdivision; and 272.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters

103F; 103G; 116P; and 144.

Referred to the Committee on Environment and Natural Resources.

Mr. Cohen introduced—

S.F. No. 27: A bill for an act relating to taxation; providing a property tax exemption for federal land used for cottage and camp purposes; amending Minnesota Statutes 1990, section 272.02, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Cohen introduced—

S.F. No. 28: A bill for an act relating to the legislature; reducing the number of members of the senate and house of representatives; amending Minnesota Statutes 1990, sections 2.021; and 2.031, subdivision 1; and repealing Minnesota Statutes 1990, section 2.031, subdivision 2.

Referred to the Committee on Elections and Ethics.

Mr. Cohen introduced—

S.F. No. 29: A bill for an act proposing an amendment to the Minnesota Constitution, article I, by adding a section; providing for equality of rights under the law for men and women.

Referred to the Committee on Judiciary.

Ms. Pappas, Messrs. Luther; Johnson, D.J.; Laidig and Vickerman introduced—

S.F. No. 30: A resolution memorializing the President and the Congress of the United States to fully commit the United States to negotiations that will avert war and result in a just settlement of disputes with Iraq.

Referred to the Committee on Veterans and General Legislation.

Mr. Berg introduced—

S.F. No. 31: A bill for an act relating to liquor; authorizing the issuance of on-sale Sunday liquor licenses by the city of Alexandria.

Referred to the Committee on Commerce.

Ms. Berglin, Messrs. Mondale, Hottinger and Ms. Ranum introduced—

S.F. No. 32: A resolution memorializing the President and the Congress of the United States to fully commit the United States to negotiations that will avert war and result in a just settlement of disputes with Iraq.

Referred to the Committee on Veterans and General Legislation.

Mr. Finn, Ms. Traub and Mr. Riveness introduced—

S.F. No. 33: A resolution memorializing the President and the Congress of the United States to fully commit the United States to negotiations that will avert war and result in a just settlement of disputes with Iraq.

Referred to the Committee on Veterans and General Legislation.

Messrs. Moe, R.D.; Berg; Langseth; Stumpf and Larson introduced—

S.F. No. 34: A bill for an act relating to the state agricultural society; including the Red River Valley Winter Shows as a state agricultural society member; amending Minnesota Statutes 1990, section 37.03, subdivision 1.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Morse, Spear, Knaak, Solon and Ms. Flynn introduced—

S.F. No. 35: A resolution memorializing the President and the Congress of the United States to fully commit the United States to negotiations that will avert war and result in a just settlement of disputes with Iraq.

Referred to the Committee on Veterans and General Legislation.

Messrs. Langseth and Stumpf introduced—

S.F. No. 36: A bill for an act relating to workers' compensation; regulating benefits and insurance; amending Minnesota Statutes 1990, sections 79.01, subdivision 1; 79.074, by adding subdivisions; 79.50; 79.59; 176.011, subdivisions 11a, 18, and by adding a subdivision; 176.021, subdivision 3; 176.061, subdivision 10; 176.101, subdivisions 1, 2, 4, 5, 6, and by adding a subdivision; 176.102, subdivisions 1, 4, 6, 7, and 11; 176.105, subdivisions 1 and 4; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 20, and 21; 176.131, subdivision 8; 176.132, subdivisions 1, 2, and 3; 176.179; 176.221, subdivision 6a; and 176.645, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1990, 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; 79.62; 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; 176.111, subdivision 8a.

Referred to the Committee on Employment.

Messrs. Luther, Solon, Hottinger and Sams introduced—

S.F. No. 37: A bill for an act relating to insurance; regulating credit for reinsurance; establishing standards and the commissioner's authority for companies considered to be in hazardous financial condition; regulating managing general agents; creating and regulating the life and health guaranty association; prescribing its powers and duties; amending Minnesota Statutes 1990, section 60B.25; proposing coding for new law in Minnesota Statutes, chapter 61B; proposing coding for new law as Minnesota Statutes, chapters 60G, 60H, and 60I; repealing Minnesota Statutes 1990, sections 61B.01; 61B.02; 61B.03; 61B.04; 61B.05; 61B.06; 61B.07; 61B.08; 61B.09; 61B.10; 61B.11; 61B.12; 61B.13; 61B.14; 61B.15; and 61B.16.

Referred to the Committee on Commerce.

#### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 6:30 p.m., Wednesday, January 16, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FOURTH DAY

St. Paul, Minnesota, Wednesday, January 16, 1991

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

### CALL OF THE SENATE

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

Prayer was offered by Senator Dean E. Johnson.

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

Adkins	Finn	Johnston	Merriam	Reichgott
Beckman	Flynn	Kelly	Moe, R.D.	Renneke
Belanger	Frank	Knaak	Morse	Riveness
Benson, D.D.	Frederickson, D.J.	Laidig	Neuville	Sams
Benson, J.E.	Frederickson, D.R.	Langseth	Novak	Samuelson
Berg	Gustafson	Larson	Olson	Solon
Bernhagen	Halberg	Lessard	Pariseau	Storm
Bertram	Hottinger	Luther	Piper	Traub
Brataas	Johnson, D.E.	Marty	Pogemiller	Vickerman
Cohen	Johnson, D.J.	McGowan	Price	Waldorf
Dicklich	Johnson, J.B.	Mehrkens	Ranum	

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

Mses. Berglin, Pappas, Messrs. Chmielewski, Dahl, Davis, Day, Hughes, Kroening, Metzen, Mondale and Stumpf were excused from the Session of today.

### MESSAGES FROM THE HOUSE

Mr. President:

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

Senate Concurrent Resolution No. 4: A Senate concurrent resolution relating to adjournment for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 14, 1991

**MOTIONS AND RESOLUTIONS**

Mr. Luther moved that the name of Mr. Kroening be added as a co-author to S.F. No. 4. The motion prevailed.

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

Mr. Vickerman moved that the name of Mr. Renneke be added as a co-author to S.F. No. 15. The motion prevailed.

Mr. Vickerman moved that the names of Messrs. Hottinger and Sams be added as co-authors to S.F. No. 16. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Mr. Chmielewski be added as a co-author to S.F. No. 19. The motion prevailed.

Mr. Waldorf moved that the name of Mr. Lessard be added as a co-author to S.F. No. 21. The motion prevailed.

Mr. Vickerman moved that the names of Messrs. Hottinger and Larson be added as co-authors to S.F. No. 26. The motion prevailed.

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

Mr. Finn moved that the names of Messrs. Dicklich and Davis be added as co-authors to S.F. No. 33. The motion prevailed.

Mr. Langseth moved that the name of Mr. Morse be added as a co-author to S.F. No. 36. 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. Berg and Pogemiller introduced—

S.F. No. 38: A bill for an act relating to the department of gaming; division of gambling control; eliminating restrictions on the governor's power to appoint the director of the division; amending Minnesota Statutes 1990, section 349.152, subdivision 1.

Referred to the Committee on Gaming Regulation.

Mr. Lessard introduced—

S.F. No. 39: A bill for an act relating to game and fish; prohibiting use of barbed hooks in angling; amending Minnesota Statutes 1990, section 97C.315, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Messrs. Kelly, Cohen, Bertram, Mrs. Pariseau and Mr. Laidig introduced—

S.F. No. 40: A bill for an act relating to peace officers; clarifying the soft body armor reimbursement program; amending Minnesota Statutes 1990, section 299A.38, subdivision 2.

Referred to the Committee on Local Government.

Mr. Frederickson, D.J. introduced—

S.F. No. 41: A bill for an act relating to public contracts; modifying the criteria for businesses and firms required to file affirmative action plans; amending Minnesota Statutes 1990, section 363.073, subdivision 1.

Referred to the Committee on Governmental Operations. Ms. Reichgott questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Frederickson, D.J.; Ms. Ranum, Messrs. Mondale, Finn and Sams introduced—

S.F. No. 42: A bill for an act relating to taxation; allowing an extension to file income tax returns and property tax refund claims for national guard and reserve members who are called to active duty; amending Minnesota Statutes 1990, section 289A.39, subdivision 1.

Referred to the Committee on Veterans and General Legislation.

Messrs. Samuelson, Kelly, Bernhagen, Renneke and Davis introduced—

S.F. No. 43: A bill for an act relating to animals; requiring landlords to allow elderly tenants to keep certain pets; proposing coding for new law in Minnesota Statutes, chapter 504.

Referred to the Committee on Economic Development and Housing.

Mr. Solon introduced—

S.F. No. 44: A bill for an act relating to corrections; allowing chiropractors to practice in institutions under the control of the commissioner of corrections; amending Minnesota Statutes 1990, section 241.021, subdivision 4.

Referred to the Committee on Health and Human Services.

Messrs. Beckman; Frederickson, D.J.; Kelly; Dicklich and McGowan introduced—

S.F. No. 45: A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

Referred to the Committee on Health and Human Services.

Messrs. Berg; Frederickson, D.J.; Frederickson, D.R.; Johnson, D.E. and Lessard introduced—

S.F. No. 46: A bill for an act relating to natural resources; prohibiting a fee for certain goose permits.

Referred to the Committee on Environment and Natural Resources.

Messrs. Beckman and Vickerman introduced—

S.F. No. 47: A resolution memorializing the Board of Regents of the University of Minnesota to refrain from closing its Waseca campus.

Referred to the Committee on Education.

Mr. Beckman introduced—

S.F. No. 48: A bill for an act relating to education; restoring continuing contract rights to superintendents; amending Minnesota Statutes 1990, sections 123.34, subdivision 9; and 125.12, subdivision 1.

Referred to the Committee on Education.

Mr. Riveness, Ms. Johnson, J.B.; Messrs. Chmielewski, Mondale and Lessard introduced—

S.F. No. 49: A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

Referred to the Committee on Health and Human Services.

Messrs. Finn, Berg, Sams, Mrs. Benson, J.E. and Ms. Ranum introduced—

S.F. No. 50: A bill for an act relating to lotteries; prohibiting advertising which exploits a religious holiday; amending Minnesota Statutes 1990, section 349A.09, subdivision 2.

Referred to the Committee on Gaming Regulation.

Messrs. Merriam, Lessard, Laidig, Pogemiller and Novak introduced—

S.F. No. 51: A bill for an act relating to waters; establishing a program for the enhancement, preservation, and protection of wetlands within the state; providing penalties; amending Minnesota Statutes 1990, sections 97A.145, subdivision 2; 103A.201; 103E.701, by adding a subdivision;



103G.005, subdivision 18, and by adding subdivisions; 103G.221, subdivision 1; and 103G.231, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 103G and 273; repealing Minnesota Statutes 1990, section 103G.221, subdivisions 2 and 3.

Referred to the Committee on Environment and Natural Resources.

Mr. Solon introduced—

S.F. No. 52: A bill for an act relating to consumer protection; regulating sales of used motor vehicles; requiring dealers to disclose all applicable express warranties and service contracts covering the vehicle; amending Minnesota Statutes 1990, section 325F.662, subdivision 1, and by adding a subdivision.

Referred to the Committee on Commerce.

Mr. Lessard introduced—

S.F. No. 53: A bill for an act relating to taxation; extending the authority of Itasca county to impose a special levy for development purposes; amending Minnesota Statutes 1990, section 275.50, subdivision 5a; and Laws 1989, First Special Session chapter 1, article 5, section 50.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Beckman, Mehrkens, Vickerman, Davis and Morse introduced—

S.F. No. 54: A bill for an act relating to cost share contracts for soil and water conservation districts; amending Minnesota Statutes 1990, section 103C.501, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 55: A bill for an act relating to taxation; income; providing a subtraction for certain armed services compensation; amending Minnesota Statutes 1990, section 290.01, subdivision 19b.

Referred to the Committee on Veterans and General Legislation.

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

S.F. No. 56: A bill for an act relating to education; allowing the Lakefield school district to conduct a referendum before November 1991.

Referred to the Committee on Education.

Messrs. Stumpf; Bertram; Finn; Benson, D.D. and Johnson, D.E. introduced—

S.F. No. 57: A bill for an act relating to education; approving maximum effort loans; authorizing the sale of bonds.

Referred to the Committee on Education.

Mr. Bertram introduced—

S.F. No. 58: A bill for an act relating to lawful gambling; providing that payment of the costs of a required audit are a lawful purpose expenditure; repealing requirements for posting of pull-tab winners; amending Minnesota Statutes 1990, section 349.12, subdivision 25; repealing Minnesota Statutes 1990, section 349.172.

Referred to the Committee on Gaming Regulation.

Mr. Beckman, Ms. Piper, Messrs. Vickerman, Price and Riveness introduced—

S.F. No. 59: A bill for an act relating to taxation; allowing an extension to file income tax returns and property tax refund claims for national guard and reserve members who are called to active duty; amending Minnesota Statutes 1990, section 289A.39, subdivision 1.

Referred to the Committee on Veterans and General Legislation.

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

S.F. No. 60: A bill for an act relating to taxation; property; making technical corrections to, and clarifications to, the calculation of certain special levies, the calculation of the levy limit base, the calculation of the amount of market value reductions in certain property tax discrimination actions, fees for issuing certain deeds for tax-forfeited lands, certain special levy referendum provisions, and to the effective dates of certain aid reductions; amending Minnesota Statutes 1990, sections 275.50, subdivision 5; 275.51, subdivision 3f; 278.05, subdivision 4; and 282.33, subdivision 1; Laws 1990, chapter 604, article 3, sections 49, subdivision 3; 50, subdivision 3; 51, subdivision 3; 59, subdivision 2; and 61, subdivision 2; and article 4, section 22.

Referred to the Committee on Taxes and Tax Laws.

Mr. Mehrkens introduced—

S.F. No. 61: A bill for an act relating to taxation; repealing the political contribution credit; amending Minnesota Statutes 1990, section 290.01, subdivision 6; repealing Minnesota Statutes 1990, sections 10A.322, subdivision 4; 10A.43, subdivision 5; and 290.06, subdivision 23.

Referred to the Committee on Elections and Ethics.

Messrs. Gustafson and Benson, D.D. introduced—

S.F. No. 62: A bill for an act relating to financing of government in this state; reducing appropriations for the biennium ending June 30, 1991, with certain conditions; providing for transfer of certain money in the state treasury; appropriating money for a deficiency in income maintenance appropriations; transferring certain balances in the Minnesota resources fund to the general fund; canceling certain balances to the general fund; eliminating the motor vehicle excise tax transfer from the general fund for highway purposes; transferring balances in the transit assistance fund to the general fund; transferring funds from the Greater Minnesota Corporation

fund balance to the general fund; transferring receipts from the infrastructure development fund to the general fund; providing for an employee-leave-without-pay program; reducing calendar year 1991 state aid payments to local units of government; amending Minnesota Statutes 1990, sections 16A.662, subdivision 4; 16B.70, subdivision 1; 349A.10, subdivision 5; 477A.011, subdivisions 27, 28, and by adding a subdivision; 477A.012, subdivision 1, and by adding a subdivision; 477A.013, subdivisions 1, 3, and by adding a subdivision; and 477A.014, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 477A.

Referred to the Committee on Finance.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Friday, January 18, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

Due to the outbreak of hostilities in the Middle East, the Joint Convention and the "State of the State Address" by Governor Arne H. Carlson were canceled.

## FIFTH DAY

St. Paul, Minnesota, Friday, January 18, 1991

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

### CALL OF THE SENATE

Mr. Waldorf 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. Edward J. Campbell.

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

Adkins	DeCramer	Kelly	Mondale	Ranum
Beckman	Finn	Knaak	Morse	Reichgott
Benson, J.E.	Flynn	Laidig	Neuville	Riveness
Berg	Halberg	Langseth	Novak	Sams
Berglin	Hottinger	Larson	Pappas	Spear
Bertram	Hughes	Luther	Pariseau	Stumpf
Cohen	Johnson, D.J.	Marty	Piper	Traub
Dahl	Johnson, J.B.	Merriam	Pogemiller	Vickerman
Day	Johnston	Moe, R.D.	Price	Waldorf

The President declared a quorum present.

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

### MEMBERS EXCUSED

Messrs. Bernhagen; Chmielewski; Davis; Dicklich; Frank; Frederickson, D.J.; Kroening; Lessard; Metzen; Renneke; Samuelson; Solon and Storm were excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

November 15, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment to the Board of the Minnesota Center for Arts Education is hereby respectfully submitted to the Senate for confirmation

as required by law:

Steven Watson, 4424 W. 70th St., Edina, Hennepin County, has been appointed by me, effective November 2, 1990, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Education.)

Sincerely,  
Rudy Perpich, Governor

January 15, 1991

The Honorable Jerome M. Hughes  
President of the Senate

Dear Senator Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 1.

Warmest regards,  
Arne H. Carlson, Governor

January 15, 1991

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

The Honorable Jerome M. Hughes  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1991 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and	Date Filed
			Date Approved 1991	1991
1	1	1	4:50 p.m. January 14	January 15

Sincerely,  
Joan Anderson Growe  
Secretary of State

### MOTIONS AND RESOLUTIONS

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

Ms. Johnson, J.B. moved that the name of Mr. Davis be added as a co-author to S.F. No. 19. The motion prevailed.

Mr. Cohen moved that the name of Mr. Frank be added as a co-author to S.F. No. 28. The motion prevailed.

Mr. Solon moved that the name of Mr. Finn be added as a co-author to S.F. No. 44. The motion prevailed.

Mr. Bertram introduced—

Senate Resolution No. 18: A Senate resolution commending Bill Lorentz, police chief of St. Joseph, Minnesota, for his many years of dedicated and effective service.

Referred to the Committee on Rules and Administration.

Mr. Bertram and Mrs. Benson, J.E. introduced—

Senate Resolution No. 19: A Senate resolution commending Charlie Grafft, sheriff of Stearns County, for his many years of dedicated and effective service in law enforcement.

Referred to the Committee on Rules and Administration.

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

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

Mrs. Adkins, Messrs. Berg, Marty, Langseth and Davis introduced—

S.F. No. 63: A bill for an act relating to taxation; allowing an extension to file income tax returns and property tax refund claims for national guard and reserve members who are called to active duty; amending Minnesota Statutes 1990, section 289A.39, subdivision 1.

Referred to the Committee on Veterans and General Legislation.

Mr. Hottinger introduced—

S.F. No. 64: A bill for an act relating to the city of North Mankato; exempting real property in the city from certain requirements relating to covenants; amending Laws 1988, chapter 477, section 2.

Referred to the Committee on Local Government.

Messrs. Bertram, DeCramer, Ms. Johnson, J.B.; Messrs. Dahl and Morse introduced—

S.F. No. 65: A bill for an act relating to taxation; allowing an extension to file income tax returns and property tax refund claims for national guard and reserve members who are called to active duty; amending Minnesota Statutes 1990, section 289A.39, subdivision 1.

Referred to the Committee on Veterans and General Legislation.

Mr. Larson introduced—

S.F. No. 66: A bill for an act relating to natural resources; establishing Glendalough state park; prescribing the powers and duties of the commissioner of natural resources in relation thereto; appropriating money; amending Minnesota Statutes 1990, section 85.012, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Ms. Traub, Mr. Davis, Ms. Reichgott, Messrs. Morse and Johnson, D.E. introduced—

S.F. No. 67: A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

Referred to the Committee on Health and Human Services.

Messrs. Samuelson, Vickerman, Storm and Ms. Flynn introduced—

S.F. No. 68: A bill for an act relating to human services; requiring continued capacity to serve persons with developmental disabilities in regional treatment centers; amending Minnesota Statutes 1990, sections 252.025, subdivision 4; and 252.038, subdivision 1.

Referred to the Committee on Health and Human Services.

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

S.F. No. 69: A bill for an act relating to education; eliminating the deduction for one year's interest payments from the proceeds of state bonds for maximum effort school loans; amending Minnesota Statutes 1990, section 124.46, subdivision 3.

Referred to the Committee on Education.

#### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 5:45 p.m., Tuesday, January 22, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

**SIXTH DAY**

St. Paul, Minnesota, Tuesday, January 22, 1991

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

**CALL OF THE SENATE**

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

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

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

Beckman	Dicklich	Kelly	Moe, R.D.	Renneke
Belanger	Finn	Knaak	Mondale	Riveness
Benson, D.D.	Flynn	Kroening	Morse	Sams
Benson, J.E.	Frederickson, D.J.	Laidig	Neuville	Samuelson
Berg	Frederickson, D.R.	Langseth	Novak	Solon
Berglin	Gustafson	Larson	Olson	Spear
Bernhagen	Halberg	Lessard	Pappas	Storm
Bertram	Hottinger	Luther	Pariseau	Stumpf
Chmielewski	Hughes	Marty	Piper	Traub
Cohen	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.J.	Mehrkens	Price	Waldorf
Day	Johnson, J.B.	Merriam	Ranum	
DeCramer	Johnston	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**

Mrs. Adkins, Messrs. Davis and Frank were excused from the Session of today.

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

The following communication was received.

December 19, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:



Pursuant to Minnesota Statutes, Section 15A.082, I have made the following appointment:

Compensation Council - Mr. Mehrkens

Respectfully,  
Duane D. Benson  
Senate Minority Leader

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to inform the Senate that the House of Representatives invites and is ready to meet with the Senate at 6:15 p.m., Tuesday, January 22, 1991, to receive the message of the Honorable Arne H. Carlson, Governor of the State of Minnesota, said message to be delivered at 6:30 p.m., Tuesday, January 22, 1991.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 22, 1991

Mr. Moe, R.D. moved that the Senate accede to the request of the House of Representatives to meet in Joint Convention in the House Chamber at 6:15 p.m., Tuesday, January 22, 1991, to receive the message of the Honorable Arne H. Carlson, Governor of the State of Minnesota. The motion prevailed.

Mr. President:

I have the honor to announce that the House has appointed a committee of seven members of the House to act with a similar committee on the part of the Senate to escort the Governor to the Joint Convention to be held in the House Chamber, Tuesday, January 22, 1991, said Joint Convention to be convened at 6:15 p.m. and said message of the Governor to be delivered at 6:30 p.m.

Welle, Chair; Garcia; Thompson; Bodahl; Olson, K.; Johnson, V. and Leppik have been appointed as members of such committee on the part of the House.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 22, 1991

Mr. Moe, R.D. moved that in accordance with the invitation of the House of Representatives, the President appoint a committee of five members of the Senate to escort the Honorable Arne H. Carlson, Governor of the State of Minnesota, to the House Chamber on the occasion of the Joint Convention on Tuesday, January 22, 1991, at 6:30 p.m. The motion prevailed.

### APPOINTMENTS

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

Messrs. Bertram, Laidig, Sams, Mrs. Benson, J.E. and Ms. Traub.

**MOTIONS AND RESOLUTIONS**

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

Ms. Johnson, J.B. moved that the name of Mr. Dicklich be added as a co-author to S.F. No. 19. The motion prevailed.

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

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

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Cohen introduced—

S.F. No. 70: A bill for an act relating to data practices; clarifying application of amendments affecting personnel data.

Referred to the Committee on Judiciary.

Mr. Johnson, D.E. introduced—

S.F. No. 71: A bill for an act relating to taxation; property; providing for agricultural homestead classification in certain instances; amending Minnesota Statutes 1990, section 273.124, subdivision 14.

Referred to the Committee on Taxes and Tax Laws.

Mr. Dicklich introduced—

S.F. No. 72: A bill for an act relating to retirement; providing certain widow benefits for the Virginia firefighters relief association; providing for disposition of assets of the Virginia firefighters relief association under certain conditions; amending Laws 1974, chapter 183, section 3.

Referred to the Committee on Governmental Operations.

Mses. Flynn, Piper, Pappas, Messrs. Storm and Laidig introduced—

S.F. No. 73: A bill for an act relating to occupations and professions; changing requirements for reciprocal licensing of physicians from other states and foreign medical school graduates; authorizing physicians to cancel licenses in good standing; requiring the cancellation of physicians' licenses for nonrenewal; changing licensing requirements for midwifery; changing the name of the board of medical examiners; amending Minnesota Statutes 1990, sections 147.03; 147.037, subdivision 1; 148.31; and 148.32; proposing coding for new law in Minnesota Statutes, chapter 147.

Referred to the Committee on Health and Human Services.

Messrs. Sams, Lessard, Morse and Davis introduced—

S.F. No. 74: A bill for an act relating to natural resources; establishing Glendalough state park; prescribing the powers and duties of the commissioner of natural resources in relation thereto; appropriating money; amending Minnesota Statutes 1990, section 85.012, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Langseth and Ms. Flynn introduced—

S.F. No. 75: A bill for an act relating to metropolitan government; extending the date for the international airport plan; amending Minnesota Statutes 1990, section 473.616, subdivision 1.

Referred to the Committee on Metropolitan Affairs.

Messrs. Morse and Bertram introduced—

S.F. No. 76: A bill for an act relating to transportation; designating trunk highway No. 61 and the Lake City rest area as disabled American veterans highway and rest area; amending Minnesota Statutes 1990, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation.

### RECESS

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

The Senate reconvened at the appropriate time.

### ADJOURNMENT

Mr. Spear moved that the Senate do now adjourn until 2:00 p.m., Thursday, January 24, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## SEVENTH DAY

St. Paul, Minnesota, Thursday, January 24, 1991

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

### CALL OF THE SENATE

Mr. Berg 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. David L. Valen.

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

Adkins	Dicklich	Johnston	Metzen	Reichgott
Beckman	Finn	Kelly	Moe, R.D.	Renneke
Belanger	Flynn	Knaak	Mondale	Riveness
Benson, D.D.	Frank	Kroening	Morse	Sams
Benson, J.E.	Frederickson, D.J.	Laidig	Neuville	Samuelson
Berg	Frederickson, D.R.	Langseth	Novak	Solon
Berglin	Gustafson	Larson	Olson	Spear
Bertram	Halberg	Lessard	Pappas	Storm
Chmielewski	Hottinger	Luther	Pariseau	Stumpf
Cohen	Hughes	Marty	Piper	Traub
Davis	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Day	Johnson, D.J.	Mehrkens	Price	
DeCramer	Johnson, J.B.	Merriam	Ranum	

The President declared a quorum present.

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

### MEMBERS EXCUSED

Mr. Waldorf was excused from the Session of today.

### REPORTS OF COMMITTEES

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 30: A resolution memorializing the President and the Congress of the United States to fully commit the United States to negotiations that will avert war and result in a just settlement of disputes with Iraq.

Reports the same back with the recommendation that the resolution be

amended as follows:

Page 1, delete lines 7 to 25

Page 2, delete lines 1 to 26 and insert:

“WHEREAS, the citizens of Minnesota and their policymakers want to acknowledge the President, United Nations, and Congress as they have debated and decided the current policy in the Persian Gulf; and

WHEREAS, the citizens of Minnesota and their policymakers want to show their wholehearted concern, support, and respect for the military personnel currently stationed in the Persian Gulf region and for their families; NOW, THEREFORE,

BE IT RESOLVED by the Legislature of the State of Minnesota that it is the hope of the Legislature that war can be averted and the Legislature offers its hope and prayers for the safety of the nation’s military personnel and in support of their families.”

Amend the title as follows:

Page 1, delete lines 2 to 5 and insert:

“supporting the President of the United States and the United States military personnel stationed in the Persian Gulf region and their families.”

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

Mr. Merriam from the Committee on Finance, to which was referred

S.F. No. 62: A bill for an act relating to financing of government in this state; reducing appropriations for the biennium ending June 30, 1991, with certain conditions; providing for transfer of certain money in the state treasury; appropriating money for a deficiency in income maintenance appropriations; transferring certain balances in the Minnesota resources fund to the general fund; canceling certain balances to the general fund; eliminating the motor vehicle excise tax transfer from the general fund for highway purposes; transferring balances in the transit assistance fund to the general fund; transferring funds from the Greater Minnesota Corporation fund balance to the general fund; transferring receipts from the infrastructure development fund to the general fund; providing for an employee-leave-without-pay program; reducing calendar year 1991 state aid payments to local units of government; amending Minnesota Statutes 1990, sections 16A.662, subdivision 4; 16B.70, subdivision 1; 349A.10, subdivision 5; 477A.011, subdivisions 27, 28, and by adding a subdivision; 477A.012, subdivision 1, and by adding a subdivision; 477A.013, subdivisions 1, 3, and by adding a subdivision; and 477A.014, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 477A.

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

Delete everything after the enacting clause and insert:

## "ARTICLE 1

## SUMMARY

(General Fund Only)

TRANSFERS FROM OTHER FUNDS	36,415,000
PRIOR YEAR ADJUSTMENTS	3,127,000
APPROPRIATION REDUCTIONS	151,102,400
CANCELLATIONS	6,897,000
TOTAL	197,541,400
DEFICIENCY APPROPRIATION	125,412,000

## ARTICLE 2

## EDUCATION FINANCE ADJUSTMENTS

## Section 1. APPROPRIATION REDUCTIONS: SUMMARY

SUMMARY (General Fund Only)

## 1991 APPROPRIATIONS

APPROPRIATION REDUCTIONS	(6,528,400)
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## Sec. 2. APPROPRIATION REDUCTIONS

The general fund appropriations in Laws 1989, chapter 329, as amended by Laws 1990, chapter 562, articles 6, 7, and 9, are reduced by the listed amounts. All reductions are for fiscal year 1991 only.

(a) Transportation aid for enrollment options	(25,400)
(b) Summer special education aid	(759,800)
(c) Secondary vocational handicapped	(1,500,400)
(d) Assurance of mastery	(849,000)
(e) Individualized learning and development aid	(429,000)
(f) Adult graduation aid	(426,000)
(g) Health and developmental screening aid	(1,360,800)
(h) Secondary vocational cooperative aid	(5,300)
(i) Cooperation and combination aid	(2,900)
(j) PER process aid	(500)
(k) Tobacco use prevention	(2,700)
(l) Career teacher aid	(222,600)
(m) Educational cooperative service unit loans	(500,000)
(n) Adult education - basic skills evaluation	(75,000)
(o) Department of education	(136,000)

None of this reduction shall be taken from the appropriations for the Faribault academies.

(p) Minnesota center for arts education	(200,000)
(q) Task force on mathematics, science, technology, and international education	(33,000)

Sec. 3. [EFFECTIVE DATE.]

*Section 2 is effective the day following final enactment.*

ARTICLE 3

POSTSECONDARY EDUCATION

Section 1. APPROPRIATION REDUCTIONS: SUMMARY

The sums set forth in parentheses in the column designated "1991 APPROPRIATIONS" are reduced from the general fund appropriations for the fiscal year ending June 30, 1991, in Laws 1989, chapter 293, as amended by Laws 1990, chapter 591, article 1, to the specified agencies.

SUMMARY (General Fund Only)

	1991 APPROPRIATIONS
APPROPRIATION REDUCTIONS	(17,020,000)
Sec. 2. APPROPRIATION REDUCTIONS	
(a) Higher education coordinating board	(3,020,000)
This reduction is from the state grant program.	
(b) University of Minnesota	(8,800,000)
(c) State University Board	(2,130,000)
(d) Community College Board	(1,190,000)
(e) State Board of Technical Colleges	(1,880,000)

The reductions in this section must not be considered in developing the budget base for the 1992-1993 biennium. In order to provide maximum flexibility to the higher education systems in adjusting to these reductions, the regents of the University of Minnesota, the State University Board, the Community College Board, and the State Board of Technical Colleges for fiscal year 1991 only may transfer funds among any of the general fund appropriations established in Laws 1989, chapter 293, for their respective systems.

Sec. 3. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective the day following final enactment.*

ARTICLE 4

HUMAN DEVELOPMENT

Section 1. APPROPRIATION REDUCTIONS: SUMMARY

The sums set forth in the column marked "1991 APPROPRIATIONS BY

FUND” are added to appropriations from the general fund or any other fund named, to the agencies and programs specified. Sums shown in parentheses are reduced from the general fund appropriations, or from other named appropriations, to the specified agencies in Laws 1989, chapter 282, article 1, sections 2 to 10, as amended by Laws 1990, chapter 568, article 1, sections 2 to 8; Laws 1989, chapter 335, article 1, section 27, as amended by Laws 1990, chapter 594, article 1, section 25; and Laws 1990, chapter 568, article 6, for the fiscal year ending June 30, 1991.

**SUMMARY (General Fund Only)**

**1991 APPROPRIATIONS BY FUND**

TRANSFERS FROM OTHER FUNDS	5,430,000
APPROPRIATION REDUCTIONS	(18,230,000)
DEFICIENCY APPROPRIATION	125,412,000
<b>Sec. 2. HUMAN SERVICES</b>	
Subdivision 1. Social Services	(8,175,000)

\$5,000,000 is transferred from the consolidated chemical dependency treatment fund to the general fund. This is the balance that is projected to exist in the fund on June 30, 1991. Notwithstanding Minnesota Statutes, sections 254B.02, subdivision 4, and 254B.09, all money remaining in the consolidated chemical dependency treatment fund after all services provided in fiscal year 1991 are reimbursed cancels. This applies to state money remaining in county allocations, the reserve account, tribal allocations, the tribal reserve account, and the non-reservation Indian reserve account.

For the biennium ending June 30, 1991, and notwithstanding Minnesota Statutes, section 254B.03, subdivision 4, the commissioner may refuse to pay for services to persons not entitled to chemical dependency fund services under Minnesota Statutes, section 254B.04, subdivision 1, paragraph (a), and the state is not financially liable for payment of services to nonentitled persons. \$3,000,000 is the estimated amount saved if chemical dependency fund services are provided only to persons entitled to treatment under Minnesota Statutes.

New federal child care money received on or after October 1, 1990, under Section 5081 of the federal Omnibus Budget Reconciliation Act of 1990, which amends the Social Security Act adding section 402(1), providing child care to



low income families, is appropriated to the commissioner of human services.

Subd. 2. Mental Health

(500,000)

Subd. 3. Family Support Programs

(1,919,000)

After the effective date of this act until June 30, 1991, counties may not enter into agreements for new general assistance or Minnesota supplemental aid negotiated rate beds except under the following two circumstances, both of which are limited to existing funding caps: limited adult foster care development needed to ensure census reduction targets for developmentally disabled persons at regional treatment centers; and development to ensure compliance with the federal Omnibus Budget Reconciliation Act of 1990 alternative disposition plan requirements for inappropriately placed developmentally disabled persons. It is estimated that this paragraph will save \$93,000.

For the biennium ending June 30, 1991, and notwithstanding Minnesota Statutes, section 256D.051, the commissioner shall identify groups of nonexempt work readiness registrants receiving food stamps who must participate in the work readiness employment and training program as a condition of eligibility for work readiness assistance and shall allow participation only of the number of persons that is necessary to meet federal performance requirements for the Food Stamp Employment and Training Program. All other nonexempt registrants must be deferred from participation in the Work Readiness Employment and Training Program. The notice and disqualification provisions of Minnesota Statutes, section 256D.101, remain in effect. The commissioner shall increase the number of registrants who must participate if necessary to meet federal participation requirements or if sufficient funds are available to expand program operations. Counties must provide ongoing employment and training services to all registrants in the county who have been identified by the commissioner for participation. It is estimated that this paragraph will save \$1,000,000.

For the biennium ending June 30, 1991, and notwithstanding Minnesota Statutes, sections 256D.01 to 256D.21, an applicant's eligibility for work readiness assistance begins the first day of the calendar month following the date of application for assistance. The initial date of eligibility for emergency assistance under Minnesota Statutes, section 256D.051, subdivision 1, is not affected. Notwithstanding Minnesota Statutes, section 256D.051, subdivision 1b, counties shall not provide special payments prorated to cover an initial certification period. It is estimated that this paragraph will save \$500,000.

Notwithstanding Minnesota Statutes, chapter 256D, from March 1, 1991, to June 30, 1991, a person who is enrolled at least half-time in an institution of higher education, according to the definitions of the federal Food Stamp Program, is ineligible to receive payments or services from the Work Readiness Program. It is estimated that this paragraph will save \$124,000.

\$100,000 of this reduction is from the appropriation in Laws 1989, chapter 282, article 1, section 2, subdivision 6, to reimburse local agencies for the costs of providing transportation for work readiness literacy training. The commissioner shall reimburse counties for these purposes up to the amount of this appropriation, and state financial liability does not extend beyond the appropriation amount.

Subd. 4. Health Care

(5,143,000)

If the 1991 appropriation for the 180-day portion of the alternative care grant program is insufficient to fund payments to counties for services provided through June 30, 1991, based on each county's fiscal year 1991 allocation, the commissioner may transfer up to \$3,500,000 from the department's nongrant accounts to fund these payments.

Subd. 5. State Residential Facilities

(813,000)

Subd. 6. Total Forecast Adjustment

125,412,000

Sec. 3. VETERANS NURSING HOMES BOARD

(950,000)

Sec. 4. DEPARTMENT OF JOBS AND TRAINING

(230,000)

Notwithstanding Minnesota Statutes, section 268.022, subdivision 2, the commissioner of finance shall transfer \$4,780,000 of the money collected through the special assessment established in Minnesota Statutes, section 268.022, subdivision 1, from the dislocated worker fund to the general fund.

Sec. 5. CORRECTIONS

(500,000)

This reduction is in the general fund appropriation in Laws 1989, chapter 282, article 1, section 6, subdivision 2, as amended by Laws 1990, chapter 568, article 1, section 5, subdivision 2.

Sec. 6. HEALTH

Any balance remaining in the asbestos abatement fund is transferred to the general fund on June 30, 1991. The balance on June 30, 1991, is estimated to be \$791,000. \$141,000 of this amount was recognized in the November 1990 forecast and \$650,000 is recognized in this act.

Sec. 7. Laws 1990, chapter 568, article 2, section 104, subdivision 3, is amended as follows:

Subd. 3. [CHEMICAL DEPENDENCY.] Sections 57, 58, 60, 90, and 91 are effective the day following final enactment. Section 59 is effective ~~July 1, 1991~~ February 1, 1991.

Sec. 8. [EFFECTIVE DATE.]

*Sections 1 to 7 are effective the day following final enactment, unless otherwise specified.*

ARTICLE 5

ENVIRONMENT AND NATURAL RESOURCES

Section 1. APPROPRIATION REDUCTIONS: SUMMARY

The sums set forth in parentheses in the column designated "1991 APPROPRIATIONS" are reduced from the general fund appropriations for the fiscal year ending June 30, 1991, in Laws 1989, chapters 269, 335, and 337; Laws 1989, First Special Session chapter 1; Laws 1990, chapters 594 and 607; or another named law to the specified agencies.

SUMMARY (General Fund Only)

	1991 APPROPRIATIONS
TRANSFERS FROM OTHER FUNDS	1,000,000
APPROPRIATION REDUCTIONS	(2,209,000)
CANCELLATIONS	466,000
Sec. 2. POLLUTION CONTROL AGENCY	

## (a) Clean Water Partnership Program

(50,000)

This reduction is from the money appropriated from the general fund in Laws 1989, chapter 335, article 1, section 23, subdivision 2, for fiscal year 1991.

## (b) Medical Waste Program

(50,000)

This reduction is from the money appropriated from the general fund in Laws 1989, chapter 337, section 13, subdivision 1, for fiscal year 1991.

## (c) Household Hazardous Waste Program

(170,000)

This reduction is from the money appropriated from the general fund in Laws 1989, First Special Session chapter 1, article 24, section 1, subdivision 3a, for fiscal year 1991.

## (d) Solid Waste Composition Study

(200,000)

This reduction is from the money appropriated from the general fund in Laws 1989, First Special Session chapter 1, article 24, section 1, subdivision 3, item (b), for fiscal year 1991.

## (e) On-Site Treatment (Septic Tank) Grants

(150,000)

This reduction is from the money appropriated from the general fund in Laws 1990, chapter 594, article 1, section 22, item (c), for fiscal year 1991.

## Sec. 3. OFFICE OF WASTE MANAGEMENT

## (a) Litter Prevention, Control, and Abatement Grants

(50,000)

This reduction is from the money appropriated from the general fund in Laws 1989, First Special Session chapter 1, article 24, section 1, subdivision 2, item (d), for fiscal year 1991.

## (b) Problem Materials Collection and Disposal

(100,000)

This reduction is from the money appropriated from the general fund in Laws 1989, First Special Session chapter 1, article 24, section 1, subdivision 2, item (f), for fiscal year 1991.

## Sec. 4. NATURAL RESOURCES

## General Reduction

(970,000)

This reduction is from the money appropriated from the general fund in Laws 1989, chapter 335, article 1, section 21, for fiscal year 1991.

#### Sec. 5. LEGISLATIVE COMMISSION ON MINNESOTA RESOURCES

As the cash flow in the Minnesota resources fund permits, the commissioner of finance shall transfer \$1,000,000 to the general fund by June 30, 1991.

#### Sec. 6. ZOOLOGICAL BOARD

\$400,000 of the appropriation made in Laws 1988, chapter 686, article 1, section 12, item (b), to renovate the water and filtration systems that serve the beluga whale facility shall be unallotted and canceled by the commissioner of finance. Any remaining balances in that appropriation may be used by the zoo as a state contribution to the financing for the World of Birds amphitheater project.

#### Sec. 7. AGRICULTURE

##### (a) Family Farm Security

(169,000)

This reduction is from the money appropriated from the general fund in Laws 1989, chapter 269, section 7, subdivision 4, for family farm security interest payment adjustments.

(b) \$66,000 of the appropriation in Laws 1987, chapter 404, section 22, subdivision 7, as amended by Laws 1989, chapter 335, article 1, section 21, subdivision 7, available for expenditure by the commissioner of agriculture until June 30, 1991, for elk management is canceled.

#### Sec. 8. GRASSHOPPER CONTINGENT ACCOUNT

(300,000)

This reduction is from the money appropriated from the general fund in Laws 1990, chapter 607, section 6, paragraph (a), for fiscal year 1991. \$120,000 has been transferred to the commissioner of agriculture and \$180,000 is still in the contingent account.

#### Sec. 9. [EFFECTIVE DATE.]

*Sections 1 to 8 are effective the day following final enactment.*

## ARTICLE 6

## INFRASTRUCTURE AND REGULATION

## Section 1. [APPROPRIATION REDUCTIONS: SUMMARY.]

The sums set forth in parentheses in the column designated "1991 APPROPRIATIONS" are reduced from appropriations from the general fund, or another named fund, for the fiscal year ending June 30, 1991, in Laws 1989, chapter 269, or another named law to the specified agencies.

## SUMMARY (General Fund Only)

	1991 APPROPRIATIONS
TRANSFERS FROM OTHER FUNDS	26,885,000
APPROPRIATION REDUCTIONS	(52,808,000)

## Sec. 2. TRANSPORTATION

The appropriations in Laws 1989, chapter 269, section 2, as amended by Laws 1990, chapter 565, section 2, for fiscal year 1991 are reduced by the listed amounts:

## Subdivision 1. Highway Development

Trunk Highway Fund	(33,568,000)
County State Aid Highway Fund	(13,276,000)
Municipal State Aid Street Fund	(3,864,000)

## Subd. 2. Program Delivery

Trunk Highway Fund	(1,500,000)
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If county aids and municipal state aids have been distributed based on anticipated revenues, the appropriations need not be reduced in fiscal year 1991, but the listed amounts must be reduced from the next distribution of funds.

## Sec. 3. MOTOR VEHICLE EXCISE TAX

Notwithstanding Minnesota Statutes, section 297B.09, tax proceeds under Minnesota Statutes, chapter 297B, and the investment earnings on those proceeds credited to the highway user tax distribution fund, and the trunk highway fund, for the period after June 30, 1990, and before July 1, 1991, must be returned to the general fund on June 30, 1991. The amount returned is estimated to be \$52,208,000.

## Sec. 4. TRANSIT ASSISTANCE FUND

Notwithstanding Minnesota Statutes, section 297B.09, tax proceeds under Minnesota Statutes, chapter 297B, relating to the transit assistance fund and the earnings credited to the transit assistance fund for the period before July 1, 1991, that are unliquidated and unencumbered in the fiscal year ending June 30, 1991, must be returned to the general fund. The amount returned is estimated to be \$1,613,000.

Sec. 5. REGIONAL TRANSIT BOARD (600,000)

This reduction is from the appropriation in Laws 1989, chapter 269, section 3, as amended by Laws 1990, chapter 565, section 5.

Sec. 6. GREATER MINNESOTA CORPORATION

The Greater Minnesota Corporation shall transfer \$9,000,000 of its unobligated balance in the special revenue fund to the general fund by June 30, 1991.

Sec. 7. INFRASTRUCTURE DEVELOPMENT FUND

The unencumbered balance in the infrastructure development fund on June 30, 1991, must be transferred and credited to the general fund. The amount transferred is estimated to be \$16,272,000.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment.

ARTICLE 7

STATE GOVERNMENT AFFAIRS

Section 1. [APPROPRIATION REDUCTION: SUMMARY.]

The sums set forth in parentheses in the column designated "1991 APPROPRIATIONS" are reduced from the general fund appropriations for the fiscal year ending June 30, 1991, to the specified agencies.

SUMMARY (General Fund Only)

	1991 APPROPRIATIONS
TRANSFERS FROM OTHER FUNDS	3,100,000
PRIOR YEAR ADJUSTMENTS	3,127,000
APPROPRIATION REDUCTIONS	(4,307,000)
CANCELLATIONS	6,431,000

Sec. 2. APPROPRIATION REDUCTIONS

The general fund appropriations in Laws 1989, chapter 335, as amended by Laws 1990, chapter 594, are reduced by the listed amounts:

(a) Legislature

(2,000,000)

This reduction shall be allocated to the appropriations to the Senate, House of Representatives, and the Legislative Commissions by the legislative coordinating commission.

(b) Administration

(700,000)

This reduction is from the 1991 appropriation in Laws 1989, chapter 335, article 1, section 15, for building code administration.

The commissioner of administration shall transfer \$1,600,000 of contributed capital from the computer services internal service fund to the general fund by June 30, 1991.

The commissioner of administration is directed to review existing general fund project accounts for repairs and betterments. The commissioner shall cancel unobligated funding no longer required for specific projects and transfer \$600,000 to the general fund by June 30, 1991.

(c) Employee Relations

The commissioner of employee relations is directed to accelerate scheduled loan repayments to the general fund from the workers' compensation special fund by \$400,000 for fiscal year 1991.

(d) Trade and Economic Development

(549,000)

The unobligated balance in the capital access account in the special revenue fund authorized under Minnesota Statutes, section 116J.876, subdivision 4, shall be transferred to the general fund by June 30, 1991. This balance is estimated at \$500,000.

The remaining unobligated balance in Laws 1984, chapter 502, article 5, section 19, for plant construction and expansion grants, shall cancel to the general fund. This unobligated balance is estimated to be \$1,889,000.



The remaining unobligated balance in Laws 1987, chapter 404, section 26, subdivision 6, Community Development, in the general fund and economic development fund shall cancel to the general fund. It is estimated these unobligated balances total \$750,000.

The remaining unobligated balances in Laws 1989, chapter 335, article 1, section 25, subdivisions 4 and 6, Tourism and Community Development, shall cancel to the general fund. It is estimated that this balance is \$498,000, of which \$488,000 will be shown as a prior year adjustment and \$10,000 will be shown as a current year cancellation.

(e) Housing Finance (600,000)

This amount shall be transferred from the housing development fund to the general fund.

(f) Military Affairs

(1) Enlistment Incentives Program (345,000)

(2) Military Land Fund (100,000)

(3) Military Forces Emergency Fund (13,000)

### Sec. 3. HIRING AND PROCUREMENT FREEZE

It is estimated that the hiring and procurement freeze imposed by emergency executive order number 91-2 will result in increased cancellations to the general fund of \$5,151,000.

### Sec. 4. [VOLUNTARY UNPAID LEAVE OF ABSENCE.]

*Appointing authorities in the executive branch of state government shall encourage each employee to take an unpaid leave of absence for up to 160 hours during the period ending June 30, 1991. Each appointing authority approving such a leave shall allow the employee to continue accruing vacation and sick leave, be eligible for paid holidays and insurance benefits, accrue seniority, and accrue service credit in state retirement plans permitting service credits for authorized leaves of absence as if the employee had actually been employed during the time of the leave. If the leave of absence is for one full pay period or longer, any holiday pay shall be included in the first payroll warrant after return from the leave of absence. The appointing authority shall attempt to grant requests for unpaid leaves of absence consistent with the need to continue efficient operation of the agency. However, each appointing authority shall retain discretion to grant or refuse to grant requests for leaves of absence and to schedule and cancel leaves, subject to applicable provisions of collective bargaining agreements and compensation plans. Approval of leave under this section shall be given by the appointing authority in writing, with a copy to the commissioner of*

*finance, who shall reduce the agency's allotments by the amount of the resulting savings. It is estimated that this option for employees will result in general fund savings of \$1,270,000 by June 30, 1991.*

Sec. 5. Minnesota Statutes 1990, section 16B.70, subdivision 1, is amended to read:

Subdivision 1. [COMPUTATION.] To defray the costs of administering sections 16B.59 to 16B.73, a surcharge is imposed on all permits issued by municipalities in connection with the construction of or addition or alteration to buildings and equipment or appurtenances after June 30, 1971, as follows:

If the fee for the permit issued is fixed in amount the surcharge is equivalent to one-half mill (.0005) of the fee or 50 cents, whichever amount is greater. For all other permits, the surcharge is as follows: (1) if the valuation of the structure, addition, or alteration is \$1,000,000 or less, the surcharge is equivalent to one-half mill (.0005) of the valuation of the structure, addition, or alteration; (2) if the valuation is greater than \$1,000,000, the surcharge is \$500 plus two-fifths mill (.0004) of the value between \$1,000,000 and \$2,000,000; (3) if the valuation is greater than \$2,000,000, the surcharge is \$900 plus three-tenths mill (.0003) of the value between \$2,000,000 and \$3,000,000; (4) if the valuation is greater than \$3,000,000, the surcharge is \$1,200 plus one-fifth mill (.0002) of the value between \$3,000,000 and \$4,000,000; (5) if the valuation is greater than \$4,000,000, the surcharge is \$1,400 plus one-tenth mill (.0001) of the value between \$4,000,000 and \$5,000,000; and (6) if the valuation exceeds \$5,000,000, the surcharge is \$1,500 plus one-twentieth mill (.00005) of the value that exceeds \$5,000,000.

~~By September 1 of each odd-numbered year, the commissioner shall rebate to municipalities any money received under this section and section 16B.62 in the previous biennium in excess of the cost to the building code division in that biennium of carrying out its duties under sections 16B.59 to 16B.73. The rebate to each municipality must be in proportion to the amount of the surcharges collected by that municipality and remitted to the state. The amount necessary to meet the commissioner's rebate obligations under this subdivision is appropriated to the commissioner from the general fund.~~

Sec. 6. [EFFECTIVE DATE.]

*Sections 1 to 5 are effective the day following final enactment, unless otherwise specified.*

## ARTICLE 8

### LOCAL AIDS

Section 1. Minnesota Statutes 1990, section 477A.011, is amended by adding a subdivision to read:

*Subd. 2a. [SPECIAL TAXING DISTRICT.] "Special taxing district" means a political subdivision with the authority to levy property taxes, other than a city, county, town, or school district.*

Sec. 2. Minnesota Statutes 1990, section 477A.011, subdivision 27, is amended to read:

Subd. 27. [REVENUE BASE.] "Revenue base" means the amount levied

for taxes payable in 1990 less the special levies under section 275.50, subdivision 5, clause (u) 1991, including the levy on the fiscal disparity distribution under section 473F.08, subdivision 3, paragraph (a), and before reduction for the homestead and agricultural credit aid under section 273.1398, subdivision 2, equalization aid under section 477A.013, subdivision 5, and disparity reduction aid under section 273.1398, subdivision 3; plus the local government aid under sections 477A.011; 477A.012, subdivisions 1 and 3, and 5, determined without regard to subdivision 2; and 477A.013, subdivisions 1, 3 and 6, and 7; and the estimated taconite aids used to determine levy limits for taxes payable in 1990 1991 under section 275.51, subdivision 3i.

Sec. 3. Minnesota Statutes 1990, section 477A.011, subdivision 28, is amended to read:

Subd. 28. [REDUCTION PERCENTAGE.] "Reduction percentage" is means the equal percentage reduction in each county and city revenue base that is was necessary to reduce 1990 aid payments by \$28,000,000 under sections 477A.012, subdivision 5, and 477A.013, subdivision 7, and, in addition, the equal percentage reduction in each county, city, town, and special taxing district revenue base that is necessary to reduce 1991 aid payments under sections 477A.012, subdivisions 1, 3, and 5; 477A.013, subdivisions 1, 3, 5, 6, and 7; and 273.1398, subdivisions 2 and 3, by a combined amount of \$50,000,000.

Sec. 4. Minnesota Statutes 1990, section 477A.012, subdivision 1, is amended to read:

Subdivision 1. [AID AMOUNT.] In calendar year 1990, each county government shall receive a distribution equal to the aid amount certified for 1987 pursuant to this subdivision. *Except as provided in subdivision 6*, in calendar year 1991 and subsequent years, each county government shall receive a distribution equal to the aid amount it received in 1990 under this subdivision less the reduction made under subdivision 5.

Sec. 5. Minnesota Statutes 1990, section 477A.012, is amended by adding a subdivision to read:

Subd. 6. [1991 COUNTY AID ADJUSTMENT.] *A county's 1991 payment of local government aid and homestead and agricultural credit aid is reduced by the product of its revenue base and the reduction percentage. The aid reduction is first applied to a county's local government aid in its scheduled 1991 aid payment. If the aid reduction is greater than the local government aid amount in its scheduled 1991 aid payment, the remaining amount is then applied to the county's homestead and agricultural credit aid, and then, if necessary, to its disparity reduction aid. The 1991 local government aid, homestead and agricultural credit aid, and disparity reduction aid payment to a county after this reduction cannot be less than \$0.*

Sec. 6. Minnesota Statutes 1990, section 477A.013, subdivision 1, is amended to read:

Subdivision 1. [TOWNS.] 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, each town that had levied for taxes payable in the prior year a local tax rate of at least .008 shall receive a distribution equal to 106 percent of the amount received in

1989 under this subdivision. *Except as provided in subdivision 8*, in calendar year 1991 and subsequent years, each town that had levied for taxes payable in the prior year a local tax rate of at least .008 shall receive a distribution equal to the amount it received in 1990 under this subdivision less the amount deducted in 1989 under subdivision 6.

Sec. 7. Minnesota Statutes 1990, 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, a city whose initial aid is greater than \$0 will receive an amount equal to the aid it received under this section in the year prior to that for which aids are being calculated plus an aid increase equal to 50 percent of the rates listed in clauses (1) to (10) multiplied by city revenue.

In 1991 and subsequent years, a city will receive an amount equal to the local government aid it received under this section in the previous year *except as provided in subdivision 8*.

A city's aid increase under this subdivision is limited to the lesser of (1) 20 percent of its levy for taxes payable in the year prior to that for which aids are being calculated, or (2) its initial aid amount, or (3) 15 percent of the total local government aid amount received under this section in the previous year, provided that no city will receive an increase that is less than two percent of its 1989 local government aid for aids payable in 1990.

A city whose initial aid is \$0 will receive in 1990 an amount equal to 102 percent of the local government aid it received in 1989 under Minnesota Statutes 1988, section 477A.013. A city whose initial aid is \$0 will receive

in 1991 an amount equal to the aid it received in the previous year under this section. For purposes of this subdivision, the term "local government aid" does not include equalization aid amounts under subdivision 5.

Sec. 8. Minnesota Statutes 1990, section 477A.013, is amended by adding a subdivision to read:

*Subd. 8. [1991 CITY, OR TOWN AID ADJUSTMENT.] A city or town's 1991 payment of local government aid, equalization aid, homestead and agricultural credit aid, and disparity reduction aid is reduced by the product of its revenue base, and the reduction percentage, as determined in section 477A.011, subdivision 28. The aid reduction is first applied to a city or town's local government aid amount in its scheduled 1991 aid payment. If the aid reduction is greater than the local government aid amount in its scheduled 1991 aid payment, the remaining amount is then applied to the city or town's equalization aid, and then, if necessary, to its homestead and agricultural credit aid, and then, if necessary, to its disparity reduction aid. The 1991 local government aid, equalization aid, homestead and agricultural credit aid, and disparity reduction aid payment to a city or town after this reduction cannot be less than \$0.*

Sec. 9. [477A.0135] [SPECIAL TAXING DISTRICTS; 1991 AID REDUCTION.]

*A special taxing district's 1991 payment of homestead and agricultural credit aid, and disparity reduction aid is reduced by the product of its revenue base and the reduction percentage, as determined in section 477A.011, subdivision 28. The aid reduction is first applied to a special taxing district's homestead and agricultural credit aid amount in its scheduled 1991 aid payment. If the aid reduction is greater than the homestead and agricultural credit aid amount in its scheduled 1991 aid payment, the remaining amount is then applied to the special taxing district's disparity reduction aid. The 1991 homestead and agricultural credit aid and disparity reduction aid payment to a special taxing district after this reduction cannot be less than \$0.*

Sec. 10. Minnesota Statutes 1990, 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, 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, except that for aid payable in 1990 the commissioner of revenue must notify the authorities of their aid amounts as well as the computational factors used in the calculation before October 23, 1989. The commissioner shall reduce the July 20, 1991, payment of local government aid, equalization aid, homestead and agricultural credit aid, and disparity reduction aid to counties, cities, towns, and special taxing districts by a combined amount of \$50,000,000.*

Sec. 11. [EFFECTIVE DATE.]

*Sections 1 to 10 are effective the day following final enactment, unless otherwise specified."*

Delete the title and insert:

“A bill for an act relating to financing of government in this state; reducing appropriations for the biennium ending June 30, 1991, with certain conditions; providing for transfer of certain money in the state treasury; appropriating money for a deficiency in income maintenance appropriations; transferring certain balances in the Minnesota resources fund to the general fund; canceling certain balances to the general fund; eliminating the motor vehicle excise tax transfer from the general fund for highway purposes; transferring balances in the transit assistance fund to the general fund; transferring funds from the Greater Minnesota Corporation fund balance to the general fund; transferring receipts from the infrastructure development fund to the general fund; providing for an employee-leave-without-pay program; reducing calendar year 1991 state aid payments to local units of government; amending Minnesota Statutes 1990, sections 16B.70, subdivision 1; 477A.011, subdivisions 27, 28, and by adding a subdivision; 477A.012, subdivision 1, and by adding a subdivision; 477A.013, subdivisions 1, 3, and by adding a subdivision; and 477A.014, subdivision 1; Laws 1990, chapter 568, article 2, section 104, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 477A.”

And when so amended the bill be re-referred to the Committee on Taxes and Tax Laws without recommendation. Amendments adopted. Report adopted.

## SECOND READING OF SENATE BILLS

S.F. No. 30 was read the second time.

## MOTIONS AND RESOLUTIONS

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

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

Mr. Larson moved that the names of Messrs. Sams, Lessard, Morse and Frederickson, D.R. be added as co-authors to S.F. No. 66. The motion prevailed.

Mr. Sams moved that the name of Mr. Larson be added as a co-author to S.F. No. 74. The motion prevailed.

Mr. Langseth moved that the name of Mr. Belanger be added as a co-author to S.F. No. 75. The motion prevailed.

Mr. Larson introduced—

Senate Resolution No. 20: A Senate resolution extending congratulations to the citizens of Frazee, Minnesota, for their Centennial celebration.

Referred to the Committee on Rules and Administration.

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

Senate Resolution No. 21: A Senate resolution relating to mileage; setting the miles traveled by members of the Senate in going to and returning from the Capitol.

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

The miles traveled by members of the Senate for the 77th Legislature in each round trip going to and returning from the Capitol to their places of residence are as follows:

MEMBER	MILEAGE
ADKINS, Betty A. . . . .	100
BECKMAN, Tracy L. . . . .	260
BELANGER, William V., Jr. . . . .	46
BENSON, Duane D. . . . .	240
BENSON, Joanne E. . . . .	146
BERG, Charles A. . . . .	370
BERGLIN, Linda . . . . .	19
BERNHAGEN, John . . . . .	140
BERTRAM, Joe, Sr. . . . .	218
BRATAAS, Nancy . . . . .	160
CHMIELEWSKI, Florian . . . . .	210
COHEN, Richard J. . . . .	0
DAHL, Gregory L. . . . .	58
DAVIS, Charles R. . . . .	130
DAY, Dick . . . . .	140
DeCRAMER, Gary M. . . . .	336
DICKLICH, Ronald R. . . . .	390
FINN, Harold R. "Skip" . . . . .	440
FLYNN, Carol . . . . .	24
FRANK, Don . . . . .	36
FREDERICKSON, David J. . . . .	256
FREDERICKSON, Dennis R. . . . .	210
GUSTAFSON, Jim . . . . .	312
HALBERG, Chuck . . . . .	58
HOTTINGER, John C. . . . .	194
HUGHES, Jerome M. . . . .	10
JOHNSON, Dean E. . . . .	202
JOHNSON, Douglas J. . . . .	440
JOHNSON, Janet B. . . . .	100
JOHNSTON, Terry D. . . . .	54
KELLY, Randy C. . . . .	12
KNAAK, Fritz . . . . .	0
KROENING, Carl W. . . . .	30
LAIDIG, Gary W. . . . .	44
LANGSETH, Keith . . . . .	472
LARSON, Cal . . . . .	392
LESSARD, Bob . . . . .	625
LUTHER, William P. . . . .	44
MARTY, John . . . . .	25
McGOWAN, Patrick D. . . . .	50
MEHRKENS, Lyle G. . . . .	100
MERRIAM, Gene . . . . .	42
METZEN, James . . . . .	18
MOE, Roger D. . . . .	522
MONDALE, Ted A. . . . .	25
MORSE, Steven . . . . .	256
NEUVILLE, Thomas M. . . . .	90
NOVAK, Steven G. . . . .	30

OLSON, Gen .....	70
PAPPAS, Sandra L. ....	0
PARISEAU, Pat .....	63
PIPER, Pat .....	200
POGEMILLER, Lawrence J. ....	12
PRICE, Leonard R. ....	14
RANUM, Jane B. ....	24
REICHGOTT, Ember D. ....	42
RENNEKE, Earl W. ....	146
RIVENESS, Phil J. ....	24
SAMS, Dallas C. ....	300
SAMUELSON, Don .....	270
SOLOMON, Sam G. ....	310
SPEAR, Allan H. ....	22
STORM, Donald A. ....	42
STUMPF, LeRoy A. ....	622
TRAUB, Judy .....	40
VICKERMAN, Jim .....	336
WALDORF, Gene .....	12

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

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Lessard introduced—

S.F. No. 77: A bill for an act relating to highways; allowing county board of and appropriate town boards in Itasca county to establish and record certain public roads less than four rods in width until December 31, 1995.

Referred to the Committee on Transportation.

Mr. Marty, Ms. Pappas, Messrs. Finn, DeCramer and Kroening introduced—

S.F. No. 78: A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

Referred to the Committee on Health and Human Services.



Mr. Davis, Ms. Johnson, J.B. and Mrs. Adkins introduced—

S.F. No. 79: A bill for an act relating to the city of Mora; extending the deadline for negotiating certain contracts; amending Laws 1989, chapter 33, section 1.

Referred to the Committee on Local Government.

Messrs. Pogemiller and Novak introduced—

S.F. No. 80: A bill for an act relating to taxation; providing that the income of an external nuclear decommissioning reserve fund is exempt from taxation; amending Minnesota Statutes 1990, section 290.05, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Hottinger, Chmielewski, Bernhagen, Day and Mrs. Adkins introduced—

S.F. No. 81: A bill for an act relating to towns; clarifying certain provisions for the terms of town supervisor; providing for the compensation of certain town officers and employees; amending Minnesota Statutes 1990, sections 367.03, subdivision 1; and 367.05, subdivision 1.

Referred to the Committee on Local Government.

Messrs. Hottinger, Chmielewski, Bernhagen, Day and Mrs. Adkins introduced—

S.F. No. 82: A bill for an act relating to local government; requiring that towns receive notice of projects and copies of permits; proposing coding for new law in Minnesota Statutes, chapter 471.

Referred to the Committee on Local Government.

Mr. Langseth introduced—

S.F. No. 83: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in the city of Hitterdal in Clay county.

Referred to the Committee on Environment and Natural Resources.

Mr. Langseth introduced—

S.F. No. 84: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in the city of Barnesville in Clay county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Solon, Larson, Ms. Pappas and Mr. Metzen introduced—

S.F. No. 85: A bill for an act relating to consumer protection; regulating automatic garage door opening systems; amending Minnesota Statutes 1990, sections 325F.82, subdivision 2, and by adding a subdivision; and 325F.83, subdivisions 1 and 3.

Referred to the Committee on Commerce.

Ms. Ranum, Messrs. Hottinger, McGowan, Price and Ms. Reichgott introduced—

S.F. No. 86: A bill for an act relating to education; providing for the arbitration of disputes concerning the proposed termination, discharge, or demotion of teachers following the probationary period; amending Minnesota Statutes 1990, sections 125.12, by adding a subdivision; 125.17, by adding a subdivision; and 179A.20, subdivision 4.

Referred to the Committee on Education.

Messrs. Renneke; Frederickson, D.R.; DeCramer; Dahl and Larson introduced—

S.F. No. 87: A bill for an act relating to education; allowing permanent fund transfers for a period in a certain combined school district.

Referred to the Committee on Education.

Messrs. Solon and Gustafson introduced—

S.F. No. 88: A bill for an act relating to public employment; expanding coverage of the state employees insurance plan; amending Minnesota Statutes 1990, section 43A.27, subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Solon and Gustafson introduced—

S.F. No. 89: A bill for an act relating to crime; requiring health professionals to report wounding of victims by dangerous weapons; amending Minnesota Statutes 1990, section 626.52, subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Spear and Mehrkens introduced—

S.F. No. 90: A bill for an act relating to financial institutions; authorizing state banks to acquire eligible savings associations and operate them as detached facilities; amending Minnesota Statutes 1990, section 49.34, subdivision 2.

Referred to the Committee on Commerce.

Ms. Berglin introduced—

S.F. No. 91: A bill for an act relating to human services; requiring increases in rates for salaries of employees of intermediate care facilities for persons with mental retardation, home and community-based waived services, developmental achievement centers, and semi-independent living services programs; amending Minnesota Statutes 1990, sections 245.465; 252.24, by adding a subdivision; 252.275, by adding a subdivision; 252.28, by adding a subdivision; 256B.491, by adding a subdivision; and 268A.06, by adding a subdivision.

Referred to the Committee on Health and Human Services.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, January 28, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## EIGHTH DAY

St. Paul, Minnesota, Monday, January 28, 1991

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

### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. John A. Harris.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

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

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

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

### 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.

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 13 and 47.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 24, 1991

**FIRST READING OF HOUSE BILLS**

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

H.F. No. 13: A bill for an act relating to taxation; allowing an extension to file income tax returns and property tax refund claims for national guard and reserve members who are called to active duty; amending Minnesota Statutes 1990, section 289A.39, subdivision 1.

Referred to the Committee on Veterans and General Legislation.

H.F. No. 47: A bill for an act relating to financing of government in this state; reducing appropriations for the biennium ending June 30, 1991, with certain conditions; providing for transfer of certain money in the state treasury; appropriating money for a deficiency in income maintenance appropriations; transferring certain balances in the Minnesota resources fund to the general fund; canceling certain balances to the general fund; eliminating the motor vehicle excise tax transfer from the general fund for highway purposes; transferring balances in the transit assistance fund to the general fund; transferring funds from the Greater Minnesota Corporation fund balance to the general fund; transferring receipts from the infrastructure development fund to the general fund; providing for an employee-leave-without-pay program; reducing calendar year 1991 state aid payments to local units of government; amending Minnesota Statutes 1990, sections 16B.70, subdivision 1; 477A.011, subdivisions 27, 28, and by adding a subdivision; 477A.012, subdivision 1, and by adding a subdivision; 477A.013, subdivisions 1, 3, and by adding a subdivision; and 477A.014, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 477A.

Mr. Moe, R.D. moved that H.F. No. 47 be laid on the table. The motion prevailed.

**REPORTS OF COMMITTEES**

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

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

S.F. No. 62: A bill for an act relating to financing of government in this state; reducing appropriations for the biennium ending June 30, 1991, with certain conditions; providing for transfer of certain money in the state treasury; appropriating money for a deficiency in income maintenance appropriations; transferring certain balances in the Minnesota resources

fund to the general fund; canceling certain balances to the general fund; eliminating the motor vehicle excise tax transfer from the general fund for highway purposes; transferring balances in the transit assistance fund to the general fund; transferring funds from the Greater Minnesota Corporation fund balance to the general fund; transferring receipts from the infrastructure development fund to the general fund; providing for an employee-leave-without-pay program; reducing calendar year 1991 state aid payments to local units of government; amending Minnesota Statutes 1990, sections 16B.70, subdivision 1; 477A.011, subdivisions 27, 28, and by adding a subdivision; 477A.012, subdivision 1, and by adding a subdivision; 477A.013, subdivisions 1, 3, and by adding a subdivision; and 477A.014, subdivision 1; Laws 1990, chapter 568, article 2, section 104, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 477A.

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

Page 2, line 18, after "handicapped" insert "aid"

Page 2, line 19, after "mastery" insert "aid"

Page 2, line 26, after "prevention" insert "aid"

Page 5, line 18, delete "It is estimated that"

Page 5, delete line 19

Page 5, line 49, delete "It is"

Page 5, delete lines 50 and 51

Page 5, delete lines 67 and 68

Page 6, line 9, delete "It is estimated"

Page 6, delete line 10

Page 9, line 29, delete "[APPROPRIATION REDUCTIONS: SUMMARY.]" and insert "APPROPRIATION REDUCTIONS: SUMMARY"

Page 10, delete lines 4 to 10 and insert:

"If the county and municipal state aids have been apportioned by the commissioner of transportation according to law and rule based upon anticipated fiscal year 1991 motor vehicle excise tax transfer receipts, the commissioner must reduce the apportionment by the total amount of the 1991 fiscal year motor vehicle excise tax transfer receipts and those proceeds shall be returned to the general fund upon final enactment."

Page 10, line 13, after "section 297B.09," insert "or Minnesota Rules, part 8820.1200."

Page 11, line 3, delete "[APPROPRIATION REDUCTION: SUMMARY.]" and insert "APPROPRIATION REDUCTIONS: SUMMARY"

Page 15, line 33, after "county's" insert "July 20," and after "1991" insert a comma

Page 16, lines 1 and 3, after "scheduled" insert "July 20," and after

“1991” insert a comma

Page 16, line 6, after “*The*” insert “July 20,” and after “1991” insert a comma

Page 18, line 9, after “*town’s*” insert “July 20,” and after “1991” insert a comma

Page 18, lines 14 and 16, after “*scheduled*” insert “July 20,” and after “1991” insert a comma

Page 18, lines 20 and 35, after “*The*” insert “July 20,” and after “1991” insert a comma

Page 18, line 26, after “*district’s*” insert “July 20,” and after “1991” insert a comma

Page 18, lines 32 and 34, before “1991” insert “July 20,” and after “1991” insert a comma

And when so amended the bill be reported to the Senate without recommendation. Amendments adopted. Report adopted.

## SECOND READING OF SENATE BILLS

S.F. No. 62 was read the second time.

## MOTIONS AND RESOLUTIONS

Ms. Berglin moved that the names of Messrs. Morse, Sams, Finn and Davis be added as co-authors to S.F. No. 91. The motion prevailed.

Mr. Moe, R.D. moved that H.F. No. 47 be taken from the table. The motion prevailed.

H.F. No. 47: A bill for an act relating to financing of government in this state; reducing appropriations for the biennium ending June 30, 1991, with certain conditions; providing for transfer of certain money in the state treasury; appropriating money for a deficiency in income maintenance appropriations; transferring certain balances in the Minnesota resources fund to the general fund; canceling certain balances to the general fund; eliminating the motor vehicle excise tax transfer from the general fund for highway purposes; transferring balances in the transit assistance fund to the general fund; transferring funds from the Greater Minnesota Corporation fund balance to the general fund; transferring receipts from the infrastructure development fund to the general fund; providing for an employee-leave-without-pay program; reducing calendar year 1991 state aid payments to local units of government; amending Minnesota Statutes 1990, sections 16B.70, subdivision 1; 477A.011, subdivisions 27, 28, and by adding a subdivision; 477A.012, subdivision 1, and by adding a subdivision; 477A.013, subdivisions 1, 3, and by adding a subdivision; and 477A.014, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 477A.

## 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. 47 and that the rules of the Senate be so far suspended as to give H.F. No. 47 its second and third reading and place it on its final passage.

The motion prevailed.

H.F. No. 47 was read the second time.

### 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 proceedings on H.F. No. 47. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on H.F. No. 47.

H.F. No. 47 was read the third time 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 31, as follows:

Those who voted in the affirmative were:

Belanger	Dahl	Johnson, D.J.	Mehrkens	Solon
Benson, D.D.	Dicklich	Kelly	Merriam	Storm
Benson, J.E.	Frederickson, D.R.	Knaak	Moe, R.D.	Stumpf
Berg	Gustafson	Laidig	Mondale	Traub
Bernhagen	Halberg	Langseth	Olson	
Bertram	Hottinger	Larson	Pariseau	
Brataas	Hughes	Luther	Reichgott	
Cohen	Johnson, D.E.	McGowan	Renneke	

Those who voted in the negative were:

Adkins	Finn	Lessard	Piper	Spear
Beckman	Flynn	Marty	Pogemiller	Vickerman
Berglin	Frank	Metzen	Price	Waldorf
Chmielewski	Frederickson, D.J.	Morse	Ranum	
Davis	Johnson, J.B.	Neuville	Riveness	
Day	Johnston	Novak	Sams	
DeCramer	Kroening	Pappas	Samuelson	

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Gustafson moved that S.F. No. 62, 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. Langseth, Renneke, Mehrkens, Vickerman and DeCramer introduced—

S.F. No. 92: A bill for an act relating to towns; providing for money from town road account to be distributed to towns by March 1, annually; amending Minnesota Statutes 1990, section 162.081, subdivisions 3 and 4.

Referred to the Committee on Transportation.



Messrs. Langseth, Renneke, Mehrkens, Vickerman and Lessard introduced—

S.F. No. 93: A bill for an act relating to natural resources; limiting certain fees charged to towns in connection with town road projects; amending Minnesota Statutes 1990, section 103G.301, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Samuelson introduced—

S.F. No. 94: A bill for an act relating to occupations and professions; regulating and licensing builders and contractors; authorizing the commissioner of commerce to adopt rules; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Commerce.

Mr. Chmielewski, Ms. Reichgott, Messrs. Sams; Moe, R.D. and Metzen introduced—

S.F. No. 95: A bill for an act relating to taxation; allowing an extension to file income tax returns and property tax refund claims for national guard and reserve members who are called to active duty; amending Minnesota Statutes 1990, section 289A.39, subdivision 1.

Referred to the Committee on Veterans and General Legislation.

Messrs. Day and Neuville introduced—

S.F. No. 96: A resolution memorializing the Board of Regents of the University of Minnesota to refrain from closing its Waseca campus.

Referred to the Committee on Education.

Mr. Mehrkens introduced—

S.F. No. 97: A bill for an act relating to Wabasha county; providing for transfer of certain reassessment costs; transferring certain department of revenue funds to the reassessment account in the special revenue fund.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Dahl, Hottinger, Dicklich, Knaak and Ms. Pappas introduced—

S.F. No. 98: A bill for an act relating to education; requiring the state board of education to adopt a rule on preparation time for teachers.

Referred to the Committee on Education.

Messrs. Benson, D.D.; Larson; Ms. Johnston, Messrs. Langseth and Vickerman introduced—

S.F. No. 99: A bill for an act relating to human services; requiring eligibility reporting for aid to families with dependent children at least every three months; amending Minnesota Statutes 1990, section 256.73, subdivision 6.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 100: A bill for an act relating to transportation; authorizing department of transportation to assist towns in financing engineering and approach work for bridge projects under certain conditions; amending Minnesota Statutes 1990, section 161.39, subdivision 5.

Referred to the Committee on Transportation.

Mr. Benson, D.D. introduced—

S.F. No. 101: A bill for an act relating to education; approving a maximum effort school loan program capital loan.

Referred to the Committee on Education.

Messrs. Davis; Stumpf; Lessard; Frederickson, D.R. and Mrs. Pariseau introduced—

S.F. No. 102: A bill for an act relating to natural resources; appropriating funds for beaver abatement and control.

Referred to the Committee on Environment and Natural Resources.

Messrs. Davis; Stumpf; Lessard; Frederickson, D.R. and Mrs. Pariseau introduced—

S.F. No. 103: A bill for an act relating to forestry; requiring notice to towns of prospective removal of timber.

Referred to the Committee on Environment and Natural Resources.

Mrs. Adkins and Ms. Piper introduced—

S.F. No. 104: A bill for an act relating to alcoholic beverages; declaring as a felony certain furnishing of alcoholic beverages to persons under age 21; amending Minnesota Statutes 1990, section 340A.701, subdivision 1.

Referred to the Committee on Commerce.

Messrs. Samuelson; Johnson, D.J.; Bertram and Johnson, D.E. introduced—

S.F. No. 105: A bill for an act relating to appropriations; removing certain directions, limits, and provisos on the use of money for certain projects; amending Laws 1990, chapter 610, article 1, section 9, subdivision 1.

Referred to the Committee on Veterans and General Legislation.

Messrs. Finn, Cohen, Luther and Knaak introduced—

S.F. No. 106: A bill for an act relating to property; permitting name or identity change of corporate mortgagee or assignee of mortgagee in the recital in a mortgage satisfaction or release to be recorded without further evidence of name or identity change; clarifying application of language regulating distributions to a testamentary trustee; amending Minnesota Statutes 1990, section 524.3-913; proposing coding for new law in Minnesota Statutes, chapter 507.

Referred to the Committee on Judiciary.

Mses. Berglin, Pappas, Messrs. Luther, Knaak and Spear introduced—

S.F. No. 107: A bill for an act relating to marriage; providing alternate forms of marriage solemnization; amending Minnesota Statutes 1990, section 517.18.

Referred to the Committee on Judiciary.

Messrs. McGowan, Lessard, Mrs. Pariseau, Messrs. Berg and Frederickson, D.R. introduced—

S.F. No. 108: A bill for an act relating to the environment; providing that the petroleum tank release compensation board require proof of payment by a responsible person before reimbursement; amending Minnesota Statutes 1990, section 115C.09, subdivisions 1, 3, and 3a.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 109: A bill for an act relating to judicial administration; increasing fees; eliminating fees; decreasing the number of certified copies of marriage licenses prepared; expanding the probate surcharge to informal probate matters; amending Minnesota Statutes 1990, sections 357.021, subdivision 2; 517.101; and 525.5501, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Chmielewski, Mrs. Adkins, Messrs. Laidig, Neuville and Bertram introduced—

S.F. No. 110: A bill for an act proposing an amendment to the Minnesota Constitution, article I, adding a section to provide that the right to keep and bear arms shall not be abridged.

Referred to the Committee on Judiciary.

Messrs. Riveness, Halberg, Price, Ms. Reichgott and Mr. Sams introduced—

S.F. No. 111: A bill for an act relating to taxation; providing homestead treatment to the residence of a disabled parent of the owner; amending Minnesota Statutes 1990, section 273.124, subdivision 15.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Frederickson, D.J.; Pogemiller; Beckman; Johnson, D.E. and Dicklich introduced—

S.F. No. 112: A bill for an act relating to health; imposing a surcharge on health coverage; establishing the emergency medical services personnel account; establishing an incentive plan for ambulance service personnel; setting plan requirements; amending Minnesota Statutes 1990, section 60A.15, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 353E.

Referred to the Committee on Commerce.

Messrs. Knaak, Laidig, Mondale and Neuville introduced—

S.F. No. 113: A bill for an act relating to probate; modifying the common law rule against perpetuities and repealing the statutory rule; proposing coding for new law in Minnesota Statutes, chapter 501B; repealing Minnesota Statutes 1990, sections 501A.01 to 501A.07.

Referred to the Committee on Judiciary.

Messrs. Sams; Finn; Frederickson, D.J.; Samuelson and Benson, D.D. introduced—

S.F. No. 114: A bill for an act relating to health; requiring geographic representation on the board of medical examiners; amending Minnesota Statutes 1990, section 147.01, subdivision 1.

Referred to the Committee on Health and Human Services.

Messrs. Samuelson and Finn introduced—

S.F. No. 115: A bill for an act relating to highways; designating the Paul Bunyan Expressway from Little Falls through Cass Lake to Bemidji; amending Minnesota Statutes 1990, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation.

Ms. Traub, Messrs. Hughes, Dicklich, Finn and Ms. Berglin introduced—

S.F. No. 116: A bill for an act relating to education; establishing a legislative commission on children, youth, and their families; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Education.

Messrs. Kelly, Price, Mses. Pappas, Reichgott and Mr. Hottinger introduced—

S.F. No. 117: A bill for an act relating to education; moving up the requirement for compulsory education to age 18 from the year 2000 to next school year; amending Minnesota Statutes 1990, sections 120.101, subdivisions 5 and 9; 123.35, subdivision 8; and 260.015, subdivision 19.

Referred to the Committee on Education.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, January 31, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## NINTH DAY

St. Paul, Minnesota, Thursday, January 31, 1991

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

### CALL OF THE SENATE

Mr. Berg 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. Arlene Joy Ackerman.

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

Adkins	Day	Johnston	Moe, R. D.	Riveness
Beckman	DeCramer	Kelly	Mondale	Sams
Belanger	Dicklich	Knaak	Morse	Samuelson
Benson, D.D.	Flynn	Kroening	Neuville	Solon
Benson, J.E.	Frank	Laidig	Novak	Spear
Berg	Frederickson, D.J.	Langseth	Olson	Storm
Berglin	Frederickson, D.R.	Larson	Pappas	Stumpf
Bernhagen	Gustafson	Lessard	Pariseau	Traub
Bertram	Halberg	Luther	Piper	Vickerman
Brataas	Hottinger	Marty	Pogemiller	Waldorf
Chmielewski	Hughes	McGowan	Price	
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

The President declared a quorum present.

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

### MEMBERS EXCUSED

Mr. Finn was excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

January 24, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**COMMISSIONER, PUBLIC UTILITIES COMMISSION**

Delores J. Knaak, 4243 Oakmede Lane, White Bear Lake, Ramsey County, Minnesota, has been appointed by me, effective January 7, 1991, for a term expiring on the first Monday in January, 1997.

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

Warmest regards,  
Arne H. Carlson, Governor

**MOTIONS AND RESOLUTIONS**

Mr. Mehrkens moved that the name of Mr. Frederickson, D.J. be added as a co-author to S.F. No. 20. The motion prevailed.

Mr. Solon moved that the names of Messrs. Metzén, Riveness and Price be added as co-authors to S.F. No. 44. The motion prevailed.

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

Mr. Solon moved that the name of Mr. Mondale be added as a co-author to S.F. No. 85. The motion prevailed.

Mr. Day moved that the name of Mr. Hottinger be added as a co-author to S.F. No. 96. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Hottinger be added as a co-author to S.F. No. 109. 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. 118: A bill for an act relating to animals; tightening laws prohibiting cruel treatment of certain animals, including equines; increasing certain penalties; amending Minnesota Statutes 1990, sections 343.21, subdivisions 9 and 10; 346.43; and 346.44; proposing coding for new law in Minnesota Statutes, chapter 343.

Referred to the Committee on Veterans and General Legislation.

Mr. Moe, R.D. introduced—

S.F. No. 119: A bill for an act relating to the city of Crookston; permitting the establishment of special service districts in the city of Crookston.

Referred to the Committee on Local Government.

Mses. Berglin, Piper, Mr. Storm and Ms. Reichgott introduced—

S.F. No. 120: A bill for an act relating to children; requiring peace officers executing health and welfare holds to notify parents or custodians of available social services; appropriating money; amending Minnesota Statutes 1990, section 260.165, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Finn; Moe, R.D. and Ms. Berglin introduced—

S.F. No. 121: A bill for an act relating to health; authorizing nursing homes with 100 or fewer beds that are located within 75 miles of each other to share an administrator; amending Minnesota Statutes 1990, section 144A.04, subdivision 5.

Referred to the Committee on Health and Human Services.

Ms. Pappas, Mr. Kelly, Ms. Traub, Messrs. Dahl and Larson introduced—

S.F. No. 122: A bill for an act relating to education; authorizing an additional community education levy to provide parent education opportunities; amending Minnesota Statutes 1990, section 121.88, by adding a subdivision; and 124.2713, by adding subdivisions.

Referred to the Committee on Education.

Messrs. Lessard, Solon, Dahl, Stumpf and Davis introduced—

S.F. No. 123: A bill for an act proposing an amendment to the Minnesota Constitution, article I, adding a section to provide that the right to keep and bear arms shall not be abridged.

Referred to the Committee on Judiciary.

Messrs. Cohen, Mondale, Mrs. Brataas, Ms. Berglin and Traub introduced—

S.F. No. 124: A bill for an act relating to crimes; prohibiting persons from interfering with access to medical facilities; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Messrs. Dahl, Merriam, Luther, Morse and Bernhagen introduced—

S.F. No. 125: A bill for an act relating to education; equalizing a portion of the debt service levy; limiting the referendum levy; equalizing a portion of the referendum levy; changing the training and experience formula; equalizing training and experience revenue; appropriating money; amending Minnesota Statutes 1990, sections 124A.03, by adding subdivisions; 124A.22, subdivision 4, by adding subdivisions; and 275.125, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 124 and 124A.

Referred to the Committee on Education.

Mr. Bernhagen introduced—

S.F. No. 126: A bill for an act relating to Meeker county; authorizing the county board to provide for an addition to the county hospital.

Referred to the Committee on Local Government.

Mr. Marty, Mses. Berglin, Ranum and Mr. Belanger introduced—

S.F. No. 127: A bill for an act relating to civil commitment; prohibiting ex parte judicial release orders during the emergency hold period; amending Minnesota Statutes 1990, section 253B.05, subdivision 3.

Referred to the Committee on Judiciary.

Messrs. Hottinger and Sams introduced—

S.F. No. 128: A bill for an act relating to public safety; clarifying requirement of “MN” designation within a school bus body identification number; allowing state patrol to enforce certain school bus requirements regarding operation and construction; providing penalties; amending Minnesota Statutes 1990, sections 169.44, subdivision 17; 169.45; and 169.451.

Referred to the Committee on Transportation.

Mr. Cohen introduced—

S.F. No. 129: A bill for an act relating to taxation; providing an exemption for sales of sacramental wine; amending Minnesota Statutes 1990, section 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Marty and Ms. Ranum introduced—

S.F. No. 130: A bill for an act relating to public safety; regulating amusement rides; requiring safety inspections of amusement rides; providing penalties; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 184B.

Referred to the Committee on Employment.

Messrs. Sams, Hottinger, Finn and Ms. Johnson, J.B. introduced—

S.F. No. 131: A bill for an act relating to traffic regulations; defining school bus to include the transportation of pre-elementary students; amending Minnesota Statutes 1990, section 169.01, subdivision 6.

Referred to the Committee on Transportation.

Ms. Johnson, J.B. introduced—

S.F. No. 132: A bill for an act relating to public safety; providing for wheelchair securement devices in transit buses for transporting disabled people; amending Minnesota Statutes 1990, sections 299A.11; and 299A.12, subdivision 1, and by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Berg introduced—

S.F. No. 133: A bill for an act relating to agriculture; removing the prohibition against corporate livestock farming; amending Minnesota Statutes 1990, section 500.24, subdivision 2.

Referred to the Committee on Agriculture and Rural Development.



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

S.F. No. 134: A bill for an act relating to game and fish; authorizing an experimental season on mourning doves in a designated area; requiring mourning dove stamps and setting a fee for them; requiring a report to the legislature on the experimental season.

Referred to the Committee on Environment and Natural Resources.

Mr. Johnson, D.E. introduced—

S.F. No. 135: A bill for an act relating to education; approving a maximum effort school loan program capital loan.

Referred to the Committee on Education.

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

S.F. No. 136: A bill for an act relating to game and fish; shortening the allowed season for pheasant; amending Minnesota Statutes 1990, section 97B.711, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Marty and Finn introduced—

S.F. No. 137: A bill for an act relating to energy; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; amending Minnesota Statutes 1990, sections 16B.61, subdivision 3; and 299F.011, by adding a subdivision.

Referred to the Committee on Energy and Public Utilities.

Ms. Johnston, Messrs. Langseth, Neuville, Ms. Pappas and Mr. Mehrkens introduced—

S.F. No. 138: A bill for an act relating to taxation; allocating revenue from motor vehicle excise tax; proposing an amendment to the Minnesota Constitution, article XIV, to dedicate proceeds of a tax on the purchase price of a motor vehicle to highway and transit purposes; amending Minnesota Statutes 1990, section 297B.09.

Referred to the Committee on Transportation.

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

S.F. No. 139: A bill for an act relating to natural resources; designating raccoon and fox as unprotected wild animals; amending Minnesota Statutes 1990, sections 97A.015, subdivisions 45 and 53; 97A.475, subdivision 3; 97A.485, subdivision 9; 97A.511; 97A.541; 97B.075; 97B.601, subdivisions 3 and 4; 97B.621, subdivision 3; 97B.655, subdivision 1; repealing Minnesota Statutes 1990, sections 97B.005, subdivision 4; 97B.621, subdivisions 1, 2, and 4; and 97B.631.

Referred to the Committee on Environment and Natural Resources.

Messrs. Kelly, Spear, Cohen, Ms. Ranum and Mr. Knaak introduced—

S.F. No. 140: A bill for an act relating to data practices; clarifying media access to identifying information on juveniles who are parties to traffic accidents; amending Minnesota Statutes 1990, sections 169.09, subdivision 13; and 260.161, subdivision 3.

Referred to the Committee on Judiciary.

Ms. Traub and Mr. Merriam introduced—

S.F. No. 141: A bill for an act relating to human services; delaying the effective date of the moratorium on new negotiated rate facility agreements.

Referred to the Committee on Finance.

Messrs. Novak, Vickerman, DeCramer, Price and Bernhagen introduced—

S.F. No. 142: A bill for an act relating to natural resources; increasing the watershed administrative fund limit; establishing a natural resource protection fund; amending Minnesota Statutes 1990, section 103D.905, subdivision 3, and by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Marty and Ms. Ranum introduced—

S.F. No. 143: A bill for an act relating to public employees; regulating affirmative action in state and metropolitan government; amending Minnesota Statutes 1990, sections 43A.191, subdivision 2; and 473.143, subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Samuelson, Sams, Bertram, Mrs. Pariseau and Mr. Benson, D.D. introduced—

S.F. No. 144: A bill for an act proposing an amendment to the Minnesota Constitution, article XI, section 5; permitting the payment of bonuses to veterans of the Iraq conflict.

Referred to the Committee on Veterans and General Legislation.

Mrs. Benson, J.E. introduced—

S.F. No. 145: A bill for an act relating to education; approving a maximum effort school loan program capital loan.

Referred to the Committee on Education.

Messrs. Solon and Gustafson introduced—

S.F. No. 146: A bill for an act relating to the Duluth transit authority; providing for the transportation of students; repealing Laws 1988, chapter 573, section 2.

Referred to the Committee on Transportation.

Messrs. Solon and Gustafson introduced—

S.F. No. 147: A bill for an act relating to charitable organizations; modifying the definitions of registered combined charitable organizations; amending Minnesota Statutes 1990, section 309.501, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

#### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, February 4, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TENTH DAY

St. Paul, Minnesota, Monday, February 4, 1991

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

### CALL OF THE SENATE

Mr. Benson, D.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. Julie Matula.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

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

Adkins	DeCramer	Johnston	Metzen	Renneke
Beckman	Dicklich	Kelly	Moe, R.D.	Riveness
Belanger	Finn	Knaak	Mondale	Sams
Benson, D.D.	Flynn	Kroening	Morse	Samuelson
Benson, J.E.	Frank	Laidig	Neuville	Solon
Berg	Frederickson, D.J.	Langseth	Novak	Spear
Berglin	Frederickson, D.R.	Larson	Olson	Storm
Bernhagen	Halberg	Lessard	Pariseau	Stumpf
Bertram	Hottinger	Luther	Piper	Traub
Brataas	Hughes	Marty	Pogemiller	Vickerman
Chmielewski	Johnson, D.E.	McGowan	Price	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Ranum	
Day	Johnson, J.B.	Merriam	Reichgott	

The President declared a quorum present.

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

### MEMBERS EXCUSED

Ms. Pappas was excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

January 30, 1991

The Honorable Robert E. Vanasek  
Speaker of the House of Representatives  
The Honorable Jerome M. Hughes

President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1991 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1991	Date Filed 1991
	47	2	10:50 a.m. January 30	January 30

Sincerely,  
Joan Anderson Growe  
Secretary of State

January 31, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**COMMISSIONER OF AGRICULTURE**

Elton Redalen, P.O. Box 110, Fountain, Fillmore County, Minnesota, has been appointed by me, effective January 10, 1991, for a term expiring on the first Monday in January, 1995.

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

January 31, 1991

Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**COMMISSIONER OF COMMERCE**

Bert McKasy, 716 Round Hill Road, Mendota Heights, Dakota County, Minnesota, has been appointed by me, effective January 14, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Commerce.)

January 31, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**CHAIR, METROPOLITAN COUNCIL**

Mary Anderson, 3030 Scott Avenue North, Golden Valley, Hennepin County, Minnesota, has been appointed by me, effective January 7, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Metropolitan Affairs.)

January 31, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**COMMISSIONER OF PUBLIC SAFETY**

Ralph Church, 2328 145th Avenue Northwest, Andover, Anoka County, Minnesota, has been appointed by me, effective January 7, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Transportation.)

January 31, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**COMMISSIONER OF PUBLIC SERVICE**

Krista Sanda, 1945 Oakdale Avenue, West St. Paul, Dakota County, Minnesota, has been appointed by me, effective January 7, 1991, for a term expiring on the first Monday in January, 1995.

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

January 31, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**COMMISSIONER OF REVENUE**

Dorothy McClung, 4370 Snelling Avenue North, St. Paul, Ramsey County, Minnesota, has been appointed by me, effective January 7, 1991, for a term expiring on the first Monday in January, 1995.

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

January 31, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**COMMISSIONER OF STATE PLANNING**

Linda Kohl, 2161 Arcade Street, St. Paul, Ramsey County, Minnesota, has been appointed by me, effective January 7, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Governmental Operations.)

January 31, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**COMMISSIONER OF VETERANS AFFAIRS**

Bernard Melter, 107 Village Avenue, Cannon Falls, Goodhue County, Minnesota, has been appointed by me, effective January 14, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Veterans and General Legislation.)

Warmest regards,  
Arne H. Carlson, Governor

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 14.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 31, 1991

**FIRST READING OF HOUSE BILLS**

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

H.F. No. 14: A resolution expressing support for the President and our armed forces in the conflict with Iraq; urging support for military families in the United States, and calling on the governor to declare a day of prayer for peace.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 30, now on General Orders.

**MOTIONS AND RESOLUTIONS**

Mr. Bertram moved that his name be stricken as a co-author to S.F. No. 23. The motion prevailed.

Mr. Larson moved that his name be stricken as a co-author to S.F. No. 24. The motion prevailed.

Mr. McGowan moved that his name be stricken as a co-author to S.F. No. 45. The motion prevailed.

Mr. Morse moved that the name of Mr. Mehrkens be added as a co-author to S.F. No. 76. The motion prevailed.

Mr. Kroening moved that his name be stricken as a co-author to S.F. No. 78. The motion prevailed.

Ms. Berglin moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 120. The motion prevailed.

Ms. Traub moved that her name be stricken as a co-author to S.F. No. 122. The motion prevailed.

Ms. Pappas moved that the name of Mr. Knaak be added as a co-author to S.F. No. 122. The motion prevailed.

Mr. Marty moved that the name of Mr. Kelly be added as a co-author to S.F. No. 130. The motion prevailed.

Mr. Marty moved that the name of Ms. Piper be added as a co-author to S.F. No. 137. The motion prevailed.

Mr. Finn introduced—

Senate Resolution No. 22: A Senate resolution congratulating Jeff Granger of Bemidji, Minnesota, for being named the 1990 Minnesota Conservation Officer of the Year.

Referred to the Committee on Rules and Administration.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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



Messrs. Sams, Storm, Vickerman and Ms. Berglin introduced—

S.F. No. 148: A bill for an act relating to human services; case management of persons with mental retardation or related conditions; authorizing alternative methods for delivery of services; proposing coding for new law in Minnesota Statutes, chapter 256B.

Referred to the Committee on Health and Human Services.

Mr. Moe, R.D. introduced—

S.F. No. 149: A bill for an act relating to taxation; allowing Mahnomon county and the city of Mahnomon to make special levies for the Mahnomon county hospital; amending Minnesota Statutes 1990, section 275.50, subdivision 5a.

Referred to the Committee on Taxes and Tax Laws.

Mr. Samuelson introduced—

S.F. No. 150: A bill for an act relating to human services; providing a three percent increase to persons who provide direct care or services to human services clients; appropriating money.

Referred to the Committee on Health and Human Services.

Messrs. Kroening, Bertram, Mrs. Pariseau, Messrs. Sams and Merriam introduced—

S.F. No. 151: A bill for an act relating to public safety; creating the Minnesota advisory council on fire protection systems; requiring licensing and certifying of the fire protection industry; providing for rules and an exemption; creating fire protection systems account; providing for fees; imposing a penalty; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 299M.

Referred to the Committee on Veterans and General Legislation.

Messrs. Mehrkens and DeCramer introduced—

S.F. No. 152: A bill for an act relating to education; permitting a referendum on combining school districts before formal cooperation begins; amending Minnesota Statutes 1990, section 122.243, subdivision 2.

Referred to the Committee on Education.

Messrs. Solon, Samuelson, Merriam and Metzen introduced—

S.F. No. 153: A bill for an act relating to health; providing for the establishment of a joint legislative study commission to study the educational programs for primary care at the University of Minnesota medical school; appropriating money.

Referred to the Committee on Education.

Mr. Merriam, Mrs. Pariseau, Messrs. Frank, DeCramer and Morse introduced—

S.F. No. 154: 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 1990, section 327C.095, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 327C.

Referred to the Committee on Economic Development and Housing.

Messrs. Samuelson, Vickerman, Finn, Sams and Ms. Piper introduced—

S.F. No. 155: A bill for an act relating to human services; authorizing counties to retain one-half of the nonfederal share of child support recoveries that are directly attributable to county effort; amending Minnesota Statutes 1990, section 256.019.

Referred to the Committee on Health and Human Services.

Messrs. Spear, Kelly, Luther, Knaak and Finn introduced—

S.F. No. 156: A bill for an act relating to judicial procedures; changing provisions relating to public defense; amending Minnesota Statutes 1990, sections 383B.32, subdivision 2; 383B.63, subdivision 6; 611.215; 611.23; 611.24; 611.26; 611.263; repealing Minnesota Statutes 1990, sections 383B.63, subdivision 1; 611.215, subdivision 4; 611.261; and Laws 1989, chapter 335, article 3, section 38.

Referred to the Committee on Judiciary.

Messrs. Hughes; Moe, R.D. and Ms. Olson introduced—

S.F. No. 157: A bill for an act relating to education; authorizing the state board of education to appoint the commissioner of education; amending Minnesota Statutes 1990, section 121.16, subdivision 1.

Referred to the Committee on Education.

Mr. Waldorf introduced—

S.F. No. 158: A bill for an act relating to education; providing for flagging of school records of missing children; proposing coding for new law in Minnesota Statutes, chapter 120.

Referred to the Committee on Education.

Mr. Waldorf introduced—

S.F. No. 159: A bill for an act relating to state government; administrative rulemaking; requiring the department of health to adopt rules to allow all licensed podiatrists to have the opportunity to become health maintenance organization participating entities.

Referred to the Committee on Health and Human Services.

Messrs. Berg; Benson, D.D.; Frederickson, D.J.; Moe, R.D. and Bernhagen introduced—

S.F. No. 160: A bill for an act relating to taxation; providing that sales of certain materials used for a reduced farm production program are exempt from the sales tax; amending Minnesota Statutes 1990, section 297A.25, subdivision 9.

Referred to the Committee on Taxes and Tax Laws.

Mr. Lessard introduced—

S.F. No. 161: A bill for an act relating to witnesses; providing an exception to the medical privilege in certain criminal cases; amending Minnesota Statutes 1990, section 595.02, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Lessard introduced—

S.F. No. 162: A bill for an act relating to the city of Nashwauk; authorizing an increase in benefits payable to surviving spouses by the police relief association; amending Laws 1943, chapter 196, section 4, as amended.

Referred to the Committee on Governmental Operations.

Mr. Solon introduced—

S.F. No. 163: A bill for an act relating to human services; establishing a penalty for delayed medical assistance payments; establishing presumptive eligibility for medical assistance applications; establishing a minimum wage adjustment for nursing home employees; clarifying rebasing methodology; identifying annual inflation factor determination for nursing homes; creating a deferred cost adjustment to nursing home operating costs; establishing limits for nursing home plant and maintenance expenses; authorizing additional funds for increased costs under the omnibus budget reconciliation act; clarifying exceptions to the Medicare distinct part requirements for nursing facilities; amending Minnesota Statutes 1990, sections 256B.03, by adding a subdivision; 256B.056, by adding a subdivision; 256B.431, subdivisions 2i, 2l, 3c, 8, and by adding subdivisions; and 256B.48, subdivision 6.

Referred to the Committee on Health and Human Services.

Messrs. Hughes and Price introduced—

S.F. No. 164: A bill for an act relating to the city of Maplewood; providing an exception from the police civil service system for the chief of police.

Referred to the Committee on Local Government.

Messrs. Price, Kelly, Luther, Novak and Dicklich introduced—

S.F. No. 165: A bill for an act relating to labor; regulating employment of children; establishing a child labor curfew; providing penalties; amending Minnesota Statutes 1990, sections 181A.04, by adding a subdivision; and 181A.12.

Referred to the Committee on Employment.

Messrs. Novak, Price, Ms. Traub, Messrs. Pogemiller and Belanger introduced—

S.F. No. 166: A bill for an act relating to taxation; reducing the property tax class rate applied to certain homesteads; amending Minnesota Statutes 1990, section 273.13, subdivision 22.

Referred to the Committee on Taxes and Tax Laws.

Ms. Johnston, Messrs. Lessard, Renneke, Samuelson and Mrs. Pariseau introduced—

S.F. No. 167: A resolution memorializing the President and Congress of the United States to enact full veteran benefits for military personnel called to active service, including those called from reserve and National Guard units.

Referred to the Committee on Veterans and General Legislation.

Messrs. Berg; Sams; Bertram; Benson, D.D. and Larson introduced—

S.F. No. 168: A resolution memorializing the Congress of the United States to propose an amendment to the United States Constitution, for ratification by the states, specifying that Congress and the states shall have the power to prohibit the physical desecration of the flag of the United States.

Referred to the Committee on Judiciary.

Messrs. Dicklich, Beckman, Mehrkens, Mses. Pappas and Reichgott introduced—

S.F. No. 169: A bill for an act relating to education; establishing grants for parent-to-parent support programs; appropriating money; amending Minnesota Statutes 1990, section 120.17, by adding a subdivision.

Referred to the Committee on Education.

Mr. Johnson, D.E.; Mrs. Benson, J.E.; Mr. Moe, R.D.; Mrs. Pariseau and Mr. Dahl introduced—

S.F. No. 170: A bill for an act relating to capital improvements; authorizing state bonds for maximum effort school loans for certain school districts; appropriating money.

Referred to the Committee on Education.

Messrs. Bertram; Benson, D.D.; Moe, R.D.; Ms. Johnson, J.B. and Mr. Sams introduced—

S.F. No. 171: A resolution memorializing the Congress of the United States to enact the POW/MIA truth bill, that relates to the disclosure of live sighting information on American service personnel missing in action from World War II, Korea, and Vietnam.

Referred to the Committee on Veterans and General Legislation.

Messrs. Bertram; Benson, D.D.; Moe, R.D.; Ms. Johnson, J.B. and Mr. Sams introduced—

S.F. No. 172: A resolution memorializing the Congress of the United States to continue funding of the POW/MIA special investigation that is being conducted by the United States Senate Foreign Relations Committee.

Referred to the Committee on Veterans and General Legislation.

Messrs. Chmielewski, Riveness and Ms. Ranum introduced—

S.F. No. 173: A bill for an act relating to public employees; defining the term “employee” for the purpose of the public employees labor relations act; amending Minnesota Statutes 1990, section 179A.03, subdivision 14.

Referred to the Committee on Governmental Operations.

Messrs. Dahl; Johnson, D.J.; Mehrkens and Larson introduced—

S.F. No. 174: A bill for an act relating to education; revising certain open enrollment deadlines; amending Minnesota Statutes 1990, section 120.062, subdivisions 4, 6, and 8a.

Referred to the Committee on Education.

Mr. Davis introduced—

S.F. No. 175: A bill for an act relating to taxation; exempting the city of Isle from certain tax increment financing provisions.

Referred to the Committee on Economic Development and Housing.

Mr. Hughes, Ms. Traub, Messrs. Dicklich, Dahl and Mehrkens introduced—

S.F. No. 176: A bill for an act relating to education; expanding early childhood family education programs and revenue to low-income children and their families; appropriating money; amending Minnesota Statutes 1990, sections 121.882, subdivision 6, and by adding a subdivision; 124.175; and 124.2711, subdivisions 1 and 4.

Referred to the Committee on Education.

Messrs. Berg, Bernhagen, Vickerman and Renneke introduced—

S.F. No. 177: A bill for an act relating to agriculture; abolishing the right of first refusal of an immediately preceding former owner who was a participant in the family farm security program; amending Minnesota Statutes 1990, section 500.24, subdivision 6.

Referred to the Committee on Agriculture and Rural Development.

Mr. Chmielewski introduced—

S.F. No. 178: A bill for an act relating to game and fish; providing for issuance and requiring display of black tags by deer hunters; amending Minnesota Statutes 1990, sections 97A.485, by adding a subdivision; and 97B.071.

Referred to the Committee on Environment and Natural Resources.

Messrs. Davis; Morse; Stumpf; Benson, D.D. and Bertram introduced—

S.F. No. 179: A bill for an act relating to taxation; modifying the method of determining agricultural market value for property tax purposes; amending Minnesota Statutes 1990, sections 124.2131, subdivision 1; 273.11, subdivision 1, and by adding a subdivision; and 273.111, subdivision 4; repealing Minnesota Statutes 1990, section 273.11, subdivision 10.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Morse; Benson, D.D.; Novak; Bernhagen and Price introduced—

S.F. No. 180: A bill for an act relating to taxation; exempting certain planting services from the sales tax; providing that certain sales of shrubbery, trees, plants, and sod are treated as contracts for the improvement of real property; amending Minnesota Statutes 1990, section 297A.01, subdivisions 3 and 4.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Benson, D.D.; Storm; Day; Mrs. Benson, J.E. and Mr. Neuville introduced—

S.F. No. 181: A bill for an act relating to insurance; accident and health; requiring the commissioner of commerce to administer health care plans for Minnesota residents who are not covered by other plans; establishing minimum benefits for these plans; allowing a tax credit for premiums paid for coverage; appropriating money; amending Minnesota Statutes 1990, sections 290.01, subdivision 19a; and 290.92, subdivisions 5 and 5a; proposing coding for new law in Minnesota Statutes, chapter 290; proposing coding for new law as Minnesota Statutes, chapter 62K.

Referred to the Committee on Health and Human Services.

Ms. Johnston introduced—

S.F. No. 182: A resolution memorializing in support of the President of the United States and the United States military personnel stationed in the Persian Gulf region and their families.

Referred to the Committee on Veterans and General Legislation.

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

S.F. No. 183: A bill for an act relating to taxation; authorizing an increase in the special levy for income maintenance and social services in Swift county.

Referred to the Committee on Taxes and Tax Laws.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, February 7, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## ELEVENTH DAY

St. Paul, Minnesota, Thursday, February 7, 1991

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

### CALL OF THE SENATE

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

Prayer was offered by Senator Donald A. Storm.

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

Adkins	Davis	Johnson, D.E.	McGowan	Reichgott
Beckman	Day	Johnson, D.J.	Merriam	Renneke
Belanger	DeCramer	Johnson, J.B.	Metzen	Riveness
Benson, D.D.	Dicklich	Johnston	Mondale	Sams
Benson, J.E.	Finn	Kelly	Morse	Samuelson
Berg	Flynn	Knaak	Neuville	Spear
Berglin	Frank	Kroening	Novak	Storm
Bernhagen	Frederickson, D.J.	Laidig	Olson	Stumpf
Bertram	Frederickson, D.R.	Langseth	Pappas	Traub
Brataas	Gustafson	Larson	Pariseau	Vickerman
Chmielewski	Halberg	Lessard	Pogemiller	Waldorf
Cohen	Hottinger	Luther	Price	
Dahl	Hughes	Marty	Ranum	

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

Ms. Piper, Messrs. Moe, R.D.; Mehrkens and Solon were excused from the Session of today. Mrs. Brataas was excused from the Session of today at 2:30 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

January 24, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**MEMBER, TRANSPORTATION REGULATION BOARD**

Richard Helgeson, 13516 Clinton Place, Burnsville, Dakota County, Minnesota, has been appointed by me, effective January 7, 1991, for a term expiring on the first Monday in January, 1997.

(Referred to the Committee on Transportation.)

January 31, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**COMMISSIONER OF EDUCATION**

Gene Mammenga, 2172 Woodlyn Avenue, Maplewood, Ramsey County, Minnesota, has been appointed by me, effective January 7, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Education.)

January 31, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**COMMISSIONER OF FINANCE**

John Gunyou, 5208 James Avenue South, Minneapolis, Hennepin County, Minnesota, has been appointed by me, effective January 7, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Finance.)

January 31, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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



**COMMISSIONER OF NATURAL RESOURCES**

Rodney Sando, Route 1, Box 771, Chisago City, Chisago County, Minnesota, has been appointed by me, effective January 7, 1991, for a term expiring on the first Monday in January, 1995.

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

January 31, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**COMMISSIONER OF TRADE AND ECONOMIC DEVELOPMENT**

E. Peter Gillette, 2309 East Lake of the Isles Parkway, Minneapolis, Hennepin County, Minnesota, has been appointed by me, effective February 1, 1991, for a term expiring on the first Monday in January, 1995.

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

Warmest regards,  
Arne H. Carlson, Governor

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 54 and 57.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 4, 1991

**FIRST READING OF HOUSE BILLS**

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

H.F. No. 54: A bill for an act relating to juries; requiring persons who are 75 years or older and impaired to be excused from jury service upon request; proposing coding for new law in Minnesota Statutes, chapter 593.

Referred to the Committee on Judiciary.

H.F. No. 57: A bill for an act relating to taxation; property; making technical corrections to, and clarifications to, the calculation of certain special levies, the calculation of the levy limit base, the calculation of the amount of market value reductions in certain property tax discrimination actions, certain special levy referendum provisions, and to the effective dates of certain aid reductions; amending Minnesota Statutes 1990, sections 275.50, subdivision 5; 275.51, subdivision 3f; and 278.05, subdivision 4; Laws 1990, chapter 604, article 3, sections 49, subdivision 3; 50, subdivision 3; 51, subdivision 3; 59, subdivision 2; and 61, subdivision 2; and

article 4, section 22.

Referred to the Committee on Taxes and Tax Laws.

### REPORTS OF COMMITTEES

Mr. Luther moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 7. The motion prevailed.

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

S.F. No. 7: A bill for an act relating to liquor; authorizing the possession or use of alcoholic beverages at a private school under certain conditions; amending Minnesota Statutes 1990, section 624.701, 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 1990, section 624.701, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise provided in subdivision 1a, any person who introduces or possesses an alcoholic beverage, as defined in section 340A.101, on any *public elementary or secondary school ground*; or in any ~~schoolhouse or public elementary or secondary school building~~; is guilty of a misdemeanor.

Sec. 2. Minnesota Statutes 1990, section 624.701, subdivision 1a, is amended to read:

Subd. 1a. [EXCEPTIONS.] Subdivision 1 does not apply to the following:

- (1) experiments in laboratories;
- (2) ~~those organizations~~ a person who ~~have~~ has been issued a temporary licenses license to sell nonintoxicating malt liquor pursuant to under section 340A.403, subdivision 2, or intoxicating liquor under section 340A.404, subdivision 10; or
- (3) ~~any~~ a person possessing nonintoxicating malt liquor or intoxicating liquor as a result of a purchase from ~~those organizations~~ a person or organization holding a temporary licenses pursuant to license under section 340A.403, subdivision 2, or 340A.404, subdivision 10
- (4) ~~the possession or use of alcoholic beverages in an alcohol use awareness program that is held at a post-secondary school, sponsored or approved by the school, and limited to persons 21 years old or older.~~

Sec. 3. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective the day following final enactment and apply to actions occurring on or after that date.”*

Delete the title and insert:

“A bill for an act relating to crimes; clarifying that alcoholic beverages are prohibited in public elementary and secondary schools; amending Minnesota Statutes 1990, section 624.701, subdivisions 1 and 1a.”

And when so amended the bill do pass. Mr. Metzen questioned the reference thereon and, under Rule 35, the bill was referred to the Committee

on Rules and Administration.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 14 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
14	30				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 14 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 14 and insert the language after the enacting clause of S.F. No. 30, the first engrossment; further, delete the title of H.F. No. 14 and insert the title of S.F. No. 30, the first engrossment.

And when so amended H.F. No. 14 will be identical to S.F. No. 30, and further recommends that H.F. No. 14 be given its second reading and substituted for S.F. No. 30, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was referred

S.F. No. 141: A bill for an act relating to human services; delaying the effective date of the moratorium on new negotiated rate facility agreements.

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

## **SECOND READING OF SENATE BILLS**

S.F. No. 141 was read the second time.

## **SECOND READING OF HOUSE BILLS**

H.F. No. 14 was read the second time.

## **MOTIONS AND RESOLUTIONS**

Mr. Vickerman moved that his name be stricken as a co-author to S.F. No. 24. The motion prevailed.

Mr. Frank moved that his name be stricken as a co-author to S.F. No. 24. The motion prevailed.

Mr. Chmielewski moved that his name be stricken as a co-author to S.F. No. 49. The motion prevailed.

Mr. Davis moved that the name of Mr. Chmielewski be added as a co-author to S.F. No. 79. The motion prevailed.

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

to S.F. No. 113. The motion prevailed.

Mr. Sams moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 148. The motion prevailed.

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

Ms. Johnson, J.B. moved that her name be stricken as a co-author to S.F. No. 171. The motion prevailed.

Mr. Sams moved that his name be stricken as a co-author to S.F. No. 172. The motion prevailed.

Mr. Solon moved that S.F. No. 147 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Commerce. The motion prevailed.

Mr. Bernhagen introduced—

Senate Resolution No. 23: A Senate resolution congratulating the Hutchinson High School Bicentennial Team for winning the 1991 Minnesota championship in the National Bicentennial Competition on the Constitution and Bill of Rights.

Referred to the Committee on Rules and Administration.

Mr. Price introduced—

Senate Resolution No. 24: A Senate resolution congratulating Shannon Scibilia, a Senior at Park High School, on being named to the National Soccer Coaches Association of American/Metropolitan Life Secondary School Girls' All-America Team.

Referred to the Committee on Rules and Administration.

### SUSPENSION OF RULES

Mr. Luther 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. 14 and that the rules of the Senate be so far suspended as to give H.F. No. 14, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 14: A resolution supporting the President of the United States and the United States military personnel stationed in the Persian Gulf region and their families.

Ms. Pappas moved that the amendment made to H.F. No. 14 by the Committee on Rules and Administration in the report adopted February 7, 1991, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Ms. Pappas moved to amend H.F. No. 14 as follows:

Page 2, line 3, delete "joins the" and insert "supports the President in negotiating a peaceful settlement of the conflict."

Page 2, delete lines 4 to 6

Amend the title as follows:

Page 1, line 2, delete "the President and"

Page 1, line 4, delete "and"

Page 1, line 5, before the period, insert ", and supporting the President in negotiating a peaceful settlement"

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.E. moved to amend H.F. No. 14 as follows:

Page 1, line 14, delete "may" and insert "approximately 2,400 from Minnesota have"

The motion prevailed. So the amendment was adopted.

H.F. No. 14 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the resolution, as amended.

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.J.	Merriam	Renneke
Beckman	DeCramer	Johnson, J.B.	Metzen	Rivness
Belanger	Dicklich	Johnston	Mondale	Sams
Benson, D.D.	Finn	Kelly	Morse	Samuelson
Benson, J.E.	Flynn	Knaak	Neuville	Spear
Berg	Frank	Kroening	Novak	Storm
Berglin	Frederickson, D.J.	Laidig	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Langseth	Pappas	Traub
Bertram	Gustafson	Larson	Pariseau	Vickerman
Chmielewski	Halberg	Lessard	Pogemiller	Waldorf
Cohen	Hottinger	Luther	Price	
Dahl	Hughes	Marty	Ranum	
Davis	Johnson, D.E.	McGowan	Reichgott	

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

## INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Knaak; Frederickson, D.R.; Storm and Metzen introduced—

S.F. No. 184: A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

Referred to the Committee on Health and Human Services.

Messrs. Bertram; Benson, D.D.; Johnson, D.E. and Ms. Johnson, J.B. introduced—

S.F. No. 185: A bill for an act relating to elections; requiring absentee ballots to be prepared and delivered at least 40 days before an election; amending Minnesota Statutes 1990, section 204B.35, subdivision 4.

Referred to the Committee on Elections and Ethics.

Messrs. Kelly, Stumpf, Laidig, Knaak and Luther introduced—

S.F. No. 186: A bill for an act relating to eminent domain; allowing entry onto land for examination purposes before beginning eminent domain proceedings; amending Minnesota Statutes 1990, section 117.041.

Referred to the Committee on Judiciary.

Mr. Spear, Ms. Berglin, Messrs. Belanger, Samuelson and Cohen introduced—

S.F. No. 187: A bill for an act relating to mental health; authorizing competent persons to make advance declarations regarding mental health treatment; amending Minnesota Statutes 1990, section 253B.03.

Referred to the Committee on Judiciary.

Ms. Ranum, Messrs. Novak and Solon introduced—

S.F. No. 188: A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

Referred to the Committee on Health and Human Services.

Messrs. Vickerman; Johnson, D.J.; Mrs. Adkins and Mr. Dicklich introduced—

S.F. No. 189: A bill for an act proposing an amendment to the Minnesota Constitution, article I, adding a section to provide that the right to keep and bear arms shall not be abridged.

Referred to the Committee on Judiciary.

Messrs. Vickerman, Beckman, Davis and Mrs. Adkins introduced—

S.F. No. 190: A resolution memorializing the President and Congress to propose an amendment to the United States Constitution giving Congress and the states the power to prohibit physical desecration of the United States flag.

Referred to the Committee on Judiciary.

Messrs. Beckman; Moe, R.D.; Davis; Benson, D.D. and Vickerman introduced—

S.F. No. 191: A bill for an act relating to health; modifying the distribution of money from the emergency medical services fund; requiring a study of basic and advanced life support reimbursement; requiring a study of ambulance subscription plans; amending Minnesota Statutes 1990, section 144.8093, subdivisions 2 and 4.

Referred to the Committee on Health and Human Services.

Mr. Bertram introduced—

S.F. No. 192: A bill for an act relating to retirement; providing for reduction of judges' retirement benefits by an amount equal to half of social security benefits only upon the receipt of social security benefits by judges; amending Minnesota Statutes 1990, section 490.129.

Referred to the Committee on Governmental Operations.

Messrs. Finn; Frederickson, D.J. and Stumpf introduced—

S.F. No. 193: A bill for an act relating to courts; allowing counties with chambered judges to retain the judicial position; recognizing adequate access to the courts as a factor in determining whether a judicial position should remain or be abolished or transferred; amending Minnesota Statutes 1990, section 2.722, subdivision 4.

Referred to the Committee on Judiciary.

Messrs. Frank, Marty, Ms. Pappas, Mr. Kroening and Ms. Piper introduced—

S.F. No. 194: A bill for an act relating to dislocated workers; revoking the sunset provision on the dislocated worker fund; repealing Laws 1990, chapter 568, article 6, section 4.

Referred to the Committee on Employment.

Mr. Bertram introduced—

S.F. No. 195: A bill for an act relating to drivers' licenses; clarifying procedure for review of driver's license revocation or disqualification under implied consent law; defining farm truck for purposes of driver's license classifications; restricting exemption for drivers of certain federal vehicles from requirement to possess commercial driver's license; clarifying offenses for which driver may be disqualified from holding commercial driver's license; amending Minnesota Statutes 1990, sections 169.123, subdivision 5c; 171.01, by adding a subdivision; 171.02, subdivision 2; 171.03; and 171.165, subdivision 3.

Referred to the Committee on Transportation.

Messrs. Beckman, Davis, Vickerman, Renneke and Bernhagen introduced—

S.F. No. 196: A bill for an act relating to economic development; specifying that money transferred or appropriated to the capital access program account is appropriated to the commissioner of trade and economic development; amending Minnesota Statutes 1990, section 116J.8765, by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Messrs. Vickerman; DeCramer; Johnson, D.E.; Mehrkens and Chmielewski introduced—

S.F. No. 197: A bill for an act relating to highways; requiring notice to town boards of town roads proposed to be used as temporary trunk highway detours or haul roads and providing for restoration of those roads; amending Minnesota Statutes 1990, sections 161.24, subdivision 3; and 161.25; proposing coding for new law in Minnesota Statutes, chapter 161.

Referred to the Committee on Transportation.

Mses. Berglin and Flynn introduced—

S.F. No. 198: A bill for an act relating to consumer protection; prohibiting the provision of a credit card number as a condition of check cashing or acceptance; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

Mr. Vickerman, Mses. Flynn, Traub, Messrs. Storm and Hughes introduced—

S.F. No. 199: A bill for an act relating to occupations and professions; establishing the professional counseling licensing board; requiring professional counselors to be licensed; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 148A.01, subdivision 5; 148B.01, subdivision 6, and by adding a subdivision; 148B.02, subdivision 1; 148B.40, subdivision 3; 214.01, subdivision 2; 214.04, subdivision 3; and 609.341, subdivision 17; proposing coding for new law in Minnesota Statutes, chapter 148B.

Referred to the Committee on Health and Human Services.

Mr. Merriam introduced—

S.F. No. 200: A bill for an act relating to appropriations; appropriating money to the department of finance for certain data search and copying expense; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Finance.

Ms. Berglin introduced—

S.F. No. 201: A bill for an act relating to health; modifying medical assistance coverage of abortion services; appropriating money; amending Minnesota Statutes 1990, section 256B.0625, subdivision 16.

Referred to the Committee on Health and Human Services.



Messrs. Dahl, Solon, Samuelson, Mrs. Pariseau and Mr. Belanger introduced—

S.F. No. 202: A bill for an act relating to occupations and professions; requiring residential building contractors, remodelers, and specialty contractors to be licensed by the state; establishing a builders state advisory council; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Commerce.

Mr. Bernhagen introduced—

S.F. No. 203: A bill for an act relating to education; providing for operating fund deficits in certain cases involving certain cooperating and combining districts; amending Minnesota Statutes 1990, section 124.2725, by adding a subdivision.

Referred to the Committee on Education.

Messrs. Marty, Luther and Cohen introduced—

S.F. No. 204: A bill for an act relating to consumer protection; regulating consumer credit information procedures; providing for the regulation of credit service organizations; providing penalties; proposing coding for new law in Minnesota Statutes, chapters 325G and 332.

Referred to the Committee on Commerce.

Messrs. Solon, Metzen, Mrs. Brataas, Messrs. Kelly and Cohen introduced—

S.F. No. 205: A bill for an act relating to insurance; modifying the allowable delinquency and related charges in premium finance agreements; amending Minnesota Statutes 1990, section 59A.10.

Referred to the Committee on Commerce.

Mrs. Pariseau, Messrs. McGowan and Halberg introduced—

S.F. No. 206: A bill for an act relating to crime; expanding the crime of disorderly conduct to cover certain offensive, obscene, or abusive conduct; amending Minnesota Statutes 1990, section 609.72, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Beckman, Morse, Renneke, Davis and Bertram introduced—

S.F. No. 207: A resolution memorializing the Board of Regents of the University of Minnesota to postpone its decision on whether to close the Waseca campus.

Referred to the Committee on Education.

Messrs. Mehrkens, Langseth, Chmielewski, Vickerman and Mrs. Benson, J.E. introduced—

S.F. No. 208: A bill for an act relating to motor vehicles; providing for seven-year, in transit license plates for motor vehicle dealers; amending

Minnesota Statutes 1990, sections 168.12, subdivision 1; 168.27, subdivisions 16 and 17; and 297B.035, subdivision 2.

Referred to the Committee on Transportation.

Mr. Kelly, Ms. Pappas, Messrs. Dicklich, Dahl and Knaak introduced—

S.F. No. 209: A bill for an act relating to education; increasing the number of required days of school in steps; amending Minnesota Statutes 1990, sections 120.101, subdivision 5, and by adding subdivisions; 120.64, subdivision 4; 124.17, subdivision 1; and 124.19, subdivisions 1, 4, and 7.

Referred to the Committee on Education.

Messrs. Sams, Vickerman, Chmielewski, Frank and Bertram introduced—

S.F. No. 210: A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

Referred to the Committee on Health and Human Services.

Messrs. Samuelson, Vickerman, Sams, Ms. Berglin and Mr. Metzen introduced—

S.F. No. 211: A bill for an act relating to human services; reducing the required parental contribution toward the cost of services to children; amending Minnesota Statutes 1990, section 252.27, subdivision 2a.

Referred to the Committee on Health and Human Services.

Messrs. Finn, Sams, Neuville and Ms. Ranum introduced—

S.F. No. 212: A bill for an act relating to drivers' licenses; extending waiting period for person to receive limited driver's license who has been convicted of manslaughter or criminal negligence with a motor vehicle; amending Minnesota Statutes 1990, section 171.30, subdivision 2, and by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Johnson, D.E.; Berg; Samuelson; Larson and Frederickson, D.J. introduced—

S.F. No. 213: A bill for an act relating to municipal tort liability; specifying liability for injuries caused by beach and swimming pool equipment; amending Minnesota Statutes 1990, section 466.03, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Frederickson, D.J.; DeCramer; Johnson, D.E. and Mondale introduced—

S.F. No. 214: A bill for an act relating to motor fuels; changing the payment for ethanol production; providing that gasoline sold in Minnesota must be blended with ethanol; amending Minnesota Statutes 1990, sections 41A.09, subdivision 3; and 239.76, by adding a subdivision; repealing Minnesota Statutes 1990, section 41A.09, subdivision 6.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Chmielewski, Bertram, Vickerman, Bernhagen and Mrs. Pariseau introduced—

S.F. No. 215: A bill for an act relating to taxation; exempting road maintenance vehicles purchased by towns from payment of the motor vehicle excise tax; amending Minnesota Statutes 1990, section 297B.03.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 216: A bill for an act relating to alcoholic beverages; allowing proof of age by means of a Canadian consumption card; amending Minnesota Statutes 1990, section 340A.503, subdivision 6.

Referred to the Committee on Judiciary.

Mr. Langseth introduced—

S.F. No. 217: A bill for an act relating to highways; adding route to the state highway system.

Referred to the Committee on Transportation.

Messrs. Lessard and Price introduced—

S.F. No. 218: A bill for an act relating to the environment; pollution control agency; conforming certain rulemaking procedures to the administrative procedure act; providing for junk yard investigations; permitting collection of money for household hazardous waste programs; providing for a charge for training program fees and for computer use; amending Minnesota Statutes 1990, sections 115.44, subdivisions 4, 6, and 7; 115A.96, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 115A and 116.

Referred to the Committee on Environment and Natural Resources.

Messrs. Dahl, Merriam and Ms. Johnson, J.B. introduced—

S.F. No. 219: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water or natural wetlands in Anoka county.

Referred to the Committee on Environment and Natural Resources.

Mr. Waldorf introduced—

S.F. No. 220: A bill for an act relating to human services; providing for downsizing of certain community facilities; appropriating money; amending Minnesota Statutes 1990, sections 252.46, subdivision 4; 256B.092, subdivision 7; and 256B.501, subdivision 3b; proposing coding for new law in Minnesota Statutes, chapter 252.

Referred to the Committee on Health and Human Services.

Ms. Berglin, Messrs. Merriam, Vickerman and McGowan introduced—

S.F. No. 221: A bill for an act relating to children; establishing procedures for the placement and removal of children in foster homes; proposing coding for new law in Minnesota Statutes, chapter 257.

Referred to the Committee on Health and Human Services.

Messrs. Samuelson, Vickerman, Knaak, Mses. Piper and Flynn introduced—

S.F. No. 222: A bill for an act relating to health; requiring licensed optometrists to be certified by the board of optometry to prescribe legend drugs; authorizing the prescription of legend drugs by licensed optometrists who are board certified; amending Minnesota Statutes 1990, sections 148.572; 148.574; and 151.01, subdivision 23; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Health and Human Services.

Messrs. Larson, Day, Mrs. Benson, J.E. and Ms. Johnston introduced—

S.F. No. 223: A bill for an act relating to education; increasing the formula allowance; changing AFDC unit weighting; requiring a rule on elementary school preparation time; amending Minnesota Statutes 1990, sections 124.17, subdivision 1b; and 124A.22, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Messrs. Luther and Marty introduced—

S.F. No. 224: A bill for an act relating to the public defender; providing who is eligible to be represented by the public defender; authorizing good conduct reduction of sentence for persons serving terms in local correctional facilities as a condition of probation; amending Minnesota Statutes 1990, sections 590.05; 611.14; 611.18; 611.25, subdivision 1; and 643.29, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Luther, Hughes, Pogemiller and Marty introduced—

S.F. No. 225: A bill for an act relating to elections and government ethics; reducing the contribution limits to constitutional officer candidates; limiting preprimary expenditures to the spending limit; including cost of food and

beverages for volunteers as a noncampaign disbursement; reducing the public subsidy to unopposed candidates; requiring candidates to file a campaign spending report 30 days before the general election; increasing late filing fees; requiring lobbyists to report names and addresses of principals; providing for administrative enforcement of the prohibition on fundraising during legislative sessions; requiring reporting of the sum of noncampaign disbursements; requiring the reporting of last-minute loans; imposing a late filing fee for failing to correct incorrect documents; providing for withholding of public subsidy for filing a false affidavit of matching funds; requiring candidates for county attorney to be licensed to practice law in Minnesota; amending Minnesota Statutes 1990, sections 6.76; 10A.01, subdivisions 10, 10c, 25, and 26; 10A.02, subdivision 9; 10A.03, subdivision 2; 10A.04, subdivisions 5, 6, and 7; 10A.065, subdivision 3, and by adding a subdivision; 10A.09, subdivisions 2, 6a, and 7; 10A.20, subdivisions 2, 3, 5, and 12; 10A.23; 10A.25, subdivisions 5, 7, 10, and by adding a subdivision; 10A.255, subdivision 3; 10A.27, subdivision 1; 10A.30, subdivision 2; 10A.31, subdivisions 3, 10, and by adding a subdivision; 10A.322, subdivisions 1 and 4; 10A.323; 10A.324, subdivision 3; 10A.43, subdivisions 3 and 4; 10A.44, subdivision 4; 201.091, subdivision 4; 204B.06, subdivision 4; 204C.32, subdivision 2; 204C.33, subdivision 3; 290.06, subdivision 23; 383B.053, subdivision 1; and 388.01.

Referred to the Committee on Elections and Ethics.

#### ADJOURNMENT

Mr. Luther moved that the Senate do now adjourn until 2:00 p. m., Monday, February 11, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

**TWELFTH DAY**

St. Paul, Minnesota, Monday, February 11, 1991

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

**CALL OF THE SENATE**

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

Prayer was offered by the Chaplain, Rev. Thaddeus Wojcik.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

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

Adkins	Davis	Johnson, J.B.	Metzen	Renneke
Beckman	Day	Johnston	Moe, R. D.	Riveness
Belanger	DeCramer	Kelly	Mondale	Sams
Benson, D.D.	Dicklich	Knaak	Morse	Samuelson
Benson, J.E.	Finn	Kroening	Neuville	Solon
Berg	Flynn	Laidig	Novak	Spear
Berglin	Frank	Langseth	Olson	Storm
Bernhagen	Frederickson, D.J.	Larson	Pappas	Stumpf
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Pogemiller	Vickerman
Chmielewski	Hottinger	Marty	Price	Waldorf
Cohen	Hughes	McGowan	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

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

**MEMBERS EXCUSED**

Mr. Frederickson, D.R. and Ms. Piper were excused from the Session of today.

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

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

January 31, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**COMMISSIONER OF HUMAN SERVICES**

Natalie Haas Steffen, 7007 Northwest 164th Avenue, Ramsey, Anoka County, Minnesota, has been appointed by me, effective January 23, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Health and Human Services.)

Warmest regards,  
Arne H. Carlson, Governor

February 6, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Senator Hughes:

I respectfully request the opportunity to address a joint session of the House and Senate of the 77th Session of the Minnesota Legislature on Wednesday, February 20, 1991, at noon, for the purpose of presenting my budget message to the Legislature.

Warmest regards,  
Arne H. Carlson, Governor

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to inform the Senate that the House of Representatives invites and is ready to meet with the Senate at 11:45 a.m., Wednesday, February 20, 1991, to receive the budget message of the Honorable Arne H. Carlson, Governor of the State of Minnesota, said budget message to be delivered at 12:00 noon, Wednesday, February 20, 1991.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 7, 1991

Mr. Moe, R.D. moved that the Senate accede to the request of the House of Representatives to meet in Joint Convention in the House Chamber at 11:45 a.m., Wednesday, February 20, 1991, to receive the budget message of the Honorable Arne H. Carlson, Governor of the State of Minnesota. The motion prevailed.

Mr. President:

I have the honor to announce that the House has appointed a committee of five members of the House to act with a similar committee on the part of the Senate to escort the Governor to the Joint Convention to be held in the House Chamber, Wednesday, February 20, 1991, said Joint Convention to be convened at 11:45 a.m. and said budget message of the Governor to

be delivered at 12:00 noon.

Jennings, Chair; Farrell; Hanson; Ozment and Sviggum have been appointed as members of such committee on the part of the House.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 7, 1991

### REPORTS OF COMMITTEES

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

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

S.F. No. 18: A bill for an act relating to taxation; property; allowing Pope county a special levy for certain purposes.

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

Page 1, after line 4, insert:

“Section 1. Minnesota Statutes 1990, section 275.50, subdivision 5a, is amended to read:

Subd. 5a. [SPECIAL LEVIES; LOCAL.] “Special levies” also includes those portions of ad valorem taxes levied by the following governmental subdivisions for the years and purposes given in the cited laws:

(1) Goodhue county for the county historical society as provided in Laws 1990, chapter 604, article 3, section 50;

(2) the city of Windom for a municipal hospital as provided in Laws 1990, chapter 604, article 3, section 51;

(3) Koochiching county for ambulance service as provided in Laws 1990, chapter 604, article 3, section 52;

(4) Douglas county for solid waste management as provided in Laws 1990, chapter 604, article 3, section 53;

(5) the city of Bemidji and Beltrami county to pay bonds for an airport terminal as provided in Laws 1990, chapter 604, article 3, section 57;

(6) Ramsey county to pay bonds for a facility for the arts and sciences as provided in Laws 1990, chapter 604, article 3, section 58;

(7) the city of Rosemount for an armory as provided in Laws 1990, chapter 604, article 3, section 59;

(8) the cities of Maple Grove, Brooklyn Park, Brooklyn Center, and Coon Rapids for peace officer salaries and benefits as provided in Laws 1990, chapter 604, article 3, section 60; ~~and~~

(9) a city described in and for debt service as provided in Laws 1990, chapter 604, article 3, section 61; *and*

(10) *Pope county for solid waste management as provided in section 2.”*



Page 1, line 20, delete "*section 1 is*" and insert "*sections 1 and 2 are*"  
Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "purposes" insert "; amending Minnesota Statutes 1990, section 275.50, subdivision 5a"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 149: A bill for an act relating to taxation; allowing Mahnomen county and the city of Mahnomen to make special levies for the Mahnomen county hospital; amending Minnesota Statutes 1990, section 275.50, subdivision 5a.

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

Page 2, line 11, after "*county*" insert "*and village*"

Page 2, line 17, after "*county*" insert "*and village*"

Page 2, line 33, delete "*or*" and insert "*and*"

Page 3, line 17, after "*county*" insert "*and village*"

Page 3, line 33, delete "*or*" and insert "*and*"

Amend the title as follows:

Page 1, line 4, after "*county*" insert "*and village*"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 106: A bill for an act relating to property; permitting name or identity change of corporate mortgagee or assignee of mortgagee in the recital in a mortgage satisfaction or release to be recorded without further evidence of name or identity change; clarifying application of language regulating distributions to a testamentary trustee; amending Minnesota Statutes 1990, section 524.3-913; proposing coding for new law in Minnesota Statutes, chapter 507.

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

Page 1, line 19, after "*release*" insert "*that is otherwise recordable and*" and delete "*recites*" and insert "*specifies*"

Page 1, line 20, delete "*acknowledgement*" and insert "*acknowledgment the merger, consolidation, amendment, or conversion event causing*" and delete "*of*" and insert "*in*"

Page 1, line 21, delete "*It*" and insert "*The satisfaction or release*"

Page 1, line 25, delete "*it*" and insert "*the satisfaction or release*"

Page 1, line 28, before the period, insert ", *and the county recorder and*

*the registrar of titles shall rely upon it to satisfy or release the mortgage”*

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. 107: A bill for an act relating to marriage; providing alternate forms of marriage solemnization; amending Minnesota Statutes 1990, section 517.18.

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

Page 1, line 8, after “SOLEMNIZATION” insert “; *SPECIAL PROVISIONS*”

Page 1, line 10, strike “the people called Friends or Quakers” and after the stricken comma, insert “*members of the Society of Friends*”

Page 2, delete lines 10 to 15 and insert:

*“Subd. 4a. [HMONG.] Marriages may be solemnized among Hmong according to the form and usage of Hmong culture. The Mej Koob, the traditional negotiators who arranged the marriage, or other Hmong persons solemnizing a marriage under this subdivision, shall attach to the marriage certificate an affidavit stating they have read and understand the requirements of this chapter.”*

Page 2, line 17, strike “the” and insert “*other*”

Page 2, line 18, delete “*chapter 517*” and insert “*this chapter*”

Page 2, line 20, delete “*one month*” and insert “*30 days*”

Page 2, delete lines 31 to 36 and insert:

*“For marriages solemnized under subdivision 4a, the solemnizer shall deliver the certificate with the attached affidavit required by subdivision 4a.*

Sec. 2. [RETROACTIVITY.]

*Marriages performed in Minnesota in a manner described in section 1, subdivision 3 or 4a, but prior to the effective date of this act, may be retroactively validated within one year of the effective date of this act, if the parties obtain a marriage license, the marriage meets all other requirements of Minnesota Statutes, chapter 517, and a certificate of marriage is signed by the parties and six witnesses present at the original ceremony. Notwithstanding the requirements of Minnesota Statutes, section 517.07, a marriage license obtained in order to comply with this section is valid even though it is obtained after the marriage was solemnized. The certificate must state the original date of marriage and must otherwise be filed under section 1, subdivision 6.”*

Page 3, delete lines 1 to 4

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 6: A bill for an act relating to insurance; clarifying policy requirement provisions relating to Medicare supplement insurance plans; amending Minnesota Statutes 1990, section 62A.31, subdivision 1.

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 90: A bill for an act relating to financial institutions; authorizing state banks to acquire eligible savings associations and operate them as detached facilities; amending Minnesota Statutes 1990, section 49.34, 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. [49.341] [STATE BANK ACQUISITION OF ELIGIBLE SAVINGS ASSOCIATION.]

*Subdivision 1. [SAVINGS ASSOCIATION.] (a) For purposes of this section, “savings association” means a federally chartered savings bank or savings and loan association or state chartered savings bank or savings association with deposits that are insured by the Federal Deposit Insurance Corporation and which meets one of the following conditions:*

*(1) a conservator, receiver, or liquidator has been appointed through an adjudication or other official determination of a court of competent jurisdiction, the commissioner, or the appropriate federal banking agency; or*

*(2) the savings association fails to meet the minimum applicable capital requirements established by law or regulation promulgated by its principal federal or state regulator.*

*(b) The determination as to whether a savings association fails to meet minimum applicable capital requirements must be made without regard to the following conditions:*

*(1) the savings association has been granted a forbearance or other relief from statutory, regulatory, or other capital requirements by a federal or state regulator;*

*(2) the savings association has submitted a plan to meet applicable capital requirements or standards over a period of time to a federal or state regulator; or*

*(3) a federal or state regulator has approved the capital plan described in clause (2).*

*Subd. 2. [AUTHORIZATION TO ACQUIRE.] (a) Notwithstanding the numerical or geographic limitations and consent requirements of section 47.52, a state bank may acquire a savings association through merger, consolidation, or purchase of assets and assumption of liabilities under the following conditions:*

*(1) the commissioner has approved the acquisition;*

*(2) the purpose of the acquisition is to convert the main office and any*

*branches of the main office or any branch of the savings association, the assets of which have been acquired and liabilities assumed by the state bank, into detached facilities of the acquiring bank; and*

*(3) the savings association was established and operated before August 9, 1989.*

*(b) Sections 49.35 to 49.41 apply to the consolidation or merger of a capital stock savings association and a state bank. Minnesota Statutes relating to state banks and this section apply to the governance and operation of the consolidated or merged bank. A savings association that is a mutual association may be acquired directly through the purchase of assets and assumption of liabilities. Minnesota Statutes relating to state banks and this section apply to the governance of the acquiring state bank.*

*(c) Subject to the limitations and conditions as the commissioner may prescribe, the commissioner may permit a state bank which has acquired a savings association as provided in this section to retain and carry at a valuation determined by the commissioner any assets or investments of the savings association and to engage in any activities of the savings association not otherwise permitted to state banks.*

*Subd. 3. [OPERATION OF SAVINGS ASSOCIATION BRANCH.] A state bank that has acquired a branch of a savings association as provided under this section may establish and operate any branch of the savings association acquired by the state bank as a detached facility of the bank, notwithstanding the geographic or numerical limitations and consent requirements of section 47.52, or that the branch was closed due to the failure of the banks whose principal offices are located in the same municipality to consent to the establishment of a detached facility as required under section 47.52. The state bank must establish the detached facility as provided in this subdivision within 18 months of the date of acquisition of the savings association branch.*

**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 financial institutions; authorizing state banks to acquire eligible savings associations and operate them as detached facilities; proposing coding for new law in Minnesota Statutes, chapter 49."*

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 85: A bill for an act relating to consumer protection; regulating automatic garage door opening systems; amending Minnesota Statutes 1990, sections 325F.82, subdivision 2, and by adding a subdivision; and 325F.83, subdivisions 1 and 3.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 325F.82, subdivision 2, is amended to read:

Subd. 2. [AUTOMATIC GARAGE DOOR OPENING SYSTEM.] "Automatic garage door opening system" means a system of devices and equipment that, when connected to a garage door, automatically opens and closes a garage door.

Sec. 2. Minnesota Statutes 1990, section 325F.82, is amended by adding a subdivision to read:

Subd. 5. [AUTOMATIC REVERSING REQUIREMENT.] "Automatic reversing requirement" means the requirements specified in paragraphs 30.1 and 30.2 of Underwriters Laboratories, Inc., Standards for Safety-UL 325, third edition, as revised May 4, 1988, for a residential automatic garage door opening system or the requirements specified in paragraph 29.1 of Underwriters Laboratories, Inc., Standards for Safety-UL 325, third edition, as revised May 4, 1988, for a commercial vehicular door operator.

Sec. 3. Minnesota Statutes 1990, section 325F.83, subdivision 1, is amended to read:

Subdivision 1. [MANUFACTURING, SALES, PURCHASES, REPAIRS, OR INSTALLATIONS OF SYSTEMS.] ~~(a)~~ No person shall manufacture, sell, offer for sale, purchase, or install in this state an automatic garage door opening system for residential buildings that does not comply with subdivision 3.

~~(a)~~ Subd. 1a. [SERVICE OR REPAIR OF SYSTEMS.] No person shall service or repair an automatic garage door opening system for residential buildings that does not comply with subdivision 3, paragraph ~~(a)~~ the automatic reversing requirement after the repair or service. This paragraph does not prevent the servicing or repair of an automatic garage door opening system if the system will be in compliance with subdivision 3, paragraph ~~(a)~~; the automatic reversing requirement after the repair or service.

The person servicing or repairing the automatic garage door opening system shall determine whether or not the system complies with the automatic reversing requirement by conducting an on-site test of the system.

Subd. 1b. [WARNING LABEL.] If the automatic garage door opening system does not pass the on-site test required by subdivision 1a, the person conducting the test shall complete and conspicuously attach to the automatic garage door opening system, a red label that states the following:

**"DANGER**

*This garage door opener was tested and does not meet the requirements for a working safety reverse feature. This can be dangerous and may cause serious injury or death. You are advised to disconnect the opener from the door immediately and operate the door manually until the opener has been repaired or replaced with one that meets current safety standards relating to automatic reversal as provided for in Minnesota Statutes, section 325F.83, subdivision 1a.*

.....	.....
Model	Name of Tester
.....	.....
Manufacturer	Firm Name
.....	.....
Serial Number	Firm Address/Phone Number
.....	.....
	Date

*The firm of the agent or employee who attached the red label shall notify within ten working days in writing the occupant of the residence that the system did not comply with subdivision 1a.*

Sec. 4. Minnesota Statutes 1990, section 325F.83, subdivision 3, is amended to read:

Subd. 3. [MINIMUM STANDARDS.] (a) No later than January 1, 1991, all automatic garage door opening systems subject to subdivision 1, *1a*, or 2 must conform to the applicable requirements of Underwriters Laboratories, Inc., Standards for Safety-UL 325, third edition, as revised May 4, 1988.

(b) No later than January 1, 1993, all automatic garage door opening systems subject to subdivision 1 or 2 must include an attached edge sensor, safety beam, or similar device that when activated causes a closing door to open and prevents an open door from closing. This device is to be designed and built so that a failure of the device prevents the door from closing.

Sec. 5. Minnesota Statutes 1990, section 325F.83, subdivision 4, is amended to read:

Subd. 4. [MANUFACTURER'S LABELING REQUIREMENTS.] On and after January 1, 1991, a manufacturer selling or offering for sale automatic garage door opening systems in this state shall clearly identify on the container and on the system, the month *or week* and year the system was manufactured, and its conformance with UL 325, as required under subdivision 3, paragraph (a). *The display of the UL logo or listing mark and compliance with the date marking requirements of UL 325 on both the container and the system fulfills the manufacturer's labeling requirements specified under this subdivision.*

Sec. 6. [STATUTE OF LIMITATIONS.]

*Minnesota Statutes, section 325F.83, subdivision 8, applies to actions pending on or begun on or after the effective date of that subdivision.*

Sec. 7. [EFFECTIVE DATE.]

*Sections 1 to 5 are effective the day following final enactment. Section 6 is effective August 1, 1990."*

Delete the title and insert:

"A bill for an act relating to consumer protection; regulating automatic garage door opening systems; amending Minnesota Statutes 1990, sections 325F.82, subdivision 2, and by adding a subdivision; and 325F.83, subdivisions 1, 3, and 4."

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. 109: A bill for an act relating to judicial administration; increasing fees; eliminating fees; decreasing the number of certified copies of marriage licenses prepared; expanding the probate surcharge to informal probate matters; amending Minnesota Statutes 1990, sections 357.021, subdivision 2; 517.101; and 525.5501, subdivision 2.

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

Mr. Novak from the Committee on Energy and Public Utilities, to which was referred the following appointment as reported in the Journal for January 31, 1991:

**PUBLIC UTILITIES COMMISSION**

Delores J. Knaak

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. Novak from the Committee on Energy and Public Utilities, to which was referred the following appointment as reported in the Journal for February 4, 1991:

**DEPARTMENT OF PUBLIC SERVICE  
COMMISSIONER**

Krista Sanda

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

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

**SECOND READING OF SENATE BILLS**

S.F. Nos. 18, 149, 106, 107, 6, 90 and 85 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Renneke moved that his name be stricken as a co-author to S.F. No. 23. The motion prevailed.

Mrs. Adkins moved that the name of Mr. Frank be added as a co-author to S.F. No. 104. The motion prevailed.

Mr. Bertram moved that the name of Mrs. Pariseau be added as a co-author to S.F. No. 171. The motion prevailed.

Mr. Bertram moved that the name of Mrs. Pariseau be added as a co-author to S.F. No. 172. The motion prevailed.

Mr. Storm moved that his name be stricken as a co-author to S.F. No. 184. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Dahl be added as a co-author to S.F. No. 190. The motion prevailed.

Ms. Berglin moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 221. The motion prevailed.

Ms. Reichgott introduced—

Senate Resolution No. 25: A Senate resolution congratulating Cub Scout Pack #533, out of Meadow Lake School, New Hope, Minnesota, on their participation and award in the Colgate "Youth for America" campaign.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. introduced—

Senate Resolution No. 26: A Senate resolution relating to appointment of a committee to escort the Governor to the House Chamber for a Joint Convention.

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

The President of the Senate shall appoint a committee of five members of the Senate to act with a like committee on the part of the House of Representatives to escort the Honorable Arne H. Carlson, Governor of the State of Minnesota, to the House Chamber on the occasion of the Joint Convention on Wednesday, February 20, 1991, at 12:00 noon.

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

### **APPOINTMENTS**

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

Ms. Johnson, J.B.; Messrs. Finn, Halberg, Hottinger and Neuville.

### **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. 141, which the committee recommends to pass.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

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

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

Messrs. Samuelson; Sams; Vickerman; Johnson, D.E. and Novak introduced—

S.F. No. 226: A bill for an act relating to counties; providing fiscal limitations on social service mandates; proposing coding for new law in Minnesota Statutes, chapter 256E.

Referred to the Committee on Health and Human Services.

Ms. Reichgott, Messrs. Luther, Spear, Finn and Belanger introduced—

S.F. No. 227: A bill for an act relating to marriage dissolution; clarifying procedure for modification of certain custody orders; providing for additional child support payments; providing an alternative form of satisfaction of child support obligation; imposing a fiduciary duty and providing for compensation in cases of breach of that duty; clarifying certain mediation procedures; providing for attorneys' fees in certain cases; clarifying language concerning certain motions; imposing penalties; amending Minnesota Statutes 1990, sections 518.18; 518.551, subdivision 5; 518.57, by adding a



subdivision; 518.58, subdivision 1, and by adding a subdivision; 518.619, subdivision 6; and 518.64, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Spear, Luther, Ms. Reichgott, Messrs. Kelly and Neuville introduced—

S.F. No. 228: A bill for an act relating to marriage dissolution; requiring a summons to contain certain information; providing for court approval of certain items without a hearing; changing requirements for certain court orders; limiting joint custody; creating a summary dissolution pilot project; appropriating money for legal service to low-income persons and for marriage dissolution education and orientation; amending Minnesota Statutes 1990, sections 518.13, by adding a subdivision; 518.167, subdivision 1; and 518.17, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 518.

Referred to the Committee on Judiciary.

Messrs. Dahl and Kelly introduced—

S.F. No. 229: A bill for an act relating to animals; making certain presumptions about manufactured home park rules that prohibit residents over 55 from keeping certain pets; amending Minnesota Statutes 1990, section 327C.05, subdivision 2.

Referred to the Committee on Economic Development and Housing.

Mrs. Pariseau, Mr. Mehrkens and Mrs. Benson, J.E. introduced—

S.F. No. 230: A bill for an act relating to utilities; requiring the public utilities commission to adjust the boundary between two telephone exchanges.

Referred to the Committee on Energy and Public Utilities.

Messrs. Kelly, Solon, Cohen, Kroening and Belanger introduced—

S.F. No. 231: A bill for an act relating to insurance; accident and health; defining full-time students for purposes of dependent coverage; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce.

Mr. Dicklich introduced—

S.F. No. 232: A bill for an act relating to public financing; setting conditions for the use of the proceeds from certain bonds; amending Minnesota Statutes, section 474A.047, subdivision 1.

Referred to the Committee on Economic Development and Housing.

Messrs. Waldorf, Renneke and Mrs. Pariseau introduced—

S.F. No. 233: A bill for an act relating to state administration; regulating conditions of certain contracts, purchases, sales, and appropriations; clarifying insurance alternatives; setting conditions for certain land sales; appropriating money; amending Minnesota Statutes 1990, sections 16B.19,

subdivision 5; 16B.48, subdivision 2; 16B.51, subdivision 3; 16B.85, subdivision 1; and 94.10, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16B.

Referred to the Committee on Governmental Operations.

Mr. Stumpf introduced—

S.F. No. 234: A bill for an act relating to education; providing for school consolidation in Kittson and Marshall counties in certain circumstances.

Referred to the Committee on Education.

Messrs. Solon, Gustafson and Chmielewski introduced—

S.F. No. 235: A bill for an act relating to state government; purchases; amending the definition of “manufactured in the United States”; amending Minnesota Statutes 1990, section 16B.101, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Solon and Gustafson introduced—

S.F. No. 236: A bill for an act relating to retirement; extending access to the combined service annuity provision for certain former members of the Duluth police pension association.

Referred to the Committee on Governmental Operations.

Messrs. Marty and Merriam introduced—

S.F. No. 237: A bill for an act relating to motor vehicles; registration; abolishing authority to appoint corporations or private individuals other than persons acting on behalf of nonprofit corporations as deputy registrars; providing for the transfer of appointments of corporations as deputy registrars to private individuals in certain circumstances; requiring county auditors to accept appointments as deputy registrars except in certain situations; permitting any other county official or any statutory or home rule charter city official to be appointed as a deputy registrar; permitting counties to contract with private individuals for deputy registrar services in certain instances; requiring the registrar of motor vehicles to adopt rules governing the hours of operation of deputy registrars; permitting private individuals holding appointments as deputy registrars or qualifying for transfers of appointments held by corporations to continue to operate as deputy registrars; amending Minnesota Statutes 1990, section 168.33, subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Benson, D.D.; Larson and Day introduced—

S.F. No. 238: A bill for an act relating to workers' compensation; providing a new general system of law for the compensation of employment related injuries; providing rights, duties, and remedies; providing for administration and procedure; permitting adoption of administrative rules; proposing coding for new law as Minnesota Statutes, chapter 176C.

Referred to the Committee on Employment.

Mrs. Adkins, Messrs. Spear, Belanger, Bertram and Stumpf introduced—

S.F. No. 239: A bill for an act relating to insurance; accident and health; prohibiting the nondiagnostic use of X-rays; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce.

Messrs. Solon, Chmielewski, Vickerman and Lessard introduced—

S.F. No. 240: A bill for an act relating to counties; providing for the contents and public availability of the county financial statement; amending Minnesota Statutes 1990, section 375.17.

Referred to the Committee on Local Government.

Messrs. Stumpf, Solon, Belanger, Hottinger and Mondale introduced—

S.F. No. 241: A bill for an act relating to commerce; motor vehicle sales and distribution; regulating franchises; proscribing certain acts; providing remedies; amending Minnesota Statutes 1990, sections 80E.03, subdivision 2; 80E.04, subdivision 1; 80E.05; 80E.06, subdivision 2; 80E.07, subdivision 1; 80E.12; 80E.13; and 80E.14, by adding subdivisions.

Referred to the Committee on Commerce.

Messrs. Hottinger, Solon, Belanger, Mondale and Metzen introduced—

S.F. No. 242: A bill for an act relating to commerce; prohibiting the unlawful assignment of certain motor vehicle contracts; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

Mr. Neuville and Ms. Johnston introduced—

S.F. No. 243: A bill for an act relating to motor vehicles; abolishing requirement to impound vehicle registration certificates; making technical corrections; providing for reciprocal privileges relating to disabled parking certificates issued by foreign countries; amending Minnesota Statutes 1990, sections 168.041; 169.123, subdivision 5b; 169.346, subdivision 1; 169.795; and 171.29, subdivision 3.

Referred to the Committee on Transportation.

Mr. Hottinger introduced—

S.F. No. 244: A bill for an act relating to retirement; providing certain disability benefits to certain persons under the public employees retirement association police and fire plan.

Referred to the Committee on Governmental Operations.

Mr. Hottinger introduced—

S.F. No. 245: A bill for an act relating to education; establishing a scholarship program; specifying conditions; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

Messrs. Hottinger, Neuville and Ms. Ranum introduced—

S.F. No. 246: A bill for an act relating to probate; increasing the limit on an estate subject to collection of personal property by affidavit; amending Minnesota Statutes 1990, section 524.3-1201.

Referred to the Committee on Judiciary.

Messrs. Hottinger and Day introduced—

S.F. No. 247: A resolution memorializing the Board of Regents of the University of Minnesota to postpone its decision on whether to close the Waseca campus.

Referred to the Committee on Education.

Messrs. Novak and Kelly introduced—

S.F. No. 248: A bill for an act relating to civil actions; limiting tort liability for a physician subsidiary corporation of the public corporation for delivery of health care and related services; amending Minnesota Statutes 1990, section 246A.18.

Referred to the Committee on Judiciary.

Messrs. Belanger, Metzen, Solon, Samuelson and Day introduced—

S.F. No. 249: A bill for an act relating to commerce; requiring the preparation of fiscal notes for proposed health and accident insurance mandates; amending Minnesota Statutes 1990, section 3.982.

Referred to the Committee on Commerce.

Messrs. Belanger, Frank, Chmielewski, Ms. Johnston and Mr. Novak introduced—

S.F. No. 250: A bill for an act relating to taxation; extending homestead treatment to certain property; amending Minnesota Statutes 1990, section 273.124, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Belanger, Kroening, Mrs. Adkins, Ms. Pappas and Mrs. Benson, J.E. introduced—

S.F. No. 251: A bill for an act relating to consumer protection; regulating the disclosure of personal identification information on credit card transaction forms; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 325G.

Referred to the Committee on Commerce.

Messrs. Renneke, Beckman, Hottinger and Frederickson, D.R. introduced—

S.F. No. 252: A bill for an act relating to housing; authorizing a multi-county housing and redevelopment authority to appoint additional commissioners; amending Minnesota Statutes 1990, section 469.006,

subdivision 2.

Referred to the Committee on Economic Development and Housing.

Messrs. Lessard and Stumpf introduced—

S.F. No. 253: A bill for an act relating to independent school district No. 318, Grand Rapids; limiting the amount of revenue to be recognized in a certain case.

Referred to the Committee on Education.

Mses. Johnson, J.B.; Reichgott and Mrs. Adkins introduced—

S.F. No. 254: A bill for an act relating to health; maternal and child health; clarifying eligibility for maternal and child health services; requiring birth or death certificate medical supplements to report prenatal exposure to controlled substances; amending Minnesota Statutes 1990, sections 145.883, subdivision 5; and 626.5562, subdivision 3.

Referred to the Committee on Health and Human Services.

Messrs. Price, Berg and Metzen introduced—

S.F. No. 255: A bill for an act relating to horse racing; increasing per diem rate for members of the racing commission; requiring that pari-mutuel clerks at county fairs be licensed; specifying apportionment and uses of the Minnesota breeders' fund; specifying person who may supervise administration of certain medications; reducing state tax withholding on pari-mutuel winnings; amending Minnesota Statutes 1990, sections 240.02, subdivision 3; 240.09, subdivision 2; 240.18; 240.24, subdivision 2; and 290.92, subdivision 27.

Referred to the Committee on Gaming Regulation.

Messrs. Merriam, Dahl and Davis introduced—

S.F. No. 256: A bill for an act relating to waste management; making changes to state and local government responsibility and authority for waste management; placing emphasis on waste reduction and recycling; adjusting waste facility siting processes; amending Minnesota Statutes 1990, sections 3.887, subdivision 5; 16B.122, subdivision 2; 16B.61, subdivision 3a; 115A.02; 115A.03, subdivision 17a; 115A.06, subdivision 2; 115A.14, subdivision 4; 115A.15, subdivisions 7 and 9; 115A.151; 115A.411, subdivision 1; 115A.46, subdivision 1, and by adding a subdivision; 115A.49; 115A.53; 115A.551, subdivisions 1 and 4; 115A.552, subdivisions 1, 2, and by adding a subdivision; 115A.554; 115A.557, subdivision 4; 115A.64, subdivision 2; 115A.67; 115A.83; 115A.84, subdivision 2; 115A.86, subdivision 5, and by adding a subdivision; 115A.882; 115A.9162, subdivision 2; 115A.919; 115A.923, subdivisions 1 and 1a; 115A.931; 115A.94, subdivision 4; 115A.9561; 115A.96, subdivision 6; 115B.04, subdivision 4; 115B.22, subdivision 8; 116.07, subdivision 4j; 325E.042, subdivision 2; 325E.115, subdivision 1; 325E.1151, subdivision 3; 400.08, subdivision 1; 473.803, subdivisions 2 and 3; 473.811, subdivisions 1, 3, and 5; 473.823, subdivision 5; 473.845, subdivision 4; 473.848, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 115A; 325E; and 473; repealing Minnesota Statutes 1990, sections 325E.045; and 473.844, subdivision 3; Laws 1989, chapter 325,

section 72, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Messrs. Merriam, Dahl and Davis introduced—

S.F. No. 257: A bill for an act relating to waste management expenditures; establishing a solid waste management certification and training program; requiring the state resource recovery program to establish a central materials recovery facility and centralized collection and transportation of recyclable materials from state offices and operations; appropriating money; amending Minnesota Statutes 1990, sections 115A.07, by adding a subdivision; 115A.15, subdivision 6, and by adding subdivisions.

Referred to the Committee on Environment and Natural Resources.

Messrs. Vickerman, Beckman, DeCramer, Samuelson and Stumpf introduced—

S.F. No. 258: A bill for an act relating to health; modifying the physician loan forgiveness program; providing an increase in medical assistance reimbursement to physicians; requiring a study of obstetrical access; appropriating money; amending Minnesota Statutes 1990, section 136A.1355, subdivisions 2 and 3.

Referred to the Committee on Health and Human Services.

Mr. Kelly introduced—

S.F. No. 259: A bill for an act relating to traffic regulations; requiring record of all speeding violations; amending Minnesota Statutes 1990, section 169.99, subdivision 1b; repealing Minnesota Statutes 1990, section 171.12, subdivision 6.

Referred to the Committee on Transportation.

Messrs. Pogemiller, Larson, Ms. Pappas and Mr. Stumpf introduced—

S.F. No. 260: A bill for an act relating to education; establishing a state loan program for minority teachers; proposing coding for new law in Minnesota Statutes, chapter 136A.

Referred to the Committee on Education.

Messrs. Kelly, Cohen, Waldorf, Dicklich and Pogemiller introduced—

S.F. No. 261: A bill for an act relating to state government; creating the office of victim services and rights within the office of the attorney general; providing for its duties; transferring powers and duties of the commissioners of corrections and public safety relating to victim services and rights to the office of victim services and rights; establishing the sexual violence and general crime victims advisory councils; authorizing the director of the office of victim services and rights to provide and administer grants-in-aid for sexual violence, battered women, and other crime victim programs; establishing a family violence task force; amending Minnesota Statutes 1990, sections 611A.0311, subdivision 2; 611A.20, subdivision 2; 611A.21; 611A.22; 611A.31, by adding a subdivision; 611A.32, subdivisions 1, 1a, 4, and by adding a subdivision; 611A.33; 611A.34, subdivision 1, and by

adding a subdivision; 611A.41, subdivision 1; 611A.43; 611A.55, subdivision 1; 611A.56, subdivision 1; 611A.71, subdivisions 1, 2, and 6; 611A.73, by adding a subdivision; and 611A.74, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 1990, sections 611A.02; 611A.221; 611A.23; 611A.31, subdivision 5; 611A.32, subdivisions 2, 3, and 5; 611A.34, subdivision 3; 611A.35; 611A.36, subdivisions 1 and 2; 611A.41, subdivision 2; 611A.42; and 611A.44.

Referred to the Committee on Health and Human Services.

Messrs. Vickerman; Langseth; Johnson, D.E.; DeCramer and Chmielewski introduced—

S.F. No. 262: A bill for an act relating to highways; allowing specific service signs to be erected along interstate highways; amending Minnesota Statutes 1990, sections 160.293, subdivisions 1, 2, and 3; 160.295, subdivision 2; 160.297; 173.12; and 173.20; repealing Minnesota Statutes 1990, section 160.292, subdivision 5.

Referred to the Committee on Transportation.

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

S.F. No. 263: A bill for an act relating to elections; authorizing certain experimental mail balloting; appropriating money; amending Minnesota Statutes 1990, section 204B.45, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 204B.

Referred to the Committee on Elections and Ethics.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, February 14, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## THIRTEENTH DAY

St. Paul, Minnesota, Thursday, February 14, 1991

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

### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rabbi Stacy Offner.

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

Adkins	Davis	Johnson, D.E.	Mehrrens	Ranum
Beckman	Day	Johnson, D.J.	Merriam	Reichgott
Belanger	DeCramer	Johnson, J.B.	Metzen	Renneke
Benson, D.D.	Dicklich	Johnston	Moe, R.D.	Riveness
Benson, J.E.	Finn	Kelly	Mondale	Sams
Berg	Flynn	Knaak	Morse	Samuelson
Berglin	Frank	Kroening	Neuville	Spear
Bernhagen	Frederickson, D.J.	Laidig	Novak	Storm
Bertram	Frederickson, D.R.	Langseth	Olson	Stumpf
Brataas	Gustafson	Larson	Pappas	Traub
Chmielewski	Halberg	Lessard	Pariseau	Vickerman
Cohen	Hottinger	Marty	Pogemiller	Waldorf
Dahl	Hughes	McGowan	Price	

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

Ms. Piper, Messrs. Luther and Solon were excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

January 31, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:



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

**COMMISSIONER OF THE MINNESOTA POLLUTION CONTROL  
AGENCY**

Charles W. Williams, 5591 North Shore Drive, Duluth, St. Louis County, Minnesota, has been appointed by me, effective January 23, 1991, for a term expiring on the first Monday in January, 1995.

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

February 1, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**COMMISSIONER OF LABOR AND INDUSTRY**

John Burr Lennes, Jr., 16720 Norell Avenue North, Marine-on-St. Croix, Washington County, Minnesota, has been appointed by me, effective January 30, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Employment.)

Warmest regards,  
Arne H. Carlson, Governor

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 152.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 11, 1991

**FIRST READING OF HOUSE BILLS**

The following bill was read the first time.

H.F. No. 152: A bill for an act relating to taxation; allowing Mahnomen county and the city of Mahnomen to make special levies for the Mahnomen county and village hospital; amending Minnesota Statutes 1990, section 275.50, subdivision 5a.

Mr. Moe, R.D. moved that H.F. No. 152 be laid on the table. The motion prevailed.

**REPORTS OF COMMITTEES**

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

motion prevailed.

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 171: A resolution memorializing the Congress of the United States to enact the POW/MIA truth bill, that relates to the disclosure of live sighting information on American service personnel missing in action from World War II, Korea, and Vietnam.

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 172: A resolution memorializing the Congress of the United States to continue funding of the POW/MIA special investigation that is being conducted by the United States Senate Foreign Relations Committee.

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

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

S.F. No. 69: A bill for an act relating to education; eliminating the deduction for one year's interest payments from the proceeds of state bonds for maximum effort school loans; amending Minnesota Statutes 1990, section 124.46, subdivision 3.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1990, section 124.40, subdivision 1, is amended to read:

Subdivision 1. There is hereby appropriated to the fund, in addition to all sums which have been or may hereafter be appropriated thereto by any law, the net proceeds of sale of any state school loan bonds authorized to be issued under section 124.46, and all income received from the investment of said net proceeds; ~~after deducting from the aggregate proceeds of sale the amount which is required by section 124.46, subdivision 3 to be credited and~~ is hereby appropriated to the school loan bond account in the state bond fund."

Page 2, after line 21, insert:

"Sec. 3. Minnesota Statutes 1990, section 124.477, is amended to read:

124.477 [BOND ISSUE; MAXIMUM EFFORT SCHOOL LOANS; 1988.]

To provide money to be loaned to school districts as agencies and political subdivisions of the state to acquire and to better public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance shall issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$22,000,000, in addition to the bonds already authorized for

this purpose. The same amount is appropriated to the maximum effort school loan fund and must be spent under the direction of the commissioner of education to make debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. The bonds must be issued and sold and provision for their payment must be made according to section 124.46. *For bonds sold prior to January 1, 1991*, enough money to pay interest on the bonds to and including July 1 in the second year after the date of issue must be credited from the bond proceeds to the school loan bond account in the state bond fund. Expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for those purposes, must be paid from the maximum effort school loan fund, and the money necessary for the expenses is appropriated from that fund.”

Page 2, line 23, delete “*Section 1 is*” and insert “*Sections 1 to 3 are*”  
Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete “section” and insert “sections 124.40, subdivision 1;” and before the period, insert “; and 124.477”

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

H.F. No. 13: A bill for an act relating to taxation; allowing an extension to file income tax returns and property tax refund claims for national guard and reserve members who are called to active duty; amending Minnesota Statutes 1990, section 289A.39, subdivision 1.

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which were referred the following appointments as reported in the Journal for January 14, 1991:

ENVIRONMENTAL TRUST FUND CITIZENS' ADVISORY  
COMMITTEE

Al Brodie  
Robert DeVries  
Gena Doyscher  
Ruth Fitzmaurice  
Jack LaVoy  
Darby Nelson  
John Rose  
Joseph Sizer

MINNESOTA ENVIRONMENTAL QUALITY BOARD

Pat Davies  
Robert Dunn

**MINNESOTA POLLUTION CONTROL AGENCY**

Russell W. Domino  
Loni Kemp

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

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

**SECOND READING OF SENATE BILLS**

S.F. Nos. 171 and 172 were read the second time.

**MOTIONS AND RESOLUTIONS**

Ms. Johnson, J.B. moved that the name of Mr. Novak be added as a co-author to S.F. No. 132. The motion prevailed.

Mr. Finn moved that the name of Mr. Hottinger be added as a co-author to S.F. No. 193. The motion prevailed.

Ms. Berglin moved that the name of Ms. Reichgott be added as a co-author to S.F. No. 198. The motion prevailed.

Mr. Finn moved that the name of Mr. Bertram be added as a co-author to S.F. No. 212. The motion prevailed.

Mr. Lessard moved that the names of Mr. Bernhagen and Mrs. Benson, J.E. be added as co-authors to S.F. No. 218. The motion prevailed.

Mr. Luther moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 263. The motion prevailed.

Mr. Moe, R.D. introduced—

Senate Resolution No. 27: A Senate resolution recognizing the contributions and sacrifices of Dan W. Gustafson as a leader in labor, government, and human advancement in the State of Minnesota.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. moved that H.F. No. 152 be taken from the table. The motion prevailed.

**SUSPENSION OF RULES**

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 152 and that the rules of the Senate be so far suspended as to give H.F. No. 152 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 152: A bill for an act relating to taxation; allowing Mahnomen county and the city of Mahnomen to make special levies for the Mahnomen county and village hospital; amending Minnesota Statutes 1990, section 275.50, subdivision 5a.

H.F. No. 152 was read the second time.

H.F. No. 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Merriam	Renneke
Beckman	Day	Johnson, D.J.	Metzen	Riveness
Belanger	DeCramer	Johnson, J.B.	Moe, R.D.	Sams
Benson, D.D.	Dicklich	Johnston	Mondale	Samuelson
Benson, J.E.	Finn	Kelly	Morse	Spear
Berg	Flynn	Knaak	Neuville	Storm
Berglin	Frank	Kroening	Olson	Stumpf
Bernhagen	Frederickson, D.J.	Laidig	Pappas	Traub
Bertram	Frederickson, D.R.	Langseth	Pariseau	Vickerman
Brataas	Gustafson	Larson	Pogemiller	Waldorf
Chmielewski	Halberg	Lessard	Price	
Cohen	Hottinger	McGowan	Ranum	
Dahl	Hughes	Mehrkens	Reichgott	

So the bill passed and its title was agreed to.

### CALENDAR

S.F. No. 141: A bill for an act relating to human services; delaying the effective date of the moratorium on new negotiated rate facility agreements.

Was read the third time 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.E.	Mehrkens	Ranum
Beckman	Day	Johnson, D.J.	Merriam	Reichgott
Belanger	DeCramer	Johnson, J.B.	Metzen	Renneke
Benson, D.D.	Dicklich	Johnston	Moe, R.D.	Riveness
Benson, J.E.	Finn	Kelly	Mondale	Sams
Berg	Flynn	Knaak	Morse	Samuelson
Berglin	Frank	Kroening	Neuville	Spear
Bernhagen	Frederickson, D.J.	Laidig	Novak	Storm
Bertram	Frederickson, D.R.	Langseth	Olson	Stumpf
Brataas	Gustafson	Larson	Pappas	Traub
Chmielewski	Halberg	Lessard	Pariseau	Vickerman
Cohen	Hottinger	Marty	Pogemiller	Waldorf
Dahl	Hughes	McGowan	Price	

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

S.F. No. 18: A bill for an act relating to taxation; property; allowing Pope county a special levy for certain purposes; amending Minnesota Statutes 1990, section 275.50, subdivision 5a.

Was read the third time 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.E.	Mehrkens	Reichgott
Beckman	Day	Johnson, D.J.	Merriam	Renneke
Belanger	DeCramer	Johnson, J.B.	Metzen	Riveness
Benson, D.D.	Dicklich	Johnston	Moe, R. D.	Sams
Benson, J.E.	Finn	Kelly	Mondale	Samuelson
Berg	Flynn	Knaak	Morse	Spear
Berglin	Frank	Kroening	Novak	Storm
Bernhagen	Frederickson, D.J.	Laidig	Olson	Stumpf
Bertram	Frederickson, D.R.	Langseth	Pappas	Traub
Brataas	Gustafson	Larson	Pariseau	Vickerman
Chmielewski	Halberg	Lessard	Pogemiller	Waldorf
Cohen	Hottinger	Marty	Price	
Dahl	Hughes	McGowan	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 149: A bill for an act relating to taxation; allowing Mahnomen county and the city of Mahnomen to make special levies for the Mahnomen county and village hospital; amending Minnesota Statutes 1990, section 275.50, subdivision 5a.

Mr. Moe, R.D. moved that S.F. No. 149, No. 2 on the Consent Calendar, be stricken and laid on the table. The motion prevailed.

S.F. No. 6: A bill for an act relating to insurance; clarifying policy requirement provisions relating to Medicare supplement insurance plans; amending Minnesota Statutes 1990, section 62A.31, 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	Davis	Johnson, D.J.	Merriam	Reichgott
Beckman	Day	Johnson, J.B.	Metzen	Renneke
Belanger	DeCramer	Johnston	Moe, R. D.	Riveness
Benson, D.D.	Dicklich	Kelly	Mondale	Sams
Benson, J.E.	Finn	Knaak	Morse	Samuelson
Berg	Flynn	Kroening	Neuville	Spear
Berglin	Frank	Laidig	Novak	Storm
Bernhagen	Frederickson, D.J.	Langseth	Olson	Stumpf
Bertram	Frederickson, D.R.	Larson	Pappas	Traub
Brataas	Halberg	Lessard	Pariseau	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. No. 106, which the committee recommends to pass.

S.F. No. 107, which the committee recommends to pass with the following amendment offered by Ms. Berglin:

Amend S.F. No. 107 as follows:

Page 3, line 4, delete "meets" and insert "met"

Page 3, line 5, after "517," insert "*at the time of the original ceremony,*"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

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

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

Messrs. Price and Lessard introduced—

S.F. No. 264: A bill for an act relating to game and fish; authorizing radio communication between a handler and dog; amending Minnesota Statutes 1990, section 97B.085, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Messrs. Kelly, Spear, Merriam, Belanger and Cohen introduced—

S.F. No. 265: A bill for an act relating to family law; requiring persons who contract with the state to submit a statement regarding compliance with child support orders; authorizing suspension of an occupational license for child support obligors who are in arrears; providing for court approval of certain marriage dissolutions without a hearing; requiring custody investigations; creating a summary dissolution pilot project; adding considerations on motions for modification of maintenance; including persons with an unborn child in common under the domestic abuse act; amending Minnesota Statutes 1990, sections 518.13, by adding a subdivision; 518.167, subdivision 1; 518.551, by adding a subdivision; 518.64, subdivision 2; and 518B.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 16B; 214; and 518.

Referred to the Committee on Health and Human Services.

Mr. Lessard introduced—

S.F. No. 266: A bill for an act relating to human services; regulating the qualification of certain facilities for reimbursement for services; amending Minnesota Statutes 1990, section 256B.431, subdivision 3e.

Referred to the Committee on Health and Human Services.

Mr. Kelly introduced—

S.F. No. 267: A bill for an act relating to education; requiring a report about drug and alcohol prevention programs in school districts.

Referred to the Committee on Education.

Mr. Marty and Mrs. Adkins introduced—

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

Referred to the Committee on Judiciary.

Mr. Price introduced—

S.F. No. 269: A bill for an act relating to liquor; requiring posting of certain signs in licensed premises; amending Minnesota Statutes 1990, section 340A.410, by adding a subdivision.

Referred to the Committee on Commerce.

Mr. Price introduced—

S.F. No. 270: A bill for an act relating to liquor; requiring posting of certain signs in licensed premises; amending Minnesota Statutes 1990, section 340A.410, by adding a subdivision.

Referred to the Committee on Commerce.

Mr. Kelly, Ms. Reichgott, Messrs. Spear, Cohen and Ms. Pappas introduced—

S.F. No. 271: A bill for an act relating to criminal justice; requiring the commissioner of state planning to coordinate preparation of a criminal justice system impact statement and fiscal note for certain bills creating new crimes or enhancing penalties for existing crimes; requiring the sentencing guidelines commission to project increases in criminal justice system resource utilization due to new crimes or enhanced penalties; requiring the peace officer standards and training board, attorney general, state public defender, state court administrator, and commissioner of corrections to prepare resource impact statements; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Judiciary.

Mr. Metzen introduced—

S.F. No. 272: A bill for an act relating to retirement; refund of excess municipal contributions to police and fire retirement programs after the consolidation of local firefighter or police relief associations with the public employee retirement association police and fire fund; amending Minnesota Statutes 1990, section 353A.09, subdivision 5.

Referred to the Committee on Governmental Operations.

Ms. Ranum, Mr. McGowan, Ms. Reichgott, Messrs. Kelly and Luther introduced—

S.F. No. 273: A bill for an act relating to children; expanding the crime of child neglect and the child abuse reporting act to include children who are neglected due to reliance by a parent, guardian, or other caretaker on spiritual health care; amending Minnesota Statutes 1990, sections 609.378, subdivision 1; and 626.556, subdivisions 2 and 10e.

Referred to the Committee on Judiciary.

Mses. Reichgott; Johnson, J.B. and Mr. Berg introduced—

S.F. No. 274: A bill for an act relating to regulation of dangerous dogs; providing for designation of a warning symbol to inform children of the presence of a dangerous dog; amending Minnesota Statutes 1990, section 347.51, by adding a subdivision.



Referred to the Committee on Veterans and General Legislation.

Messrs. Beckman; Frederickson, D.J.; Benson, D.D. and Langseth introduced—

S.F. No. 275: A bill for an act relating to motor vehicles; exempting from commercial vehicle inspection requirements and hazardous material driver's license endorsement requirements, pickup trucks carrying certain quantities of petroleum products or liquid fertilizer; reducing the minimum size of fleets of commercial vehicles permitted to conduct self-inspections; providing for the issuance of commercial vehicle inspection decals to vehicles manufactured before January 1, 1976; limiting the authority of agents of the commissioner of transportation to inspect vehicles; delaying effective date of requirement that all commercial vehicles bear a commercial vehicle inspection decal; amending Minnesota Statutes 1990, sections 169.781, subdivisions 1, 3, and 5; and 171.02, by adding a subdivision; Laws 1990, chapter 563, section 11; proposing coding for new law in Minnesota Statutes, chapter 174.

Referred to the Committee on Transportation.

Mr. Kelly, Ms. Reichgott, Messrs. McGowan, Cohen and Laidig introduced—

S.F. No. 276: A bill for an act relating to crime; clarifying the application of felony penalties to the act of intentionally disarming a peace officer; amending Minnesota Statutes 1990, section 609.50, subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Benson, D.D.; Larson; Day; McGowan and Ms. Johnston introduced—

S.F. No. 277: A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 4, limiting the term of consecutive service of persons to ten consecutive years in the legislature.

Referred to the Committee on Elections and Ethics.

Messrs. Larson, Lessard, Berg and Sams introduced—

S.F. No. 278: A bill for an act relating to game and fish; repealing the requirement that deer licenses be accompanied by applications for absentee ballots; repealing Minnesota Statutes 1990, section 97A.485, subdivision 1a.

Referred to the Committee on Environment and Natural Resources.

Mr. Storm introduced—

S.F. No. 279: A bill for an act relating to retirement; Minneapolis teachers retirement fund association; authorizing deadline extension for the payment of certain extended leave of absence employee contributions.

Referred to the Committee on Governmental Operations.

Messrs. Novak, Mondale, Riveness, Frank and Kelly introduced—

S.F. No. 280: A bill for an act relating to taxation; reducing the property tax class rate applied to certain homesteads; amending Minnesota Statutes 1990, section 273.13, subdivisions 22 and 23.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Frederickson, D.J.; Beckman; Sams; Mondale and Morse introduced—

S.F. No. 281 : A bill for an act relating to agriculture; appropriating money for promoting the use of ethanol.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Riveness, Finn, Novak, Marty and Price introduced—

S.F. No. 282: A bill for an act relating to taxation; excise and sales taxes; establishing an alternative method for determining the annual permit fee for vehicles propelled in part by compressed natural gas or propane; amending Minnesota Statutes 1990, section 296.026, subdivisions 1, 2, and by adding subdivisions.

Referred to the Committee on Taxes and Tax Laws.

Mr. Frederickson, D.J. introduced—

S.F. No. 283: A bill for an act relating to courts; providing that the sheriff shall not charge for certain duties performed; amending Minnesota Statutes 1990, section 563.01, subdivision 4.

Referred to the Committee on Judiciary.

Messrs. Frederickson, D.J.; Beckman; Sams and Renneke introduced—

S.F. No. 284: A bill for an act relating to county and district agricultural societies; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Kelly, Spear, Metzen, Price and Morse introduced—

S.F. No. 285: A bill for an act relating to lawful gambling; changing the exemption from certain bingo card requirements; changing the rate of the tax on pull-tabs and tipboards; requiring political subdivisions to use lawful gambling forms conforming to state forms; establishing an interagency advisory council on lawful gambling regulation; amending Minnesota Statutes 1990, sections 349.17, subdivision 5; 349.212, subdivision 4; and 349.213, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 349.

Referred to the Committee on Gaming Regulation.

Mr. Pogemiller, Mses. Berglin, Flynn and Mr. Kroening introduced—

S.F. No. 286: A bill for an act relating to cities of the first class; providing for the organization and powers of neighborhood revitalization policy boards; amending Minnesota Statutes 1990, section 469.1831, subdivision 6.

Referred to the Committee on Economic Development and Housing.

Mr. Kelly, Mses. Flynn, Reichgott and Mr. Mondale introduced—

S.F. No. 287: A bill for an act relating to taxation; motor vehicle excise taxes; providing a reduction for vehicles that meet fuel-efficiency standards; imposing a surcharge on vehicles that exceed fuel-efficiency standards; amending Minnesota Statutes 1990, section 297B.02, subdivision 1.

Referred to the Committee on Transportation.

Mr. Dicklich introduced—

S.F. No. 288: A bill for an act relating to liquor; authorizing municipalities to permit on-sale nonintoxicating malt liquor licenses to sell intoxicating malt liquor; amending Minnesota Statutes 1990, section 340A.403, subdivision 3.

Referred to the Committee on Commerce.

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

S.F. No. 289: 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 1990, section 30.49.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 290: A bill for an act relating to education; changing the dedication of the use of 25 percent of the income of the permanent university fund; amending Minnesota Statutes 1990, section 137.022, subdivision 3.

Referred to the Committee on Education.

Messrs. Morse, Waldorf, Merriam, Renneke and Riveness introduced—

S.F. No. 291: A bill for an act relating to retirement; Minneapolis employees retirement fund; adding members to the retirement board; restricting investments; amending Minnesota Statutes 1990, sections 422A.02; 422A.03, subdivisions 1 and 2; and 422A.05, subdivision 2c.

Referred to the Committee on Governmental Operations.

Messrs. Larson, Langseth, Luther, Berg and Sams introduced—

S.F. No. 292: A bill for an act relating to highways; changing description of route in the state highway system.

Referred to the Committee on Transportation.

Mr. Bertram introduced—

S.F. No. 293: A bill for an act relating to retirement; teachers retirement association; authorizing the purchase of credit for certain United States Merchant Marine service; requiring an employer purchase payment from

the Winnebago school district.

Referred to the Committee on Governmental Operations.

Mr. Kelly introduced—

S.F. No. 294: A bill for an act relating to housing; authorizing community land trusts; providing for homestead property tax status; designating sources of funding; authorizing state housing expenditures through community land trusts; appropriating money; amending Minnesota Statutes 1990, sections 273.124, by adding a subdivision; 462A.03, by adding a subdivision; 462A.057, subdivisions 2, 8, and 9; 462A.21, by adding a subdivision; and 469.205, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 462A.

Referred to the Committee on Economic Development and Housing.

Messrs. Lessard; Frederickson, D.J.; Bernhagen; Ms. Flynn and Mr. Bertram introduced—

S.F. No. 295: A bill for an act relating to commerce; providing that cost of doing business by cigarette wholesalers does not include discounts for purposes of the Minnesota unfair cigarette sales act; requiring use of cigarette distributor fees for administration of that act; appropriating money; amending Minnesota Statutes 1990, sections 325D.32, subdivision 10; and 325D.415.

Referred to the Committee on Commerce.

Messrs. Marty, Spear, Mses. Ranum, Pappas and Traub introduced—

S.F. No. 296: A bill for an act relating to abortion; providing the manner of authorizing abortion for minors; imposing penalties; amending Minnesota Statutes 1990, section 144.343; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Messrs. Belanger; Frederickson, D.J.; Riveness; Morse and Ms. Johnston introduced—

S.F. No. 297: A bill for an act relating to retirement; teachers retirement act; teachers retirement, certain cities; permitting certain teachers placed on unrequested leaves of absence to purchase prior service credit; proposing coding for new law in Minnesota Statutes, chapters 354 and 354A.

Referred to the Committee on Governmental Operations.

Mr. Waldorf introduced—

S.F. No. 298: A bill for an act relating to human services; eliminating a restriction on the discharge of regional treatment center residents to community intermediate care facilities; amending Minnesota Statutes 1990, section 256B.092, subdivision 7.

Referred to the Committee on Health and Human Services.

Mr. Hottinger introduced—

S.F. No. 299: A bill for an act relating to commerce; regulating real estate appraisers; authorizing the commissioner of commerce to issue temporary licenses.

Referred to the Committee on Commerce.

Mses. Flynn, Berglin, Messrs. Storm, Vickerman and Hottinger introduced—

S.F. No. 300: A bill for an act relating to health; clarifying requirements for licensing consulting psychologists and psychological associates; describing duties of the board of psychology; establishing requirements for the independent practice of psychology; amending Minnesota Statutes 1990, sections 62A.152, subdivisions 2 and 3; 148.88; 148.89; 148.90; 148.91; 148.93; 148.95; 148.96; 148.97; 148.975, subdivisions 1 and 5; 148.976, subdivision 1; 148.98; and 253B.02, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1990, sections 148.92; and 148.97, subdivision 4.

Referred to the Committee on Health and Human Services.

Mrs. Pariseau, Mr. Neuville and Mrs. Benson, J.E. introduced—

S.F. No. 301: A bill for an act relating to education; approving a maximum effort school loan program capital loan.

Referred to the Committee on Education.

Mr. Hottinger, Mrs. Adkins, Messrs. Chmielewski, Bernhagen and Day introduced—

S.F. No. 302: A bill for an act relating to signs; requiring recycling centers and junk yards to accept certain hazard signs; amending Minnesota Statutes 1990, sections 115A.555; and 161.242, subdivision 2, and by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Messrs. Sams; Davis; Beckman; Frederickson, D.J. and Larson introduced—

S.F. No. 303: A bill for an act relating to agriculture; appropriating money for farm and small business management programs at technical colleges.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Marty; Belanger; Johnson, D.E.; Luther and Spear introduced—

S.F. No. 304: A bill for an act relating to commerce; requiring local units of government to license the retail sale of cigarettes; providing for mandatory suspension of licenses for sales to minors; amending Minnesota Statutes 1990, section 461.12.

Referred to the Committee on Commerce.

Messrs. Merriam, Dahl and Novak introduced—

S.F. No. 305: A bill for an act relating to Coon Creek watershed district; providing for the establishment of a district water maintenance and repair fund; authorizing a tax levy for water maintenance and repair purposes.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 306: A bill for an act relating to state lands; authorizing exchange of real property.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 307: A bill for an act relating to economic development; establishing a board of invention; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Economic Development and Housing.

Mr. Bernhagen introduced—

S.F. No. 308: A bill for an act relating to public utilities; exempting from prior rate regulation gas utilities that have 650 or fewer customers in any one municipality and a total of 2,000 or fewer customers; amending Minnesota Statutes 1990, section 216B.16, by adding a subdivision.

Referred to the Committee on Energy and Public Utilities.

Mr. Day introduced—

S.F. No. 309: A resolution memorializing the Congress of the United States to propose an amendment to the United States Constitution, for ratification by the states, specifying that Congress and the states shall have the power to prohibit the physical desecration of the flag of the United States.

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

Ms. Berglin and Mr. Pogemiller introduced—

S.F. No. 310: A bill for an act relating to health; establishing a traumatic brain injury and spinal cord injury registry; requiring reporting of injuries; providing for use of information; amending Minnesota Statutes 1990, sections 171.29, subdivision 2; and 268A.03; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Mr. Metzen, Ms. Berglin, Messrs. Merriam, Halberg and Mrs. Pariseau introduced—

S.F. No. 311: A bill for an act relating to Dakota county; authorizing development of a mental health service delivery system; appropriating money.

Referred to the Committee on Health and Human Services.

Mr. Dicklich introduced—

S.F. No. 312: A bill for an act relating to railroads; increasing penalty for blocking public roads; requiring railway corporations to ensure access to small cities and towns; amending Minnesota Statutes 1990, section 219.383, subdivisions 3 and 4.

Referred to the Committee on Transportation.

Mr. Frank introduced—

S.F. No. 313: A bill for an act relating to lawful gambling; taxes; making changes in the administration, collection, and enforcement of the tax on pull-tabs and tipboards; imposing a penalty; appropriating money; amending Minnesota Statutes 1990, sections 270.101, subdivision 1; 349.12, subdivision 25; 349.166, subdivision 2; 349.212, subdivisions 1, 6, and by adding subdivisions; 349.2125, subdivision 3; and 349.2127, subdivision 3; repealing Minnesota Statutes 1990, sections 349.212, subdivisions 4 and 7; and 349.2121.

Referred to the Committee on Gaming Regulation.

Mr. Laidig introduced—

S.F. No. 314: A bill for an act relating to retirement; public employees retirement association; authorizing purchase of prior service credit and military service by a certain employee of the Saint Paul water utility.

Referred to the Committee on Governmental Operations.

Mr. Laidig introduced—

S.F. No. 315: A bill for an act relating to education; modifying the tuition reimbursement provisions for the post-secondary enrollment options program; appropriating money; amending Minnesota Statutes 1990, section 123.3514, subdivision 6.

Referred to the Committee on Education.

Mr. Laidig introduced—

S.F. No. 316: A bill for an act relating to sentencing; requiring the sentencing guidelines commission to prohibit the use of amenability to treatment or probation as a reason for mitigated sentencing departures; proposing coding for new law in Minnesota Statutes, chapter 244.

Referred to the Committee on Judiciary.

Mr. Laidig introduced—

S.F. No. 317: A bill for an act relating to sentencing; directing the sentencing guidelines commission to rank the crime of criminal vehicular homicide in its entirety in severity level VII of the sentencing guidelines; proposing coding for new law in Minnesota Statutes, chapter 244.

Referred to the Committee on Judiciary.

Mr. Laidig introduced—

S.F. No. 318: A bill for an act relating to lawful gambling; treating combined receipt tax expenditures as a lawful purpose; repealing limits on expenditures on expenses; repealing authority of the gambling control board to define allowable expenses; establishing minimum percentages of gross profit which must be expended for lawful purposes; making requirements for posting of pull-tab winners applicable only at the direction of the gambling control board; amending Minnesota Statutes 1990, sections 349.12, subdivision 25; 349.15; and 349.172.

Referred to the Committee on Gaming Regulation.

Messrs. Bertram, McGowan, Belanger, Lessard and Samuelson introduced—

S.F. No. 319: A resolution memorializing the President and Congress to propose a constitutional amendment giving the Congress and the states specific power to prohibit the physical desecration of the American flag.

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

Mr. Luther, Ms. Johnson, J.B.; Messrs. Mondale, Sams and Marty introduced—

S.F. No. 320: A bill for an act relating to crimes; providing for forfeiture of conveyance devices used to commit certain drunk driving offenses; amending Minnesota Statutes 1990, sections 609.531, subdivision 1; and 609.5312, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Mehrkens, Ms. Pappas, Messrs. Frederickson, D.R.; Chmielewski and Novak introduced—

S.F. No. 321: A bill for an act relating to motor carriers; changing definitions of regular route common carrier and irregular route common carrier; amending Minnesota Statutes 1990, section 221.011, subdivisions 9 and 11.

Referred to the Committee on Transportation.

Ms. Traub, Messrs. Marty, Hottinger, Ms. Pappas and Mr. Kelly introduced—

S.F. No. 322: A bill for an act relating to education; requiring school districts to offer sexuality education programs; amending Minnesota Statutes 1990, section 121.203, subdivision 2, and by adding a subdivision.

Referred to the Committee on Education.

Ms. Piper introduced—

S.F. No. 323: A bill for an act relating to health; establishing an adolescent pregnancy program; specifying duties; authorizing grants for pregnancy prevention; authorizing emergency rules; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145.



Referred to the Committee on Health and Human Services.

Messrs. Berg, Price and Johnson, D.E. introduced—

S.F. No. 324: A bill for an act relating to lawful gambling; abolishing the department of gaming and the position of commissioner of gaming; removing paddlewheels from the definition of lawful gambling; changing the membership of the gambling control board; amending Minnesota Statutes 1990, sections 15A.081, subdivision 1; 240.011; 240.02, subdivisions 1 and 2; 240.06, subdivision 8; 240.28; 349.12, subdivisions 10, 18, 21, and 24; 349.151, subdivision 2; 349.153; 349.163, subdivisions 1 and 4; 349.167, subdivision 4; 349.169, subdivision 2; 349.18, subdivision 1; 349A.01, subdivisions 5 and 9; 349A.02, subdivisions 1, 4, 5, 6, and 8; 349A.03, subdivision 1; 349A.06, subdivisions 2 and 5; 349A.08, subdivision 7; 349A.10, subdivisions 3 and 4; 349A.11; 349A.12, subdivision 4; repealing Minnesota Statutes 1990, section 240.01, subdivision 15; 349.12, subdivisions 12 and 29; 349A.01, subdivisions 3, 4, and 6; and 349B.01.

Referred to the Committee on Gaming Regulation.

Ms. Berglin introduced—

S.F. No. 325: A bill for an act relating to health; mental health; assigning additional duties to the commissioner of human services in the area of mental health; requiring the commissioner to adopt and revise rules relating to case management services; modifying the requirement for county maintenance of effort; including community residential treatment as a service covered by medical assistance; appropriating money; amending Minnesota Statutes 1990, sections 245.461, subdivision 3, and by adding a subdivision; 245.4711, by adding a subdivision; 245.48; 245.487, by adding a subdivision; 245.4881, by adding a subdivision; and 256B.0625, by adding a subdivision.

Referred to the Committee on Health and Human Services.

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

S.F. No. 326: A bill for an act relating to natural resources; providing a deadline for the legislative task force on minerals to submit its report; extending the availability of its appropriation.

Referred to the Committee on Environment and Natural Resources.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, February 18, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FOURTEENTH DAY

St. Paul, Minnesota, Monday, February 18, 1991

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

### CALL OF THE SENATE

Mr. Belanger 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. Frank J. Decowski.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

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

Adkins	Davis	Johnson, D.J.	Merriam	Ranum
Beckman	Day	Johnson, J.B.	Metzen	Reichgott
Belanger	DeCramer	Johnston	Moe, R. D.	Renneke
Benson, D.D.	Dicklich	Kelly	Mondale	Riveness
Benson, J.E.	Finn	Knaak	Morse	Sams
Berg	Flynn	Kroening	Neuville	Samuelson
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederickson, D.J.	Langseth	Olson	Spear
Bertram	Frederickson, D.R.	Larson	Pappas	Storm
Brataas	Gustafson	Lessard	Pariseau	Stumpf
Chmielewski	Hottinger	Marty	Piper	Traub
Cohen	Hughes	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Price	Waldorf

The President declared a quorum present.

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

### MEMBERS EXCUSED

Mr. Luther was excused from the Session of today.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 82 and 153.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 14, 1991

**FIRST READING OF HOUSE BILLS**

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

H.F. No. 82: A bill for an act relating to public contracts; modifying the criteria for businesses and firms required to file affirmative action plans; amending Minnesota Statutes 1990, sections 363.073, subdivision 1; and 473.144.

Mr. Moe, R.D. moved that H.F. No. 82 be laid on the table. The motion prevailed.

H.F. No. 153: A bill for an act relating to commerce; regulating real estate appraisers; authorizing the commissioner of commerce to issue temporary licenses.

Referred to the Committee on Commerce.

**MOTIONS AND RESOLUTIONS**

Mr. Knaak moved that the names of Messrs. Kelly and Frank be added as co-authors to S.F. No. 118. The motion prevailed.

Mr. Beckman moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 275. The motion prevailed.

Mr. Kelly moved that the name of Mr. Marty be added as a co-author to S.F. No. 287. The motion prevailed.

Mr. Dicklich moved that the name of Ms. Berglin be added as a co-author to S.F. No. 289. The motion prevailed.

Mr. Merriam moved that his name be stricken as chief author, shown as a co-author and the name of Mr. Dahl be added as chief author to S.F. No. 305. The motion prevailed.

Mr. Day moved that the name of Mr. Lessard be added as a co-author to S.F. No. 309. The motion prevailed.

Ms. Berglin moved that the name of Mr. Kelly be added as a co-author to S.F. No. 310. The motion prevailed.

Mr. Laidig moved that the name of Mr. Lessard be added as a co-author to S.F. No. 318. The motion prevailed.

Mr. Hottinger moved that his name be stricken as a co-author to S.F. No. 322. The motion prevailed.

Ms. Traub moved that the name of Mr. Cohen be added as a co-author to S.F. No. 322. The motion prevailed.

Ms. Piper moved that the name of Mr. Marty be added as a co-author to S.F. No. 323. The motion prevailed.

Mr. Johnson, D.E. moved that S.F. No. 135 be withdrawn from the Committee on Education and returned to its author. The motion prevailed.

Messrs. Laidig; McGowan; Larson; Benson, D.D. and Mrs. Brataas introduced—

Senate Resolution No. 28: A Senate resolution congratulating Paula J. Laidig, Stillwater, Minnesota, for receiving the distinguished "Minnesota

School Psychologist of the Year” award for 1990.

Referred to the Committee on Rules and Administration.

### CALENDAR

S.F. No. 106: A bill for an act relating to property; permitting name or identity change of corporate mortgagee or assignee of mortgagee in the recital in a mortgage satisfaction or release to be recorded without further evidence of name or identity change; clarifying application of language regulating distributions to a testamentary trustee; amending Minnesota Statutes 1990, section 524.3-913; proposing coding for new law in Minnesota Statutes, chapter 507.

With the unanimous consent of the Senate, Mr. Finn moved to amend S.F. No. 106 as follows:

Page 1, line 20, after “*specifies*” insert a comma and after “*acknowledgment*” insert a comma

The motion prevailed. So the amendment was adopted.

S.F. No. 106 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

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

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Metzen	Renneke
Beckman	Day	Johnson, J.B.	Moe, R. D.	Riveness
Belanger	DeCramer	Johnston	Mondale	Sams
Benson, D.D.	Dicklich	Kelly	Morse	Samuelson
Benson, J.E.	Finn	Knaak	Neuville	Solon
Berg	Flynn	Kroening	Novak	Spear
Berglin	Frank	Laidig	Olson	Stumpf
Bernhagen	Frederickson, D.J.	Langseth	Pappas	Traub
Bertram	Frederickson, D.R.	Larson	Pariseau	Vickerman
Brataas	Gustafson	Lessard	Piper	Waldorf
Chmielewski	Hottinger	Marty	Price	
Cohen	Hughes	McGowan	Ranum	
Dahl	Johnson, D.E.	Mehrkens	Reichgott	

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

S.F. No. 107: A bill for an act relating to marriage; providing alternate forms of marriage solemnization; amending Minnesota Statutes 1990, section 517.18.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Renneke
Beckman	Davis	Johnson, D.J.	Merriam	Riveness
Belanger	Day	Johnson, J.B.	Moe, R.D.	Sams
Benson, D.D.	DeCramer	Johnston	Mondale	Samuelson
Benson, J.E.	Dicklich	Kelly	Morse	Solon
Berg	Finn	Knaak	Neuville	Spear
Berglin	Flynn	Laidig	Novak	Storm
Bernhagen	Frank	Langseth	Pappas	Stumpf
Bertram	Frederickson, D.J.	Larson	Piper	Traub
Brataas	Frederickson, D.R.	Lessard	Pogemiller	Vickerman
Chmielewski	Gustafson	Marty	Price	Waldorf
Cohen	Hughes	McGowan	Reichgott	

So the bill passed and its title was agreed to.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that no bills were 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.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Belanger, Mrs. Benson, J.E.; Messrs. Johnson, D.J.; Moe, R.D. and Hughes introduced—

S.F. No. 327: A bill for an act relating to elections; authorizing certain school district elections to be held in odd-numbered years; amending Minnesota Statutes 1990, section 205A.04.

Referred to the Committee on Elections and Ethics.

Mr. Solon introduced—

S.F. No. 328: A bill for an act relating to insurance; Medicare supplement; requiring certain foreign travel coverages to be added to the basic plan; amending Minnesota Statutes 1990, section 62A.316.

Referred to the Committee on Commerce.

Messrs. Metzen, Solon, Knaak, Belanger and Spear introduced—

S.F. No. 329: A bill for an act relating to commerce; regulating real estate closings; prohibiting real estate brokers or salespersons from requiring the use of particular closing agents; requiring certain disclosures in listing agreements; amending Minnesota Statutes 1990, section 82.19, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Vickerman and Beckman introduced—

S.F. No. 330: A bill for an act relating to agriculture; providing for state inspection of certain meat processing facilities; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

Mr. Chmielewski introduced—

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

Referred to the Committee on Transportation.

Mr. Hottinger introduced—

S.F. No. 332: A bill for an act relating to children; creating a children's services task force to study the feasibility of consolidating state children's programs into a single new agency.

Referred to the Committee on Health and Human Services.

Messrs. Kelly, Marty, Ms. Pappas, Messrs. Cohen and Waldorf introduced—

S.F. No. 333: A bill for an act relating to the city of St. Paul; authorizing an increase in the hotel-motel tax; amending Laws 1986, chapter 462, section 31.

Referred to the Committee on Local Government.

Mr. Marty introduced—

S.F. No. 334: A bill for an act relating to cities; providing for distribution of public notices in cities of the fourth class in the metropolitan area; amending Minnesota Statutes 1990, section 331A.03.

Referred to the Committee on Local Government.

Ms. Olson, Mr. Storm, Ms. Johnston, Mmes. Pariseau and Benson, J.E. introduced—

S.F. No. 335: A resolution memorializing the Congress of the United States to propose an amendment to the United States Constitution, for ratification by the states, specifying that Congress and the states shall have the power to prohibit the physical desecration of the flag of the United States.

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

Mr. Morse introduced—

S.F. No. 336: A bill for an act relating to administrative procedure; providing procedures for the adoption and review of administrative rules and the determination of administrative disputes; providing for publication of administrative rules and disposition of administrative appeals; enacting the model administrative procedure act; proposing coding for new law as Minnesota Statutes, chapter 14A; repealing Minnesota Statutes 1990, sections 3.841 to 3.845; and 14.001 to 14.69.

Referred to the Committee on Governmental Operations.

Mr. Morse introduced—

S.F. No. 337: A bill for an act relating to Winona county; permitting the disposal of consecutive index recordings of real estate.

Referred to the Committee on Local Government.

Mr. Waldorf introduced—

S.F. No. 338: A bill for an act relating to retirement; legislators retirement plan; eliminating the requirement of the discontinuation of surviving spouse benefits in the event of the remarriage of the surviving spouse; amending Minnesota Statutes 1990, section 3A.04, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Luther; Johnson, D.J.; Pogemiller and Ms. Traub introduced—

S.F. No. 339: A bill for an act relating to taxation; providing that certain nonprofit organizations that provide athletic programs qualify for a sales tax exemption on their purchases; amending Minnesota Statutes 1990, section 297A.25, subdivision 16.

Referred to the Committee on Taxes and Tax Laws.

Mr. Benson, D.D. introduced—

S.F. No. 340: A bill for an act relating to education; authorizing a special operating debt levy for two years by independent school district No. 239 in the territory of old independent school district No. 234.

Referred to the Committee on Education.

Mr. Johnson, D.E. introduced—

S.F. No. 341: A bill for an act relating to education; approving a maximum effort school loan program capital loan.

Referred to the Committee on Education.

Mr. Frederickson, D.R. introduced—

S.F. No. 342: A bill for an act relating to human services; clarifying contested case procedures for applicants for human services licensing; establishing appeal procedures for determinations of maltreatment of minors and vulnerable adults; amending Minnesota Statutes 1990, sections 245A.04, subdivision 3c; and 256.045, subdivisions 1, 4, 6, and by adding a subdivision.

Referred to the Committee on Health and Human Services.

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

S.F. No. 343: A bill for an act relating to taxation; extending the definition of capital equipment that is subject to a reduced sales tax rate; amending Minnesota Statutes 1990, section 297A.01, subdivision 16.

Referred to the Committee on Taxes and Tax Laws.

Mr. Kroening, Mses. Berglin and Flynn introduced—

S.F. No. 344: A bill for an act relating to local government; authorizing the city of Minneapolis and special school district No. 1 to impose residency requirements.

Referred to the Committee on Local Government.

Messrs. Bertram; Langseth; Moe, R.D. and Merriam introduced—

S.F. No. 345: A bill for an act relating to transportation; establishing a system of rustic roads under the authority of the commissioner of transportation; proposing coding for new law in Minnesota Statutes, chapter 160.

Referred to the Committee on Transportation.

Mr. Chmielewski introduced—

S.F. No. 346: A bill for an act relating to taxation; permitting counties to appropriate money from county welfare funds for the support of hospitals without penalty; amending Minnesota Statutes 1990, section 376.09.

Referred to the Committee on Health and Human Services.

Mr. Belanger introduced—

S.F. No. 347: A bill for an act relating to insurance; authorizing the joint underwriting association to provide liability coverage to school districts for asbestos related claims; amending Minnesota Statutes 1990, section 621.02, subdivision 1.

Referred to the Committee on Commerce.

Messrs. Riveness and Belanger introduced—

S.F. No. 348: A bill for an act relating to education; authorizing school districts to levy for replacement and restoration of certain facilities; amending Minnesota Statutes 1990, section 275.125, by adding a subdivision.

Referred to the Committee on Education.

Messrs. Belanger, Stumpf, Pogemiller, Marty and Neuville introduced—

S.F. No. 349: A bill for an act relating to negligence; volunteers; providing volunteers immunity from civil liability for injuries arising from volunteer activities; proposing coding for new law in Minnesota Statutes, chapter 604.

Referred to the Committee on Judiciary.

Messrs. Mondale, Merriam, Morse, Lessard and Halberg introduced—

S.F. No. 350: A bill for an act relating to the environment; authorizing the city of Hopkins to issue bonds to pay for environmental response costs at a landfill; authorizing the city to impose a solid waste collection surcharge; authorizing a landfill cleanup assessment against property; authorizing a service charge; appropriating money.

Referred to the Committee on Environment and Natural Resources.



Mr. Pogemiller, Ms. Reichgott, Messrs. Laidig and Knaak introduced—

S.F. No. 351: A bill for an act relating to peace officers; guaranteeing peace officers certain rights when under investigation and in disciplinary proceedings; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Judiciary.

Messrs. Metzen, Halberg and Mrs. Pariseau introduced—

S.F. No. 352: A bill for an act relating to intermediate school districts; changing board member qualifications; amending Minnesota Statutes 1990, sections 136D.22, subdivision 1; 136D.72, subdivision 1; and 136D.82, subdivision 1.

Referred to the Committee on Education.

Messrs. Metzen, Halberg and Mrs. Pariseau introduced—

S.F. No. 353: A bill for an act relating to education; authorizing construction at Dakota County Technical College.

Referred to the Committee on Education.

Messrs. Luther, Dicklich, Bernhagen and Sams introduced—

S.F. No. 354: A bill for an act relating to traffic regulations; regulating traffic safety concerning school buses and the safety of school children; providing penalties; amending Minnesota Statutes 1990, section 171.07, by adding a subdivision; 171.17; and 171.18; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, sections 169.44; and 169.64, subdivision 7.

Referred to the Committee on Transportation.

Messrs. Pogemiller, Larson, Bertram, Spear and Neuville introduced—

S.F. No. 355: A bill for an act relating to animals; providing for disposition of certain seized animals; requiring bond or other security for expenses of care in certain cases; proposing coding for new law in Minnesota Statutes, chapter 343.

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

Ms. Traub, Messrs. Marty; Kelly; Frederickson, D.J. and Mehrkens introduced—

S.F. No. 356: A bill for an act relating to education; establishing a comprehensive school and community health and wellness program grant program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124C.

Referred to the Committee on Education.

Messrs. Larson, Laidig, Bernhagen and Frederickson, D.R. introduced—

S.F. No. 357: A bill for an act relating to insurance; accident and health; requiring the commissioner of commerce to administer health care plans for Minnesota residents who are not covered by other plans; establishing minimum benefits for these plans; allowing a tax credit for premiums paid for coverage; appropriating money; amending Minnesota Statutes 1990, sections 290.01, subdivision 19a; and 290.92, subdivisions 5 and 5a; proposing coding for new law in Minnesota Statutes, chapter 290; proposing coding for new law as Minnesota Statutes, chapter 62K.

Referred to the Committee on Health and Human Services.

Messrs. Johnson, D.E.; McGowan; Mehrkens and Mrs. Pariseau introduced—

S.F. No. 358: A bill for an act relating to insurance; accident and health; requiring the commissioner of commerce to administer health care plans for Minnesota residents who are not covered by other plans; establishing minimum benefits for these plans; allowing a tax credit for premiums paid for coverage; appropriating money; amending Minnesota Statutes 1990, sections 290.01, subdivision 19a; and 290.92, subdivisions 5 and 5a; proposing coding for new law in Minnesota Statutes, chapter 290; proposing coding for new law as Minnesota Statutes, chapter 62K.

Referred to the Committee on Health and Human Services.

Ms. Johnston, Messrs. Renneke, Halberg and Ms. Olson introduced—

S.F. No. 359: A bill for an act relating to insurance; accident and health; requiring the commissioner of commerce to administer health care plans for Minnesota residents who are not covered by other plans; establishing minimum benefits for these plans; allowing a tax credit for premiums paid for coverage; appropriating money; amending Minnesota Statutes 1990, sections 290.01, subdivision 19a; and 290.92, subdivisions 5 and 5a; proposing coding for new law in Minnesota Statutes, chapter 290; proposing coding for new law as Minnesota Statutes, chapter 62K.

Referred to the Committee on Health and Human Services.

Messrs. Belanger, Knaak, Gustafson and Mrs. Brataas introduced—

S.F. No. 360: A bill for an act relating to insurance; accident and health; requiring the commissioner of commerce to administer health care plans for Minnesota residents who are not covered by other plans; establishing minimum benefits for these plans; allowing a tax credit for premiums paid for coverage; appropriating money; amending Minnesota Statutes 1990, sections 290.01, subdivision 19a; and 290.92, subdivisions 5 and 5a; proposing coding for new law in Minnesota Statutes, chapter 290; proposing coding for new law as Minnesota Statutes, chapter 62K.

Referred to the Committee on Health and Human Services.

Mr. Knaak, Mses. Johnston, Olson, Messrs. Laidig and Storm introduced—

S.F. No. 361: A bill for an act relating to taxation; property; reducing the class rate applied to certain homesteads; amending Minnesota Statutes 1990, section 273.13, subdivision 22.

Referred to the Committee on Taxes and Tax Laws.

Ms. Reichgott, Messrs. Johnson, D.J.; Pogemiller; Ms. Olson and Mr. Frederickson, D.J. introduced—

S.F. No. 362: A bill for an act relating to taxation; property tax; mortgage registry tax; making technical corrections and administrative changes; providing for mortgage registration tax on reverse mortgages; amending Minnesota Statutes 1990, sections 18.022, subdivision 2; 47.58, subdivision 6; 69.011, subdivision 3; 270.11, subdivision 6; 270.12, subdivision 2, and by adding a subdivision; 272.02, subdivision 4; 272.025, subdivision 1; 272.31; 272.67, subdivision 6; 273.11, subdivision 10; 273.111, subdivisions 3 and 6; 273.124, subdivisions 9 and 13; 273.13, subdivisions 22, 23, and 31; 273.1398, subdivisions 5 and 6; 273.1399, subdivisions 1 and 3; 275.065, subdivisions 3 and 5a; 276.04, subdivision 2; 276.041; 277.01; 278.01, subdivision 1; 279.01, subdivision 1; 279.06; 281.17; 282.01, subdivision 1; 287.05; 375.192, subdivision 2; 414.031, subdivision 6; 414.0325, subdivision 4; 414.033, subdivision 7; 414.06, subdivision 4; 414.061, subdivision 3; 469.174, subdivision 7; 477A.014, subdivisions 1, 4, and by adding a subdivision; and 515A.1-105, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 273; repealing Minnesota Statutes 1990, section 273.137; Laws 1989, chapter 277, article 4, section 2.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Pogemiller and Bernhagen introduced—

S.F. No. 363: A bill for an act relating to taxation; making technical corrections, clarifications, and administrative changes to income, franchise, and mining taxes; amending Minnesota Statutes 1990, sections 270A.03, subdivision 7; 289A.01; 289A.02, by adding a subdivision; 289A.08, by adding a subdivision; 289A.18, subdivisions 1 and 2; 289A.19, subdivision 2; 289A.20, subdivision 1, and by adding a subdivision; 289A.31, subdivision 1; 289A.35; 289A.38, subdivisions 10 and 12; 289A.50, subdivision 1; 289A.56, subdivision 2; 289A.60, subdivisions 4 and 12; 290.01, subdivisions 19a and 19d; 290.014, subdivisions 2, 3, 4, and 5; 290.05, subdivision 3; 290.06, subdivisions 2c, 21, 22, and 23; 290.067, subdivisions 1 and 2a; 290.068, subdivisions 1, 2, and 5; 290.0802, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 8; 290.0922, subdivision 1, and by adding a subdivision; 290.17, subdivisions 1, 2, and 5; 290.191, subdivisions 6 and 8; 290.92, subdivisions 4b, 4c, 12, and 26; 290.9727, subdivisions 1, 3, and by adding subdivisions; 290A.03, subdivisions 3 and 7; 290A.05; 290A.091; 298.01, subdivisions 3, 4, and by adding subdivisions; 298.015, subdivision 1; 298.16; 298.21; 298.27; Laws 1990, chapter 604, article 2, section 22; repealing Minnesota Statutes 1990, sections 290.068, subdivision 6; 290.069, subdivisions 2a, 4a, and 4b; 290.17, subdivision 7; 290.191, subdivision 7; 298.05 to 298.15; 298.19; and 298.20.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Pogemiller and Bernhagen introduced—

S.F. No. 364: A bill for an act relating to taxation; sales and use taxes and special taxes; making technical and administrative corrections, clarifications, and changes; providing that certain charges for services may not be deducted from the sales price; granting certain enforcement powers to the commissioner of revenue; providing for the seizure and forfeiture of untaxed gasoline or special fuel in certain instances; amending Minnesota Statutes 1990, sections 43A.316, subdivision 9; 60A.19, subdivision 8; 69.54; 289A.11, subdivision 1; 289A.18, subdivision 4; 289A.20, subdivision 4; 296.01, subdivision 25; 296.026, subdivisions 1 and 7; 297.01, subdivision 7; 297.03, subdivision 6; 297.11, subdivision 1; 297.43, by adding a subdivision; 297A.01, subdivisions 3 and 8; 297A.21, subdivisions 1 and 4; 297A.211, subdivision 2; 297A.25, subdivision 10; 297A.255, subdivision 5; 297A.257, subdivisions 2 and 2a; 297C.03, subdivision 6; 297C.10, by adding a subdivision; 297D.01, subdivision 3; 297D.02; 297D.04; 297D.05; 297D.07; 297D.09, subdivisions 1 and 1a; 297D.11, subdivisions 1 and 2; 297D.12, subdivision 1; 297D.13, subdivisions 1 and 3; 297D.14; and Laws 1990, chapter 604, article 6, section 11; proposing coding for new law in Minnesota Statutes, chapters 296 and 325D; repealing Minnesota Statutes 1990, sections 296.028; 297A.257, subdivisions 1, 2b, and 3; and Laws 1986, chapter 399, article 1, section 5.

Referred to the Committee on Taxes and Tax Laws.

Mr. Marty introduced—

S.F. No. 365: A bill for an act relating to ethics; requiring lobbyists to report campaign contributions; requiring more specific reporting of money spent on lobbying by principals; requiring elected officials to report certain gifts; reducing the limits on contributions to candidates for constitutional office; eliminating public subsidies to unopposed candidates; amending Minnesota Statutes 1990, sections 10A.04, subdivisions 4 and 6; 10A.09, subdivision 5; and 10A.27, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 10A.

Referred to the Committee on Elections and Ethics.

Messrs. Marty, Luther, Ms. Berglin, Mrs. Adkins and Mr. Storm introduced—

S.F. No. 366: A bill for an act relating to insurance; changing the makeup of the board of the Minnesota comprehensive health insurance association; requiring notice and a public hearing for rate increases or benefit changes to the Minnesota comprehensive health insurance plan; providing for waiver of the preexisting condition rule applicable to the Minnesota comprehensive health insurance plan under certain circumstances; amending Minnesota Statutes 1990, sections 62E.10, subdivision 2, and by adding a subdivision; 62E.11, by adding a subdivision; and 62E.14, subdivision 3.

Referred to the Committee on Commerce.

Mr. Marty introduced—

S.F. No. 367: A bill for an act relating to government ethics; creating a code of ethical conduct for local officials and public officials and employees; providing for enforcement of the code of conduct by the ethical practices board; providing that an advisory opinion of the ethical practices board is a defense in a criminal proceeding and is binding on the board in enforcement proceedings; amending Minnesota Statutes 1990, section 10A.02, subdivision 12; proposing coding for new law in Minnesota Statutes, chapter 10A.

Referred to the Committee on Elections and Ethics.

Messrs. Morse, Langseth and Vickerman introduced—

S.F. No. 368: A bill for an act relating to motor vehicles; requiring the appointment of officers of statutory and home rule charter cities as deputy registrars in certain circumstances; amending Minnesota Statutes 1990, section 168.33, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Marty introduced—

S.F. No. 369: A bill for an act relating to public safety; allowing political subdivisions in the metropolitan area to regulate firearms with certain restrictions; proposing coding for new law in Minnesota Statutes, chapter 624.

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

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:30 a.m., Wednesday, February 20, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FIFTEENTH DAY

St. Paul, Minnesota, Wednesday, February 20, 1991

The Senate met at 11:30 a.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Solon 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	DeCramer	Johnston	Moe, R.D.	Riveness
Beckman	Dicklich	Knaak	Mondale	Sams
Belanger	Finn	Kroening	Morse	Samuelson
Benson, D.D.	Flynn	Laidig	Neuville	Solon
Benson, J.E.	Frank	Langseth	Novak	Spear
Berg	Frederickson, D.J.	Larson	Pappas	Storm
Berglin	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Bernhagen	Halberg	Luther	Piper	Traub
Bertram	Hottinger	Marty	Pogemiller	Vickerman
Chmielewski	Hughes	McGowan	Price	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Day	Johnson, J.B.	Metzen	Renneke	

The President declared a quorum present.

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

### MEMBERS EXCUSED

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

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

January 31, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**COMMISSIONER OF EMPLOYEE RELATIONS**

Linda Barton, 14905 Oak Ridge Court West, Burnsville, Dakota County, Minnesota, has been appointed by me, effective January 29, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Governmental Operations.)

Warmest regards,  
Arne H. Carlson, Governor

**REPORTS OF COMMITTEES**

Mr. Spear 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. 216: A bill for an act relating to alcoholic beverages; allowing proof of age by means of a Canadian consumption card; amending Minnesota Statutes 1990, section 340A.503, subdivision 6.

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

Page 1, line 12, after the stricken "or" insert "*issued by Minnesota, another state, or a province of Canada, and including the photograph and date of birth of the licensed person*"

Page 1, line 13, after "a" insert "*valid*"

Page 1, line 14, after "a" insert "*valid*" and delete "*consumption*" and insert "*identification*" and after "card" insert "*with the photograph and date of birth of the person, issued by a Canadian province*"

Page 1, line 15, after "national" insert "*, from a nation other than Canada,*"

Amend the title as follows:

Page 1, line 3, delete "*consumption*" and insert "*identification*"

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 105: A bill for an act relating to appropriations; removing certain directions, limits, and provisos on the use of money for certain projects; amending Laws 1990, chapter 610, article 1, section 9, subdivision 1.

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 144: A bill for an act proposing an amendment to the Minnesota Constitution, article XI, section 5; permitting the payment of bonuses to veterans of the Iraq conflict.

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.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 79: A bill for an act relating to the city of Mora; extending the deadline for negotiating certain contracts; amending Laws 1989, chapter 33, section 1.

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

### **SECOND READING OF SENATE BILLS**

S.F. Nos. 216 and 79 were read the second time.

### **MOTIONS AND RESOLUTIONS**

Ms. Johnson, J.B. moved that the name of Mr. Day be added as a co-author to S.F. No. 254. The motion prevailed.

Mr. Merriam moved that the name of Mr. Finn be added as a co-author to S.F. No. 256. The motion prevailed.

Mr. Merriam moved that the name of Mr. Finn be added as a co-author to S.F. No. 257. The motion prevailed.

Mr. Kelly moved that the name of Mr. Merriam be added as a co-author to S.F. No. 259. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Marty be added as a co-author to S.F. No. 260. The motion prevailed.

Mr. Merriam moved that his name be stricken as a co-author to S.F. No. 265. The motion prevailed.

Mr. Kelly moved that the name of Ms. Traub be added as a co-author to S.F. No. 265. The motion prevailed.

Mr. Solon moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 307. The motion prevailed.

Ms. Pappas moved that her name be stricken as a co-author to S.F. No. 321. The motion prevailed.

Mr. Mehrkens moved that the name of Mr. Moe, R.D. be added as a co-author to S.F. No. 321. The motion prevailed.

Mr. Bertram moved that the name of Mr. Morse be added as a co-author to S.F. No. 345. 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. Pogemiller introduced—

S.F. No. 370: A bill for an act relating to retirement; authorizing investment related postretirement adjustments for eligible members of police and fire-fighters relief associations; amending Minnesota Statutes 1990, sections 69.031, subdivision 5; 69.77, subdivision 2b; 356.216; and 423A.01, subdivision 2; Laws 1989, chapter 319, article 19, sections 6 and 7, subdivisions 1, and 4, as amended.

Referred to the Committee on Governmental Operations.

Messrs. Bertram, Pogemiller, McGowan, Finn and Merriam introduced—

S.F. No. 371: A bill for an act relating to crimes; child abduction; requiring convicted sex offenders to register with local law enforcement agencies; requiring the publication of missing children bulletins; establishing a historic data base of information concerning missing children; requiring training concerning the investigation of missing children cases; providing for the release of medical and dental records of missing children; appropriating money; amending Minnesota Statutes 1990, section 299C.52, subdivisions 1, 3, and 6; proposing coding for new law in Minnesota Statutes, chapters 243 and 299C.

Referred to the Committee on Judiciary.

Mr. Frank introduced—

S.F. No. 372: A bill for an act relating to crimes; obscenity; increasing the penalties for distributing obscene materials; increasing the penalties for possessing obscene pictorial representations of minors; prohibiting the rental of obscene materials; expanding the authority of county attorneys and the attorney general to enjoin the operation of establishments engaged in the distribution of obscene materials; amending Minnesota Statutes 1990, sections 617.241, subdivisions 2, 3, and 4; 617.247, subdivisions 3 and 4; and 617.296, subdivision 2.

Referred to the Committee on Judiciary.

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

S.F. No. 373: A bill for an act relating to the military; creating an emergency assistance fund for families of military personnel who are called to active service; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 197.

Referred to the Committee on Veterans and General Legislation.

Ms. Berglin, Messrs. Moe, R.D. and Pogemiller introduced—

S.F. No. 374: A bill for an act relating to taxation; income; authorizing a tax checkoff for foodshelf programs; creating a foodshelf account distribution board; appropriating money; amending Minnesota Statutes 1990, section 290.431; proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Health and Human Services.

Mr. Neuville and Ms. Johnston introduced—

S.F. No. 375: A bill for an act relating to motor vehicles; abolishing requirement to impound vehicle registration certificates; making technical corrections; providing for reciprocal privileges relating to disabled parking certificates issued by foreign countries; amending Minnesota Statutes 1990, sections 168.041; 169.123, subdivision 5b; 169.346, subdivision 1; 169.795; and 171.29, subdivision 3.

Referred to the Committee on Transportation.

Ms. Berglin and Mr. Spear introduced—

S.F. No. 376: A bill for an act relating to human services; extending the exemption from the Minnesota supplemental aid rate cap to allow payments at the case mix rate for certain medical assistance certified boarding care facilities and nursing homes declared institutions for mental disease; amending Minnesota Statutes 1990, section 2561.05, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Waldorf, Pogemiller and Ms. Ranum introduced—

S.F. No. 377: A bill for an act relating to retirement; local police and salaried firefighters relief associations; providing for the continuation of surviving spouse benefits in the event of remarriage; amending Minnesota Statutes 1990, sections 69.48; 353B.11, subdivision 6; 423.387, subdivision 1; 423.58, subdivision 1; 423.810, subdivision 1; and 424.24, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 423A.

Referred to the Committee on Governmental Operations.

Mr. Chmielewski introduced—

S.F. No. 378: A bill for an act relating to education; approving a maximum effort school loan program capital loan.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 379: A bill for an act relating to marriage; providing for solemnization of marriages by certain court officers; amending Minnesota Statutes 1990, section 517.04.

Referred to the Committee on Judiciary.

Messrs. Benson, D.D.; Vickerman; DeCramer; Frederickson, D.J. and Laidig introduced—

S.F. No. 380: A bill for an act relating to human services; removing special transportation services from the medical assistance competitive bidding requirement; amending Minnesota Statutes 1990, section 256B.04, subdivision 14.

Referred to the Committee on Health and Human Services.

Mses. Berglin, Piper, Mrs. Adkins, Messrs. Spear and Hughes introduced—

S.F. No. 381: A bill for an act relating to Minnesota supplemental aid; increasing the personal needs allowance for recipients of Minnesota supplemental aid who are residing in certain facilities; amending Minnesota Statutes 1990, section 256D.37.

Referred to the Committee on Health and Human Services.

Messrs. Novak, Lessard, Morse, Mondale and Ms. Johnson, J.B. introduced—

S.F. No. 382: A bill for an act relating to the environment; adding reimbursement requirements from the petroleum tank release cleanup account; amending Minnesota Statutes 1990, section 115C.09, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Mr. Frederickson, D.J. introduced—

S.F. No. 383: A bill for an act relating to medical examiners; requiring records and other data relating to deaths to be made available to coroners and medical examiners; amending Minnesota Statutes 1990, sections 383B.225, subdivision 6; 390.11, subdivision 7; and 390.32, subdivision 6.

Referred to the Committee on Health and Human Services.

Mr. Frank, Ms. Flynn, Messrs. Mondale and Kroening introduced—

S.F. No. 384: A bill for an act relating to employment; regulating disbursements from the dislocated worker fund; extending the special assessment for the dislocated worker fund; amending Minnesota Statutes 1990, section 268.977, subdivision 2; repealing Laws 1990, chapter 568, article 6, section 4.

Referred to the Committee on Employment.

Mr. Frank introduced—

S.F. No. 385: A bill for an act relating to metropolitan government; providing for senate confirmation of the chair of the metropolitan airports commission; removing certain members from the commission; amending Minnesota Statutes 1990, section 473.604, subdivision 1.

Referred to the Committee on Metropolitan Affairs.

Mr. Frank, Ms. Flynn and Mr. Kroening introduced—

S.F. No. 386: A bill for an act relating to employment; providing for severance pay; requiring employers to provide notice of certain actions related to work force reductions; appropriating money; amending Minnesota Statutes 1990, section 268.07, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 268B.

Referred to the Committee on Employment.

Mr. Metzen introduced—

S.F. No. 387: A bill for an act relating to occupations and professions; regulating the installation and repair of fuel burner equipment and systems in certain cities; proposing coding for new law as Minnesota Statutes, chapter 325H.

Referred to the Committee on Employment.

Mr. Vickerman introduced—

S.F. No. 388: A bill for an act relating to human services; exempting intermediate care facilities for persons with mental retardation or related conditions from certain additional state human services rules.

Referred to the Committee on Health and Human Services.

Mr. Bertram introduced—

S.F. No. 389: A bill for an act relating to lawful gambling; making changes in the administration, collection, and enforcement of the tax on pull-tabs and tipboards; allowing the use of lawful gambling profits for certain senior citizen facilities and activities and for audit costs; allowing licensed organizations to have fewer than 15 members; allowing an unlimited number of bingo occasions per week; relieving organizations of a requirement to report on purchases of gambling equipment; removing registration requirement for lawful gambling net profit recipients; removing the requirement to post certain information relating to pull-tabs; allowing checks for lawful gambling purchases; amending Minnesota Statutes 1990, sections 270.101, subdivision 1; 349.12, subdivision 25; 349.151, subdivision 4; 349.16, subdivision 2; 349.166, subdivision 2; 349.17, subdivision 1; 349.19, subdivision 5; 349.212, subdivisions 1, 6, and by adding subdivisions; 349.2125, subdivision 3; and 349.2127, subdivision 3; repealing Minnesota Statutes 1990, sections 349.154, subdivision 3; 349.172; 349.212, subdivisions 4 and 7; 349.2121; and 349.2127, subdivision 7.

Referred to the Committee on Gaming Regulation.

Mr. Bertram introduced—

S.F. No. 390: A bill for an act relating to lawful gambling; amending the purpose of lawful gambling regulation; removing restrictions on treating liability insurance premiums as allowable expenses; increasing the terms of organization licenses and premises permits; removing provisions relating to pull-tabs manufactured in this state; allowing training for gambling managers after licensing; requiring leases for gambling premises to run for at least one year; amending Minnesota Statutes 1990, sections 349.11; 349.12, subdivision 23; 349.15; 349.16, subdivision 3; 349.162, subdivision 1; 349.163, subdivision 3; 349.165, subdivisions 1 and 3; 349.167, subdivision 4; and 349.18, subdivision 1.

Referred to the Committee on Gaming Regulation.

Messrs. Bertram, Davis, Langseth and Frederickson, D.J. introduced—

S.F. No. 391: A bill for an act relating to animal health; providing alternative methods for the disposal of certain animal carcasses; amending Minnesota Statutes 1990, section 35.82, subdivisions 1b and 2.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Spear, Marty and Cohen introduced—

S.F. No. 392: A bill for an act relating to civil actions; imposing strict liability for damages resulting from the use of an assault weapon; proposing coding for new law in Minnesota Statutes, chapter 604.

Referred to the Committee on Judiciary.

Messrs. Samuelson and Davis introduced—

S.F. No. 393: A bill for an act relating to state lands; authorizing commissioner of veterans affairs to return land to a veterans organization who had originally donated the land for purposes of a state veterans cemetery.

Referred to the Committee on Veterans and General Legislation.

Ms. Flynn, Messrs. Luther, Solon, Belanger and Ms. Ranum introduced—

S.F. No. 394: A bill for an act relating to occupations and professions; requiring the licensing of interior designers; defining the practice of interior design; providing for administration of licensing requirements; changing the name of the board of architecture, engineering, land surveying, and landscape architecture; appropriating money; amending Minnesota Statutes 1990, sections 116J.70, subdivision 2a; 319A.02, subdivision 2; 326.02, subdivisions 1, 5, and by adding a subdivision; 326.03, subdivision 1; 326.031; 326.04; 326.05; 326.06; 326.07; 326.08, subdivision 2; 326.09; 326.10, subdivisions 1, 2, and 2a; 326.11, subdivision 1; 326.12; 326.13; and 326.14.

Referred to the Committee on Commerce.

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

S.F. No. 395: A bill for an act relating to corporations; clarifying and modifying provisions governing divisions and combinations of shares and rights of shareholders; clarifying meeting notice requirements; authorizing electronic communications by shareholders; modifying access to corporate records; clarifying and modifying provisions governing mergers and dissolutions; amending Minnesota Statutes 1990, sections 302A.111, subdivision 2; 302A.139; 302A.401, subdivisions 3 and 4; 302A.405, subdivision 1; 302A.413, subdivision 3; 302A.435, subdivision 1; 302A.437, subdivision 1; 302A.449, subdivision 1, and by adding a subdivision; 302A.461, subdivisions 2, 4, and 4a; 302A.471, subdivision 1; 302A.551, subdivision 4; 302A.613, subdivision 2; 302A.621; 302A.651, subdivision 1; 302A.701; 302A.723, subdivision 3; 302A.725, subdivision 1; 302A.727; and 302A.781; proposing coding for new law in Minnesota Statutes, chapter 302A; repealing Minnesota Statutes 1990, sections 302A.729; 302A.730; and 302A.733.

Referred to the Committee on Judiciary.

Messrs. Finn, Dicklich, Lessard and Stumpf introduced—

S.F. No. 396: A bill for an act relating to education; permitting education districts and districts operating under joint powers agreements to conduct meetings via interactive television; amending Minnesota Statutes 1990, sections 122.92, subdivision 1; and 471.59, subdivision 2.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S.F. No. 397: A bill for an act relating to capital improvements; altering the terms of a grant to the Red Lake watershed district; amending Laws 1990, chapter 610, article 1, section 20, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

Mr. Solon introduced—

S.F. No. 398: A resolution memorializing the Congress of the United States to propose an amendment to the United States Constitution, for ratification by the states, specifying that Congress and the states shall have the power to prohibit the physical desecration of the flag of the United States.

Referred to the Committee on Judiciary.

### RECESS

Mr. Luther moved that the Senate recess until immediately after the conclusion of the Joint Convention. The motion prevailed.

The Senate reconvened at the appropriate time.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, February 21, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## SIXTEENTH DAY

St. Paul, Minnesota, Thursday, February 21, 1991

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

### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. David P. Gerhardt.

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

Adkins	Davis	Johnson, D.J.	Metzen	Reichgott
Beckman	Day	Johnson, J.B.	Moe, R.D.	Renneke
Belanger	DeCramer	Johnston	Mondale	Riveness
Benson, D.D.	Dicklich	Kelly	Morse	Sams
Benson, J.E.	Finn	Knaak	Neuville	Spear
Berg	Flynn	Laidig	Novak	Storm
Berglin	Frank	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Pappas	Traub
Bertram	Frederickson, D.R.	Lessard	Pariseau	Vickerman
Brataas	Halberg	Luther	Piper	Waldorf
Chmielewski	Hottinger	Marty	Pogemiller	
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Merriam	Ranum	

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. Gustafson, Kroening, Mehrkens and Samuelson were excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

January 31, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**COMMISSIONER OF JOBS AND TRAINING**

R. Jane Brown, 6897 Black Duck Drive, Lino Lakes, Anoka County, Minnesota, has been appointed by me, effective January 23, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Employment.)

February 1, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**COMMISSIONER OF ADMINISTRATION**

Dana B. Badgerow, 19625 Chartwell Hill, Shorewood, Hennepin County, Minnesota, has been appointed by me, effective February 11, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Governmental Operations.)

February 1, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**COMMISSIONER OF HEALTH**

John Frank McCally, 45 Nord Circle, North Oaks, Ramsey County, Minnesota, has been appointed by me, effective February 1, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Health and Human Services.)

Warmest regards,  
Arne H. Carlson, Governor

**REPORTS OF COMMITTEES**

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 154: 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 1990, section 327C.095, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 327C.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 327C.095, subdivision 1, is amended to read:

Subdivision 1. [CONVERSION OF USE; MINIMUM NOTICE.] At least nine months before the conversion of all or a portion of a manufactured home park to another use, or before closure of a manufactured home park or cessation of use of the land as a manufactured home park, the park owner must prepare a closure statement and provide a copy to the local planning agency and a copy to a resident of each manufactured home *where the residential use is being converted*. A resident may not be required to vacate until 60 days after the conclusion of the public hearing required under subdivision 4. If a lot is available in another section of the park that will continue to be operated as a park, the park owner must allow the resident to relocate the home to that lot unless the home, because of its size or local ordinance, is not compatible with that lot.

Sec. 2. Minnesota Statutes 1990, section 327C.095, is amended by adding a subdivision to read:

*Subd. 6. [INTENT TO CONVERT USE OF PARK AT TIME OF PURCHASE.] Before the execution of an agreement to purchase a manufactured home park, the purchaser must notify the park owner, in writing, if the purchaser intends to close the manufactured home park or convert it to another use within one year of the execution of the agreement. The park owner shall provide a resident of each manufactured home with a written notice of the purchaser's intent to close the park or convert it to another use. The notice must be sent by first class mail to a resident of each manufactured home in the park. The notice period begins on the postmark date affixed to the notice and ends 45 days after it begins. All of the residents or a nonprofit organization which has the written permission of 51 percent of the residents to represent them in the acquisition of the park shall have 45 days to meet the cash price and to execute an agreement to purchase the park for the purposes of keeping the park as a manufactured housing community. The park owner must accept the offer if it meets the cash price and the same terms and conditions set forth in the purchaser's offer except that the seller is not obligated to provide owner financing. For purposes of this section, cash price means the cash price offer or equivalent cash offer as defined in section 500.24, subdivision 6, paragraph (d).*

Sec. 3. Minnesota Statutes 1990, section 327C.095, is amended by adding a subdivision to read:

*Subd. 7. [INTENT TO CONVERT USE OF PARK AFTER PURCHASE.] If the purchaser of a manufactured home park decides to convert the park to another use within one year after the purchase of the park, the purchaser must offer the park for purchase by the residents of the park. The purchaser must provide the residents with a written notice of the intent to close the park and all of the residents or a nonprofit organization which has the written permission of 51 percent of the residents to represent them in the acquisition of the park shall have 45 days to execute an agreement for the*

*purchase of the park at a price equal to the original purchase price paid by the purchaser plus any documented expenses relating to the acquisition and improvement of the park property, together with any increase in value due to appreciation of the park. The purchaser must execute the purchase agreement at the price specified in this subdivision. The notice must be sent by first class mail to a resident of each manufactured home in the park. The notice period begins on the postmark date affixed to the notice and ends 45 days after it begins. Subdivision 6 and this subdivision do not apply in the case of a taking by eminent domain.*

Sec. 4. Minnesota Statutes 1990, section 327C.095, is amended by adding a subdivision to read:

*Subd. 8. [EFFECT OF NONCOMPLIANCE.] If a manufactured home park is sold or converted to another use in violation of subdivision 6 or 7, the residents do not have any continuing right to purchase the park as a result of that sale or conversion. Any violation of subdivision 6 or 7 shall be subject to section 8.31, subdivision 1, except that relief shall be limited so that questions of marketability of title shall not be affected.*

Sec. 5. [327C.096] [NOTICE OF SALE.]

*When a park owner offers to sell a manufactured home park to the public through advertising in a newspaper or by listing the park with a realtor licensed by the department of commerce, the owner must provide concurrent written notice to a resident of each manufactured home in the park that the park is being offered for sale. The notice provided by the park owner to a resident of each manufactured home does not grant any property rights in the park. This section does not apply in the case of a taking by eminent domain, a transfer by a corporation to an affiliate, a transfer by a partnership to one of its partners, or a sale or transfer to a person who would be an heir of the owner if the owner were to die intestate. If at any time a manufactured home park owner receives an unsolicited bona fide offer to purchase the park that the owner intends to consider or make counter offer to, the owner is under no obligation to notify the residents as required under this section."*

Delete the title and insert:

**"A bill for an act relating to manufactured home parks; providing for notice and right to purchase for conversion or the closing of a park under certain circumstances; amending Minnesota Statutes 1990, section 327C.095, subdivision 1, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 327C."**

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

Mr. Berg from the Committee on Gaming Regulation, to which was referred

S.F. No. 255: A bill for an act relating to horse racing; increasing per diem rate for members of the racing commission; requiring that pari-mutuel clerks at county fairs be licensed; specifying apportionment and uses of the Minnesota breeders' fund; specifying person who may supervise administration of certain medications; reducing state tax withholding on pari-mutuel winnings; amending Minnesota Statutes 1990, sections 240.02, subdivision

3; 240.09, subdivision 2; 240.18; 240.24, subdivision 2; and 290.92, subdivision 27.

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 118: A bill for an act relating to animals; tightening laws prohibiting cruel treatment of certain animals, including equines; increasing certain penalties; amending Minnesota Statutes 1990, sections 343.21, subdivisions 9 and 10; 346.43; and 346.44; proposing coding for new law in Minnesota Statutes, chapter 343.

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

Page 1, line 20, reinstate the stricken "pet or companion" and reinstate the stricken ", as defined in"

Page 1, line 21, reinstate the stricken language and before "that" insert "*or an equine, as defined in section 346.38, subdivision 1,*"

Page 2, line 4, reinstate the stricken language

Page 2, line 5, reinstate the stricken language and after the comma, insert "*or an equine,*"

Page 2, line 8, reinstate the stricken language and delete "an"

Page 2, line 9, after "animal" insert ", *or an equine*"

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 151: A bill for an act relating to public safety; creating the Minnesota advisory council on fire protection systems; requiring licensing and certifying of the fire protection industry; providing for rules and an exemption; creating fire protection systems account; providing for fees; imposing a penalty; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 299M.

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

Page 2, line 7, before the period, insert "*connected to a potable water source*"

Page 3, line 11, delete "*its parts, or related equipment,*"

Page 3, line 13, after the period, insert "*No license is required under this section for a person licensed as a professional engineer under section 326.03 who is competent in fire protection system design or a person licensed as an alarm and communication contractor under section 326.2421 for performing activities authorized by that license.*"

Page 4, line 11, delete "and" and insert "for" and delete "system" and insert "*systems.*"

Page 4, delete line 12

Page 4, line 16, after the first comma, insert "*certification, registration,*"

Page 4, line 35, delete "CONTRACT WITH LABOR AND INDUSTRY" and insert "AUTHORITY TO CONTRACT"

Page 4, line 36, delete "*the*" and insert "*local units of government.*"

Page 5, delete line 1

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

### MOTIONS AND RESOLUTIONS

Mr. Morse moved that his name be stricken as a co-author to S.F. No. 74. The motion prevailed.

Mr. Sams moved that the name of Mr. Luther be added as a co-author to S.F. No. 74. The motion prevailed.

Mr. Marty moved that the name of Mr. Finn be added as a co-author to S.F. No. 130. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Mr. Riveness be added as a co-author to S.F. No. 132. The motion prevailed.

Mr. Luther moved that the name of Mr. Finn be added as a co-author to S.F. No. 354. The motion prevailed.

Mr. Bertram moved that the names of Messrs. Solon, Metzen and Lessard be added as co-authors to S.F. No. 373. The motion prevailed.

Ms. Berglin moved that the name of Ms. Pappas be added as a co-author to S.F. No. 374. The motion prevailed.

Mr. Frank moved that the name of Ms. Pappas be added as a co-author to S.F. No. 384. The motion prevailed.

Mr. Metzen moved that the name of Mr. Price be added as a co-author to S.F. No. 387. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Sams be added as a co-author to S.F. No. 388. The motion prevailed.

Mr. Bertram moved that the names of Messrs. Metzen, Lessard and Vickerman be added as co-authors to S.F. No. 389. The motion prevailed.

Mr. Bertram moved that the names of Messrs. Metzen, Lessard and Vickerman be added as co-authors to S.F. No. 390. The motion prevailed.

Mr. Solon moved that the name of Ms. Johnston be added as a co-author to S.F. No. 398. The motion prevailed.

Mr. Knaak moved that S.F. No. 118 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Agriculture and Rural Development. The motion prevailed.

### CONSENT CALENDAR

S.F. No. 79: A bill for an act relating to the city of Mora; extending the deadline for negotiating certain contracts; amending Laws 1989, chapter 33, section 1.

### SUSPENSION OF RULES

Mr. Davis moved that the rules of the Senate be so far suspended as to waive the lie-over requirement as to S.F. No. 79. The motion prevailed.

S.F. No. 79 was read the third time 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.	McGowan	Ranum
Beckman	Davis	Johnson, D.J.	Metzen	Reichgott
Belanger	Day	Johnson, J.B.	Moe, R.D.	Renneke
Benson, D.D.	DeCramer	Johnston	Mondale	Riveness
Benson, J.E.	Dicklich	Kelly	Morse	Sams
Berg	Finn	Knaak	Neuville	Spear
Berglin	Flynn	Laidig	Novak	Stumpf
Bernhagen	Frank	Langseth	Olson	Traub
Bertram	Frederickson, D.J.	Larson	Pappas	Vickerman
Brataas	Frederickson, D.R.	Lessard	Pariseau	Waldorf
Chmielewski	Hottinger	Luther	Pogemiller	
Cohen	Hughes	Marty	Price	

So the bill passed and its title was agreed to.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that no bills were 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.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Knaak, Hughes, Ms. Johnson, J.B.; Messrs. Frank and Novak introduced—

S.F. No. 399: A bill for an act relating to education; authorizing certain school districts to become members of Northeast Metropolitan Intermediate School District No. 916; amending Minnesota Statutes 1990, sections 136D.72, subdivision 1; and 136D.76, subdivision 2.

Referred to the Committee on Education.

Messrs. Kelly, Knaak, McGowan, Merriam and Spear introduced—

S.F. No. 400: A bill for an act relating to peace officers; requiring law enforcement agencies to adopt written policies governing the use of deadly force; requiring initial and continuing peace officer training on deadly force and the use of firearms; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 401: A bill for an act relating to education; requiring the resident district of a nonhandicapped pupil temporarily placed in a residential program to pay tuition including summer school tuition; amending Minnesota Statutes 1990, section 120.181.

Referred to the Committee on Education.

Messrs. Dahl, Beckman, Metzen and Larson introduced—

S.F. No. 402: A bill for an act relating to international trade; establishing regional international trade service centers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Economic Development and Housing.

Messrs. Finn, Luther, Knaak, Ms. Reichgott and Mr. Metzen introduced—

S.F. No. 403: A bill for an act relating to the Uniform Commercial Code; enacting conforming amendments proposed by the Uniform Laws Conference; proposing changes to articles relating to leases and bulk sales; amending Minnesota Statutes 1990, sections 336.1-105; 336.2-403; 336.2A-103; 336.2A-209; 336.2A-303; 336.2A-304; 336.2A-307; 336.2A-309; 336.2A-407; 336.2A-501; 336.2A-503; 336.2A-508; 336.2A-516; 336.2A-517; 336.2A-518; 336.2A-519; 336.2A-523; 336.2A-525; 336.2A-527; 336.2A-528; 336.2A-529; proposing coding for new law in Minnesota Statutes, chapter 336; repealing Minnesota Statutes 1990, sections 336.6-101 to 336.6-111; and 336.9-111.

Referred to the Committee on Judiciary.

Messrs. Kelly, Spear and Cohen introduced—

S.F. No. 404: A bill for an act relating to peace officers; requiring the community college system, technical college system, state university system, and private colleges offering professional peace officer education to integrate components of professional peace officer education into a degree program by January 1, 1992; requiring the state university system to develop a school of law enforcement; amending Minnesota Statutes 1990, section 626.84, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Judiciary.

Mr. Price introduced—

S.F. No. 405: A bill for an act relating to taxation; property; reducing the class rate applied to certain homesteads; amending Minnesota Statutes 1990, section 273.13, subdivision 22.

Referred to the Committee on Taxes and Tax Laws.

Mr. Marty, Ms. Piper, Messrs. Sams, Finn and Dicklich introduced—

S.F. No. 406: A bill for an act relating to energy; generation of electrical energy; prohibiting the issuance of certificates of need for new nuclear generating plants until the public utilities commission is satisfied that a

safe method is available for the permanent disposal of nuclear waste; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Energy and Public Utilities.

Mr. Waldorf, Ms. Ranum and Mr. Merriam introduced—

S.F. No. 407: A bill for an act relating to occupations and professions; amending the definition of high pressure piping; amending Minnesota Statutes 1990, section 326.461, subdivision 2.

Referred to the Committee on Employment.

Messrs. Merriam, Knaak and Neuville introduced—

S.F. No. 408: A bill for an act relating to privacy; recognizing a cause of action for public disclosure of private facts; proposing coding for new law as Minnesota Statutes, chapter 554.

Referred to the Committee on Judiciary.

Mr. Samuelson introduced—

S.F. No. 409: A bill for an act relating to education; changing a definition for purposes of sparsity revenue; amending Minnesota Statutes 1990, section 124A.22, subdivision 5.

Referred to the Committee on Education.

Mr. Pogemiller introduced—

S.F. No. 410: A bill for an act relating to retirement; allowing payment of certain premiums on tax sheltered annuities; as an exception to the prohibition on supplemental pension plans; amending Minnesota Statutes 1990, section 356.24.

Referred to the Committee on Governmental Operations.

Mr. Pogemiller introduced—

S.F. No. 411: A bill for an act relating to education; appropriating money for matching grants for "male responsibility" pilot programs.

Referred to the Committee on Education.

Ms. Berglin introduced—

S.F. No. 412: A bill for an act relating to health; creating an interagency long-term care planning board; changing requirements for the preadmission screening and alternative care grants programs; appropriating money; amending Minnesota Statutes 1990, section 256B.091, subdivisions 2, 3, 6, 8, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 256B; proposing coding for new law as Minnesota Statutes, chapter 144B; repealing Minnesota Statutes 1990, sections 144A.31, subdivisions 1 and 5; and 256B.091, sections 1, 4, and 7.

Referred to the Committee on Health and Human Services.

Messrs. Vickerman, Samuelson, Ms. Piper, Messrs. Renneke and Solon introduced—

S.F. No. 413: A bill for an act relating to health; requiring the commissioner of health to apply for a grant to establish an office of rural health; assigning duties to the office; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Mses. Berglin, Piper, Mr. Finn, Ms. Johnson, J.B. and Mr. Sams introduced—

S.F. No. 414: A bill for an act relating to alcohol and drug abuse; establishing statewide and local prevention programs; establishing family resource center pilot projects; requiring plans and studies; requiring children to attend school through age 17; establishing school prevention programs; providing for research and evaluation; expanding the definition of drug free zones to include post-secondary and technical colleges and public housing property; requiring the sentencing guidelines commission to develop a model set of local correctional guidelines; authorizing special levies for local correctional services that do not involve incarceration; changing the name and duties of the drug abuse prevention resource council; providing incentives for judicial districts to adopt local correctional guidelines; requiring reporting of felony convictions; requiring chemical use assessments of persons convicted of felonies; requiring studies; appropriating money; amending Minnesota Statutes 1990, sections 120.101, subdivisions 5 and 9; 120.105; 123.35, subdivision 8; 124.26, subdivision 1b; 126.031, subdivision 1; 145.924; 152.01, subdivision 14a, and by adding a subdivision; 152.022, subdivision 1; 152.023, subdivision 2; 244.095, subdivisions 1 and 2; 254A.16, by adding subdivisions; 254A.17, subdivision 1, and by adding a subdivision; 260.015, subdivision 19; 275.50, subdivision 5; 275.51, subdivision 3f; 299A.30; 299A.31, subdivision 1; 299A.32; 401.14, by adding a subdivision; 485.16; and 609.115, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 144, 244, and 245; repealing Minnesota Statutes 1990, sections 244.095, subdivision 3; 299A.29; and 299A.30.

Referred to the Committee on Health and Human Services.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, February 25, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



## SEVENTEENTH DAY

St. Paul, Minnesota, Monday, February 25, 1991

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

### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Eugene A. Pouliot.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

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

Adkins	DeCramer	Kelly	Moe, R. D.	Renneke
Beckman	Dicklich	Knaak	Mondale	Riveness
Belanger	Finn	Kroening	Morse	Sams
Benson, D.D.	Flynn	Laidig	Neuville	Samuelson
Benson, J.E.	Frank	Langseth	Novak	Solon
Berg	Frederickson, D.J.	Larson	Olson	Spear
Berglin	Frederickson, D.R.	Lessard	Pappas	Storm
Bernhagen	Halberg	Luther	Pariseau	Stumpf
Bertram	Hottinger	Marty	Piper	Traub
Cohen	Hughes	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.E.	Mehrrens	Price	Waldorf
Davis	Johnson, D.J.	Merriam	Ranum	
Day	Johnston	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. Chmielewski, Mrs. Brataas and Ms. Johnson, J.B. were excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

February 19, 1991

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

The Honorable Jerome M. Hughes

President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1991 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1991	Date Filed 1991
	152	3	10:00 a.m. February 18	February 19

Sincerely,  
Joan Anderson Growe  
Secretary of State

February 22, 1991

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

The Honorable Jerome M. Hughes  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1991 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1991	Date Filed 1991
	14	Res. No. 1	10:00 a.m. February 21	February 22

Sincerely,  
Joan Anderson Growe  
Secretary of State

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 245.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 21, 1991

### FIRST READING OF HOUSE BILLS

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

H.F. No. 245: A bill for an act relating to education; providing for school consolidation in Kittson and Marshall counties in certain circumstances.

Referred to the Committee on Education.

### REPORTS OF COMMITTEES

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 126: A bill for an act relating to Meeker county; authorizing the county board to provide for an addition to the county hospital.

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 119: A bill for an act relating to the city of Crookston; permitting the establishment of special service districts in the city of Crookston.

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

Page 1, line 20, after "*the*" insert "*city of*" and delete "*development authority*"

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

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

S.F. No. 148: A bill for an act relating to human services; case management of persons with mental retardation or related conditions; authorizing alternative methods for delivery of services; proposing coding for new law in Minnesota Statutes, chapter 256B.

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

Page 1, line 9, delete "AND" and insert "OR"

Page 1, line 13, delete "*people*" and insert "*persons*"

Page 1, line 14, delete "*and*" and insert "*or*"

Page 1, line 15, delete "*shall*" and insert "*must meet criteria established by the commissioner and, to the extent possible, must*"

Page 1, line 19, delete "*shall*" and insert "*must*"

Page 1, line 20, after "*following*" insert "*as they relate to the provision of case management*"

Page 2, line 6, before "*self-advocates*" insert "*or*"

Page 2, line 15, delete the first "*and*" and insert "*or*"

Page 2, line 23, before "*human*" insert "*health and*"

Page 2, line 24, delete "*committee*" and insert "*committees*" and delete "*legislature*" and insert "*senate and house of representatives*"

Page 2, line 25, delete "*department of human services*" and insert "*commissioner*"

Page 2, line 27, delete "*this*" and insert "*the*"

Page 2, line 28, delete "*shall*" and insert "*must*" and delete "*rules*" and insert "*Rules*"

Page 2, line 29, delete "*shall*" and insert "*may*"

Page 2, line 30, delete "*civil*" and after "*protections*" insert "*under sections 256.045, subdivision 4a, and 256B.092*"

Page 2, line 31, delete "*of human*"

Page 2, line 32, delete "*services*" and delete "*back*"

Page 2, line 36, delete "*shall expire*" and insert "*expires*"

Page 3, after line 1, insert:

"Sec. 3. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment.*"

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

Mr. 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. 7: A bill for an act relating to liquor; authorizing the possession or use of alcoholic beverages at a private school under certain conditions; amending Minnesota Statutes 1990, section 624.701, subdivision 1a.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for February 7, 1991, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

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

S.F. Nos. 41, 309, 319, 335, 355 and 369 reports the same back with the recommendation that the bills be re-referred as follows:

S.F. No. 41 to the Committee on Governmental Operations.

S.F. Nos. 309, 319, 335 and 355 to the Committee on Veterans and General Legislation.

S.F. No. 369 to the Committee on Judiciary.

Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred the following appointment as reported in the Journal for February 4, 1991:

STATE PLANNING AGENCY  
COMMISSIONER

Linda Kohl

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.

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

S.F. No. 2: A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.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

HEALTH CARE ACCESS AGENCY

Section 1. Minnesota Statutes 1990, section 15.06, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] This section applies to the following departments or agencies: the departments of administration, agriculture, commerce, corrections, jobs and training, education, employee relations, trade and economic development, finance, health, *health care access*, human rights, labor and industry, natural resources, public safety, public service, human services, revenue, transportation, and veterans affairs; the housing finance, state planning, and pollution control agencies; the office of commissioner of iron range resources and rehabilitation; the bureau of mediation services; and their successor departments and agencies. The heads of the foregoing departments or agencies are “commissioners.”

Sec. 2. [16B.065] [STATE CONTRACTORS AND VENDORS; HEALTH COVERAGE FOR EMPLOYEES.]

*To participate in a state contract or otherwise provide goods or services to a state agency, the contractor, vendor, or service provider must offer health coverage to its employees that meets the terms and conditions for*

*employer eligibility in the Minnesotans' health care plan in article 2, section 5. The contractor, vendor, or service provider may obtain health coverage through the Minnesotans' health care plan or an alternative source.*

Sec. 3. Minnesota Statutes 1990, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. [ADDITIONAL UNCLASSIFIED POSITIONS.] Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the departments of administration; agriculture; commerce; corrections; jobs and training; education; employee relations; trade and economic development; finance; health; *health care access*; human rights; labor and industry; natural resources; office of administrative hearings; public safety; public service; human services; revenue; transportation; and veterans affairs; the housing finance, state planning, and pollution control agencies; the state board of investment; the office of waste management; the offices of the secretary of state, state auditor, and state treasurer; the state board of technical colleges; the Minnesota center for arts education; and the Minnesota zoological board.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(1) the designation of the position would not be contrary to other law relating specifically to that agency;

(2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with the governor and the agency head, or the employing constitutional officer;

(6) the position would be at the level of division or bureau director or assistant to the agency head; and

(7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

Sec. 4. [62J.03] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] For purposes of this chapter, the following terms have the meanings given them.*

*Subd. 2. [GROUPS; DEFINITIONS.] The definitions of small group, medium-sized group, large group, and group sponsor in this section are subject to United States Code, title 26, sections 414(b), 414(c), and 414(m), and federal regulations related to those sections, when a group sponsor or sponsors alter, reform, or redefine a group or groups to avoid or to take advantage of community rating. The commissioners of health care access, commerce, and health may adopt rules to supplement those federal statutes and regulations to prevent qualification as a large, medium-sized, or small*

group through the use of separate organizations, multiple organizations, employee leasing, or other arrangements.

*Subd. 3. [ADULT.] "Adult" means a person 18 years of age or older.*

*Subd. 4. [CHILD.] "Child" means a person under 18 years of age.*

*Subd. 5. [COMMISSIONER OR COMMISSIONER OF HEALTH CARE ACCESS.] "Commissioner" or "commissioner of health care access" means the commissioner of health care access or, prior to the existence of that commissioner, the commissioner of human services.*

*Subd. 6. [DEPARTMENT.] "Department" means the department of health care access or, prior to the existence of that department, the bureau of health care access in the department of human services.*

*Subd. 7. [GROUP SPONSOR.] "Group sponsor" means an employer or other entity described in section 62A.10, subdivision 1, as an eligible purchaser of health coverage.*

*Subd. 8. [HEALTH COVERAGE.] "Health coverage" means a policy or contract providing health and accident benefit under chapter 62A, 62C, 62D, 62E, 62H, or 64B; under section 471.617, subdivision 2; or through the state plan. Health coverage does not include a policy or contract designed primarily to provide coverage on a per diem, fixed annuity, or nonexpense-incurred basis, or that provides only accident coverage.*

*Subd. 9. [HEALTH PLAN COMPANY.] "Health plan company" means any entity governed by chapter 62A, 62C, 62D, 62E, 62H, or 64B, or section 471.617, subdivision 2, that offers, sells, issues, or renews health coverage in this state. Health plan company does not include an entity that sells only policies designed primarily to provide coverage on a per diem, fixed annuity, or nonexpense-incurred basis, or policies that provide only accident coverage.*

*Subd. 10. [HEALTH PROFESSIONAL.] In benefit set descriptions, references to services performed by "health professionals" include services performed by any qualified health professionals acting within their licensed, certified, or registered scope of practice.*

*Subd. 11. [INDIVIDUAL.] "Individual" means an individual or family that applies to a health plan company or the state plan for health coverage on an individual or family basis.*

*Subd. 12. [INTERMEDIATE BENEFIT SET.] "Intermediate benefit set" means the health care benefits specified in article 3, sections 1 to 11.*

*Subd. 13. [LARGE GROUP.] "Large group" means a group of 100 or more employees or members of a group sponsor that applies for or obtains health coverage from a health plan company or the state plan. Owners of sole proprietorships, partnerships, and other unincorporated entities are employees for purposes of this definition. Dependents of employees or members do not count for purposes of this definition.*

*Subd. 14. [MEDIUM-SIZED GROUP.] "Medium-sized group" means a group of not fewer than 30 nor more than 99 employees or members of a group sponsor that applies for or obtains health coverage from a health plan company or the state plan. Owners of sole proprietorships, partnerships, and other unincorporated entities are employees for purposes of this definition. Dependents of employees or members do not count for purposes of this definition.*

*Subd. 15. [MINIMUM INSURANCE BENEFIT SET.] "Minimum insurance benefit set" means the health care benefits that must be included in health coverage offered, sold, issued, or renewed by health plan companies, as specified in article 3, section 14.*

*Subd. 16. [MINNESOTA RESIDENT.] "Minnesota resident" means a person whose principal place of residence is Minnesota and who (1) is employed in Minnesota; or (2) has resided in Minnesota for at least 90 consecutive days.*

*Subd. 17. [SMALL GROUP.] "Small group" means a group of not fewer than two nor more than 29 employees or members of a group sponsor that applies for or obtains health coverage from a health plan company or the state plan. Owners of sole proprietorships, partnerships, and other unincorporated entities are employees for purposes of this definition. Dependents of employees or members do not count for purposes of this definition.*

*Subd. 18. [STATE PLAN.] "State plan" means the Minnesotans' health care plan administered by the commissioner of health care access.*

*Subd. 19. [SUPPLEMENTAL BENEFIT SET.] "Supplemental benefit set" means the health care benefits available through the state plan that exceed the intermediate benefit set, as specified in article 3, section 15.*

*Subd. 20. [UNIVERSAL BASIC BENEFIT SET.] "Universal basic benefit set" means the health care benefits specified in article 3, section 12.*

#### **Sec. 5. [62J.04] [BUREAU OF HEALTH CARE ACCESS.]**

*Subdivision 1. [DUTIES.] The bureau of health care access in the department of human services shall undertake the initial design and implementation of the Minnesotans' health care plan and perform the duties assigned to the commissioner of health care access until the department of health care access has been established. The bureau of health care access is under the supervision of a deputy commissioner appointed by the commissioner of human services.*

*Until July 1, 1993, the commissioner of human services has the duties and powers given to the commissioner of health care access. The commissioner of human services may also use any powers granted under other laws to carry out the duties assigned in this chapter.*

*Subd. 2. [CONTRACTS.] When entering into contracts with health plans and health care providers, the bureau is not subject to the competitive bidding requirements in section 16B.07.*

*Subd. 3. [EMPLOYEES.] The commissioner of human services shall hire employees to carry out the duties of the department.*

*Subd. 4. [RULES.] The commissioner of human services may adopt permanent and emergency rules as necessary to carry out the duties assigned in this chapter.*

*Subd. 5. [CONVERSION TO THE DEPARTMENT OF HEALTH CARE ACCESS.] Effective July 1, 1993, the staff complement, appropriations, duties, and powers of the bureau of health care access of the department of human services are transferred to the department of health care access according to section 15.039.*



## DEPARTMENT OF HEALTH CARE ACCESS

## Sec. 6. [62J.05] [DEPARTMENT OF HEALTH CARE ACCESS.]

*Subdivision 1. [EXECUTIVE AGENCY.] The department of health care access is an agency in the executive branch headed by a commissioner of health care access who is appointed by the governor under section 15.06.*

*Subd. 2. [GENERAL POWERS AND DUTIES.] The commissioner of health care access shall:*

*(1) administer the Minnesotans' health care plan;*

*(2) contract with providers, insurers, and health plans to provide coverage or health care to participants in state health programs administered by the commissioner and specify or negotiate the terms of the contracts;*

*(3) administer the reinsurance pool in article 6, section 12, and the biased selection adjustment in article 6, section 8;*

*(4) coordinate the health care programs administered by the commissioner with the medical assistance program administered by the commissioner of human services;*

*(5) have the authority to clarify and refine the terms of the intermediate benefit set, the supplemental benefit set, the minimum insurance benefit set, and the universal basic benefit set, including the authority to waive copayments, or establish a sliding scale copayment schedule that will result in reduced copayments, for enrollees with federal adjusted gross incomes below 185 percent of the federal poverty guideline;*

*(6) coordinate the mental health benefits of the health care programs administered by the commissioner with county-based mental health programs provided under the community social services act, and recommend changes to the state plan and community social services act programs that will improve the state plan's mental health benefits and minimize duplication with county-based programs;*

*(7) provide assistance to the commissioner of human services in order to secure waivers of federal requirements for federally subsidized health care programs as necessary to further the state's health care access goals and improve coordination between governmental health care programs;*

*(8) coordinate the health care programs administered by the commissioner with other state and local health care programs in order to make the most effective use of the state's market leverage and expertise in contracting and working with health plans and health care providers, and recommend to the legislature any changes needed to: (i) improve the effectiveness of public health care purchasing; and (ii) streamline and consolidate government health care programs; and*

*(9) with the advice of the health care expenditure advisory committee, establish an overall, statewide limit on total public and private health care spending in Minnesota and limits on annual health care spending increases, require compliance of all participants in the health care system with the spending limits, and make recommendations to the governor and the legislature regarding legislation or other actions that are needed to contain health care spending within the limits established by the commissioner. All participants in the health care system are required to take action necessary to ensure that total health care spending and increases in spending remain within the limits established by the commissioner.*

*Subd. 3. [CONTRACTS.] When entering into contracts with health plans and health care providers, the commissioner is not subject to the competitive bidding requirements in section 16B.07.*

*Subd. 4. [RULES.] The commissioner may adopt permanent and emergency rules as necessary to carry out the duties assigned in this chapter.*

*Subd. 5. [MONITORING OF EMPLOYERS.] The commissioner shall conduct surveys and other activities to monitor changes over time, if any, in employers' behavior in providing subsidized health coverage. Detailed surveys of employer behavior must be conducted at least annually. After each survey is completed, the findings and an analysis of the positive or negative impact, if any, on the costs of the Minnesotans' health care plan resulting from changes in employers' behavior, and recommendations regarding actions necessary to address changes, must be reported to the commissioners of finance and revenue and to the chairs of the senate finance and house of representatives appropriations committees and the senate and house of representatives tax committees. If the commissioner anticipates that there will be increased state costs associated with a significant decrease in employer-subsidized health coverage, the commissioner of health care access shall submit draft legislation to raise additional revenues through an employer-paid payroll tax to the chairs of the senate finance and house of representatives appropriations committees and the senate and house of representatives tax committees.*

*Subd. 6. [CHANGES IN FEDERAL HEALTH CARE PROGRAMS.] The commissioner, in cooperation with the commissioner of human services, shall identify and pursue changes in federal health care programs that would allow them to be merged or more effectively coordinated with the health care programs administered by the department of health care access. The commissioner of health care access and the commissioner of human services may seek federal waivers, develop partnerships with federal health programs, and seek changes in federal programs.*

**Sec. 7. [62J.06] [TECHNOLOGY AND BENEFITS ADVISORY COMMITTEE.]**

*Subdivision 1. [MEMBERSHIP.] The commissioner shall convene a technology and benefits advisory committee consisting of consumers, health care providers and payors, a representative of the medical technology industry, and experts in medical ethics. Advisory committee members are appointed by the governor. The governor shall ensure that appointments result in a balance of interests on the committee. The commissioner of health care access shall make recommendations for appointments. The advisory committee is governed by section 15.059 except that it does not expire.*

*Subd. 2. [DUTIES.] The technology and benefits advisory committee is responsible for periodically reviewing, analyzing, and evaluating health care technology, benefits, and coverage and making recommendations to the commissioner and the legislature. The committee's recommendations must be based on the following principles: (1) universal and equitable access to health care procedures and technologies; (2) maintenance of an appropriate balance between expenditures for primary and preventive care, and expenditures for high-cost cases; (3) promotion of high quality and cost-effective health care; and (4) adherence to budget targets. The committee shall solicit comments and recommendations from interested persons during its deliberations. The committee is responsible for reviewing, analyzing, and making recommendations concerning at least the following:*

- (i) the universal basic benefit set;
- (ii) the intermediate benefit set;
- (iii) the supplemental benefit set;
- (iv) the minimum insurance benefit set;
- (v) coverage for new procedures and technologies;
- (vi) state mandated benefits applicable to insurers and other health plan companies;
- (vii) benefit levels in other state health coverage programs; and
- (viii) coverage and health care standards for cases subject to the reinsurance pool in article 6, section 12, which would be binding on the reinsurance pool.

Sec. 8. [62J.07] [HEALTH CARE EXPENDITURES ADVISORY COMMITTEE.]

*Subdivision 1. [MEMBERSHIP.] The health care expenditures advisory committee is a permanent committee whose members are appointed by the governor. Committee members include representatives of health insurers, health maintenance organizations, and other health plan companies; state agencies that administer government health programs; health care providers; labor; business; and consumer groups. The commissioner of health care access shall make recommendations to the governor regarding appointments to the committee. The governor shall ensure that appointments result in a balance of interests on the committee. The committee is governed by section 15.059, except that it does not expire.*

*Subd. 2. [DUTIES.] The health care expenditures advisory committee shall make recommendations to the commissioner for an overall statewide limit on total public and private health care spending in Minnesota and limits on annual health care spending increases.*

*Subd. 3. [STAFF AND SUPPLIES.] The commissioner of health care access shall provide the advisory committee with staff support and supplies.*

Sec. 9. [62J.08] [IMPLEMENTATION.]

*Subdivision 1. [NEW PROGRAM PLANNING AND DEVELOPMENT.] The commissioner shall begin planning and development for the state plan July 1, 1991. The commissioner shall use an implementation schedule that will lead to enrollment of eligible individuals, families, and employee groups statewide beginning July 1, 1992. Planning and development activities include:*

- (1) development of outreach, enrollment, and eligibility determination procedures;
- (2) commencement of outreach activities;
- (3) planning, development, and acquisition of necessary computer systems, including forms, software, and training;
- (4) development of health plan contractor specifications and issuance of requests for proposals;
- (5) negotiating and executing health plan contracts;
- (6) planning, development, and preparation of systems for direct health

*care delivery management by the state or planning for the use of existing administrative systems in the department of human services, as necessary;*

*(7) preparations, requests for proposals, contract negotiations, and other activities relating to the reinsurance pool; and*

*(8) other appropriate planning and development activities.*

*Subd. 2. [TERMS OF PROGRAM CONSOLIDATION.] In carrying out the merger, transfer, or reconfiguration of existing health care and health coverage programs, as described in this section, the commissioner shall:*

*(1) ensure that health care benefits will not be diminished for enrollees and clients of current programs;*

*(2) assist current program enrollees and clients with the procedures necessary to maintain comparable health care benefits;*

*(3) ensure that financial obligations for public hospitals and other health care providers that serve the enrollees and clients of current programs will not increase as a result of the merger or transfer; and*

*(4) ensure coordination between the state plan, local public health departments, public hospitals, and other health care providers that serve the enrollees and clients of current programs in the areas of outreach, patient education, case management, and related services.*

*Subd. 3. [SHORT-TERM PROGRAM MERGERS.] By July 1, 1993, or one year after the state plan begins statewide enrollment, whichever is later, the commissioner of health care access, with assistance from the commissioner of human services, shall take action necessary to merge the following programs into the state plan: the children's health plan, and the general assistance medical care program.*

*Subd. 4. [SHORT-TERM PROGRAM TRANSFERS.] By July 1, 1993, or one year after the state plan begins statewide enrollment, whichever is later, the commissioner of health care access, with assistance from the commissioners of human services and health, shall take action necessary to transfer part of the responsibilities and functions of the following programs to the state plan, to the extent that the state plan provides or will provide duplicate services: the services for children with handicaps program, the maternal and child health program, and the consolidated chemical dependency treatment fund. For chemical dependency coverage under the state plan, the commissioner shall:*

*(1) adopt the consolidated chemical dependency treatment fund's process for patient evaluation and referral, to the extent possible within the state plan's managed care arrangements; and*

*(2) coordinate services with the consolidated chemical dependency treatment fund to ensure nonduplication of services and ease of transfer between the programs.*

*Subd. 5. [MINNESOTA COMPREHENSIVE HEALTH ASSOCIATION.] Effective July 1, 1992, or when the state plan begins statewide enrollment, whichever is later, no additional enrollments are permitted in the Minnesota comprehensive health association; and current enrollees may remain enrolled in the Minnesota comprehensive health association, may enroll in the state plan, or may obtain health care coverage in the private market. Enrollees in the state plan may choose the intermediate benefit set or both the intermediate and the supplemental benefit sets. The commissioner*

*of health care access, with assistance from the commissioner of commerce, shall determine whether or not to include the Minnesota comprehensive health association in longer-term program transfers as stated in subdivision 7, after evaluating the rate of disenrollment from the Minnesota comprehensive health association. If the commissioner recommends merger, transfer, reconfiguration, or other changes to the Minnesota comprehensive health association, the changes must be made consistent with the requirements in subdivision 2.*

*Subd. 6. [MEDICAL ASSISTANCE.] By July 1, 1995, the commissioner of health care access, with assistance from the commissioners of human services and health, shall take action necessary to merge all or part of the medical assistance program into the state plan, to the extent that a merger is permitted by federal waivers and will improve the cost-effectiveness of public health care purchasing and streamline and consolidate government health care programs.*

*Subd. 7. [LONGER-TERM PROGRAM TRANSFERS.] By July 1, 1995, the commissioner of health care access, with assistance from the commissioners of employee relations, corrections, and other affected agencies, shall take action necessary to transfer part of the responsibilities and functions of the following programs to the state plan: state and local government employee health benefits programs, corrections system health programs, the health care component of the Minnesota crime victims reparations board program, and other health care and health coverage programs sponsored by state or local government. The transfers must be limited to responsibilities and functions that the state plan provides or will provide, and to transfers that will improve the cost-effectiveness of public health care purchasing and streamline and consolidate government health care programs.*

*Subd. 8. [LONGER-TERM PROGRAM RECONFIGURATION.] By July 1, 1995, the commissioner of health care access, with assistance from the commissioners of labor and industry, commerce, and other affected agencies, shall take action necessary to reconfigure the following programs: the health care component of workers' compensation coverage, and the health care component of motor vehicle and motorcycle coverage. The program reconfigurations must be carried out in a way that significantly improves the cost-effectiveness of public and private health care purchasing and streamlines and consolidates public and private health care programs.*

*Subd. 9. [LEGISLATION.] If the commissioner determines that additional legislation is necessary to fully implement the Minnesotans' health care plan and other activities and requirements established in this chapter, the commissioner shall submit proposed legislation to the legislature by the dates indicated. The proposed legislation must include, but is not limited to, technical changes necessary to:*

*(1) merge into the state plan the children's health plan and the general assistance medical care program, to be submitted by January 1, 1992;*

*(2) transfer to the state plan part of the responsibilities and functions of the services for children with handicaps program, the maternal and child health program, and the consolidated chemical dependency treatment fund, to be submitted by January 1, 1992;*

*(3) enforce the spending limits established under section 6, subdivision 2, clause (9), to be submitted by January 1, 1992;*

(4) transfer to the department of health care access part of the responsibilities and functions of state and local government employee health benefits programs, corrections system health programs, the health care component of the Minnesota crime victims reparations board program, and other health care and health coverage programs sponsored by state and local government, to be submitted by January 1, 1994;

(5) reconfigure the health care components of the workers' compensation coverage and motor vehicle coverage, as described in subdivision 8, to be submitted by January 1, 1994;

(6) transfer to the department of health care access all or part of the responsibilities and functions of the medical assistance program, and to support the state's efforts to secure waivers of federal requirements for federally subsidized health care programs, to be submitted by January 1, 1994; and

(7) establish the content of and procedures for conversion to the universal basic benefit set, to be submitted by January 1, 1994.

Subd. 10. [ASSISTANCE FROM OTHER AGENCIES.] *At the request of the commissioner of health care access, the commissioners of health, commerce, state planning, human services, employee relations, labor and industry, corrections, finance, and other affected agencies shall provide assistance in planning, development, and implementation.*

Sec. 10. [STUDIES AND REPORTS.]

Subdivision 1. [HEALTH CARE DELIVERY SYSTEM REFORM.] *The health care expenditures advisory committee shall study and make recommendations regarding further reforms to the health care delivery system in Minnesota. The advisory committee shall solicit the comments, advice, and participation from communities with an interest in accessible, affordable health care. The commissioner shall submit a report on the recommendations of the advisory committee to the legislature by January 1, 1993.*

Subd. 2. [HEALTH PLAN REGULATION.] *The commissioner of health and the commissioner of commerce shall develop a plan for the functional division of regulatory authority over health plans. This plan must be presented to the legislature by January 1, 1992. The plan must allow each commissioner to exercise independent authority to the greatest extent possible and must minimize jurisdictional overlaps. The plan must provide the commissioner of commerce with primary authority for regulating the financial integrity and corporate structure of health plans and must provide the commissioner of health with primary authority for regulating health care delivery and health care quality.*

Subd. 3. [STANDARD CLAIM FORMS AND UTILIZATION REVIEW PROCEDURES.] *The commissioner of health care access shall recommend to the legislature a standard claim form for ambulatory care by January 1, 1993, and standards for certain types of utilization review procedures by January 1, 1994. These recommendations must not have the effect of limiting innovation and improvement in health care delivery management, or compromising the purposes for which information is collected.*

Sec. 11. [APPROPRIATIONS.]

Subdivision 1. [HUMAN SERVICES.] *§ . . . . . is appropriated from the general fund to the commissioner of human services for purposes of sections 1 to 10, to be available until June 30, 1993.*

*Subd. 2. [COMMERCE.] § . . . . . is appropriated from the general fund to the commissioner of commerce for purposes of section 9 and section 10, subdivision 2, to be available until June 30, 1993.*

*Subd. 3. [HEALTH.] § . . . . . is appropriated from the general fund to the commissioner of health for purposes of section 9 and section 10, subdivision 2, to be available until June 30, 1993.*

*Subd. 4. [LABOR AND INDUSTRY.] § . . . . . is appropriated from the general fund to the commissioner of labor and industry for purposes of section 9, to be available until June 30, 1993.*

**Sec. 12. [REPEALER.]**

*Subdivision 1. [CHEPP.] Minnesota Statutes, sections 62E.51, 62E.52, 62E.53, 62E.531, 62E.54, and 62E.55, relating to the catastrophic health expense protection program, are repealed.*

*Subd. 2. [BUREAU OF HEALTH CARE ACCESS.] Section 5 is repealed effective July 1, 1993.*

**Sec. 13. [EFFECTIVE DATES.]**

*Subdivision 1. [CREATION OF THE BUREAU OF HEALTH CARE ACCESS AND THE HEALTH CARE EXPENDITURES ADVISORY COMMITTEE.] Sections 5 and 8 are effective July 1, 1991.*

*Subd. 2. [CREATION OF THE DEPARTMENT OF HEALTH CARE ACCESS.] The department of health care access is established effective July 1, 1993.*

*Subd. 3. [TECHNOLOGY AND BENEFITS ADVISORY COMMITTEE.] Section 7 is effective January 1, 1992.*

*Subd. 4. [STATE CONTRACTORS.] Section 2 is effective July 1, 1992, and applies to contracts entered into or renewed, or goods or services provided, after that date.*

**ARTICLE 2**

**MINNESOTANS' HEALTH CARE PLAN**

**Section 1. [62J.09] [CREATION.]**

*The Minnesotans' health care plan is created to provide health coverage to individuals, families, and employers who do not have access to other affordable health coverage.*

**Sec. 2. [62J.10] [COVERAGE REQUIRED FOR MINNESOTA RESIDENTS.]**

*All Minnesota residents must obtain health coverage equal to or greater than the intermediate benefit set or the minimum insurance benefit set. Coverage may be obtained through the state plan, an employer, an individual policy with a private health plan company, or any other source of coverage. Minnesota residents must provide proof of coverage in the manner required by the commissioner of health care access.*

**Sec. 3. [62J.11] [ELIGIBILITY OF INDIVIDUALS AND FAMILIES.]**

*To be eligible to obtain coverage through the state plan, individuals and families must be Minnesota residents and have no other source of health coverage or must have coverage that primarily supplements, rather than duplicates, the intermediate benefit set. A Minnesota resident individual or*

*family may switch from private health coverage to the state plan provided the transfer does not result in simultaneous coverage under both the state plan and another health care plan. The individual or family must contribute to the cost of health coverage as provided in section 4.*

**Sec. 4. [62J.12] [INDIVIDUAL AND FAMILY PREMIUMS.]**

*Subdivision 1. [SLIDING SCALE.] Each individual and family unit enrolled in the state plan shall pay a premium set in relation to gross income and family size. The commissioner shall establish a sliding scale to determine the amount of the premium each individual or family must pay to obtain health coverage through the state plan. The sliding scale must use the federal poverty guidelines as the primary unit of measurement, and must be based on an individual's or family's federal adjusted gross income as shown on the federal income tax return. If the family files separate returns, the federal adjusted gross income from the returns must be combined for purposes of computing the family's federal adjusted gross income. If coverage provided through the state plan is equivalent to the intermediate benefit set described in article 3, sections 2 to 11, the sliding scale must be designed so that individuals and families with incomes less than 25 percent of the federal poverty level pay 1.08 percent of their gross income, and those with incomes between 250 percent and 275 percent of the federal poverty level pay 6.5 percent of their gross income. Individuals and families with gross incomes over 275 percent of the federal poverty guideline or \$40,000, whichever is less, are not eligible for a subsidized premium and must pay 100 percent of the cost of coverage through the state plan. For coverage that differs significantly from the intermediate benefit set, the sliding scale must be adjusted to reflect the differences in coverage. In addition to payments under the sliding scale, enrollees may be required to make greater payments depending on the health plan chosen. The commissioner shall pass differences in premiums between health plans on to enrollees, except that the commissioner may limit differences in charges to enrollees if necessary to prevent enrollment that exceeds the capacity of certain plans.*

*Subd. 2. [ADJUSTMENTS TO THE INCOME LIMIT AND SLIDING SCALE.] The commissioner shall adjust the sliding scale and the maximum income limit for subsidized coverage to reflect changes in prevailing income levels, health coverage costs, and benefit levels.*

*Subd. 3. [MUST NOT HAVE ACCESS TO EMPLOYER-SUBSIDIZED COVERAGE.] To be eligible for subsidized coverage, an individual or family must not have access to subsidized health coverage through an employer, unless the amount of employer subsidy toward the cost of coverage is less than an amount determined by the commissioner of health care access. Children are eligible for employer-subsidized coverage through either parent, including the noncustodial parent. The commissioner must treat employer contributions to Internal Revenue Code Section 125 plans as qualified employer subsidies toward the cost of health coverage for employees for purposes of this section.*

*Subd. 4. [NO SUBSIDY AVAILABLE FOR MEDICARE SUPPLEMENT COVERAGE.] An individual eligible for Medicare benefits must pay 100 percent of the cost of obtaining Medicare supplement coverage through the state plan, regardless of income.*

*Subd. 5. [COVERAGE MUST NOT DISPLACE FEDERALLY SUBSIDIZED HEALTH COVERAGE.] Subsidized state plan coverage must not displace subsidized health coverage through a federally supported health*



program. The commissioner shall establish procedures and requirements to allow coordinated, limited or supplemental participation in the Minnesotans' health care plan, including limited subsidies, of participants in federally supported health programs to the extent necessary to provide coverage comparable to coverage provided to other state plan enrollees without displacing federal benefits.

*Subd. 6. [MUST BE A PERMANENT MINNESOTA RESIDENT.] To be eligible for a subsidy, individuals and families must be permanent residents of Minnesota. A permanent Minnesota resident is a Minnesota resident who considers Minnesota to be the person's principal place of residence and intends to remain in the state permanently or for a long period of time and not as a temporary or short-term resident. An individual or family that moved to Minnesota primarily to obtain medical treatment or health coverage for a preexisting condition is not a permanent resident and is not entitled to subsidized coverage through the state plan.*

**Sec. 5. [62J.13] [ELIGIBILITY OF EMPLOYERS.]**

*Subdivision 1. [GROUP COVERAGE.] An employer is eligible to enroll its employees in the state plan as a group in order to offer its employees health coverage under the Minnesotans' health care plan. To be eligible to participate, an employer must pay Minnesota unemployment insurance premiums and have two or more covered employees, including the owner, or, if a sole proprietor, have at least one employee covered by unemployment insurance and include himself/herself in the group for purposes of health coverage. A self-employed person with no employees may not participate as an employer but may participate as an individual or family. The employer must collect employees' share of premiums and remit them to the commissioner along with the employer's contribution. Sliding scale premium subsidies as described in section 4 do not apply to group coverage. The commissioner shall establish conditions for enrollment of employer groups. Conditions may include, but are not limited to, minimum employer contributions toward coverage for employees and their families, minimum standards for employee eligibility, and eligibility waiting periods for new employees. The commissioner may establish special conditions and procedures for employers who are health care providers participating in state health care programs after considering the impact of article 1, section 2, and of different levels of employer contributions toward employee health coverage, on state health care program reimbursement rates and obligations. The commissioner shall make use of administrative systems for group coverage for employers that will identify and enroll enrollees in a manner comparable to individual, nongroup enrollment in order to enhance the portability of coverage to an individual policy or to another employer covered through the state plan, and to minimize administrative costs associated with frequent reissuing of policies.*

*Subd. 2. [COVERAGE OF PART-TIME AND SEASONAL EMPLOYEES.] The commissioner shall establish conditions, procedures, and a special accounting mechanism to allow employers to defray the cost of coverage for part-time and seasonal employees through the state plan without including these employees in the employer's health benefits program. This is the only circumstance under which an employer subsidy toward the cost of employee health coverage and a state subsidy for health coverage through the state plan may be combined. Employers that have terminated health benefits for part-time or seasonal employees within the three years before application are not eligible to participate in the part-time or seasonal*

*employee enrollment system. Part-time or seasonal employees on whose behalf employer contributions have been submitted must obtain coverage through the state plan as individuals or families rather than as an employee group. The employer contributions must be used to reduce the premium that the employee would otherwise have owed, and will be in addition to any individual premium subsidy to which the employee would otherwise be entitled. The commissioner shall establish definitions and standards for part-time and seasonal employees as necessary to implement this subdivision.*

**Sec. 6. [62J.14] [COVERAGE.]**

*Subdivision 1. [INTERMEDIATE BENEFIT SET.] Individuals, families, and groups with two to five employees or members may purchase the intermediate benefit set described in article 3, sections 2 to 11, through the state plan.*

*Subd. 2. [SUPPLEMENTAL BENEFIT SET.] Individuals, families, and groups covered by the intermediate benefit set may purchase at their own expense the supplemental benefit set as described in article 3, section 15, through the state plan. Groups with more than five employees or members that participate in the state plan must purchase the supplemental benefit set and the intermediate benefit set.*

**PROGRAM ADMINISTRATION**

**Sec. 7. [62J.15] [PROVISION OF HEALTH CARE SERVICES; MANAGED CARE.]**

*In areas of the state where managed care health plans operate, the commissioner must deliver health care through contracts with managed care health plans. In order to qualify for participation in the state plan, a managed care health plan must meet the specifications in this section.*

*(a) The health plan must demonstrate to the satisfaction of the commissioner that it is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees.*

*(b) The health plan must have sufficient provider network capacity to adequately serve enrollees and prospective enrollees.*

*(c) The health plan must have established procedures adequate to manage the delivery of health care. The procedures must incorporate clear standards of practice or protocols where they exist. The procedures must also require enrollees to register with a specific primary care clinic which will coordinate referrals, hospitalizations, and other health care delivery. A plan that has not established these procedures may participate in the program if the plan demonstrates to the satisfaction of the commissioner that an alternative, comparably effective system of case management has been established. A managed care health plan that has not established procedures satisfactory to the commissioner may participate in the program if the plan agrees to implement satisfactory procedures within three years from the date it is accepted for participation by the commissioner.*

*(d) The health plan must demonstrate a long-term commitment to improving the quality and efficiency of health care.*

*(e) The health plan must have established programs to educate enrollees about appropriate use of the health care system. The programs may include*

*self-care education, telephone nurse access, encouragement of healthy lifestyles, and encouragement of conformance to prescribed courses of treatment.*

*(f) Health plans must notify enrollees by mail when coverage limits under the intermediate benefit set have been reached and explain that payment for future services in excess of the coverage limits are the responsibility of the patient.*

*(g) The health plan must include appropriate use of non-physician providers within its overall framework of managed care.*

**Sec. 8. [62J.16] [AREAS WITHOUT SATISFACTORY MANAGED CARE HEALTH PLANS.]**

*In areas of the state where the commissioner determines satisfactory managed care health plans are not available, the commissioner shall make health care available using one or more of the options specified in this section.*

*(a) The commissioner may recruit or encourage managed care health plans to serve the area.*

*(b) The commissioner may establish managed care health plans through direct contracts with existing clinics or other health care providers in the area consistent with the specifications and objectives of the state plan.*

*(c) The commissioner may pay providers on a fee-for-service basis, using the department of human services claims processing system, health care utilization review system, and other managed care procedures. When developing the payment system, the commissioner shall investigate the proposed Medicare resource-based relative value scale as the basis for a new fee schedule and the possibility of collective bargaining with health care providers. Participating providers must be required to operate under the department's managed care standards and procedures. Payment will be based on a fee schedule to be established by the commissioner with payments established at a level to ensure that program costs in the area are lower than under a managed care system. Providers must be required to accept program enrollees as a condition of serving patients covered by any health coverage program financed by state or local government, including public employee health benefit programs. Providers must be prohibited from billing enrollees for any portion of health care charges not reimbursed by the commissioner, except to collect copayments and deductibles or to charge for services that exceed coverage limits, to the extent these are specified in the state plan.*

*(d) The commissioner may establish health care clinics to provide services using managed care procedures.*

**Sec. 9. [62J.17] [ENCOURAGEMENT OF PARTICIPATION OF PROVIDERS SERVING LOW-INCOME PERSONS.]**

*The commissioner shall encourage expansion or development of health plans that include providers currently serving low-income, uninsured state residents, including nonprofit community clinics, public health departments, and public hospitals. The commissioner's managed care specifications must apply to these providers when serving program enrollees.*

**Sec. 10. [62J.18] [HEALTH PLAN COMPENSATION; GENERAL.]**

*The commissioner shall establish health plan payment arrangements in order to create financial incentives to improve the effectiveness and efficiency*

*of health care delivery. Health plans under contract with the state plan may not vary the benefits included in the intermediate benefit set in order to reduce the cost of premiums. Participating health plans must assume responsibility for health care delivery and must assume financial risk, subject to the limits established through the reinsurance pool. To prevent uncertainty regarding the mix and cost of enrollees from resulting in higher charges in the state plan during the first three years, the commissioner may share risk above or below the health plan's expected costs for state plan enrollees, to the extent that such risk sharing would reduce charges in the state plan. The risk sharing must not alter the community-rated basis for health plans premiums as specified in article 6, section 5. The commissioner shall establish a reserve fund or take other appropriate action to ensure that state funding will be available to fully satisfy the state's payment and risk-sharing obligations in the event the costs of coverage through the state plan are higher than expected. The commissioner is responsible for collecting premium payments from individuals, families, and employers and health plan reimbursement may not be linked to collection of premium payments.*

**Sec. 11. [62J.19] [OUTREACH ACTIVITIES.]**

*Subdivision 1. [OUTREACH TO INDIVIDUALS.] The commissioner shall establish outreach activities to inform state residents about public and private sources of health coverage and to assist them in obtaining coverage. Outreach activities must include the following:*

*(1) health coverage information and counseling services provided throughout the state and through a toll-free telephone number; and*

*(2) ongoing publicity and advertising activities.*

*Subd. 2. [OUTREACH TO EMPLOYERS.] The commissioner shall establish outreach activities to inform employers about the Minnesotans' health care plan and other sources of health care coverage and to assist them to obtain or expand coverage for their employees. Outreach activities must be directed at the types of employers determined by the commissioner to be most interested in joining the state plan.*

**Sec. 12. [62J.20] [ENROLLMENT EDUCATION AND ASSISTANCE.]**

*The commissioner shall provide enrollment education and assistance to state residents. The assistance may include written materials, workshops, and individual assistance. Educational programs and assistance must be designed to serve persons who are not proficient in English or who have special communication needs. The program must provide information on the following topics in addition to information provided at the discretion of the commissioner:*

*(1) basic and supplemental coverage offered by the state plan;*

*(2) features of specific health plans offered by the state plan, including information on obtaining health care within health plans and descriptions of provider networks;*

*(3) differences between individual and group coverage;*

*(4) premiums associated with each plan and premium payment procedures and obligations; and*

*(5) actions enrollees must take if eligibility status changes.*

**Sec. 13. [62J.21] [APPLICATION FORMS AND PROCEDURES.]**

*Subdivision 1. [PROCEDURES.] The commissioner shall accept application forms submitted by mail or in person. Applicants must include payment equal to one month of premium costs with the completed application. Applicants who are employed full-time by an employer who participates in the state plan must apply through the employer. Part-time and seasonal employees of an employer who participates in the state plan may participate on an individual basis as provided in section 5, subdivision 2.*

*Subd. 2. [FORMS.] Application must be made on forms supplied by the commissioner. The commissioner shall design the form in order to collect the minimum amount of information necessary to administer the program. A more detailed form may be designed for use by applicants potentially eligible for federally subsidized health care programs and other state programs.*

*Subd. 3. [AVAILABILITY OF FORMS.] The commissioner shall make application forms available throughout Minnesota at state government offices; at hospitals, clinics, and other health care provider offices, especially where large numbers of low-income persons are served; with individual income tax forms; with applications for a driver's license, state identification card, or motor vehicle registration; with school and college registration materials; at food shelves; at the offices of insurers, health maintenance organizations, and other health plan companies; at school district offices; at public and private elementary schools; at community health offices; and at women, infants, and children (WIC) program sites.*

#### Sec. 14. [62J.22] [ELIGIBILITY DETERMINATION.]

*Subdivision 1. [ELIGIBILITY VERIFICATION.] The emphasis of eligibility verification procedures must be on achieving enrollment and coverage as soon after application as possible. To this end, confirmation of income and other information provided by the applicant shall occur primarily through use of personal data that the state gathers, such as income tax records, for other purposes. The commissioner may use individuals' social security numbers as identifiers for purposes of administering the plan.*

*Subd. 2. [APPLICANT INFORMATION.] Applicants shall submit evidence of family income, earned and unearned, for use in determining the amount of the premium and eligibility for a subsidy. Enrollees shall report changes in eligibility status as they occur.*

*Subd. 3. [FRAUD.] If subsequent to enrollment an enrollee in the state plan is found to have provided fraudulent information, the commissioner may disenroll the enrollee if the enrollee has sufficient, alternate coverage, but must maintain enrollment for those without alternate coverage. In all cases, the commissioner may recover premiums not paid due to fraud through the means listed in section 20, subdivision 3.*

*Subd. 4. [REVERIFICATION.] Eligibility for the state plan must be redetermined annually. The commissioner must use mail and other, simple means of obtaining information from enrollees, then engage in random checkups of the accuracy of information provided.*

#### Sec. 15. [62J.23] [ENROLLMENT.]

*Subdivision 1. [COVERAGE EFFECTIVE DATE.] Coverage becomes effective on the next first or 15th of a month, whichever comes first, after the commissioner transfers enrollment information to the health plan selected by the applicant. The transfer to the health plan must occur no later than*

*two weeks after the commissioner receives a completed application and payment of one month of premium costs.*

*Subd. 2. [ENROLLMENT CONFIRMATION.] No more than two weeks shall elapse between the time the commissioner receives a completed application and the applicant is notified of acceptance, rejection, or unusual delay and the reasons why. Refusal to provide a health history will not disqualify an applicant from the state plan. The commissioner shall operate a toll-free telephone service to confirm individual enrollment in the state plan. The service must be available to assist enrollees, health plans, and providers.*

**Sec. 16. [62J.24] [OPEN ENROLLMENT.]**

*The commissioner shall establish an annual open enrollment period during which enrollees must be allowed to transfer between health plans. Enrollees may not transfer between plans during other periods unless their place of residence changes and their current plan does not provide coverage in the new location.*

**Sec. 17. [62J.25] [PREMIUM PAYMENTS; APPLICATION.]**

*The premium payment procedures established in sections 18 and 19 apply to coverage purchased through the Minnesotans' health care plan by an individual or an employer.*

**Sec. 18. [62J.26] [PAYMENTS FROM INDIVIDUALS.]**

*Subdivision 1. [AUTOMATIC PAYMENTS.] The commissioner shall establish an automatic premium payment system and shall require enrollees not receiving group coverage through an employer to make payments through the automatic system whenever practical. The system may include automatic payment through:*

- (1) automatic bank account debiting;*
- (2) automatic income withholding for employees, modeled after the system used for child support enforcement;*
- (3) automatic collections through the state income tax system, including automatic deductions for employees and estimated payments for self-employed enrollees;*
- (4) automatic deductions from unemployment compensation benefits; or*
- (5) other methods developed by the commissioner.*

*Subd. 2. [MANUAL PAYMENTS.] The commissioner may allow manual payments directly from enrollees to the commissioner for enrollees:*

- (1) making their initial premium payment with their application form;*
- (2) expected to remain on the program for a short period of time; or*
- (3) for whom automatic payments are impractical.*

*Subd. 3. [PAYMENT PERIODS.] Premiums shall be paid on a monthly basis. The commissioner shall encourage enrollees to make premium payments covering longer periods of time whenever practical.*

**Sec. 19. [62J.27] [EMPLOYER ENROLLMENT.]**

*Subdivision 1. [ENROLLMENT OF EMPLOYEES.] Employers seeking to participate in the state plan must apply to the commissioner to enroll*

*their employees. A person enrolled under this method ceases to be covered as a member of the employer's group when employment with the employer is discontinued. The commissioner shall establish procedures to convert enrollees from group coverage to individual coverage when they cease employment with an employer who participates in the program unless the enrollee can provide evidence of coverage through a new employer or through some other plan.*

*Subd. 2. [COLLECTION OF PREMIUMS.] The commissioner shall require employers participating in the state plan to collect the employees' share of premiums and pay the employees' share and the employers' share directly to the commissioner.*

*Subd. 3. [TECHNICAL ASSISTANCE TO EMPLOYERS.] The commissioner must provide technical assistance to employers participating in the state plan. Technical assistance must be targeted to employers who do not currently offer employee health benefits or for whom technical assistance services are not readily available. The assistance must be provided at cost and may include assistance on the following:*

- (1) designing and establishing a health benefit program;*
- (2) administering state and federal continuation coverage requirements;*  
*and*
- (3) establishing tax-sheltered premium accounts for employees.*

**Sec. 20. [62J.28] [ENFORCEMENT PROCEDURES.]**

*Subdivision 1. [EVIDENCE OF COVERAGE REQUIRED.] The commissioner shall enforce the requirement that all state residents must maintain and show evidence of health insurance coverage.*

*Subd. 2. [RESTRICTION ON TERMINATING COVERAGE.] The commissioner shall prohibit an enrollee from terminating coverage in the Minnesotans' health care plan except when the enrollee provides evidence of alternative coverage.*

*Subd. 3. [NONPAYMENT OF PREMIUM.] The commissioner may not cancel an enrollee's participation in the state plan for failure to pay premiums. The commissioner shall attempt to collect unpaid premiums through the following methods:*

- (1) automatic income withholding, modeled after the child support enforcement system;*
- (2) automatic payroll deductions; or*
- (3) other methods identified or developed by the commissioner.*

*Subd. 4. [IDENTIFICATION OF UNINSURED PERSONS.] The commissioner shall develop and implement a system to identify state residents who have not obtained health care coverage. The system may include a survey question added to driver's license applications, income tax forms, school registration forms, and other similar forms. The system may include additional methods developed by the commissioner.*

*Subd. 5. [PROVISION OF COVERAGE.] The commissioner shall enroll state residents identified under subdivision 4 in the state plan and collect the appropriate premium from them.*

*Subd. 6. [IMPLEMENTATION.] In developing procedures to implement*

*this section, the commissioner shall consult with the attorney general.*

**Sec. 21. [EFFECTIVE DATE FOR MANDATORY UNIVERSAL COVERAGE.]**

*Section 2 is effective July 1, 1993, or one year after the state plan becomes available statewide, whichever occurs later.*

**Sec. 22. [APPROPRIATION.]**

*§ . . . . . is appropriated from the general fund to the commissioner of human services for the purposes of section 9, to be available until June 30, 1993.*

**ARTICLE 3**

**COVERED SERVICES**

**THE INTERMEDIATE BENEFIT SET**

**Section 1. [62J.29] [AUTHORITY TO OFFER COVERAGE.]**

*Health plan companies participating in the state plan are authorized to offer, sell, issue, and renew the intermediate benefit set and the supplemental benefit set subject to the terms established by the commissioner of health care access, notwithstanding any contrary provisions of chapter 62A, 62C, 62D, 62E, 62J, or other laws governing health coverage.*

**Sec. 2. [62J.30] [COVERED SERVICES: PREVENTIVE CARE.]**

*(a) The intermediate benefit set covers expenses for the following preventive care services for all intermediate benefit set enrollees:*

- (1) prenatal and postnatal care;*
- (2) well baby exams for children under one year of age;*
- (3) immunizations; and*
- (4) selected tests, screenings, and examinations that are demonstrated to be cost-effective components of a preventive care program, including but not limited to: Pap tests for women age 18 and older at intervals recommended by the American Cancer Society; and mammograms for women age 50 and older at intervals recommended by the American Cancer Society.*

*(b) The intermediate benefit set covers the following services for children, if the services are provided as part of an early and periodic screening, diagnosis, and treatment (EPSDT) regimen:*

- (1) routine physical exams and well child exams, including the cost of laboratory and X-ray services associated with the exam;*
- (2) eye exams conducted by a licensed ophthalmologist or optometrist;*
- (3) hearing exams; and*
- (4) speech exams.*

**Sec. 3. [62J.31] [COVERED SERVICES: PRIMARY CARE; PRESCRIPTION DRUGS; INJECTIONS; SUPPLIES.]**

*Subdivision 1. [PRIMARY CARE.] The intermediate benefit set covers a total of up to eight visits per year provided by primary care physicians, nurse practitioners, and physician assistants. "Visits" include office visits, home visits, and visits in a custodial facility. For the purpose of this benefit, "primary care physicians" include only general and family practitioners,*



*internists, pediatricians, obstetricians, and gynecologists, when serving in a primary care, rather than a consultative, capacity. Additional visits are covered when they are an alternative to inpatient care. The limit on visits does not apply to children.*

*Subd. 2. [PRESCRIPTION DRUGS.] The intermediate benefit set covers outpatient prescription drugs ordered by an authorized prescriber, including the dispensing fee, from a formulary specified by the commissioner. Adult prescriptions are subject to a \$5 copayment. The commissioner shall establish a broader formulary for children. There is no copayment for prescriptions for children.*

*Subd. 3. [THERAPEUTIC INJECTIONS.] The intermediate benefit set covers therapeutic injections administered by a qualified health professional from a formulary specified by the commissioner. Therapeutic injections administered to adults are subject to a \$5 copayment. The commissioner shall establish a broader formulary for children. There is no copayment for therapeutic injections administered to children.*

*Subd. 4. [MEDICAL EQUIPMENT AND SUPPLIES FOR CHILDREN.] The intermediate benefit set covers the following medical equipment and supplies for children:*

*(1) appliances and equipment, including but not limited to orthotics, canes, crutches, glucosan, glucometers, intermittent positive pressure machines, rib belts for the treatment of an accident or illness, walkers, and wheelchairs;*

*(2) prosthetics and artificial parts that replace missing body parts or improve body function;*

*(3) one pair of eyeglasses every two years, unless more often if recommended by a qualified health professional. Contact lenses are not covered; and*

*(4) hearing aids.*

**Sec. 4. [62J.32] [COVERED SERVICES: ADDITIONAL OUTPATIENT SERVICES.]**

*Subdivision 1. [OUTPATIENT SPECIALIST AND THERAPY SERVICES.] The intermediate benefit set covers a total of up to eight visits and consultations per year, excluding visits as defined in section 3, subdivision 1, provided by qualified health professionals. Additional visits are covered when they are an alternative to inpatient care. The limit on visits and consultations does not apply to children.*

*Subd. 2. [OUTPATIENT SURGICAL SERVICES.] The intermediate benefit set covers health professional and institutional outpatient surgical services, including surgery performed in a hospital outpatient department, physician's office, or freestanding surgical facility. This benefit includes services by an anesthesiologist or anesthetist for outpatient surgeries.*

*Subd. 3. [RADIOLOGY AND PATHOLOGY SERVICES.] The intermediate benefit set covers radiology and pathology services performed by a hospital outpatient department or a freestanding surgical facility. This benefit also provides for professional services provided by a qualified health professional when X-rays and laboratory procedures are performed in a physician's office, hospital outpatient department, or freestanding surgical facility.*

*Subd. 4. [CARDIOVASCULAR TESTS AND PROCEDURES.] The intermediate benefit set covers therapeutic services, cardiography, cardiac catheterization, and other cardiovascular services performed or ordered by a qualified health professional.*

*Subd. 5. [ALLERGY TESTING AND IMMUNOTHERAPY FOR CHILDREN.] The intermediate benefit set covers professional services and materials associated with allergy testing and immunotherapy provided to children, when administered by a qualified health professional.*

*Subd. 6. [DIALYSIS PROCEDURES.] The intermediate benefit set covers services by a qualified health professional for dialysis treatment, including hemodialysis, peritoneal dialysis, and miscellaneous dialysis procedures.*

*Subd. 7. [MISCELLANEOUS TESTS AND PROCEDURES.] The intermediate benefit set covers the following additional professional services: biofeedback services, gastroenterology services, otorhinolaryngology services, vestibular functions tests, noninvasive peripheral vascular diagnostic studies, pulmonary services, neurology services, chemotherapy services, and dermatology services.*

**Sec. 5. [62J.33] [COVERED SERVICES: MENTAL HEALTH AND ALCOHOL OR DRUG DEPENDENCY CARE; INPATIENT AND OUTPATIENT.]**

*Subdivision 1. [INPATIENT MENTAL HEALTH.] The intermediate benefit set covers 80 percent of the cost of inpatient hospitalization for treatment of mental disorders. After a family's total copayment for all covered inpatient benefits, including mental health and all other categories of covered inpatient care, except maternity, exceeds \$2,500 in one calendar year, the intermediate benefit set covers 100 percent of additional services. After the intermediate benefit set has paid \$70,000 in inpatient benefits of any kind except maternity for a person within a calendar year, the intermediate benefit set will cover no further inpatient benefits, except maternity, of any kind for that person for that calendar year.*

*Subd. 2. [INPATIENT HEALTH PROFESSIONAL SERVICES; VISITS AND CONSULTATIONS.] The intermediate benefit set covers, subject to subdivision 1, physician services for visits, consultations, and other care provided for treatment of mental disorders on an inpatient basis at a hospital or approved extended care facility. This benefit also provides for the care of critically ill patients in a variety of settings that require the constant attention of a qualified health professional. Consultations by nonphysicians are covered if provided by appropriate health professionals.*

*Subd. 3. [INPATIENT ALCOHOL AND DRUG DEPENDENCY TREATMENT NOT COVERED.] The intermediate benefit set does not cover inpatient hospital treatment of alcohol or drug dependency.*

*Subd. 4. [OUTPATIENT MENTAL HEALTH.] The intermediate benefit set covers up to ten hours per year of outpatient mental health therapy by a qualified professional. Two hours of group therapy count as one hour of individual therapy. Additional hours are covered when they are an alternative to inpatient care.*

*Subd. 5. [OUTPATIENT ALCOHOL AND DRUG DEPENDENCY TREATMENT.] The intermediate benefit set covers up to ten hours per year of outpatient treatment of alcohol or drug dependency by a qualified health professional or outpatient treatment program. Two hours of group treatment*

*count as one hour of individual treatment.*

**Sec. 6. [62J.34] [COVERED SERVICES: MATERNITY.]**

*Subdivision 1. [INPATIENT MATERNITY; HOSPITAL SERVICES.] The intermediate benefit set covers 80 percent of the cost of maternity inpatient care, consisting of room, board, and ancillary services. After a patient's total copayment for covered hospital services for inpatient maternity care reaches \$500 per pregnancy, the intermediate benefit set covers 100 percent of additional services. This copayment is separate from the copayment for nonmaternity inpatient care. This benefit covers vaginal and caesarean deliveries, complications of pregnancy, miscarriages, and other medically necessary services. This subdivision includes only hospital inpatient services. This subdivision does not cover neonatal care or services associated with premature birth.*

*Subd. 2. [OUTPATIENT MATERNITY; HOSPITAL SERVICES.] The intermediate benefit set covers outpatient treatment of miscarriages, testing procedures such as amniocentesis and ultrasound, and other medically necessary procedures. This subdivision covers only use of hospital facilities and services by hospital employees.*

*Subd. 3. [HEALTH PROFESSIONALS; OBSTETRICAL CARE.] The intermediate benefit set covers health professional services for vaginal and caesarean deliveries, complications of pregnancy, miscarriages, and other medically necessary procedures. This benefit includes delivery care, surgical care, and anesthesia. This benefit does not include standard prenatal and postnatal visits, which the intermediate benefit set covers as preventive care in section 2.*

**Sec. 7. [62J.35] [COVERED SERVICES: EMERGENCY CARE.]**

*Subdivision 1. [HOSPITAL EMERGENCY ROOM.] After a \$50 copayment paid by the insured, the intermediate benefit set covers hospital services for outpatient emergency medical care performed on an emergency basis in the emergency area of a hospital outpatient department or urgent care center. The \$50 copayment is waived if the person is admitted to a hospital within 24 hours for a condition related to the emergency care. This subdivision does not include health professional services, which are covered in subdivision 2.*

*Subd. 2. [HEALTH PROFESSIONALS; EMERGENCY ROOM CARE.] The intermediate benefit set covers emergency services by qualified health professionals performed in the emergency area of a hospital outpatient department or urgent care center.*

*Subd. 3. [AMBULANCE.] The intermediate benefit set covers 80 percent of the cost of licensed ambulance service. Ambulance service for maternity care is not covered except when medically necessary.*

**Sec. 8. [62J.36] [COVERED SERVICES: HOSPITAL INPATIENT AND HOME HEALTH CARE.]**

*Subdivision 1. [GENERAL COPAYMENT AND BENEFIT LIMIT; HOSPITALIZATION.] The intermediate benefit set covers 80 percent of the cost of general inpatient hospitalization. After a family's total copayment for all covered inpatient benefits, including mental health and all other categories of covered inpatient care, except maternity, exceeds \$2,500 in one calendar year, the intermediate benefit set covers 100 percent of additional services. After the intermediate benefit set has paid \$70,000 in inpatient benefits of*

*any kind except maternity for a person within a calendar year, the intermediate benefit set will cover no further inpatient benefits, except maternity, of any kind for that person for that calendar year.*

*Subd. 2. [HOSPITAL INPATIENT SERVICES.] The intermediate benefit set covers, subject to subdivision 1, hospital services, including inpatient room, board, and ancillary services. The covered room charges are for a semiprivate room, except as otherwise provided in section 62E.06, subdivision 1, paragraph (c), clause (4). Ancillary services include use of surgical and intensive care facilities, inpatient nursing care, pathology and radiology procedures, drugs, supplies, physical therapy, and other services normally provided by hospitals. Ancillary services do not include care by health professionals, whether or not employed by the hospital. This subdivision does not include maternity and related neonatal care, alcohol and drug abuse treatment, or inpatient confinement for nursing or custodial care.*

*Subd. 3. [INPATIENT HEALTH PROFESSIONAL SURGERY.] The intermediate benefit set covers, subject to subdivision 1, services by surgeons, assistant surgeons, anesthesiologists, anesthesiologists, and other qualified health professionals for surgery and related procedures, including normal presurgical and postsurgical examinations, for inpatient nonmaternity surgery.*

*Subd. 4. [INPATIENT HEALTH PROFESSIONAL RADIOLOGY AND PATHOLOGY.] The intermediate benefit set covers, subject to subdivision 1, services by physicians for radiology and pathology evaluation performed on an inpatient basis.*

*Subd. 5. [INPATIENT HEALTH PROFESSIONAL SERVICES; VISITS AND CONSULTATIONS.] The intermediate benefit set covers, subject to subdivision 1, physician services for visits, consultations, and other care provided on an inpatient basis at a hospital or approved extended care facility. This benefit also provides for the care of critically ill patients in a variety of settings that require the constant attention of the physician. Consultations by nonphysicians are covered if provided by appropriate health professionals.*

*Subd. 6. [EXTENDED CARE FACILITIES.] The intermediate benefit set covers, subject to subdivision 1, room, board, and ancillary services at an approved extended care facility that is the extended care unit of a hospital or an independent skilled nursing facility. This benefit covers only noncustodial care.*

*Subd. 7. [PRIVATE DUTY NURSING; HOME HEALTH CARE.] The intermediate benefit set covers, subject to subdivision 1, private duty nursing and home health visits by a home health professional if prescribed by the attending physician. Custodial care is not covered.*

**Sec. 9. [62J.37] [COVERED SERVICES: CHILDREN'S DENTAL CARE.]**

*This benefit provides for preventive and nonpreventive services for children.*

*(a) The intermediate benefit set covers preventive services which include oral examinations, X-rays, fluoride applications, teeth cleaning, and other laboratory and diagnostic tests.*

*(b) The intermediate benefit set covers 80 percent of the cost of basic*

*nonpreventive services which include emergency treatment, space maintainers, simple extractions, surgical extractions, oral surgery, anesthesia services, restorations, periodontics, and endodontics.*

*(c) The intermediate benefit set covers 50 percent of the cost of major nonpreventive services which include inlays and crowns, dentures and other removable prosthetics, bridges and other fixed prosthetics, denture and bridge repair, and other prosthetics.*

Sec. 10. [62J.38] [EXCLUDED SERVICES.]

*Subdivision 1. [MEDICAL NECESSITY.] The intermediate benefit set does not cover services that are not medically necessary.*

*Subd. 2. [OTHER EXCLUDED SERVICES.] Regardless of medical necessity, the intermediate benefit set does not cover the following services:*

- (1) expenses listed under section 62E.06, subdivision 1, paragraph (c);*
- (2) inpatient treatment of alcoholism, chemical dependency, or drug addiction;*
- (3) treatment of temporomandibular joint disorder;*
- (4) treatment of craniomandibular disorder;*
- (5) orthodontia care;*
- (6) experimental procedures;*
- (7) custodial care;*
- (8) personal comfort or beautification;*
- (9) treatment for obesity;*
- (10) in vitro fertilization;*
- (11) artificial insemination;*
- (12) reversal of voluntary sterilization; and*
- (13) transsexual surgery.*

Sec. 11. [62J.39] [INPATIENT CHEMICAL DEPENDENCY COVERAGE.]

*Notwithstanding section 5, subdivision 2, and section 10, subdivision 2, clause (2), if there is insufficient money available to provide treatment through the consolidated chemical dependency treatment fund for all persons potentially eligible under section 254B.04, subdivision 1, the intermediate benefit set must cover medically necessary residential and inpatient treatment of alcoholism, chemical dependency, or drug addiction on the same basis that the intermediate benefit set covers general inpatient care and inpatient mental health care. The commissioner shall establish procedures for coordinating the intermediate benefit set with the consolidated chemical dependency treatment fund, including a mechanism for increasing payments to health plans or providers under article 2, sections 7 and 8, in the event the intermediate benefit set must be expanded to include inpatient and residential treatment.*

UNIVERSAL BASIC BENEFIT PLAN

Sec. 12. [62J.40] [UNIVERSAL BASIC BENEFIT SET.]

*Subdivision 1. [CONTENT OF THE UNIVERSAL BASIC BENEFIT*

SET.] *The universal basic benefit set is a uniform standard of health coverage that will be available to all Minnesotans. The commissioner shall determine the content of the universal basic benefit set, with the advice of the technology and benefits advisory committee. The universal basic benefit set must include:*

*(1) the benefits contained in the intermediate benefit set, including but not limited to full coverage for prenatal care, immunizations, and other preventive care as currently mandated for health maintenance organizations; and*

*(2) all or part of the mandated benefits currently required under chapters 60A, 62A, 62C, 62D, and 62E, as appropriate, based on an analysis of the requirements using the principles stated in article 1, section 7, subdivision 2.*

**Subd. 2. [CONVERSION TO THE UNIVERSAL BASIC BENEFIT SET.]**  
*The following changes will occur on July 1, 1995:*

*(1) the universal basic benefit set will replace the intermediate benefit set as the benefit set made available on a subsidized basis through the state plan;*

*(2) the supplemental benefit set will no longer be available through the state plan;*

*(3) the state plan may make available optional coverage that exceeds the universal basic benefit set;*

*(4) the intermediate benefit set will no longer be available in the private market;*

*(5) the universal basic benefit set will replace the mandated benefits currently required under chapters 60A, 62A, 62C, 62D, and 62E; and*

*(6) any health coverage programs sponsored by state or local government will be required to provide benefits equal to or better than the universal basic benefit set.*

**Sec. 13. [62J.41] [AVAILABILITY OF INTERMEDIATE BENEFIT SET.]**

*The intermediate benefit set is available only to individuals and to small groups containing no more than five employees or members. The intermediate benefit set may be offered through the state plan, and through the private market only by health plan companies participating in the state plan.*

**Sec. 14. [62J.42] [MINIMUM INSURANCE BENEFIT SET.]**

*For all health plan companies except those governed by chapter 62D, the minimum insurance benefit set is a number two qualified plan, as defined in section 62E.06, subdivision 2. For the purposes of this requirement, actuarial equivalence must not be used. For health plan companies governed by chapter 62D, the minimum insurance benefit set is the set of benefits required under chapter 62D. Except as provided in section 13, no health coverage may be offered, sold, issued, or renewed to any Minnesota resident or to any group in Minnesota unless the coverage meets or exceeds the requirements of the minimum insurance benefit set.*

**Sec. 15. [62J.43] [SUPPLEMENTAL BENEFIT SET.]**

*The supplemental benefit set includes the benefits commonly included in*

group health coverage offered by health maintenance organizations operating under chapter 62D that are not included in the intermediate benefit set. The commissioner of health care access shall establish, by rule, uniform provisions for the supplemental benefit set. The state plan and health plan companies participating in the state plan must make the supplemental benefit set available as an option to any individual or group covered by the intermediate benefit set. For groups too large to qualify for the intermediate benefit set, the intermediate benefit set combined with the supplemental benefit set will be the only benefit set available through the state plan.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 15 are effective on July 1, 1992.

#### ARTICLE 4

#### RESEARCH AND DATA COLLECTION

Section 1. [62J.44] [HEALTH CARE ANALYSIS UNIT.]

*Subdivision 1. [ESTABLISHMENT.] The commissioner shall establish a health care analysis unit to conduct data and research initiatives in order to improve the efficiency and effectiveness of health care in Minnesota.*

*Subd. 2. [GENERAL DUTIES; IMPLEMENTATION DATE.] The commissioner, through the health care analysis unit, shall:*

*(1) conduct applied research using existing and newly established health care data bases, and promote applications based on existing research;*

*(2) establish the condition-specific data base required under section 2;*

*(3) develop and implement data collection procedures to ensure a high level of cooperation from health care providers and health plans;*

*(4) work closely with health plans and health care providers under contract with the commissioner of health care access to promote improvements in health care efficiency and effectiveness;*

*(5) periodically evaluate the state's existing health care financing and delivery programs, and the health programs created or administered by the commissioner of health care access;*

*(6) regularly prepare estimates, specific to Minnesota, of total health service expenditures and sources of payment;*

*(7) participate as a partner or sponsor of private sector initiatives that promote publicly disseminated applied research on health care delivery, outcomes, costs, quality, and management;*

*(8) conduct periodic surveys, including those required by section 4; and*

*(9) provide technical assistance to health plan and health care purchasers, as required by section 5.*

*The commissioner shall begin implementation of these data collection and research initiatives by July 1, 1992.*

*Subd. 3. [CRITERIA FOR UNIT INITIATIVES.] Data and research initiatives by the health care analysis unit must:*

*(1) serve the needs of the general public, public sector health care programs, employers and other purchasers of health care, health care providers, including providers serving large numbers of low-income people, and health*

*plan companies;*

*(2) promote a significantly accelerated pace of publicly disseminated, applied research on health care delivery, outcomes, costs, quality, and management;*

*(3) conduct research and promote health care applications based on scientifically sound and statistically valid methods;*

*(4) be statewide in scope, in order to benefit health care purchasers and providers in all parts of Minnesota and to ensure a broad and representative data base for research, comparisons, and applications;*

*(5) emphasize data that is useful, relevant, and nonredundant of existing data. The initiatives may duplicate existing private activities, if this is necessary to ensure that the data collected will be in the public domain;*

*(6) be structured to minimize the administrative burden on health plans, health care providers, and the health care delivery system; and*

*(7) promote continuous improvement in the efficiency and effectiveness of health care delivery.*

**Subd. 4. [CRITERIA FOR PUBLIC SECTOR HEALTH CARE PROGRAMS.]** *Data and research initiatives related to public sector health care programs must:*

*(1) assist the state's current health care financing and delivery programs, and the state plan, to deliver and purchase health care in a manner that promotes improvements in health care efficiency and effectiveness;*

*(2) assist the state in its public health activities, including the analysis of disease prevalence and trends and the development of public health responses;*

*(3) assist the state in developing and refining its overall health policy, including policy related to health care costs, quality, and access; and*

*(4) provide a data source that allows the evaluation of state health care financing and delivery programs.*

**Subd. 5. [DATA COLLECTION PROCEDURES.]** *The health care analysis unit shall collect data from health care providers, health plan companies, and individuals in the most cost-effective manner. The unit may require health care providers and health plan companies to collect and provide patient health data, provide mailing lists of patients, and cooperate in other ways with the data collection process. All patient-identifying information is classified as private data. The health care analysis unit may assign, or require health care providers and health plan companies to assign, a unique identification number to each patient to safeguard patient identity.*

**Subd. 6. [DATA IN PUBLIC DOMAIN.]** *Data collected through the research initiatives and activities of the health care analysis unit are classified as public data under section 13.03, except that any patient-identifying information is private data. When appropriate, the unit shall allow health care providers and health plan companies an opportunity to respond to findings prior to public dissemination of data. Initial findings shall be made available to the public by January 1, 1994.*

**Sec. 2. [62J.45] [LARGE-SCALE DATA BASES.]**

*The health care analysis unit shall establish a large-scale data base for*



*a limited number of health conditions. This initiative must meet the following requirements:*

*(1) the data collected must be for specific health conditions, rather than specific procedures, types of health care providers, or services;*

*(2) the data collected must include information on health outcomes, including information on mortality, patient functional status and quality of life, symptoms, and patient satisfaction;*

*(3) the data collected must include information necessary to measure and make adjustments for differences in severity of patient condition across different health care providers, and may include data obtained directly from the patient or from patient medical records;*

*(4) the initiative must emphasize conditions that account for significant total costs, when considering both the frequency of a condition and the unit cost of treatment. The initial emphasis must be on the study of conditions commonly treated in hospitals on an inpatient or outpatient basis, or in freestanding outpatient surgical centers. As improved data collection and evaluation techniques are incorporated, this emphasis shall be expanded to include entire episodes of care for a given condition, whether or not treatment includes use of a hospital or a freestanding outpatient surgical center;*

*(5) the data must be collected in a manner that allows comparisons to be made between providers, health plan companies, public programs, and other entities; and*

*(6) data collection for any one condition must continue for a sufficient time to permit adequate analysis, feedback to providers, and monitoring for changes in practice patterns.*

### Sec. 3. [62J.46] [USE OF EXISTING PUBLIC SECTOR DATA BASES.]

*The health care analysis unit shall use existing public sector data bases, such as those existing for medical assistance and Medicare, to the greatest extent possible. The unit shall establish linkages between existing public sector data bases, and consider and implement methods to streamline public sector data collection in order to reduce public and private sector administrative costs.*

### Sec. 4. [62J.47] [SURVEY RESEARCH.]

*The health care analysis unit shall conduct periodic surveys to accomplish the data and research goals listed in section 1. These surveys shall include, but are not limited to:*

*(1) surveys of enrollee satisfaction with health plans and health care providers;*

*(2) surveys to monitor changes over time in financial and geographic access and sources of health coverage;*

*(3) surveys of health service prices, especially for services less commonly covered by health insurance, or for which patients commonly face significant out-of-pocket expenses;*

*(4) surveys of health plan prices, especially for health plans sold on a community-rated or table-rated basis; and*

*(5) surveys of new procedures and treatments performed by health care providers, as a basis for considering changes in the benefits provided by state health coverage programs.*

Sec. 5. [62J.48] [TECHNICAL ASSISTANCE FOR PURCHASERS.]

*The health care analysis unit shall provide technical assistance to health plan and health care purchasers. The unit shall collect information about:*

*(1) premiums, benefit levels, managed care procedures, health care outcomes, and other features of popular health plans and health plan companies; and*

*(2) prices, outcomes, provider experience, and other information for services less commonly covered by insurance or for which patients commonly face significant out-of-pocket expenses.*

*The commissioner shall publicize this information in an easily understandable format.*

Sec. 6. [STUDY OF ADMINISTRATIVE COSTS.]

*The health care analysis unit shall study costs and requirements incurred by health plan companies and health care providers that are related to the collection and submission of information to the state and federal government, insurers, and other third parties. The unit shall recommend to the commissioner by January 1, 1993, any reforms that may reduce these costs without compromising the purposes for which the information is collected.*

Sec. 7. [APPROPRIATION.]

*§ . . . . . is appropriated from the general fund to the commissioner of human services to establish a health care analysis unit and implement the initiative required by sections 1 to 6.*

ARTICLE 5

RURAL HEALTH CARE

Section 1. [62J.49] [RURAL HEALTH ADVISORY COMMITTEE.]

*Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] The commissioner shall establish a 15-member rural health advisory committee. The committee shall consist of consumers, rural health care providers, experts on rural health, and community leaders from rural Minnesota. The department of health care access will make recommendations for committee membership. Committee members will be appointed by the governor. The terms, compensation, and removal of members are governed by section 15.059. The advisory committee does not expire as provided in section 15.059, subdivision 5.*

*Subd. 2. [DUTIES.] The advisory committee shall:*

*(1) advise the commissioner of health care access, the commissioner of health, and other state agencies on rural health issues;*

*(2) provide a systematic and cohesive approach toward rural health issues and rural health care planning, at both a local and statewide level;*

*(3) develop and evaluate mechanisms to encourage greater cooperation among rural communities and among providers;*

*(4) recommend and evaluate approaches to rural health issues that are sensitive to the needs of local communities;*

(5) *develop methods for identifying individuals who are underserved by the rural health care system; and*

(6) *evaluate the Minnesotans' health care plan and recommend program changes needed to better address problems and needs in rural health care.*

*Subd. 3. [STAFFING; OFFICE SPACE; EQUIPMENT.] The commissioner shall provide the advisory committee with staff support, office space, and access to office equipment and services.*

**Sec. 2. [62J.50] [RURAL HEALTH INITIATIVES.]**

*The commissioner of health care access, consulting as necessary with the commissioner of health and other state agencies, shall:*

(1) *study and develop a detailed plan regarding the feasibility of coordinating rural health care services by organizing individual medical providers and smaller hospitals and clinics into referral networks with larger rural hospitals and clinics that provide a broader array of services. Where possible, this plan will guide the department of health care access in contracting for health care delivery throughout Minnesota;*

(2) *develop and administer a planning and transition grant program for rural hospitals, health care providers, and communities. Grants may be used for planning regarding the use of facilities, recruitment of health personnel, and coordination of health services;*

(3) *develop and administer a program of financial assistance for rural hospitals in isolated areas of the state that are in danger of closing without financial assistance, and that have exhausted local sources of support;*

(4) *develop recommendations regarding health education and training programs in rural areas, including but not limited to a physician assistants' training program, continuing education programs for rural health care providers, and rural outreach programs for nurse practitioners within existing training programs;*

(5) *develop a statewide, coordinated recruitment strategy for health care personnel;*

(6) *develop and administer technical assistance programs to assist rural communities in: (i) planning and coordinating the delivery of local health care services; and (ii) hiring physicians, nurse practitioners, public health nurses, physician assistants, and other health personnel;*

(7) *study and recommend changes in the regulation of health care personnel, such as nurse practitioners and physician assistants, related to scope of practice, the amount of on-site physician supervision, and dispensing of medication, to address rural health personnel shortages;*

(8) *develop recommendations for establishing telecommunication systems to improve rural health education and health care delivery;*

(9) *support efforts to ensure continued funding for medical and nursing education programs that will increase the number of health professionals serving in rural areas;*

(10) *support efforts to secure higher reimbursement for rural health care providers from the Medicare program; and*

(11) *carry out other activities necessary to address rural health problems.*

**Sec. 3. [62J.51] [DATA BASE ON HEALTH PERSONNEL.]**

*The health care analysis unit established under article 4, section 1, shall develop and maintain a data base on health services personnel. The health care analysis unit shall use this information to assist local communities and units of state government to develop plans for the recruitment and retention of health personnel. Information collected in the data base must include, but is not limited to, data on levels of educational preparation, specialty, and place of employment. The unit is authorized to collect information through the health professions registration and licensure systems, with the cooperation of the state health licensing boards.*

**Sec. 4. [APPROPRIATION.]**

*(a) \$ . . . . . is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1993, to implement the initiatives required under section 2.*

*(b) \$ . . . . . is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1993, to implement the initiatives required under section 2.*

*(c) \$ . . . . . is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1993, to establish a rural health advisory committee.*

**Sec. 5. [EFFECTIVE DATE.]**

*Subdivision 1. [CREATION OF THE RURAL HEALTH ADVISORY COMMITTEE.] Section 1 is effective January 1, 1992.*

*Subd. 2. [RURAL HEALTH INITIATIVES.] Sections 2 and 3 are effective July 1, 1991.*

**ARTICLE 6**

**HEALTH COVERAGE; UNDERWRITING AND PREMIUMS;  
REINSURANCE POOL**

**Section 1. [62J.52] [PROVISION OF COVERAGE.]**

*No health plan company may deny an application for health coverage submitted to it by an individual, small group, or medium-sized group, if the health plan company offers, sells, issues, or renews health coverage to entities of the same category as the entity that submitted the application.*

**Sec. 2. [62J.53] [CANCELLATION.]**

*No health plan company may cancel or fail to renew health coverage that it provides to an individual, small group, or medium-sized group, except for nonpayment of a legally permitted premium or copayment, fraud or misrepresentation, noncompliance with plan provisions, or failure to maintain legally permitted participation requirements.*

**Sec. 3. [62J.54] [PREEXISTING CONDITIONS.]**

*Subdivision 1. [BASIC COVERAGE.] No health plan company may limit basic coverage provided to an individual, small group, or medium-sized group on the basis of the past or present health status, disability, health care utilization, occupation, or any other characteristic of any person, except as allowed in this section. Limitations on coverage include, but are not limited to, waiting periods, excluded or restricted conditions or types of coverage, and similar restrictions. For the purposes of this requirement,*

*“basic coverage” means the minimum insurance benefit set or the intermediate benefit set.*

*Subd. 2. [OPTIONAL COVERAGE.] For optional coverage, a health plan company may require a waiting period of up to 12 months for coverage of preexisting health conditions. This waiting period may not be used for optional coverage purchased at the time of an individual's initial enrollment in the state plan or when an individual's or group's optional coverage is substantially similar to coverage currently in force with another health plan company. For the purposes of this requirement, “optional coverage” means any coverage in excess of the minimum insurance benefit set or the intermediate benefit set.*

*Subd. 3. [RECENT ARRIVALS IN MINNESOTA.] A health plan company may require a waiting period of up to 12 months for coverage of preexisting health conditions for persons who recently relocated to the state. The waiting period cannot exceed 12 months from the time the person became a permanent Minnesota resident, except that if the individual or family moved to Minnesota primarily to obtain medical treatment or health coverage for a preexisting condition, the health plan may exclude coverage of that preexisting condition for up to 36 months.*

**Sec. 4. [62J.55] [LEVEL COMMISSIONS.]**

*No health plan company may pay commissions or other compensation to an agent or broker, with respect to the sale of health coverage, unless payment of the commissions is spread evenly over a period of at least five years from the date of purchase of the coverage.*

**Sec. 5. [62J.56] [COMMUNITY RATING REQUIRED.]**

*Subdivision 1. [COMMUNITY RATING.] No health plan company may offer, sell, issue, or renew health coverage to any individual or small group, unless the premium charged for the coverage is community rated. If the health plan company participates in the state plan, the community rate charged in the private market must equal the rate charged in the state plan. For individual and small group health coverage, health plan companies must use the following three rate cells only: (1) one person; (2) a two-person family; and (3) a family of three or more persons.*

*Subd. 2. [LIMITATIONS.] The community rating may not take into account the age, sex, health status, disability, occupation, geographical location, or any other factors except the following:*

*(1) differences in benefit levels;*

*(2) differences in family size, except that family members in excess of three must be disregarded;*

*(3) actual differences in acquisition and administration costs between individuals as a whole and small groups as a whole; and*

*(4) premium reductions of no more than four percent for individuals or small groups that engage in activities or practices intended to promote the health of the covered persons.*

**Sec. 6. [62J.57] [COMPENSATION OF AGENTS.]**

*Subdivision 1. [COMPENSATION; PRIVATE MARKET.] No health plan company shall, with respect to health coverage provided in the private market:*

(1) make the amount of its compensation of an agent, broker, or employee depend in any way, directly or indirectly, upon the loss ratio or any other underwriting performance of health coverage written through the agent, broker, or employee; or

(2) cancel, terminate, or fail to renew an agency, brokerage, or employment contract or arrangement, or reduce or restrict underwriting authority on the basis of the loss ratio, or any other underwriting performance of health coverage written through an agent, broker, or employee.

*Subd. 2. [COMPENSATION; STATE PLAN.] No health plan company shall, with respect to health coverage provided through the state plan, pay agent commissions.*

**Sec. 7. [62J.58] [COMMUNITY RATING; MEDICARE SUPPLEMENTAL.]**

*Health plan companies that sell Medicare supplemental coverage must establish a separate community rate, as described in section 5, for that coverage. The community rate must be the same in the private market as in the state plan, for health plan companies that sell that coverage through the state plan.*

**Sec. 8. [62J.59] [BIASED SELECTION ADJUSTMENT.]**

*Subdivision 1. [REPORT.] Each health plan company must annually provide the commissioner of health care access with a report of the number of males and females that it insured in the individual and small group market for the past calendar year, together with data showing the age distribution of the insureds, separately for males and females. A person insured by that company for only a portion of the year counts on a pro rata basis, based upon the closest whole number of months during which that person was covered. For each age-sex combination, the total cost incurred must be shown. Data must be shown separately for Medicare supplemental coverage and for coverage provided through the state plan and through the private market. The commissioner may also require the report to contain other information necessary to administration of the biased selection adjustment, including but not limited to: (1) coverage levels; (2) reinsurance pool premiums; and (3) managed care activities that affect costs.*

*Subd. 2. [ASSESSMENTS AND PAYMENTS.] Each company must pay an assessment or receive a reimbursement, based upon the extent to which that company's age-sex distribution of insureds differs from the statewide average for the entire individual and small group market. The commissioner of health care access shall adopt rules specifying a procedure for determining the amount of the reimbursement or assessment with respect to individual companies. The rules for determining the amounts of reimbursements to and assessments on individual health plan companies must take into account differences in coverage levels, reinsurance pool premiums, and managed care activities that affect costs. Health plan companies whose inefficient managed care activities result in higher costs must not be compensated for those higher costs by this biased selection adjustment, to the extent possible given the information available to the commissioner about the characteristics and activities of different companies that affect their efficiency.*

*Subd. 3. [TRUST FUND.] Payment of assessments must be made to the commissioner of health care access and maintained in a separate trust fund, out of which the reimbursements required by this section will be paid.*

*Reimbursements will be made only out of this trust fund and only to the extent of assessments received. Any shortfall in assessment payments received result in pro rata adjustments in reimbursements made to health plan companies.*

**Sec. 9. [62J.60] [MEDIUM-SIZED GROUPS.]**

*Each health plan company that offers, sells, issues, or renews health coverage for medium-sized groups in this state must determine a single base community rate for medium-sized groups, to be used both in the private market and in the state plan if the health plan company participates in the state plan. The base community rate may be adjusted to reflect differences in benefit levels or other product differences. Each health plan company participating in the medium-sized group market may offer premium rates to particular medium-sized groups that are no more than 30 percent above and no more than 30 percent below that base community rate. These premium differences may be based upon any underwriting criteria permitted by law. No health plan company may increase the premium it charges to a medium-sized group for which it provides coverage if the increase would exceed the increase in that health plan company's base community rate plus 15 percent per year. Each health plan company must provide the commissioner of commerce with a detailed description of its rating methodology, including actuarial justifications for its base community rate and for premiums that deviate from it, except that health plan companies operating under chapter 62D must provide the descriptions and justifications to the commissioner of health.*

**Sec. 10. [62J.61] [MINIMUM LOSS RATIOS.]**

*All health coverage sold by health plan companies in this state must have loss ratios no lower than those specified by rule by the commissioner of health for health plan companies operating under chapter 62D and by the commissioner of commerce for all other health plan companies. The minimum loss ratios may differ between the individual, small group, medium-sized group, and large group market. The commissioner of commerce and the commissioner of health shall coordinate their efforts to ensure consistency between their respective loss ratio standards. The commissioner of commerce and the commissioner of health shall take action to ensure that loss ratio rules are in force by January 1, 1993, including adoption of emergency rules, if necessary.*

**Sec. 11. [62J.62] [ENFORCEMENT AUTHORITY.]**

*The commissioner of commerce and commissioner of health have the responsibility and authority to enforce sections 1 to 7, 9, 10, and 16, with respect to the health plan companies that they respectively regulate, and have all of the powers otherwise granted to them by statute for use in carrying out their respective responsibilities under this chapter.*

**Sec. 12. [62J.63] [REINSURANCE POOL.]**

*(a) All health plan companies selling health coverage to individuals, small groups, or medium-sized groups in this state, including coverage provided through the state plan, must participate in the Minnesota health reinsurance pool, which the commissioner of health care access shall administer. This reinsurance pool must provide reinsurance to participating health plan companies for:*

*(1) 85 percent of costs incurred for any case, to the extent that the costs*

of care exceed \$30,000;

(2) 85 percent of the cost of cases assigned to the reinsurance pool pursuant to section 15; and

(3) 100 percent of that portion of the costs incurred for any case that exceeds \$100,000.

(b) For the purposes of sections 12 to 15, a "case" qualifies for reinsurance coverage if a specific patient receives \$30,000 or more in covered services for a specific cause or spell of illness in a period of 12 or fewer consecutive months. The reinsurance benefit period continues until the end of 12 consecutive months in which the patient receives less than \$10,000 in covered services for that cause or spell of illness.

Sec. 13. [62J.64] [ASSIGNMENT OF HIGH-RISK CASES.]

The commissioner shall establish procedures to identify cases and medical conditions that involve a high probability that health care costs in excess of \$30,000 will be incurred for a specific cause or spell of illness during a 12-month period. For these cases and conditions, the commissioner may require a determination by a qualified health professional as to whether a particular case is likely to exceed the \$30,000 threshold. If the qualified health professional certifies that the case is likely to exceed the \$30,000 threshold, the commissioner shall assign the case to the reinsurance pool. If the condition exists at the time of initial enrollment, financial responsibility for the case must be assigned to the reinsurance pool by the commissioner upon receipt of a request from the health plan company providing coverage for the person, along with any documentation reasonably required by the commissioner.

Sec. 14. [62J.65] [CASE MANAGEMENT.]

The commissioner of health care access shall contract for case management services designed to provide cost-effective treatment of cases assigned to the reinsurance pool.

Sec. 15. [62J.66] [REINSURANCE POOL PREMIUMS.]

Each health plan company participating in the Minnesota health reinsurance pool must pay premiums for the reinsurance coverage in the amounts and at the times specified by the commissioner of health care access. The reinsurance premiums must be determined on a community-rated basis, except that adjustments may be made to reflect differences in managed care systems.

Sec. 16. [APPROPRIATION.]

Subdivision 1. [COMMERCE.] \$ . . . . . is appropriated from the general fund to the commissioner of commerce for purposes of sections 10 and 11, to be available until June 30, 1993.

Subd. 2. [HEALTH.] \$ . . . . . is appropriated from the general fund to the commissioner of health for purposes of sections 10 and 11, to be available until June 30, 1993.

Subd. 3. [HEALTH CARE ACCESS.] \$ . . . . . is appropriated from the general fund to the commissioner of health care access for the purposes of sections 8 and 12 to 15, to be available until June 30, 1993.

Sec. 17. [EFFECTIVE DATE.]



*Sections 1 to 15 are effective July 1, 1992, except that all rulemaking authority granted in sections 1 to 15 is effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; creating a technology and benefits advisory committee; creating a health care expenditures advisory committee; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55."

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 148 and 7 were read the second time.

## MOTIONS AND RESOLUTIONS

Ms. Johnson, J.B. moved that the name of Ms. Olson be added as a co-author to S.F. No. 132. The motion prevailed.

Mr. Marty moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 137. The motion prevailed.

Mr. Waldorf moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 158. The motion prevailed.

Mr. Merriam moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 256. The motion prevailed.

Mr. Merriam moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 257. The motion prevailed.

Mr. Langseth moved that his name be stricken as a co-author to S.F. No. 275. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Luther be added as a co-author to S.F. No. 351. The motion prevailed.

Ms. Berglin moved that the name of Mr. Frederickson, D.J. be added as a co-author to S.F. No. 374. The motion prevailed.

Mr. Bertram moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 391. The motion prevailed.

Mr. Kelly moved that the name of Mr. Marty be added as a co-author to S.F. No. 404. The motion prevailed.

Mr. Merriam moved that the name of Mr. Marty be added as a co-author to S.F. No. 408. The motion prevailed.

Mr. Moe, R.D. moved that H.F. No. 82 be taken from the table and referred to the Committee on Governmental Operations. The motion prevailed.

Mr. Samuelson moved that S.F. No. 144 be withdrawn from the Committee on Rules and Administration and re-referred to the Committee on Finance. The motion prevailed.

Mr. Solon moved that S.F. No. 398 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Veterans and General Legislation. The motion prevailed.

Mr. Berg moved that S.F. No. 168 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Veterans and General Legislation. The motion prevailed.

Mr. Vickerman moved that S.F. No. 190 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Veterans and General Legislation. 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. 90, which the committee reports progress, subject to the following motion:

Mr. Morse moved to amend S.F. No. 90 as follows:

Delete everything after the enacting clause and insert:

“Section 1. [FEDERAL SAVINGS BANK ACQUISITION.]

*Any bank doing business in this state that directly or indirectly on or before December 17, 1990: (1) acquired a federal savings bank, or (2) assumed the liability to pay the deposits of any branch thereof, may, notwithstanding the numerical and distance limitations and consent requirements of Minnesota Statutes, section 47.52, retain and operate the main office or any branch office of the federal savings bank as a detached facility of the acquiring bank or establish and operate any former branch office as a detached facility of the acquiring bank if the branch was closed because banks whose principal office is located in a municipality with a population of 10,000 persons or less failed to consent to the retention or establishment of the branch as a detached facility of the acquiring bank.*

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 financial institutions; authorizing certain banks to acquire federal savings banks and operate them as detached facilities.”

The motion prevailed. So the amendment was adopted.

S.F. No. 90 was then progressed.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Dicklich introduced—

S.F. No. 415: A bill for an act relating to the Minnesota board on aging; authorizing supplemental funds for congregate and home-delivered meals; appropriating money; amending Minnesota Statutes 1990, section 256.975, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Dicklich introduced—

S.F. No. 416: A bill for an act relating to intoxicating liquor; specifying the number of on-sale licenses which may be issued in the city of Virginia; repealing Laws 1974, chapter 501, section 1.

Referred to the Committee on Commerce.

Messrs. Dicklich, Dahl, Mondale, Hottinger and Ms. Traub introduced—

S.F. No. 417: A bill for an act relating to education; making technical corrections to certain statutes and laws; amending Minnesota Statutes 1990, sections 120.06, subdivision 1; 120.062, subdivision 8a, and by adding a subdivision; 120.0752, subdivision 2; 120.101, subdivision 4; 120.17, subdivision 3b; 121.612, subdivisions 2 and 5; 123.3514, subdivisions 6 and 6b; 123.932, subdivisions 3 and 4; 124.14, subdivision 1; 124.195, subdivisions 10 and 11; 124.214, subdivisions 2 and 3; 124.225; 124.244, subdivision 3; 124.83, subdivisions 1 and 5; 124A.036, subdivision 5; 124A.24; 124B.03, subdivision 2; 125.60, subdivision 3; 127.27, subdivisions 2, 4, 5, and 10; 127.29; 127.30, subdivisions 1 and 3; 127.31, subdivision 2; 275.065, subdivision 6; 275.125, subdivisions 5b, 5c, 18, and 20; and 275.16; proposing coding for new law in Minnesota Statutes, chapter 121; repealing Minnesota Statutes 1990, section 124.225, subdivisions 3, 4b, 7c, 8b, 8i, and 8j.

Referred to the Committee on Education.

Messrs. Waldorf, Pogemiller, Renneke and Morse introduced—

S.F. No. 418: A bill for an act relating to state government; providing certain investment options for the state deferred compensation plan; amending Minnesota Statutes 1990, section 352.96, subdivisions 2 and 3.

Referred to the Committee on Governmental Operations.

Ms. Reichgott, Messrs. Pogemiller, Belanger, Ms. Berglin and Mr. Johnson, D.J. introduced—

S.F. No. 419: A bill for an act relating to taxation; allowing counties to make special levies for the unreimbursed costs of family-based services;

amending Minnesota Statutes 1990, section 275.50, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Finn, Samuelson and Lessard introduced—

S.F. No. 420: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in Cass county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Frank, Dahl and Novak introduced—

S.F. No. 421: A bill for an act relating to education; increasing the cooperation and combination revenue limit; amending Minnesota Statutes 1990, section 124.2725, subdivision 10.

Referred to the Committee on Education.

Messrs. Solon, Samuelson, Storm, Ms. Berglin and Mr. Pogemiller introduced—

S.F. No. 422: A bill for an act relating to human services; establishing a board of chemical dependency counselors; licensing and regulating chemical dependency counselors; providing penalties; appropriating money; amending Minnesota Statutes 1990, section 595.02, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 148C.

Referred to the Committee on Health and Human Services.

Messrs. Dicklich and Lessard introduced—

S.F. No. 423: A bill for an act relating to corrections; requiring one counselor or other staff person for every 20 juveniles confined in state juvenile correctional facilities; proposing coding for new law in Minnesota Statutes, chapter 242.

Referred to the Committee on Health and Human Services.

Messrs. Bertram and Pogemiller introduced—

S.F. No. 424: A bill for an act relating to public contracts; requiring preference for resident bidders against nonresident bidders from other countries in certain circumstances; defining resident bidder; denying the privilege of transacting business with the department of transportation or local road authorities to persons who have committed contract offenses; defining contract offenses; amending Minnesota Statutes 1990, sections 16B.102, and 161.315, subdivisions 1 and 2.

Referred to the Committee on Governmental Operations.

Messrs. Laidig, Solon, Belanger, Mrs. Brataas and Mr. Luther introduced—

S.F. No. 425: A bill for an act relating to unclaimed property; providing for payment of certain expenses for claims made in other states; proposing coding for new law in Minnesota Statutes, chapter 345.

Referred to the Committee on Commerce.

Ms. Johnston, Mrs. Brataas, Ms. Pappas, Messrs. Hottinger and Belanger introduced—

S.F. No. 426: A bill for an act relating to occupations and professions; increasing minimum insurance coverage required for abstracters; abolishing requirement of seals by impression; repealing an obsolete provision; amending Minnesota Statutes 1990, sections 386.66 and 386.67; repealing Minnesota Statutes 1990, section 386.65, subdivision 3.

Referred to the Committee on Commerce.

Messrs. Renneke and Hughes introduced—

S.F. No. 427: A bill for an act relating to gambling; specifying that bets made in certain card games are not bets under laws relating to unlawful gambling; amending Minnesota Statutes 1990, section 609.75, subdivision 3.

Referred to the Committee on Gaming Regulation.

Messrs. Solon, Gustafson, Dicklich and Johnson, D.J. introduced—

S.F. No. 428: A bill for an act relating to state government; providing for a study of decentralization of state government; providing for a report to the legislature; appropriating money.

Referred to the Committee on Governmental Operations.

Ms. Flynn, Messrs. Marty; Johnson, D.E.; Ms. Berglin and Mr. Storm introduced—

S.F. No. 429: A bill for an act relating to health; amending the clean indoor air act; amending Minnesota Statutes 1990, sections 144.413, subdivision 2, and by adding subdivisions; 144.414, subdivisions 1, 3, and by adding a subdivision; 144.415; 144.416; and 144.417, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Morse; Renneke; Moe, R.D.; Solon and Frederickson, D.J. introduced—

S.F. No. 430: A bill for an act relating to retirement; police state aid program; requiring payments equivalent to automobile insurance premium taxes by self-insurers; expanding the permissible use of police state aid; amending Minnesota Statutes 1990, sections 69.021, subdivisions 5 and 6; and 69.031, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 60A.

Referred to the Committee on Governmental Operations.

Mr. Stumpf introduced—

S.F. No. 431: A bill for an act relating to local government; permitting Pennington county and Thief River Falls to construct, finance, and own student housing.

Referred to the Committee on Economic Development and Housing.

Messrs. Samuelson, Kroening, Frank and Metzen introduced—

S.F. No. 432: A bill for an act relating to employment; regulating certain construction bids; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Mses. Reichgott, Ranum, Messrs. Marty and Spear introduced—

S.F. No. 433: A bill for an act relating to sexual abuse; extending the statute of limitations for intentional torts involving the sexual abuse of a minor; eliminating the statute of limitations in criminal sexual conduct cases involving a minor victim; amending Minnesota Statutes 1990, sections 541.073; and 628.26.

Referred to the Committee on Judiciary.

Mr. Marty, Ms. Ranum, Messrs. Knaak, Neuville and Cohen introduced—

S.F. No. 434: A bill for an act relating to government data practices; prohibiting the release of motor vehicle or driver's license data lists for commercial purposes; amending Minnesota Statutes 1990, section 13.69, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Mehrkens introduced—

S.F. No. 435: A bill for an act relating to education; approving a maximum effort school loan program capital loan.

Referred to the Committee on Education.

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

S.F. No. 436: A resolution memorializing the International Special Olympics Committee in support of the 1991 International Special Olympics Games.

Referred to the Committee on Veterans and General Legislation.

Messrs. Bernhagen; Dahl; Day; Frederickson, D.R. and Davis introduced—

S.F. No. 437: A bill for an act relating to agriculture; changing the shade tree disease and wood use programs; amending Minnesota Statutes 1990, sections 18.023, subdivisions 10a and 11; and 18.024, subdivision 1.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Belanger, Riveness, Ms. Reichgott, Messrs. Kelly and Neuville introduced—

S.F. No. 438: A bill for an act relating to torts; providing immunity against tort liability for any school district which is unable to obtain insurance for claims relating to asbestos or hazardous waste; amending Minnesota Statutes 1990, section 466.06.

Referred to the Committee on Judiciary.

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

S.F. No. 439: A bill for an act relating to education; authorizing school districts to use up to 50 percent of current or anticipated capital expenditure facility revenue as debt service revenue for bonds they may issue for certain capital projects; amending Minnesota Statutes 1990, section 124.243, by adding a subdivision.

Referred to the Committee on Education.

Messrs. Marty, Luther and Merriam introduced—

S.F. No. 440: A bill for an act relating to insurance; requiring insurers to permit their insureds to inspect medical records obtained in connection with a claim; requiring health care providers to permit access to medical records by persons examined for certain medical review purposes; amending Minnesota Statutes 1990, sections 72A.491, subdivision 19; 144.335, subdivision 1; and 145.64.

Referred to the Committee on Commerce.

Messrs. Lessard, Solon, Finn and Frederickson, D.R. introduced—

S.F. No. 441: A bill for an act relating to commerce; modifying provisions relating to certain motor vehicle accident prevention courses; appropriating money; amending Minnesota Statutes 1990, sections 65B.28, subdivisions 1, 2, and by adding subdivisions.

Referred to the Committee on Commerce.

Messrs. Lessard, Price, Finn and Ms. Traub introduced—

S.F. No. 442: A bill for an act relating to watercraft; regulating the use and operation of personal watercraft; amending Minnesota Statutes 1990, section 86B.005, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 86B.

Referred to the Committee on Environment and Natural Resources.

Messrs. Mondale, Kelly, Ms. Ranum, Messrs. Hottinger and Neuville introduced—

S.F. No. 443: A bill for an act relating to civil procedure; providing for security for costs in certiorari matters; amending Minnesota Statutes 1990, section 606.03.

Referred to the Committee on Judiciary.

Messrs. Price, Dicklich, Metzen, Bertram and Finn introduced—

S.F. No. 444: A bill for an act relating to education; providing a two-year tuition exemption to Minnesota veterans of the Persian Gulf war; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Veterans and General Legislation.

Messrs. Hottinger, Renneke, Vickerman, Riveness and Day introduced—

S.F. No. 445: A bill for an act relating to interscholastic athletics; providing that persons who assault a sports official may be excluded from certain events; proposing coding for new law in Minnesota Statutes, chapter 128C.

Referred to the Committee on Education.

Messrs. Beckman; Frederickson, D.J.; Johnson, D.J.; Bernhagen and Pogemiller introduced—

S.F. No. 446: A bill for an act relating to economic development; authorizing the establishment of rural development zones; proposing coding for new law in Minnesota Statutes, chapter 469.

Referred to the Committee on Economic Development and Housing.

Messrs. Pogemiller, DeCramer, Mondale and Ms. Pappas introduced—

S.F. No. 447: A bill for an act relating to the University of Minnesota; changing the structure of certain bargaining units; amending Minnesota Statutes 1990, section 179A.11, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Morse, Waldorf, Mrs. Adkins, Ms. Flynn and Mr. Benson, D.D. introduced—

S.F. No. 448: A bill for an act relating to local government; regulating the development, imposition, and management of state mandates upon local political subdivisions; amending Minnesota Statutes 1990, section 14.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3 and 14; repealing Minnesota Statutes 1990, section 3.982.

Referred to the Committee on Local Government.

Messrs. Solon, Gustafson and Kelly introduced—

S.F. No. 449: A bill for an act relating to retirement; Duluth teachers retirement fund association and St. Paul teachers retirement fund association; proposing coding for new law in Minnesota Statutes, chapter 354A; repealing Laws 1985, chapter 259, sections 2 and 3; and Laws 1990, chapter 570, article 7, section 4.

Referred to the Committee on Governmental Operations.

Ms. Flynn, Mrs. Brataas, Messrs. Luther, Dicklich and Mondale introduced—

S.F. No. 450: A bill for an act relating to education; requiring junior and senior high schools to establish school-based health clinics; establishing standards for school-based health clinics; authorizing grants; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 123.

Referred to the Committee on Education.



Mses. Flynn, Pappas, Messrs. Waldorf, Merriam and Kelly introduced—

S.F. No. 451: A bill for an act relating to government operations; requiring a study of the feasibility of consolidating counties and rationalizing other internal boundaries; appropriating money.

Referred to the Committee on Local Government.

Messrs. Marty, Finn, Spear and Johnson, D.E. introduced—

S.F. No. 452: A bill for an act relating to gambling; requiring posting of the compulsive gambling hotline number; imposing surcharges on gambling permits and licenses; appropriating money; amending Minnesota Statutes 1990, sections 240.13, subdivision 2; 349.172; and 349A.06, subdivision 5.

Referred to the Committee on Gaming Regulation.

Messrs. McGowan; Spear; Johnson, D.E.; Merriam and Knaak introduced—

S.F. No. 453: A bill for an act relating to corrections; establishing a juvenile detention services subsidy program; appropriating money; amending Minnesota Statutes 1990, section 241.022; proposing coding for new law in Minnesota Statutes, chapter 241.

Referred to the Committee on Health and Human Services.

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

S.F. No. 454: A bill for an act relating to commerce; restraint of trade; prohibiting the charging of unconscionable prices for critical petroleum products; prohibiting fuel suppliers from requiring certain minimum deliveries; providing for investigations and enforcement; establishing a volunteer corps to aid in enforcement; proposing coding for new law in Minnesota Statutes, chapter 325D.

Referred to the Committee on Commerce.

Mr. Benson, D.D. introduced—

S.F. No. 455: A bill for an act relating to taxation; updating references to the Internal Revenue Code; amending Minnesota Statutes 1990, sections 290.01, subdivisions 19, 19a, and 19d; 290.067, subdivision 1; and 290.92, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Benson, D.D. introduced—

S.F. No. 456: A bill for an act relating to taxation; increasing the taxes on cigarettes; changing the computation of alcoholic beverage taxes; amending Minnesota Statutes 1990, sections 297.02, subdivision 1; 297.03, subdivision 5; 297C.01, by adding subdivisions; and 297C.02.

Referred to the Committee on Taxes and Tax Laws.

Mr. Berg introduced—

S.F. No. 457: A bill for an act relating to game and fish; setting conditions under which a hunter may take two deer; amending Minnesota Statutes 1990, section 97B.301, subdivision 4.

Referred to the Committee on Environment and Natural Resources.

Mr. Metzen introduced—

S.F. No. 458: A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

Referred to the Committee on Health and Human Services.

Messrs. Hottinger and Finn introduced—

S.F. No. 459: A bill for an act relating to consumer protection; prohibiting certain uses of consumer identification information; prohibiting the use of certain credit card information; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

Messrs. Beckman, Larson, Bertram, Ms. Johnson, J.B. and Mr. Frederickson, D.J. introduced—

S.F. No. 460: A bill for an act relating to veterans; changing certain requirements for appointment of county veterans service officers; amending Minnesota Statutes 1990, section 197.60, subdivision 2, and by adding a subdivision.

Referred to the Committee on Veterans and General Legislation.

Messrs. Luther, Pogemiller, Riveness and DeCramer introduced—

S.F. No. 461: A bill for an act relating to state employees; allowing state employees to donate accrued sick leave for the benefit of another state employee; amending Minnesota Statutes 1990, section 43A.181.

Referred to the Committee on Governmental Operations.

Messrs. Riveness, Cohen, Mondale, Lessard and Luther introduced—

S.F. No. 462: A bill for an act relating to the environment; establishing an environmental enforcement account; establishing a field citation pilot project for unauthorized disposal of solid waste; amending Minnesota Statutes 1990, sections 115.072; and 116.07, subdivision 4d; proposing coding

for new law in Minnesota Statutes, chapter 115.

Referred to the Committee on Environment and Natural Resources.

Mr. Dicklich introduced—

S.F. No. 463: A bill for an act relating to occupations and professions; requiring crane operators to be licensed by the state; requiring rulemaking; establishing a crane operators examining board; providing penalties; amending Minnesota Statutes 1990, section 214.01, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Employment.

Messrs. Merriam and Spear introduced—

S.F. No. 464: A bill for an act relating to crimes; providing that a claimant in a forfeiture proceeding does not have to pay a filing fee; providing for appointment of qualified interpreters in forfeiture proceedings; amending Minnesota Statutes 1990, sections 609.5314, subdivision 3; and 611.32.

Referred to the Committee on Judiciary.

Mr. Cohen introduced—

S.F. No. 465: A bill for an act relating to motor vehicles; allowing personalized license plates for classic, pioneer, collector, and street rod vehicles; amending Minnesota Statutes 1990, sections 168.10, subdivisions 1a, 1b, 1c, and 1d; 168.105, subdivisions 2 and 3; and 168.12, subdivision 2a.

Referred to the Committee on Transportation.

Ms. Olson, Messrs. Mehrkens, Dicklich and Knaak introduced—

S.F. No. 466: A bill for an act relating to education; presenting the governor's programs for the prekindergarten through grade 12 education system; appropriating money; amending Minnesota Statutes 1990, sections 62A.047; 121.88, subdivisions 9, 10, and by adding a subdivision; 121.904, subdivisions 4a and 4e; 121.912, subdivision 1b; 123.707, subdivisions 2, 3, and by adding a subdivision; 124.17, subdivisions 1, 1b, and by adding a subdivision; 124.195, subdivision 12; 124.223; 124.225; 124.261; 124.2711, subdivisions 1 and 3; 124.2713, subdivisions 3, 4, 5, and 6; 124.2721, subdivisions 2 and 4; 124.2725, subdivisions 2, 3, and 6; 124.273, subdivision 1b; 124.32, subdivisions 1b, 5, and 10; 124.46, subdivision 3; 124.573, subdivisions 2b and 3a; 124.574, subdivision 2b; 125.575, subdivisions 1, 2, 3, and 4; 124.83, subdivision 4; 124A.02, subdivisions 16 and 23; 124A.03; 124A.04; 124A.22, subdivisions 2, 3, 4, 8, and 9; 124A.23, subdivisions 1, 4, and 5; 124A.24; 124A.26, subdivision 1; 126.22, subdivisions 2, 3, and 4; 136D.27, subdivision 1; 136D.74, subdivision 2; 136D.87, subdivision 1; and 275.125, subdivisions 5, 5c, 6e, 6i, and 8b; proposing coding for new law in Minnesota Statutes, chapters 124; 124A; 124C; and 125; repealing Minnesota Statutes 1990, sections 123.351, subdivision 10; 124.195, subdivision 12; 124.223, subdivisions 3, 9, and 10; 124.252; 124.575; 124A.02, subdivision 19; and 275.125, subdivisions 8c and 8e; Laws 1989, chapter 222, section 10.

Referred to the Committee on Education.

Mr. Dicklich introduced—

S.F. No. 467: A bill for an act relating to education; providing for supplemental revenue and minimum allowance revenue in certain cases; amending Minnesota Statutes 1990, section 122.531, by adding a subdivision; repealing Minnesota Statutes 1990, section 122.531, subdivision 5.

Referred to the Committee on Education.

Messrs. Luther, Spear and Mehrkens introduced—

S.F. No. 468: A bill for an act relating to employment; changing the date for submission of recommendations by the compensation council; amending Minnesota Statutes 1990, section 15A.082, subdivision 3.

Referred to the Committee on Governmental Operations.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, February 28, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## EIGHTEENTH DAY

St. Paul, Minnesota, Thursday, February 28, 1991

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

### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Peter Geisendorfer-Lindgren.

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

Adkins	Day	Johnson, J.B.	Merriam	Ranum
Beckman	DeCramer	Johnston	Metzen	Reichgott
Belanger	Dicklich	Kelly	Moe, R.D.	Renneke
Benson, D.D.	Finn	Knaak	Mondale	Riveness
Benson, J.E.	Flynn	Kroening	Morse	Sams
Berg	Frank	Laidig	Neuville	Samuelson
Berglin	Frederickson, D.J.	Langseth	Novak	Solon
Bernhagen	Frederickson, D.R.	Larson	Olson	Spear
Bertram	Gustafson	Lessard	Pappas	Storm
Chmielewski	Halberg	Luther	Pariseau	Stumpf
Cohen	Hottinger	Marty	Piper	Traub
Dahl	Hughes	McGowan	Pogemiller	Vickerman
Davis	Johnson, D.J.	Mehrkens	Price	Waldorf

The President declared a quorum present.

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

### MEMBERS EXCUSED

Mrs. Brataas was excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

January 31, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**COMMISSIONER OF  
IRON RANGE RESOURCES AND REHABILITATION**

Wayne L. Dalke, 808 Northeast 5th Avenue, Chisholm, St. Louis County, Minnesota, has been appointed by me, effective February 1, 1991, for a term expiring on the first Monday in January, 1995.

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

January 31, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**COMMISSIONER OF TRANSPORTATION**

John H. Riley, 3411 Cypress Drive, Falls Church, Virginia, has been appointed by me, effective January 10, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Transportation.)

Warmest regards,  
Arne H. Carlson, Governor

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 55 and 131.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 25, 1991

**FIRST READING OF HOUSE BILLS**

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

H.F. No. 55: A bill for an act relating to peace officers; clarifying the soft body armor reimbursement program; amending Minnesota Statutes 1990, section 299A.38, subdivision 2.

Referred to the Committee on Local Government.

H.F. No. 131: A bill for an act relating to Meeker county; authorizing the county board to provide for an addition to the county hospital.

Referred to the Committee on Health and Human Services.

**REPORTS OF COMMITTEES**

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

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

S.F. No. 246: A bill for an act relating to probate; increasing the limit on an estate subject to collection of personal property by affidavit; amending Minnesota Statutes 1990, section 524.3-1201.

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

Page 2, line 11, before the period, insert "*or 525.15*"

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. 224: A bill for an act relating to the public defender; providing who is eligible to be represented by the public defender; authorizing good conduct reduction of sentence for persons serving terms in local correctional facilities as a condition of probation; amending Minnesota Statutes 1990, sections 590.05; 611.14; 611.18; 611.25, subdivision 1; and 643.29, subdivision 1.

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

Page 1, line 19, delete everything after the first "*the*" and insert "*conviction has not been previously directly appealed by or on behalf of the convicted person.*"

Page 1, line 20, delete "*conviction.*"

Page 1, line 21, delete "*all other persons*" and insert "*any other person*"

Page 1, line 22, delete the comma and delete "*are*" and insert "*is*" and after the period, insert "*Before declining to represent a person who has applied for representation in pursuing a postconviction remedy after a previous appeal, the state public defender shall review the merits of the case.*"

Page 2, line 7, strike "proceeding"

Page 2, line 8, delete the new language

Page 2, line 9, delete the new language and insert "*remedy if the conviction has not been previously directly appealed by or on behalf of the convicted person*"

Page 2, line 23, after the comma, insert "*who is*" and strike everything after "*offense*"

Page 2, line 24, strike "of a municipal, county, or probate court"

Page 2, line 35, before "If" insert "*Subdivision 1. [INITIAL APPOINTMENT.]*"

Page 3, line 5, delete "*and*"

Page 3, line 8, before the first comma, insert "*who is not pursuing an*

*appeal or postconviction remedy*” and delete “*clause (1)*,”

Page 3, line 9, strike “to represent” and delete “*that person*” and after the period, insert:

“*Subd. 2. [COURT APPOINTMENT.]*”

Page 3, line 20, after the period, insert:

“*Subd. 3. [BEFORE COURT APPEARANCE.]*”

Page 4, line 4, delete “*proceeding*” and insert “*remedy*”

Page 4, delete line 5 and insert “*if the conviction has not been previously directly appealed by or on behalf of the convicted person.*”

Page 4, line 6, delete “*all*” and insert “*any*”

Page 4, line 7, delete “*persons*” and insert “*person*”

Page 4, line 8, delete the comma and delete “*are*” and insert “*is*” and after the period, insert “*Before declining to represent a person who has applied for representation in pursuing a postconviction remedy after a previous appeal, the state public defender shall review the merits of the case.*”

Page 4, delete section 5 and insert:

“*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 the public defender; limiting entitlement to appellate representation by the state public defender to the first direct appeal of a conviction; amending Minnesota Statutes 1990, sections 590.05; 611.14; 611.18; and 611.25, subdivision 1.”

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

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

S.F. No. 127: A bill for an act relating to civil commitment; prohibiting ex parte judicial release orders during the emergency hold period; amending Minnesota Statutes 1990, section 253B.05, subdivision 3.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 253B.05, subdivision 1, is amended to read:

Subdivision 1. [EMERGENCY HOLD.] (a) Any person may be admitted or held for emergency care and treatment in a treatment facility with the consent of the head of the treatment facility upon a written statement by an examiner that: (1) the examiner has examined the person not more than 15 days prior to admission, (2) the examiner is of the opinion, for stated reasons, that the person is mentally ill, mentally retarded or chemically dependent, and is in imminent danger of causing injury to self or others if not immediately restrained, and (3) an order of the court cannot be obtained in time to prevent the anticipated injury.



(b) The statement shall be: (1) sufficient authority for a peace or health officer to transport a patient to a treatment facility, (2) stated in behavioral terms and not in conclusory language, and (3) of sufficient specificity to provide an adequate record for review. *If imminent danger to specific individuals is a basis for the emergency hold, the statement must include identifying information on those individuals, to the extent practicable.* A copy of the statement shall be personally served on the person immediately upon admission. A copy of the statement shall be maintained by the treatment facility.

Sec. 2. Minnesota Statutes 1990, section 253B.05, subdivision 2, is amended to read:

Subd. 2. [PEACE OR HEALTH OFFICER HOLD.] (a) A peace or health officer may take a person into custody and transport the person to a licensed physician or treatment facility if the officer has reason to believe that the person is mentally ill or mentally retarded and in imminent danger of injuring self or others if not immediately restrained. A peace or health officer or a person working under such officer's supervision, may take a person who is believed to be chemically dependent or is intoxicated in public into custody and transport the person to a treatment facility. If the person is intoxicated in public or is believed to be chemically dependent and is not in danger of causing self-harm or harm to any person or property, the peace or health officer may transport the person home. *Written* application for admission of the person to a treatment facility shall be made by the peace or health officer. The application shall contain a statement given by the peace or health officer specifying the reasons for and circumstances under which the person was taken into custody. *If imminent danger to specific individuals is a basis for the emergency hold, the statement must include identifying information on those individuals, to the extent practicable.* A copy of the statement shall be made available to the person taken into custody.

(b) A person may be admitted to a treatment facility for emergency care and treatment under this subdivision with the consent of the head of the facility under the following circumstances: a written statement is made by the medical officer on duty at the facility that after preliminary examination the person has symptoms of mental illness or mental retardation and appears to be in imminent danger of harming self or others; or, a written statement is made by the institution program director or the director's designee on duty at the facility that after preliminary examination the person has symptoms of chemical dependency and appears to be in imminent danger of harming self or others or is intoxicated in public.

Sec. 3. Minnesota Statutes 1990, section 253B.05, subdivision 3, is amended to read:

Subd. 3. [DURATION OF HOLD.] (a) Any person held pursuant to this section may be held up to 72 hours, exclusive of Saturdays, Sundays, and legal holidays, after admission unless a petition for the commitment of the person has been filed in the probate court of the county of the person's residence or of the county in which the *treatment* facility is located and the court issues an order pursuant to section 253B.07, subdivision 6. If the head of the *treatment* facility believes that commitment is required and no petition has been filed, the head of the *treatment* facility shall file a petition for the commitment of the person. The hospitalized person may move to have the venue of the petition changed to the probate court of the county of the person's residence, if the person is a resident of Minnesota.

*(b) During the 72-hour hold period, a court may release a person held under this section only through a writ of habeas corpus under chapter 589. The court shall make written findings regarding its decision under chapter 589. Before releasing the person, the court shall make every reasonable effort to provide notice of the release to: (1) any specific individuals identified in a statement under subdivision 1 or 2 or in the record as individuals who might be endangered if the person was not held; and (2) the examiner whose written statement was a basis for a hold under subdivision 1 or the peace or health officer who applied for a hold under subdivision 2."*

Delete the title and insert:

"A bill for an act relating to civil commitment; establishing requirements for judicial release orders during the emergency hold period; amending Minnesota Statutes 1990, section 253B.05, subdivisions 1, 2, and 3."

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

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

S.F. No. 12: 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:

Page 1, lines 22 and 23, delete "*on or after July 1, 1991*"

Page 1, line 25, delete "*Once every quarter,*" and after "*shall*" insert "*annually*"

Page 2, line 3, delete "*quarter*" and insert "*year*"

Page 2, delete lines 8 to 11 and insert "*The commissioner shall seek federal approval of the cost-based reimbursement payment system. The payment determined under this section must not exceed the maximum payment amount that is eligible for full federal financial participation and must not result in reductions in outpatient reimbursement to hospitals that are not pediatric specialty hospitals.*"

Page 2, after line 15, insert:

"Sec. 3. [EFFECTIVE DATE.]

*Section 1 is effective for services rendered on or after July 1, 1991, or the date federal approval of the new reimbursement system is received, whichever is later."*

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 461: A bill for an act relating to state employees; allowing state employees to donate accrued sick leave for the benefit of another state

employee; amending Minnesota Statutes 1990, section 43A.181.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 43A.181, subdivision 1, is amended to read:

Subdivision 1. [DONATION OF VACATION TIME.] A state employee may donate up to ~~eight~~ 12 hours of accrued vacation time in any fiscal year to the account established by subdivision 2 for the benefit of another state employee. The employee must notify the employee’s agency head of the amount of accrued vacation time the employee wishes to donate and the name of the other state employee who is to benefit from the donation. The agency head shall determine the monetary value of the donated time, using the gross salary of the employee making the donation. The agency head shall transfer that amount, less deductions for applicable taxes and retirement contributions, to the account established by subdivision 2. A donation of accrued vacation time is irrevocable once its monetary value has been transferred to the account.

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment.”*

Delete the title and insert:

“A bill for an act relating to state employees; increasing the amount of vacation time a state employee may donate for the benefit of another state employee; amending Minnesota Statutes 1990, section 43A.181, subdivision 1.”

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

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

S.F. No. 74: A bill for an act relating to natural resources; establishing Glendalough state park; prescribing the powers and duties of the commissioner of natural resources in relation thereto; appropriating money; amending Minnesota Statutes 1990, section 85.012, by adding a subdivision.

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

Page 3, line 24, delete “\$50,000” and insert “\$ . . . . .”

Page 3, line 25, delete “\$700,000” and insert “\$ . . . . .”

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

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

S.F. No. 218: A bill for an act relating to the environment; pollution control agency; conforming certain rulemaking procedures to the administrative procedure act; providing for junk yard investigations; permitting collection of money for household hazardous waste programs; providing for

a charge for training program fees and for computer use; amending Minnesota Statutes 1990, sections 115.44, subdivisions 4, 6, and 7; 115A.96, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 115A and 116.

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

Pages 2 and 3, delete section 4

Page 3, line 24, delete "PROGRAM FEES" and insert "PROGRAMS"

Page 3, line 25, delete "*Subdivision 1. [TRAINING PROGRAMS.]*"

Page 3, delete lines 30 to 35

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 4 and 5, delete "providing for junk yard investigations;"

Page 1, line 7, delete "for training program fees and"

Page 1, delete line 11 and insert "chapter 116."

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 373: A bill for an act relating to the military; creating an emergency assistance fund for families of military personnel who are called to active service; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 197.

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

Page 1, line 14, after "to" insert "*extended federal*" and delete "*service*" and insert "*duty, other than training,*"

Page 1, line 20, delete "*permanent*"

Page 1, line 24, after "to" insert "*extended federal*" and delete "*military*" and insert "*duty, other than training*"

Page 1, line 25, delete "*service*"

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred the following appointment as reported in the Journal for February 20, 1991:

DEPARTMENT OF EMPLOYEE RELATIONS  
COMMISSIONER

Linda Barton

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. Waldorf from the Committee on Governmental Operations, to which was referred the following appointment as reported in the Journal for February 21, 1991:

DEPARTMENT OF ADMINISTRATION  
COMMISSIONER

Dana B. Badgerow

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 referred the following appointment as reported in the Journal for February 7, 1991:

DEPARTMENT OF FINANCE  
COMMISSIONER

John Gunyou

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 was referred the following appointment as reported in the Journal for January 14, 1991:

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. Chmielewski from the Committee on Employment, to which was referred the following appointment as reported in the Journal for February 14, 1991:

DEPARTMENT OF LABOR AND INDUSTRY  
COMMISSIONER

John Burr Lennes, Jr.

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

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

Mr. Chmielewski from the Committee on Employment, to which was referred the following appointment as reported in the Journal for February 21, 1991:

**DEPARTMENT OF JOBS AND TRAINING  
COMMISSIONER**

R. Jane Brown

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

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

**SECOND READING OF SENATE BILLS**

S.F. Nos. 246, 224, 127 and 461 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Davis moved that his name be stricken as a co-author to S.F. No. 67. The motion prevailed.

Mr. Solon moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 163. The motion prevailed.

Mr. Solon moved that the name of Mr. DeCramer be added as a co-author to S.F. No. 307. The motion prevailed.

Mr. Pogemiller moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 411. The motion prevailed.

Mr. Dicklich moved that the names of Messrs. Davis, Morse and Ms. Piper be added as co-authors to S.F. No. 415. The motion prevailed.

Mr. Solon moved that the name of Mr. Davis be added as a co-author to S.F. No. 428. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Hottinger be added as a co-author to S.F. No. 433. The motion prevailed.

Mr. Berg moved that the name of Mr. Morse be added as a co-author to S.F. No. 457. The motion prevailed.

Mr. Hottinger moved that the names of Messrs. Frank and Storm be added as co-authors to S.F. No. 459. The motion prevailed.

Mr. Luther moved that the name of Mr. Frank be added as a co-author to S.F. No. 461. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Frank be added as a co-author to S.F. No. 463. The motion prevailed.

Ms. Olson moved that the name of Mr. Dahl be added as a co-author to S.F. No. 466. The motion prevailed.

Mr. Vickerman moved that S.F. No. 388 be withdrawn from the Committee on Health and Human Services and returned to its author. The motion prevailed.

Mr. Benson, D.D. moved that his name be stricken as chief author and the name of Mr. Vickerman be added as chief author to S.F. No. 380. 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 no bills were 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.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Day; Benson, D.D. and Renneke introduced—

S.F. No. 469: A bill for an act relating to human services; consolidating and simplifying county mental health and community social services planning; authorizing the review and reduction of social service administrative requirements; establishing a process for limiting social services due to county fiscal limitations; amending Minnesota Statutes 1990, sections 245.465; 245.466, subdivision 5; 245.478, subdivisions 1, 2, and 6; 245.4874; 245.4875, subdivision 5; 245.4887, subdivisions 1, 2, and 6; 256.045, subdivision 3; 256E.04, subdivision 1; 256E.05, subdivisions 2, 3, 5, and by adding subdivisions; 256E.08, subdivision 1; 256E.09, subdivisions 1, 3, and 6; and 256E.12, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256E; repealing Minnesota Statutes 1990, sections 245.462, subdivision 15; 245.4871, subdivision 23; 256B.092, subdivisions 1c and 1d; and 256E.09, subdivisions 4 and 5.

Referred to the Committee on Health and Human Services.

Messrs. Dahl, Mondale and Mrs. Pariseau introduced—

S.F. No. 470: A bill for an act relating to metropolitan government; providing for the powers of the mosquito control district; amending Minnesota Statutes 1990, sections 473.704, by adding a subdivision; and 473.705.

Referred to the Committee on Metropolitan Affairs.

Messrs. Chmielewski, McGowan and Mondale introduced—

S.F. No. 471: A bill for an act relating to employment; regulating an employee's lien for wages; amending Minnesota Statutes 1990, section 514.59.

Referred to the Committee on Employment.

Mr. Cohen, Ms. Pappas and Mr. Kelly introduced—

S.F. No. 472: A bill for an act relating to local government; authorizing the city of St. Paul and independent school district No. 625 to impose residency requirements.

Referred to the Committee on Local Government.

Messrs. Finn and Samuelson introduced—

S.F. No. 473: A bill for an act relating to health; authorizing an exception to the moratorium on nursing home beds; amending Minnesota Statutes 1990, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Dicklich, Ms. Ranum and Mr. Pogemiller introduced—

S.F. No. 474: A bill for an act relating to education; establishing a department of families and children; requiring a task force to determine implementation procedures.

Referred to the Committee on Health and Human Services.

Mses. Piper and Berglin introduced—

S.F. No. 475: A bill for an act relating to child care; establishing the Minnesota early childhood care and education council; specifying duties and membership; specifying new duties for regional resource and referral agencies; appropriating money; amending Minnesota Statutes 1990, sections 256H.10, subdivision 2; 256H.15, subdivision 1; 256H.20; 256H.21, subdivisions 6 and 10; 256H.22, subdivisions 1, 2, 4, 5, and 6; proposing coding for new law in Minnesota Statutes, chapter 256H; repealing Minnesota Statutes 1990, sections 256H.22, subdivisions 3, 10 and 11; and 256H.25.

Referred to the Committee on Health and Human Services.

Mr. Benson, D.D. introduced—

S.F. No. 476: A bill for an act relating to taxation; increasing the taxes on cigarettes; changing the computation of alcoholic beverage taxes; amending Minnesota Statutes 1990, sections 297.02, subdivision 1; 297.03, subdivision 5; 297C.01, by adding subdivisions; and 297C.02.

Referred to the Committee on Taxes and Tax Laws.

Ms. Johnston, Mr. Neuville, Ms. Olson, Mrs. Pariseau and Mr. Hottinger introduced—

S.F. No. 477: A bill for an act relating to transportation; authorizing state departments to cancel uncollectible debts up to \$200 in certain cases; allowing department of transportation to employ debt collection services; allowing department of transportation to make direct expenditures from state aid funds for administrative expenses; providing penalty for failure to pay fee for sign permit more than 30 days after fee is due; providing when estimates of certain construction projects are nonpublic data; providing for laying fiber optic cable or conduits along highways; directing the commissioner of transportation to adopt rules governing the location and breakaway standards for mailbox installations; allowing white strobe lamps to be used on highway maintenance vehicles; authorizing exchange of lands with Grand Portage Band of Chippewa Indians; abolishing conflicting requirements related to market artery highways; providing a penalty; amending Minnesota Statutes 1990, sections 10.12; 13.72, subdivision 1; 161.20, subdivision 4; 161.45, subdivision 1; 161.46, subdivisions 1 and 2; 162.06, subdivision 2; 162.12, subdivision 2; 169.64, subdivision 7; and 173.13, subdivision



7; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, section 169.833.

Referred to the Committee on Transportation.

Messrs. Davis and Metzen introduced—

S.F. No. 478: A bill for an act relating to traffic regulations; defining “wrecker” to include new variations of tower vehicles; requiring the use of amber lights on wreckers after January 1, 1992; exempting wreckers from weight requirements under certain circumstances; amending Minnesota Statutes 1990, sections 169.01, subdivision 52; 169.64, subdivision 5; and 169.825, by adding a subdivision.

Referred to the Committee on Transportation.

Ms. Traub, Mr. DeCramer, Ms. Ranum, Messrs. Larson and Finn introduced—

S.F. No. 479: A bill for an act relating to education; establishing a grant program for home-based programs to prepare American Indian children for school; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124C.

Referred to the Committee on Education.

Messrs. Mondale, Morse, Ms. Johnson, J.B. and Mr. Hottinger introduced—

S.F. No. 480: A bill for an act relating to the environment; authorizing background investigations of environmental permit applicants; expanding current authority to impose administrative penalties for air and water pollution and solid waste management violations; amending Minnesota Statutes 1990, sections 115.071, by adding a subdivision; 115C.05; and 116.072, subdivisions 1, 2, and 6; proposing coding for new law in Minnesota Statutes, chapter 115.

Referred to the Committee on Environment and Natural Resources.

Messrs. Sams, Langseth, Davis, Beckman and Day introduced—

S.F. No. 481: A bill for an act relating to dairy inspection fees; limiting the charge for on-farm inspections to 40 percent of average inspection costs; amending Minnesota Statutes 1990, section 32.394, subdivisions 8 and 8b.

Referred to the Committee on Agriculture and Rural Development.

Ms. Reichgott, Messrs. Luther, Spear, Knaak and Cohen introduced—

S.F. No. 482: A bill for an act relating to corporations; deleting consideration of the effect of insurance company takeovers on shareholders and creditors; limiting application of fair price provisions to domestic corporations; deleting nexus requirements for application of control share acquisition and business combination statutes; exempting employee stock ownership plans from takeover statutes; modifying limitations on corporate share purchases above market value; amending Minnesota Statutes 1990, sections 60D.02, subdivisions 1, 2, and 4; 60D.06; 60D.08, subdivisions 1 and 2; 60D.11; 60D.12, subdivision 2; 302A.011, subdivisions 38, 39, 49, and by adding subdivisions; and 302A.553, subdivision 3; proposing

coding for new law in Minnesota Statutes, chapter 302A; repealing Minnesota Statutes 1990, sections 60D.02, subdivision 5; and 80B.06, subdivision 7.

Referred to the Committee on Judiciary.

Messrs. Hottinger, Beckman and Frederickson, D.R. introduced—

S.F. No. 483: A bill for an act relating to courts; repealing the provision of law that requires election officials to notify the supreme court that an incumbent judge of the district court is not seeking reelection when the judge fails to file an affidavit of candidacy; amending Minnesota Statutes 1990, section 2.722, subdivision 4.

Referred to the Committee on Judiciary.

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

S.F. No. 484: A bill for an act relating to commerce; regulating farm equipment dealerships; amending Minnesota Statutes 1990, sections 325E.061, subdivisions 2, 4, and 5; 325E.063; 325E.064; 325E.068, subdivisions 2, 4, and 5; 325E.0682; and 325E.0683.

Referred to the Committee on Commerce.

Messrs. Spear and Cohen introduced—

S.F. No. 485: A bill for an act relating to courts; increasing the number of district court judges authorized by law; adjusting the number of district court judges authorized by law to include the addition of district court judges as a result of trial court unification; amending Minnesota Statutes 1990, section 2.722, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. DeCramer, Vickerman, Langseth, Chmielewski and Mehrkens introduced—

S.F. No. 486: A bill for an act relating to motor carriers; authorizing the commissioner of transportation to grant variances from rules governing the transport of hazardous materials; amending Minnesota Statutes 1990, section 221.033, by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Frederickson, D.R. introduced—

S.F. No. 487: A bill for an act relating to education; excluding certain revenue from fund balances for certain purposes; amending Minnesota Statutes 1990, sections 124.2713, by adding a subdivision; 124.2714; and 124.2715, by adding a subdivision.

Referred to the Committee on Education.

Messrs. Storm, Halberg, Ms. Berglin, Messrs. Sams and Day introduced—

S.F. No. 488: A bill for an act relating to human services; mental health; clarifying reporting and screening requirements; clarifying the definition

of psychiatric nurses; clarifying the definition of professional home-based family treatment; imposing criteria for admission, continued stays, and discharges for inpatient hospital and residential treatment; amending Minnesota Statutes 1990, sections 245.462, subdivisions 6 and 18; 245.472, by adding a subdivision; 245.473, by adding subdivisions; 245.484; 245.487, subdivision 4; 245.4871, subdivisions 27 and 31; 245.4873, subdivision 6; 245.4878; 245.4881, subdivision 1; 245.4882, by adding subdivisions; 245.4884, subdivision 1; 245.4885, subdivisions 1, 2, and by adding a subdivision; 253C.01, subdivisions 1 and 2; and 256B.431, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 245; repealing Minnesota Statutes 1990, section 245.476, subdivisions 1, 2, and 3.

Referred to the Committee on Health and Human Services.

Mr. Johnson, D.J. introduced—

S.F. No. 489: A bill for an act relating to state lands; authorizing the sale of certain land in Cook county.

Referred to the Committee on Environment and Natural Resources.

Mr. Johnson, D.J. introduced—

S.F. No. 490: A bill for an act relating to state lands; directing sale of two tracts of state-owned land in St. Louis county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Vickerman; DeCramer; Frederickson, D.J.; Beckman and Frederickson, D.R. introduced—

S.F. No. 491: A bill for an act providing money to construct a noncommercial television station; appropriating money.

Referred to the Committee on Veterans and General Legislation.

Mr. Knaak introduced—

S.F. No. 492: A bill for an act relating to education; requiring all school districts to form and join intermediate districts; proposing coding for new law in Minnesota Statutes, chapter 136D.

Referred to the Committee on Education.

Mr. Dahl introduced—

S.F. No. 493: A bill for an act relating to consumer protection; requiring certain creditors to file credit card disclosure reports with the state treasurer; providing rulemaking authority; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 325G.

Referred to the Committee on Commerce.

Messrs. Spear, Marty, Luther, Pogemiller and Neuville introduced—

S.F. No. 494: A bill for an act relating to crimes; driving while intoxicated; authorizing counties to create pilot programs to provide intensive probation for repeat violators of the driving while intoxicated laws; increasing the

chemical dependency assessment charge for repeat violators of the driving while intoxicated laws; appropriating money; amending Minnesota Statutes 1990, section 169.121, subdivision 5a.

Referred to the Committee on Judiciary.

Messrs. Kelly and Cohen introduced—

S.F. No. 495: A bill for an act relating to the collection and dissemination of data; providing that certain law enforcement data under subpoena by the commissioner of human rights shall be provided by a law enforcement agency only after a court hearing; amending Minnesota Statutes 1990, section 363.05, subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Kroening; Johnson, D.E.; Price; Dicklich and Samuelson introduced—

S.F. No. 496: A bill for an act relating to horse racing; providing for licensing of telercing facilities; allowing for pari-mutuel wagering at telercing facilities; amending Minnesota Statutes 1990, sections 240.01, subdivisions 1, 10, and by adding subdivisions; 240.03; 240.05, subdivision 1; 240.06, subdivision 1; 240.10; 240.11; 240.13, subdivisions 1, 2, 3, 4, 5, 6, and 8; 240.15, subdivision 6; 240.16, subdivision 1a; 240.19; 240.23; 240.25, subdivision 2; 240.27; 240.28, subdivision 1; and 240.29; proposing coding for new law in Minnesota Statutes, chapter 240; repealing Minnesota Statutes 1990, sections 240.01, subdivision 13; 240.13, subdivision 6a; and 240.14, subdivision 1a.

Referred to the Committee on Gaming Regulation.

Mr. Merriam introduced—

S.F. No. 497: A bill for an act relating to game and fish; authorizing the commissioner to establish special seasons for persons with a physical disability to take game with firearms and by archery; proposing coding for new law in Minnesota Statutes, chapter 97B.

Referred to the Committee on Environment and Natural Resources.

Mr. Bertram introduced—

S.F. No. 498: A bill for an act relating to tax-forfeited lands; requiring the commissioner of natural resources to pay assessments on certain lands; appropriating money; amending Minnesota Statutes 1990, section 282.018, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Messrs. Bertram and Davis introduced—

S.F. No. 499: A bill for an act relating to counties; setting conditions for assisting state fair exhibits; amending Minnesota Statutes 1990, section 375.79; repealing Minnesota Statutes 1990, sections 375.80; 375.81; and 375.82.

Referred to the Committee on Local Government.

Messrs. Solon and Johnson, D.E. introduced—

S.F. No. 500: A bill for an act relating to the board of social work; extending until August 1, 1991, the grandparent provision that allows the board to issue a social work license without an examination to persons who meet certain education and training criteria; exempting school social workers from the licensure requirement; amending Minnesota Statutes 1990, sections 148B.23, subdivision 1; and 148B.28, subdivision 4.

Referred to the Committee on Health and Human Services.

Messrs. Merriam; Samuelson; Benson, D.D.; Hughes and Waldorf introduced—

S.F. No. 501: A bill for an act relating to insurance; regulating the availability of health insurance to small employers; imposing certain restrictions on the underwriting and rating of small employer groups; establishing a reinsurance pool for small employer business; requiring a review of the social and financial impacts of proposed mandated benefits; transferring regulatory authority over health maintenance organizations from the department of health to the department of commerce; appropriating money; amending Minnesota Statutes 1990, sections 60B.03, subdivision 2; and 62D.02, subdivision 3; proposing coding for new law as Minnesota Statutes, chapter 62K.

Referred to the Committee on Commerce.

Ms. Berglin introduced—

S.F. No. 502: A bill for an act relating to court fees; waiving filing fees for a person or person's spouse or children seeking protection under the Soldiers' and Sailors' Civil Relief Act of 1940; amending Minnesota Statutes 1990, section 357.021, subdivision 1a.

Referred to the Committee on Judiciary.

Messrs. Pogemiller and Solon introduced—

S.F. No. 503: A bill for an act relating to the public defender; providing an aid offset for public defense costs in the third and sixth judicial districts; providing who is eligible to be represented by the public defender in certain judicial districts; appropriating money; amending Minnesota Statutes 1990, sections 477A.012, by adding a subdivision; and 611.26, subdivision 6.

Referred to the Committee on Judiciary.

Mr. Knaak introduced—

S.F. No. 504: A bill for an act relating to education; providing voluntary metropolitan desegregation incentives; establishing a legislative commission and an advisory council; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Mr. Laidig introduced—

S.F. No. 505: A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land in Washington county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Berg, McGowan, Price, Bertram and Johnson, D.E. introduced—

S.F. No. 506: A bill for an act relating to lawful gambling; requiring record keeping, reports, and audits by licensed gambling organizations; allowing certain costs as lawful purposes; requiring preparation of an accounting manual; amending Minnesota Statutes 1990, sections 349.12, subdivision 25, and by adding a subdivision; 349.19, subdivisions 5 and 9, and by adding subdivisions.

Referred to the Committee on Gaming Regulation.

Ms. Berglin, Messrs. Belanger and Pogemiller introduced—

S.F. No. 507: A bill for an act relating to taxation; modifying the metropolitan revenue distribution program; creating a crime and social services disparities fund; amending Minnesota Statutes 1990, sections 299C.18; 473F.07, subdivision 4, and by adding subdivisions; and 473F.08, subdivisions 5 and 7a; proposing coding for new law in Minnesota Statutes, chapter 473F.

Referred to the Committee on Taxes and Tax Laws. Mr. Frank questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Messrs. Hughes; Pogemiller; Marty; Johnson, D.E. and Ms. Piper introduced—

S.F. No. 508: A bill for an act relating to elections; changing requirement of absentee ballot applications for deer hunters; clarifying uses to be made of lists of registered voters; requiring commissioner of health to report deaths to secretary of state; authorizing facsimile applications for absentee ballots; requiring notarized affidavits of candidacy; changing time for issuance of certificates of election; changing certain deadlines and language of a disclaimer; changing procedures for hospital district elections; amending Minnesota Statutes 1990, sections 97A.485, subdivision 1a; 201.091, subdivisions 1 and 4; 201.13, subdivision 1; 203B.04, subdivision 1; 204B.09, subdivision 1; 204C.40, subdivision 2; 205.16, subdivision 4; 205A.07, subdivision 3; 211B.04; and 447.32, subdivisions 2, 3, and 4.

Referred to the Committee on Elections and Ethics.

Ms. Berglin introduced—

S.F. No. 509: A bill for an act relating to health; modifying training and competency requirements for nursing assistants; amending Minnesota Statutes 1990, sections 144A.61, subdivisions 3, 3a, and 6a; and 144A.611, subdivisions 1 and 2.

Referred to the Committee on Health and Human Services.

Messrs. Berg and Beckman introduced—

S.F. No. 510: A bill for an act relating to agriculture; changing the egg law; imposing a penalty; amending Minnesota Statutes 1990, sections 29.21, by adding subdivisions; 29.22; 29.23; 29.235; 29.26; and 29.27; proposing

coding for new law in Minnesota Statutes, chapter 29.

Referred to the Committee on Agriculture and Rural Development.

Mr. Luther, Ms. Traub, Mr. Finn and Ms. Olson introduced—

S.F. No. 511: A bill for an act relating to natural resources; Eurasian water milfoil; changing the watercraft surcharge; placing the surcharge in a dedicated account; providing for informational materials; providing for a pilot program; restricting new public access; amending Minnesota Statutes 1990, sections 86B.415, subdivisions 7 and 9; 103G.617, subdivision 3, and by adding subdivisions.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 512: A bill for an act relating to agriculture; regulating noxious weeds; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 1990, sections 18.171 to 18.201, 18.211 to 18.315, and 18.321 to 18.323.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Johnson, D.E.; Samuelson; Mrs. Pariseau, Ms. Johnston and Mr. Lessard introduced—

S.F. No. 513: A bill for an act relating to the military; providing for issuance of a state ribbon to certain participants in the Persian Gulf War; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 190.

Referred to the Committee on Veterans and General Legislation.

Mr. Marty introduced—

S.F. No. 514: A bill for an act relating to security guards; requiring the registration of the employees of private detectives and protective agents, and proprietary guards; precluding local regulation of private detectives and protective agents; providing penalties; amending Minnesota Statutes 1990, sections 326.32, subdivision 14, and by adding subdivisions; 326.3341; and 326.3381, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Judiciary.

Messrs. Finn, Lessard and Stumpf introduced—

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

Referred to the Committee on Environment and Natural Resources.

Ms. Reichgott, Messrs. Dicklich, Mehrkens, DeCramer and Mondale introduced—

S.F. No. 516: A bill for an act relating to education; enhancing adult basic education programs; including adult basic educators in the definition of teacher; authorizing payment of GED test fees; increasing the membership of the interagency adult learning advisory council; appropriating money; amending Minnesota Statutes 1990, sections 124.261; 124C.03, subdivision 3; 125.032, subdivision 2; 126.22, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 124; repealing Minnesota Statutes 1990, section 124.26, subdivisions 7 and 8.

Referred to the Committee on Education.

Messrs. Morse and Beckman introduced—

S.F. No. 517: A bill for an act relating to agriculture; establishing a certification program to identify milk and milk products free of biosynthetic bovine somatotropin; amending Minnesota Statutes 1990, sections 151.01, subdivision 28; 151.15, subdivision 3; and 151.25; proposing coding for new law in Minnesota Statutes, chapter 32.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Beckman; Fredrickson, D.J.; Morse; Vickerman and Dicklich introduced—

S.F. No. 518: A bill for an act relating to agriculture; authorizing expense reimbursement for the Minnesota education in agriculture council; appropriating money; amending Minnesota Statutes 1990, section 126.113, subdivision 2.

Referred to the Committee on Education.

Ms. Reichgott, Messrs. DeCramer, Dicklich, Dahl and Pogemiller introduced—

S.F. No. 519: A bill for an act relating to education; clarifying the furnishing of food in schools; providing school lunch and school breakfast aid; defining allowable cost; appropriating money; amending Minnesota Statutes 1990, sections 123.35, subdivision 11; and 124.646.

Referred to the Committee on Education.

Messrs. Kelly and Spear introduced—

S.F. No. 520: A bill for an act relating to legal services; providing for the creation of a state board of specialized legal assistants; requesting the supreme court to adopt rules governing the delivery of legal services by specialized legal assistants; amending Minnesota Statutes 1990, section 481.02, subdivision 3; proposing coding for new law as Minnesota Statutes, chapter 481A.

Referred to the Committee on Judiciary.



Messrs. Pogemiller, Dicklich, Ms. Olson and Mr. Stumpf introduced—

S.F. No. 521: A bill for an act relating to education; authorizing certain secondary pupils to transfer to certain schools under the high school graduation incentives program; amending Minnesota Statutes 1990, section 126.22, subdivision 3.

Referred to the Committee on Education.

Mr. Benson, D.D. introduced—

S.F. No. 522: A bill for an act relating to game and fish; prohibiting designation of experimental waters in specified counties; amending Minnesota Statutes 1990, section 97C.001, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Messrs. Beckman; Frederickson, D.J.; Morse; Vickerman and Dicklich introduced—

S.F. No. 523: A bill for an act relating to education; providing for payments attributable to pupils from families receiving AFDC to be made to the district of residence; including resident pupils attending nonresident districts under district agreements in the pupils counted for fund balance reductions; amending Minnesota Statutes 1990, sections 124.17, subdivision 1b; 124.175; and 124A.26, subdivision 1.

Referred to the Committee on Education.

Messrs. Beckman; Frederickson, D.J.; Vickerman and Dicklich introduced—

S.F. No. 524: A bill for an act relating to education; modifying the definition of fund balance pupil units; amending Minnesota Statutes 1990, section 124A.26, subdivision 1.

Referred to the Committee on Education.

Messrs. Spear, Marty, Pogemiller and McGowan introduced—

S.F. No. 525: A bill for an act relating to crimes; expanding the definition of drug free zones to include post-secondary and technical colleges and public housing property; requiring the sentencing guidelines commission to develop a model set of local correctional guidelines; authorizing special levies for local correctional services that do not involve incarceration; changing the name and duties of the drug abuse prevention resource council; providing incentives for judicial districts to adopt local correctional guidelines; requiring reporting of felony convictions; requiring chemical use assessments of persons convicted of felonies; requiring studies; appropriating money; amending Minnesota Statutes 1990, sections 152.01, subdivision 14a, and by adding a subdivision; 152.022, subdivision 1; 152.023, subdivision 2; 244.095, subdivisions 1 and 2; 275.50, subdivision 5; 275.51, subdivision 3f; 299A.30; 299A.31, subdivision 1; 299A.32; 401.14, by adding a subdivision; 485.16; and 609.115, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 244; repealing Minnesota Statutes 1990, sections 244.095, subdivision 3; 299A.29; and 299A.30.

Referred to the Committee on Judiciary.

Messrs. Spear, Kelly and Neuville introduced—

S.F. No. 526: A bill for an act relating to crime; sentencing; clarifying and revising the intensive community supervision program; amending Minnesota Statutes 1990, sections 244.05, subdivision 6; 244.12; 244.13; 244.14; and 244.15.

Referred to the Committee on Judiciary.

Mr. Laidig introduced—

S.F. No. 527: A bill for an act relating to the city of Bayport; permitting a special library levy.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Riveness, DeCramer and Langseth introduced—

S.F. No. 528: A bill for an act relating to transportation; authorizing state departments to cancel uncollectible debts up to \$200 in certain cases; allowing department of transportation to employ debt collection services; allowing department of transportation to make direct expenditures from state aid funds for administrative expenses; providing penalty for failure to pay fee for sign permit more than 30 days after fee is due; providing when estimates of certain construction projects are nonpublic data; providing for laying fiber optic cable or conduits along highways; directing the commissioner of transportation to adopt rules governing the location and breakaway standards for mailbox installations; allowing white strobe lamps to be used on highway maintenance vehicles; authorizing exchange of lands with Grand Portage Band of Chippewa Indians; abolishing conflicting requirements related to market artery highways; providing a penalty; amending Minnesota Statutes 1990, sections 10.12; 13.72, subdivision 1; 161.20, subdivision 4; 161.45, subdivision 1; 161.46, subdivisions 1 and 2; 162.06, subdivision 2; 162.12, subdivision 2; 169.64, subdivision 7; and 173.13, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, section 169.833.

Referred to the Committee on Transportation.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

### **MOTIONS AND RESOLUTIONS**

Mr. Moe, R.D. moved that his name be stricken as chief author, shown as a co-author and the name of Mr. Hottinger be added as chief author to S.F. No. 484. The motion prevailed.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, March 4, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

**NINETEENTH DAY**

St. Paul, Minnesota, Monday, March 4, 1991

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

**CALL OF THE SENATE**

Mr. Storm 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. Steven L. Carmany.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

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

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Holtinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

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

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

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

February 19, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

The following appointments are hereby respectfully submitted to the Senate

for confirmation as requested by law:

**MEMBERS, STATE UNIVERSITY BOARD**

William C. Ulland, 1831 South Lake Avenue, Duluth, St. Louis County, Minnesota, has been appointed by me, effective February 18, 1991, for a term expiring on the first Monday in January, 1995.

Jerry Serfling, 2388 Hidden Valley Lane, Stillwater, Washington County, Minnesota, has been appointed by me, effective February 18, 1991, for a term expiring on the first Monday in January, 1995.

**STUDENT MEMBER, STATE UNIVERSITY BOARD**

Corey R. Elmer, 509 State Street, Evansville, Douglas County, Minnesota, has been appointed by me, effective February 18, 1991, for a term expiring on the first Monday in January, 1993.

(Referred to the Committee on Education.)

Warmest regards,  
Arne H. Carlson, Governor

January 10, 1991

The Honorable Jerome M. Hughes  
President of the Senate

Dear Senator Hughes:

The following appointment for Executive Director of the Public Employees Retirement Association is respectfully submitted to the Minnesota Senate for confirmation as required by law.

Laurie Fiori Hacking, 682 Summit Avenue, St. Paul, Minnesota 55105, has been appointed by the Board of Trustees of the Public Employees Retirement Association as Executive Director effective January 28, 1991.

(Referred to the Committee on Governmental Operations.)

Sincerely,  
George A. Cicmil, President  
Board of Trustees

**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. 106: A bill for an act relating to property; permitting name or identity change of corporate mortgagee or assignee of mortgagee in the recital in a mortgage satisfaction or release to be recorded without further evidence of name or identity change; clarifying application of language regulating distributions to a testamentary trustee; amending Minnesota Statutes 1990, section 524.3-913; proposing coding for new law in Minnesota Statutes, chapter 507.

Senate File No. 106 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 28, 1991

### CONCURRENCE AND REPASSAGE

Mr. Finn moved that the Senate concur in the amendments by the House to S.F. No. 106 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 106 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	Davis	Johnson, D.J.	Metzen	Reichgott
Beckman	Day	Johnson, J.B.	Moe, R. D.	Renneke
Belanger	DeCramer	Johnston	Mondale	Riveness
Benson, D.D.	Finn	Kelly	Morse	Sams
Benson, J.E.	Flynn	Knaak	Neuville	Samuelson
Berg	Frank	Kroening	Novak	Spear
Berglin	Frederickson, D.J.	Laidig	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Gustafson	Luther	Pariseau	Traub
Brataas	Halberg	Marty	Piper	Vickerman
Chmielewski	Hottinger	McGowan	Pogemiller	Waldorf
Cohen	Hughes	Mehrkens	Price	
Dahl	Johnson, D.E.	Merriam	Ranum	

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

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 104, 156 and 290.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 28, 1991

### FIRST READING OF HOUSE BILLS

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

H.F. No. 104: A bill for an act relating to consumer protection; regulating automatic garage door opening systems; amending Minnesota Statutes 1990, sections 325F.82, subdivision 2, and by adding a subdivision; and 325F.83, subdivisions 1, 3, and 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 85, now on General Orders.

H.F. No. 156: A bill for an act relating to labor; regulating employment

of children; establishing a child labor curfew; providing penalties; amending Minnesota Statutes 1990, sections 181A.04, by adding a subdivision; and 181A.12.

Referred to the Committee on Employment.

H.F. No. 290: A bill for an act relating to state employees; increasing the amount of vacation time a state employee may donate for the benefit of another state employee; amending Minnesota Statutes 1990, section 43A.181, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 461, 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.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 81: A bill for an act relating to towns; clarifying certain provisions for the terms of town supervisor; providing for the compensation of certain town officers and employees; amending Minnesota Statutes 1990, sections 367.03, subdivision 1; and 367.05, subdivision 1.

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

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

S.F. No. 128: A bill for an act relating to public safety; clarifying requirement of "MN" designation within a school bus body identification number; allowing state patrol to enforce certain school bus requirements regarding operation and construction; providing penalties; amending Minnesota Statutes 1990, sections 169.44, subdivision 17; 169.45; and 169.451.

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

Page 3, line 10, delete "*subdivisions*" and insert "*subdivision*" and delete "*and 3*" and delete "*or 3*"

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

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

S.F. No. 354: A bill for an act relating to traffic regulations; regulating traffic safety concerning school buses and the safety of school children; providing penalties; amending Minnesota Statutes 1990, section 171.07, by adding a subdivision; 171.17; and 171.18; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, sections 169.44; and 169.64, subdivision 7.

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

Delete everything after the enacting clause and insert:

“Section 1. [LEGISLATIVE FINDINGS; INTENT.]

*The legislature finds that the number of complaints by school bus drivers regarding violations by motorists of traffic safety laws concerning the boarding and disembarking of children on and from school buses is increasing at an alarming rate; that the number of injuries to school children because of these violations is increasing; that these injuries to children are due to an increasing number of motorists violating these traffic safety laws; that continuing increases in these violations can only result in serious consequences to our children; that not all licensed drivers and law enforcement personnel are thoroughly familiar with the traffic laws enacted for the safety of school children; that increased education of motorists and peace officers will increase compliance with these laws; that cooperative, persistent, and strict enforcement and prosecution of these laws will lead to reduced violations and reduced injuries to school children; and that increased civil and criminal penalties, strictly imposed by the judicial branch, will increase compliance by motorists and reduce injuries to school children.*

*The legislature intends by enacting this act that a thorough knowledge of the traffic safety laws regarding school buses and children be imparted to drivers and law enforcement personnel; that cooperative and diligent efforts by appropriate school personnel, law enforcement, and prosecuting attorneys be exerted to enforce this act; that the judicial branch should consistently and vigorously punish violators with a view to prevent and deter future violations; and that this act be broadly interpreted as public policy to promote, enhance, and protect the safety of our school children.*

Sec. 2. Minnesota Statutes 1990, section 169.01, subdivision 6, is amended to read:

Subd. 6. [SCHOOL BUS.] “School bus” means a motor vehicle used to transport pupils to or from a school defined in section 120.101, or to or from school-related activities, by the school or a school district, or by someone under an agreement with the school or a school district. A school bus includes vehicles used after August 1, 2001, to transport students under Public Law Number 99-425, the Head Start Act. A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, or a transit bus providing services as defined in section 174.22, subdivision 7. A school bus may be type I, type II, or type III as follows:

(a) A “type I school bus” means a school bus of more than 10,000 pounds gross vehicle weight rating, designed for carrying more than ten persons. [MN Rules, part 3520.3701, subp 1]

(b) A “type II school bus” is a bus with a gross vehicle weight rating of 10,000 pounds or less, designed for carrying more than ten persons. It must be outwardly equipped and identified as a school bus. [MN Rules, part 3520.3701, subp 2]

(c) Type III school buses are restricted to passenger cars, station wagons, vans, and buses having a maximum manufacturer’s rated seating capacity of ten people, including the driver, and a gross vehicle weight rating of 10,000 pounds or less. In this subdivision, “gross vehicle weight rating” means the value specified by the manufacturer as the loaded weight of a single vehicle. A “type III school bus” must not be outwardly equipped and

identified as a school bus. [169.44, subd 15]

Sec. 3. [169.441] [SCHOOL BUS IDENTIFICATION.]

*Subdivision 1. [IDENTIFICATION AND SIGNAL REQUIREMENTS, GENERALLY.] For purposes of sections 169.441 to 169.448, school bus means a motor vehicle that is outwardly equipped and identified as a school bus. A motor vehicle that satisfies the identification requirements of this section and the signal equipment requirements of section 169.442 is considered outwardly equipped and identified as a school bus. [169.44, subd 1a]*

*Subd. 2. [COLOR REQUIREMENTS.] (a) A new school bus must be painted national school bus glossy yellow if it (1) is purchased for delivery after June 1, 1973, (2) is to be used in Minnesota as a school bus, and (3) can seat more than ten people, including the driver.*

*(b) A school bus substantially repainted after June 1, 1973, must be painted national school bus glossy yellow. [169.44, subd 1a]*

*(c) The roof of a school bus may be painted white.*

*Subd. 3. [SIGN ON BUS; APPLICATION OF OTHER LAW.] Sections 169.442, subdivisions 2 and 3; 169.443, subdivision 2; and 169.444, subdivisions 1, 4, and 5, apply only if the school bus bears on its front and rear a plainly visible sign containing the words "school bus" in letters at least eight inches in height.*

*The sign must be removed or covered when the vehicle is being used as other than a school bus. [169.44, subd 3]*

*Subd. 4. ["MN" DESIGNATION IN BUS BODY SERIAL NUMBER.] School bus bodies manufactured after January 1, 1986, and used on streets and highways in Minnesota must bear the designation "MN" in the bus body identification number. The manufacturer of the school bus body certifies by the "MN" designation that the bus body has been manufactured to meet the minimum standards required of school bus bodies by law. A school bus body manufactured before January 2, 1986, that does not bear a current inspection sticker on July 1, 1987, may not be used on streets and highways in Minnesota after July 1, 1987, unless its manufacturer recertifies that the school bus body meets minimum standards required of school bus bodies by law. [169.44, subd 17]*

*Subd. 5. [OPTIONAL MARKINGS; RULES.] A school district or technical college may elect to show on the front and rear of the school buses that it owns or contracts for, a plainly visible, summary message explaining section 169.444, subdivisions 1 and 2. If the school district or technical college elects to display the message, it must conform with the rules of the commissioner of education. The commissioner shall adopt rules governing the size, type, design, display, and content of the summary message that may be shown.*

Sec. 4. [169.442] [SCHOOL BUS SIGNALS.]

*Subdivision 1. [SIGNALS REQUIRED.] A school bus that can seat more than ten people, including the driver, must be equipped with a stop signal arm, prewarning flashing amber signals, and flashing red signals. [169.44, subd 1a]*

*Subd. 2. [FLASHING SIGNALS ON STOP ARM.] A school bus stop signal arm may be equipped with alternately flashing red warning signals*



*that are visible both to the front and to the rear of the bus. School buses manufactured after July 1, 1989, must be so equipped. [169.44, subd 14; MN Rules, parts 3520.5200, subps 7 and 8, and 7425.2100, subp 1, item II]*

*Subd. 3. [APPROVAL OF SIGNALS.] Flashing prewarning amber signals and flashing red signals must be of a type approved by the commissioner of public safety. The signals must be a complete system meeting minimum standards required by this section and state board of education rules. [169.44, subd 10]*

*Subd. 4. [OPTIONAL WARNING SYSTEM.] In addition to equipment required under subdivision 1, and notwithstanding section 169.64, a school bus may be equipped with a driver-activated, exterior student-control, warning system. The driver shall activate this system when the use of the stop signal arm and flashing red signals is required under section 169.443, subdivision 1. [169.44, subd 1d]*

*Subd. 5. [WHITE STROBE LAMPS ON SCHOOL BUSES.] Notwithstanding sections 169.55, subdivision 1; 169.57, subdivision 3, paragraph (b), or other law to the contrary, a school bus that is subject to and complies with the color and equipment requirements of sections 169.441, subdivision 1, and 169.442, subdivision 1, may be equipped with a 360-degree, flashing strobe lamp that emits a white light with a flash rate of 60 to 120 flashes a minute. The lamp may be used only as provided in this subdivision.*

*The strobe lamp must be of a double flash type certified to the commissioner of public safety by the manufacturer as being weatherproof and having a minimum effective light output of 200 candelas as measured by the Blondel-Rey formula. The lamp must be permanently mounted on the longitudinal center line of the bus roof not less than two feet nor more than seven feet forward of the rear roof edge. It must operate from a separate switch containing an indicator lamp to show when the strobe lamp is in use.*

*The strobe lamp may be lighted only when atmospheric conditions or terrain restrict the visibility of school bus lamps and signals so as to require use of the bright strobe lamp to alert motorists to the presence of the school bus. A strobe lamp may not be lighted unless the school bus is actually being used as a school bus. [169.64, subd 7]*

**Sec. 5. [169.443] [SAFETY OF SCHOOL CHILDREN; BUS DRIVER'S DUTIES.]**

*Subdivision 1. [USING BUS SIGNALS.] A driver of a school bus shall activate the prewarning flashing amber signals of the bus before stopping to load or unload school children. The driver shall activate the amber signals at least 100 feet before stopping in a speed zone of 35 miles per hour or less and at least 300 feet before stopping in a speed zone of more than 35 miles per hour. On stopping for this purpose, the driver shall extend the stop signal arm and activate the flashing red signals. The driver shall not retract the stop signal arm nor extinguish the flashing red signals until loading or unloading is completed, students are seated, and children who must cross the roadway are safely across. [169.44, subd 2, para (a)]*

*Subd. 2. [USE OF STOP SIGNAL ARM.] The stop signal arm of a school bus must be used in conjunction with the flashing red signals only when the school bus is stopped on a street or highway to load or unload school children. [169.44, subd 1]*

*Subd. 3. [WHEN SIGNALS NOT USED.] School bus drivers shall not activate the prewarning flashing amber signals or flashing red signals:*

*(1) in special school bus loading areas where the bus is entirely off the traveled portion of the roadway and where no other motor vehicle traffic is moving or is likely to be moving within 20 feet of the bus;*

*(2) in residential or business districts of home rule or statutory cities when directed not to do so by the local school administrator;*

*(3) when a school bus is being used on a street or highway for purposes other than the actual transportation of school children to or from school or a school-approved activity;*

*(4) at railroad grade crossings; and*

*(5) when loading and unloading people while the bus is completely off the traveled portion of a separated, one-way roadway that has adequate shoulders. The driver shall drive the bus completely off the traveled portion of this roadway before loading or unloading people. [169.44, subd 2, para (b)]*

*Subd. 4. [STREET CROSSINGS.] Where school children must cross a roadway before getting on or after getting off the school bus, the driver of the school bus or a school bus patrol may supervise the crossing, using the standard school patrol flag or signal as approved and prescribed by the commissioner of public safety. [169.44, subd 2, para (c)]*

*Subd. 5. [MOVING BUS AFTER CHILDREN UNLOADED.] When children are getting off a school bus, the driver shall visually determine that they are a safe distance from the bus before moving the bus. [169.44, subd 2, para (c)]*

*Subd. 6. [OTHER BUSES.] The driver of a type III school bus shall load or unload school children only from the right-hand side of the vehicle, provided that on a one-way street the driver shall load or unload school children only from the curb side of the vehicle. When loading or unloading school children, the driver shall activate the vehicle's four-way hazard lights described in section 169.59, subdivision 4. [169.44, subd 2, para (d)]*

**Sec. 6. [169.444] [SAFETY OF SCHOOL CHILDREN; DUTIES OF OTHER DRIVERS.]**

*Subdivision 1. [CHILDREN GETTING ON OR OFF SCHOOL BUS.] When a school bus is stopped and is displaying an extended stop signal arm and flashing red lights, the driver of a vehicle approaching the bus shall stop the vehicle at least 20 feet away from the bus. The vehicle driver shall not allow the vehicle to move until the school bus stop signal arm is retracted and the red lights are no longer flashing. [169.44, subd 1]*

*Subd. 2. [VIOLATIONS BY DRIVERS; PENALTIES.] (a) A person who fails to stop a vehicle or to keep it stopped, as required in subdivision 1, is guilty of a misdemeanor. [169.44, subd 1]*

*(b) A person is guilty of a gross misdemeanor if the person fails to stop the vehicle or to keep it stopped, as required in subdivision 1, and commits either or both of the following acts:*

*(1) passes or attempts to pass the school bus on the right-hand, passenger-door side of the bus; or*

*(2) passes or attempts to pass the school bus when a school child is outside*

*of and on the right-of-way used by the school bus.*

*Subd. 3. [PROSECUTOR.] The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor violations of this section.*

*When an attorney responsible for prosecuting gross misdemeanors under this section requests criminal history information relating to prior convictions under this section from a court, the court must furnish the information without charge.*

*Subd. 4. [EXCEPTION FOR SEPARATED ROADWAY.] A person driving a vehicle on a street or highway with separated roadways is not required to stop the vehicle when approaching or meeting a school bus that is on a different roadway.*

*“Separated roadway” means a road that is separated from a parallel road by a safety isle or safety zone. [169.44, subd 4]*

*Subd. 5. [CAUSE FOR ARREST.] A peace officer may arrest the driver of a motor vehicle if the peace officer has probable cause to believe that the driver has operated the vehicle in violation of subdivision 1 within the past four hours. [169.44, subd 1c, para (1)]*

*Subd. 6. [VIOLATION; PENALTY FOR OWNERS AND LESSEES.] (a) If a motor vehicle is operated in violation of subdivision 1, the owner of the vehicle, or for a leased motor vehicle the lessee of the vehicle, is guilty of a petty misdemeanor.*

*(b) The owner or lessee must not be fined under paragraph (a) if (1) another person is convicted for that violation, or (2) the motor vehicle was stolen at the time of the violation.*

*(c) Paragraph (a) does not apply to a lessor of a motor vehicle if the lessor keeps a record of the name and address of the lessee.*

*(d) Paragraph (a) does not prohibit or limit the prosecution of a motor vehicle operator for violating subdivision 1.*

*(e) A violation under paragraph (a) does not constitute grounds for revocation or suspension of the owner's or lessee's driver's license. [169.44, subd 1c, para (2)]*

*Subd. 7. [EVIDENTIARY PRESUMPTION.] There is a presumption that signals described in section 169.442 were in working order and operable during the time when a violation of subdivision 1, 2, or 5 was committed, if the signals of the applicable school bus were inspected and visually found to be in working order and operable within 12 hours preceding the incident giving rise to the violation.*

*Subd. 8. [SCHEDULING CASES.] When necessary or desirable to ensure that a school bus driver who witnessed or otherwise can provide relevant information concerning a violation of this section, is available to be present at a court proceeding held to determine an alleged violation of this section, the court administrator shall schedule the proceeding to be held between the hours of 10:00 a.m. and 2:00 p.m.*

**Sec. 7. [169.445] [COOPERATION WITH LAW ENFORCEMENT; INFORMATION; RULES; REPORTS.]**

*Subdivision 1. [COOPERATION OF SCHOOL AUTHORITIES.] The*

state board of education shall ensure that local authorities having jurisdiction over school buses shall cooperate with law enforcement and judicial authorities in reporting and prosecuting violators of sections 169.443 and 169.444.

*Subd. 2. [INFORMATION; RULES.] The board shall compile information regarding violations, prosecutions, convictions or other disposition, and penalties imposed under sections 169.443 and 169.444. At the request of the board, local school authorities shall provide this information. The board may adopt rules governing the content and providing procedures for the school authorities to provide this information.*

*Subd. 3. [LEGISLATIVE REPORT.] The board shall submit a report to the legislature by March 1, 1992, summarizing the information compiled under subdivision 2 for the previous calendar year, listing its findings, and making recommendations it considers appropriate.*

**Sec. 8. [169.446] [SAFETY OF SCHOOL CHILDREN; TRAINING AND EDUCATION RULES.]**

*Subdivision 1. [PEACE OFFICER TRAINING.] The board of peace officer standards and training shall adopt rules requiring thorough academic instruction in the content of sections 169.441 to 169.448 and the enforcement of sections 169.443, 169.444, 169.447, and 169.448. The instruction must be conducted during, and made a part of, the board's required basic course of study for peace officer licensing and the board's required programs of continuing education for peace officers.*

*Subd. 2. [DRIVER TRAINING PROGRAMS.] The commissioner of public safety shall adopt rules requiring thorough instruction concerning section 169.444 for persons enrolled in driver training programs offered at private and parochial schools and commercial driver training schools. The instruction must encompass at least the responsibilities of drivers, the content and requirements of section 169.444, and the penalties for violating that section.*

*Subd. 3. [DRIVER EDUCATION PROGRAMS.] The state board of education shall adopt rules requiring thorough instruction concerning section 169.444 for persons enrolled in driver education programs offered at public schools. The instruction must encompass at least the responsibilities of drivers, the content and requirements of section 169.444, and the penalties for violating that section.*

**Sec. 9. [169.447] [SCHOOL BUS SAFETY.]**

*Subdivision 1. [PASSENGER SEATING.] (a) The number of pupils or other authorized passengers transported in or assigned to a school bus must not be more than the number of pupils or passengers that can be fully seated. Seating capacity must be adjusted according to each passenger's individual physical size, but not more than the manufacturers' rated seating capacity.*

*(b) No person shall stand when the school bus is in motion. [169.44, subd 6]*

*Subd. 2. [DRIVER SEAT BELTS.] New school buses purchased after July 1, 1969, must be equipped with driver seat belts and seat belt assemblies of the type described in section 169.685, subdivision 3. School bus drivers must use these seat belts. [169.44, subd 9]*

*Subd. 3. [RECAPPED TIRES.] Recapped tires must not be used on the*

*front wheels of a school bus.* [169.44, subd 11]

*Subd. 4. [AISLE AND EXIT.] The driver of a school bus shall keep the aisle and emergency exit of a school bus unobstructed at all times when children are being transported.* [169.44, subd 12]

*Subd. 5. [TRAILER BEHIND SCHOOL BUS.] A school bus may pull a trailer, as defined by section 169.01, subdivision 10, only when traveling to or from cocurricular or extracurricular activities, as defined in section 123.38.* [169.44, subd 13]

*Subd. 6. [OVERHEAD BOOK RACKS.] Types I and II school buses may be equipped with padded, permanent overhead book racks that do not hang over the center aisle of the bus.* [169.44, subd 16]

Sec. 10. [169.448] [OTHER BUSES.]

*Subdivision 1. [RESTRICTIONS ON APPEARANCE; PENALTY.] A bus that is not used as a school bus must not be operated on a street or highway unless it is painted a color significantly different than national school bus glossy yellow or Minnesota school bus golden orange.*

*A bus that is not used as a school bus must not be equipped with school bus-related equipment and printing.*

*A violation of this subdivision is a misdemeanor.* [169.44, subd 8]

*This subdivision does not apply to a school bus owned by or under contract to a school district operated as a charter or leased bus.*

*Subd. 2. [SCHOOL MOTOR COACHES.] (a) Neither a school district nor a technical college may acquire a motor coach for transportation purposes after March 25, 1986.*

*(b) A motor coach acquired by a school district or technical college before March 26, 1986, may be used by it only to transport students participating in school activities, their instructors, and supporting personnel to and from school activities. A motor coach must not be outwardly equipped and identified as a school bus. A motor coach operated under this subdivision is not a school bus for purposes of section 124.225. By August 1, 1986, the state board of education shall adopt rules governing the equipment, identification, operation, inspection, and certification of motor coaches operated under this subdivision.*

*(c) After January 1, 1998, neither a school district nor a technical college may own or operate a motor coach for any purpose.* [169.44, subd 18]

Sec. 11. Minnesota Statutes 1990, section 171.07, is amended by adding a subdivision to read:

*Subd. 8. [CERTIFICATION; SCHOOL BUS SAFETY LAWS.] Before a driver's license may be issued or renewed, an applicant for a driver's license or renewal shall certify by signature that the applicant is aware of the duties and responsibilities required of drivers under section 169.444 to guard against jeopardizing the safety of school children around school buses and the penalties for violating that section. A failure to make this certification does not affect a prosecution for violation of section 169.444.*

Sec. 12. Minnesota Statutes 1990, section 171.17, is amended to read:

171.17 [REVOCATION.]

*Subdivision 1. [OFFENSES.] The department shall forthwith immediately*

revoke the license of ~~any~~ a driver upon receiving a record of ~~such~~ the driver's conviction of ~~any of the following offenses:~~

(1) manslaughter or criminal vehicular operation resulting from the operation of a motor vehicle;

(2) ~~any~~ a violation of section 169.121 or 609.487;

(3) ~~any~~ a felony in ~~the commission of~~ which a motor vehicle was used *in the commission of the felony*;

(4) failure to stop and disclose identity and render aid, as required under the laws of this state, in the event of a motor vehicle accident, resulting in the death or personal injury of another;

(5) perjury or the making of a false affidavit or statement to the department under any law relating to the ownership or operation of a motor vehicle;

(6) except as this section otherwise provides, conviction, plea of guilty, or forfeiture of bail not vacated, upon three charges of violating, within a period of 12 months, any of the provisions of chapter 169, or of the rules or municipal ordinances enacted in conformance ~~therewith~~ *with chapter 169*, for which the accused may be punished upon conviction by imprisonment;

(7) *conviction of two or more violations, within five years, of the misdemeanor offense described in section 169.444, subdivision 2, paragraph (a);*

(8) *conviction of the gross misdemeanor offense described in section 169.444, subdivision 2, paragraph (b);*

(9) conviction of an offense in another state ~~which that~~, if committed in this state, would be grounds for ~~the revocation of~~ *revoking* the driver's license.

*Subd. 2. [OFFENSES BY JUVENILES.]* When ~~any judge of~~ a juvenile court, ~~judge or any of its~~ duly authorized ~~agents, agent~~ determines under a proceeding *held* under chapter 260 that ~~any~~ a person under the age of 18 years has committed ~~any~~ an offense defined in this section, ~~such the judge,~~ or ~~duly~~ authorized agent, shall immediately report this determination to the department, and the commissioner shall immediately revoke the *person's driver's license of that person.*

*Subd. 3. [NOTICE.]* Upon revoking ~~the license of any person, as here-~~ ~~inbefore in a driver's license under this chapter~~ ~~authorized~~, the department shall immediately notify the licensee, in writing, by depositing in the United States post office a notice addressed to the licensee at the licensee's last known address, with postage prepaid ~~thereon.~~

Sec. 13. Minnesota Statutes 1990, section 171.18, is amended to read:

171.18 [SUSPENSION.]

*Subdivision 1. [OFFENSES.]* The commissioner ~~shall have authority to~~ ~~and~~ may suspend the license of ~~any~~ a driver without preliminary hearing upon a showing by department records or other sufficient evidence that the licensee:

(1) has committed an offense for which mandatory revocation of license is required upon conviction; ~~or~~

(2) has been convicted by a court of ~~competent jurisdiction~~ for ~~violation of~~ *violating* a provision of ~~the highway traffic regulation act chapter 169 or~~

an ordinance regulating traffic and ~~where it appears from~~ department records ~~show~~ that the violation for ~~which the licensee was convicted~~ contributed in causing an accident resulting in the death or personal injury of another, or serious property damage; ~~or~~

(3) is an habitually reckless or negligent driver of a motor vehicle; ~~or~~

(4) is an habitual violator of the traffic laws; ~~or~~

(5) is incompetent to drive a motor vehicle as determined ~~and adjudged~~ in a judicial proceeding; ~~or~~

(6) has permitted an unlawful or fraudulent use of ~~such the~~ license; ~~or~~

(7) has committed an offense in another state ~~which that~~, if committed in this state, would be grounds for suspension; ~~or~~

(8) *has committed a violation of section 169.444, subdivision 1;*

(9) has committed a violation of section 171.22; ~~or~~

~~(9)~~ (10) has failed to appear in court as provided in section 169.92, subdivision 4; ~~or~~

~~(10)~~ (11) has failed to report a medical condition that, if reported, would have resulted in cancellation of driving privileges.

~~Provided, That any~~ However, ~~that any~~ an action taken by the commissioner under ~~clauses clause~~ (2) ~~and or~~ (5) ~~shall must~~ conform to the recommendation of the court when made in connection with the prosecution of the licensee.

*Subd. 2. [NOTICE.]* Upon suspending ~~the a driver's license of any person,~~ as ~~hereinbefore in~~ under this section ~~authorized~~, the department shall immediately notify the licensee, in writing, by depositing in the United States post office a notice addressed to the licensee at the licensee's last known address, with postage prepaid ~~thereon, and~~.

*Subd. 3. [HEARING.]* (a) The ~~licensee's written~~ licensee may request, in writing, a hearing. The department shall afford the requesting licensee an opportunity for a hearing within ~~not to exceed~~ 20 days after receipt of ~~such the~~ request in the county ~~wherein where~~ the licensee resides, unless the department and the licensee agree that ~~such the~~ hearing may be held in some other county.

(b) ~~Upon such~~ For the hearing, the commissioner ~~or duly authorized agent~~ may administer oaths and issue subpoenas for the attendance of witnesses and the production of relevant books and papers, and may require a reexamination of the licensee.

(c) ~~Upon such~~ Following the hearing, the department shall either rescind its order of suspension or, for good cause ~~appearing therefor shown~~, may extend the suspension of ~~such the~~ license or revoke ~~such the~~ license.

(d) The department shall not suspend a license for a period of more than one year.

#### Sec. 14. [REVISOR'S INSTRUCTION.]

*In each section of Minnesota Statutes referred to in column A, the revisor of statutes shall delete the reference in column B and insert the reference in column C.*

Column A

Column B

Column C

<i>124.225, subd. 1</i>	<i>169.44, subd. 15</i>	<i>169.01, subd. 6, para. (c)</i>
<i>169.01, subd. 75</i>	<i>169.44, subd. 15</i>	<i>169.01, subd. 6, para. (c)</i>
<i>169.32</i>	<i>169.44</i>	<i>169.441 and 169.442, subd. 1</i>
<i>171.01, subd. 22</i>	<i>169.44, subd. 15</i>	<i>169.01, subd. 6, para. (c)</i>

Sec. 15. [REPEALER.]

*Minnesota Statutes 1990, sections 169.44; and 169.64, subdivision 7, are repealed."*

Amend the title as follows:

Page 1, line 5, delete "section" and insert "sections 169.01, subdivision 6;"

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

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

H.F. No. 13: A bill for an act relating to taxation; allowing an extension to file income tax returns and property tax refund claims for national guard and reserve members who are called to active duty; amending Minnesota Statutes 1990, section 289A.39, 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 1990, section 281.273, is amended to read:

281.273 [~~SERVICE OF NOTICE OF EXPIRATION OF TIME OF REDEMPTION ON LANDS IN WHICH OWNED BY PERSONS IN MILITARY SERVICE ARE INTERESTED.~~]

~~Whenever the~~ *When a county sheriff of any county* serves notice of expiration of the time for redemption of any parcel of real property from delinquent taxes ~~thereon~~ upon any occupant of ~~any such~~ *the* real property, the sheriff shall inquire of ~~such the~~ occupant and otherwise as the sheriff may deem proper whether ~~such the~~ real property was owned and occupied for dwelling, professional, business or agricultural purposes by a person in the military service of the United States as defined in the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, or the person's dependents at the commencement of the period of military service ~~and is still occupied for such purposes by the person's dependents or employees.~~ On finding that ~~such the~~ real property is so owned ~~and occupied,~~ the sheriff shall make a certificate ~~thereof~~ to the county auditor, setting forth the description of the property, the name of the owner, the particulars of the owner's military service so far as ascertained or claimed, ~~the name of the present occupant and relationship to the owner,~~ and the names and addresses of the persons of whom the sheriff made inquiry. ~~Such~~ *The* certificate shall be filed with the county auditor and shall be prima facie evidence of the facts ~~therein~~ stated. If the real property; described in ~~any such the~~ certificate becomes forfeited to the



state, it shall be withheld from sale or conveyance as tax-forfeited property in accordance with and subject to the provisions of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, ~~but except that the requirement in United States Code, title 50, section 560, that the property be occupied by the dependent or employee of the person in military service does not apply. The period of withholding from sale or conveyance shall be no longer than is required by said that act or acts amendatory thereof or supplementary thereto.~~ If upon further investigation the sheriff finds at any time that ~~any such~~ the certificate is erroneous in any particular, the sheriff shall file a supplemental certificate referring to the matter in error and stating the facts as found. ~~Such~~ The supplemental certificate shall be prima facie evidence of the facts ~~therein~~ stated, and shall supersede any prior certificate so far as in conflict therewith. If it appears from ~~such the~~ supplemental certificate that the owner of the real property affected is not entitled to have the same withheld from sale under the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, the property shall not be withheld ~~from sale further hereunder under this section.~~

Sec. 2. Minnesota Statutes 1990, section 289A.39, subdivision 1, is amended to read:

Subdivision 1. [EXTENSIONS FOR SERVICE MEMBERS.] (a) The limitations of time provided by this chapter and chapter 290 relating to income taxes and chapter 271 relating to the tax court for filing returns, paying taxes, claiming refunds, commencing action thereon, appealing to the tax court from orders relating to income taxes, and appealing to the Supreme Court from decisions of the tax court relating to income taxes are extended, ~~with respect to an individual, for the period during which the individual serves in the armed forces of the United States, or serves in support of the armed forces and as provided in section 7508 of the Internal Revenue Code of 1986, as amended through December 31, 1989, or serves in an area designated by the president as a combat zone or is hospitalized outside the United States as a result of injury received while serving in the combat during that time and for a further period of six months January 30, 1991.~~

(b) *If a member of the national guard or reserves is called to active duty in the armed forces, the limitations of time provided by this chapter and chapters 290 and 290A relating to income taxes and claims for property tax refunds are extended by the following period of time:*

(1) *in the case of an individual whose active service is in the United States, six months; or*

(2) *in the case of an individual whose active service includes service abroad, the period of initial service plus six months.*

*Nothing in this paragraph reduces the time within which an act is required or permitted under paragraph (a).*

(c) *If an individual entitled to the benefit of paragraph (a) files a return during the period disregarded under paragraph (a), interest must be paid on an overpayment or refundable credit from the due date of the return, notwithstanding section 289A.56, subdivision 2.*

(d) *The provisions of this subdivision apply to the spouse of an individual entitled to the benefits of this subdivision with respect to a joint return filed by the spouses.*

Sec. 3. [EFFECTIVE DATE.]

*Section 1 is effective for notices served the day following final enactment of this act. Section 2 is effective for taxable years beginning after December 31, 1989, and for claims for property tax refunds filed after August 15, 1990."*

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing that property owned by certain members of the military will be withheld from sale as tax-forfeited property;"

Page 1, line 5, after the semicolon, insert "providing filing extensions for individuals who performed services in Operation Desert Shield; providing for early payment of interest on refunds;" and delete "section" and insert "sections 281.273; and"

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

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

H.F. No. 245: A bill for an act relating to education; providing for school consolidation in Kittson and Marshall counties in certain circumstances.

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

## **SECOND READING OF SENATE BILLS**

S.F. No. 81 was read the second time.

## **SECOND READING OF HOUSE BILLS**

H.F. Nos. 13 and 245 were read the second time.

## **MOTIONS AND RESOLUTIONS**

Mr. Marty moved that the name of Mr. Belanger be added as a co-author to S.F. No. 204. The motion prevailed.

Mr. Metzen moved that the names of Messrs. Frank and Mondale be added as co-authors to S.F. No. 387. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Marty be added as a co-author to S.F. No. 411. The motion prevailed.

Mr. Cohen moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 465. The motion prevailed.

Mr. Dahl moved that the name of Mr. Frank be added as a co-author to S.F. No. 470. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Frank be added as a co-author to S.F. No. 471. The motion prevailed.

Mr. Dicklich moved that the names of Meses. Reichgott and Traub be added as co-authors to S.F. No. 474. The motion prevailed.

Ms. Piper moved that the names of Ms. Reichgott, Mr. DeCramer and Ms. Traub be added as co-authors to S.F. No. 475. The motion prevailed.

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

S.F. No. 478. The motion prevailed.

Mr. Mondale moved that the name of Mr. Knaak be added as a co-author to S.F. No. 480. The motion prevailed.

Mr. Merriam moved that the name of Mr. Davis be added as a co-author to S.F. No. 497. The motion prevailed.

Mr. Solon moved that the name of Ms. Traub be added as a co-author to S.F. No. 500. The motion prevailed.

Ms. Berglin moved that the name of Mr. Sams be added as a co-author to S.F. No. 509. The motion prevailed.

Mr. Luther moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 511. The motion prevailed.

Mr. Finn moved that the names of Messrs. Chmielewski and Samuelson be added as co-authors to S.F. No. 515. The motion prevailed.

Mr. Spear moved that the name of Mr. Davis be added as a co-author to S.F. No. 525. The motion prevailed.

Mses. Reichgott, Traub and Mr. McGowan introduced—

Senate Resolution No. 29: A Senate resolution congratulating Robbinsdale Armstrong Senior High School for winning starred ratings in the state one-act play contest and for winning the Region 6AA one-act play contest on February 2, 1991.

Referred to the Committee on Rules and Administration.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 172, 148, 7, 246 and 224, which the committee recommends to pass.

S.F. No. 171, which the committee recommends to pass with the following amendment offered by Mr. Laidig:

Amend S.F. No. 171 as follows:

Page 2, line 8, delete "enact" and insert "begin immediate committee hearings to consider enacting"

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.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

## MOTIONS AND RESOLUTIONS

### SUSPENSION OF RULES

Mr. Stumpf 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. 245 and that the rules of the Senate be so far suspended as to give H.F. No. 245, now on the Consent Calendar, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 245: A bill for an act relating to education; providing for school consolidation in Kittson and Marshall counties in certain circumstances.

Was read the third time 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	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R. D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Solon
Benson, J.E.	Flynn	Kroening	Neuville	Spear
Berg	Frank	Laidig	Novak	Storm
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Traub
Bertram	Gustafson	Lessard	Pariseau	Vickerman
Brataas	Halberg	Luther	Piper	Waldorf
Chmielewski	Hottinger	Marty	Pogemiller	
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mses. Berglin, Reichgott, Messrs. Belanger and Pogemiller introduced—

S.F. No. 529: A bill for an act relating to taxation; providing for a maximum fiscal disparities areawide tax capacity; amending Minnesota Statutes 1990, sections 473F.07, subdivision 1; and 473F.08, subdivisions 2 and 6.

Referred to the Committee on Taxes and Tax Laws. Mr. Frank questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Messrs. Mondale, Storm, Ms. Traub and Mr. Kroening introduced—

S.F. No. 530: A bill for an act relating to taxation; providing for a maximum fiscal disparities areawide tax capacity; amending Minnesota Statutes 1990, sections 473F.07, subdivision 1; and 473F.08, subdivisions 2 and 6.

Referred to the Committee on Taxes and Tax Laws. Mr. Frank questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 531: A bill for an act relating to waste; authorizing a water or sewer commission to issue bonds; amending Minnesota Statutes 1990, section 116A.24, subdivisions 2 and 3.

Referred to the Committee on Environment and Natural Resources.

Messrs. Finn, Bertram, Waldorf, Sams and Mrs. Adkins introduced—

S.F. No. 532: A bill for an act relating to towns; providing for the appointment of town officers under certain circumstances; amending Minnesota Statutes 1990, section 367.03, by adding a subdivision.

Referred to the Committee on Veterans and General Legislation.

Mr. Chmielewski introduced—

S.F. No. 533: A bill for an act relating to employment; modifying definitions that apply to corporate officers; amending Minnesota Statutes 1990, section 268.04, subdivision 12.

Referred to the Committee on Employment.

Mr. Davis introduced—

S.F. No. 534: A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

Referred to the Committee on Health and Human Services.

Messrs. Chmielewski; Metzen; Solon; Johnson, D.E. and Samuelson introduced—

S.F. No. 535: A bill for an act relating to insurance; accident and health; regulating assignments of benefits; amending Minnesota Statutes 1990, section 72A.201, subdivisions 3, 4, and by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Storm, Frank, Novak, Knaak and Ms. Johnston introduced—

S.F. No. 536: A bill for an act relating to metropolitan government; setting the property ownership authority of the mosquito control commission; amending Minnesota Statutes 1990, section 473.704, by adding a subdivision.

Referred to the Committee on Metropolitan Affairs.

Mr. Halberg introduced—

S.F. No. 537: A bill for an act relating to retirement; public employees retirement association; authorizing an Eagan city council member to purchase prior service credit.

Referred to the Committee on Governmental Operations.

Mr. Larson, Mrs. Benson, J.E.; Messrs. Renneke, Neuville, and Johnson, D.E. introduced—

S.F. No. 538: A bill for an act relating to motor carriers; changing definitions of regular route common carrier and irregular route common carrier; amending Minnesota Statutes 1990, section 221.011, subdivisions 9 and 11.

Referred to the Committee on Transportation.

Messrs. Spear, Solon, Luther and Mrs. Brataas introduced—

S.F. No. 539: A bill for an act relating to commerce; restraint of trade; providing an evidentiary presumption in resale price maintenance cases; proposing coding for new law in Minnesota Statutes, chapter 325D.

Referred to the Committee on Commerce.

Mr. Metzen introduced—

S.F. No. 540: A bill for an act relating to education; providing for prepaid tuition; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 135B.

Referred to the Committee on Education.

Mr. Kelly, Mses. Flynn, Berglin, Messrs. Belanger and Waldorf introduced—

S.F. No. 541: A bill for an act relating to taxation; reducing the class rate that applies to certain rental residential property; amending Minnesota Statutes 1990, section 273.13, subdivision 25.

Referred to the Committee on Taxes and Tax Laws.

Mr. Frank, Ms. Flynn, Mr. Marty and Mrs. Benson, J.E. introduced—

S.F. No. 542: A bill for an act relating to traffic regulations; increasing the fine for violating seat belt requirements; removing citation and recording restrictions; amending Minnesota Statutes 1990, section 169.686, subdivision 1.

Referred to the Committee on Transportation.

Mr. Metzen, Ms. Traub, Messrs. Kelly, Storm and Neuville introduced—

S.F. No. 543: A bill for an act relating to housing; changing the definition of mentally ill person; consolidating special needs housing programs; clarifying and amending biennial reporting requirement; authorizing new construction of accessible housing; authorizing off-reservation home improvement program; amending Minnesota Statutes 1990, sections 268.39;

462A.03, subdivision 16; 462A.05, subdivision 20; 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9; 474A.048, subdivision 2; Laws 1987, chapter 404, section 28, subdivision 1; Laws 1989, chapter 335, article 1, section 27, subdivision 1, as amended; repealing Minnesota Statutes 1990, section 462A.05, subdivisions 28 and 29.

Referred to the Committee on Economic Development and Housing.

Messrs. Morse; Frederickson, D.J.; Dicklich and Dahl introduced—

S.F. No. 544: A bill for an act relating to education; modifying the rounding procedure used to compute AFDC pupil units; amending Minnesota Statutes 1990, section 124.17, subdivision 1b.

Referred to the Committee on Education.

Mr. Cohen introduced—

S.F. No. 545: A bill for an act relating to crimes; imposing a felony penalty for a fifth or subsequent violation of the laws prohibiting driving while intoxicated; amending Minnesota Statutes 1990, section 169.121, subdivision 3.

Referred to the Committee on Judiciary.

Messrs. Cohen, Hottinger, Ms. Johnson, J.B.; Mr. Marty and Ms. Reichgott introduced—

S.F. No. 546: A bill for an act relating to crimes; environmental enforcement; imposing criminal penalties for knowing violations of standards related to hazardous air pollutants and toxic pollutants in water; providing that certain property is subject to forfeiture in connection with convictions for water pollution and air pollution violations; imposing criminal penalties for unauthorized disposal of solid waste; authorizing prosecution of environmental crimes by the attorney general; providing for environmental restitution as part of a sentence; increasing criminal penalties for false statements on documents related to permits and record keeping; amending Minnesota Statutes 1990, sections 18D.331, subdivision 4; 609.531, subdivision 1; and 609.671.

Referred to the Committee on Environment and Natural Resources.

Mr. Cohen introduced—

S.F. No. 547: A bill for an act relating to credit unions; setting the size of certain committees; amending Minnesota Statutes 1990, section 52.08.

Referred to the Committee on Commerce.

Mr. Cohen introduced—

S.F. No. 548: A bill for an act relating to state finance; permitting investments in all federally insured savings accounts; amending Minnesota Statutes 1990, section 11A.24, subdivision 4.

Referred to the Committee on Governmental Operations.

Ms. Pappas, Messrs. Solon, Spear, Larson and Cohen introduced—

S.F. No. 549: A bill for an act relating to insurance; regulating agent rehabilitations and cancellations of agency contracts by fire and casualty companies; amending Minnesota Statutes 1990, sections 60A.171; and 60A.175.

Referred to the Committee on Commerce.

Ms. Pappas and Mr. Chmielewski introduced—

S.F. No. 550: A bill for an act relating to health; employee drug testing; clarifying requirements for labs that test employees for drugs; amending Minnesota Statutes 1990, sections 181.950, subdivisions 2, 5, 8, and 10; 181.951, subdivision 1; 181.953, subdivisions 1, 3, 5, and 9; and 626.5562, subdivision 5; repealing Minnesota Statutes 1990, sections 181.950, subdivision 3; and 181.953, subdivision 2; Minnesota Rules, parts 4740.0100 to 4740.1090.

Referred to the Committee on Health and Human Services.

Messrs. Price, Dahl and Morse introduced—

S.F. No. 551: A bill for an act relating to state government; requiring a study of state government functions related to natural resources and environmental protection.

Referred to the Committee on Environment and Natural Resources.

Messrs. Hughes, Pogemiller, Marty, Ms. Piper and Mr. Halberg introduced—

S.F. No. 552: A bill for an act relating to elections; providing for time off to vote in primaries; amending Minnesota Statutes 1990, section 204C.04.

Referred to the Committee on Elections and Ethics.

Mr. Hottinger introduced—

S.F. No. 553: A bill for an act relating to education; encouraging a Minnesota volunteer corps to the USSR and East Central Europe; appropriating money.

Referred to the Committee on Economic Development and Housing.

Mr. Frederickson, D.R. introduced—

S.F. No. 554: A bill for an act relating to trade and economic development; appropriating money for a history center at Traverse des Sioux.

Referred to the Committee on Economic Development and Housing.

Mr. Price introduced—

S.F. No. 555: A bill for an act relating to civil procedure; providing that no filing fee be charged for issuance of domestic abuse orders for protection; amending Minnesota Statutes 1990, section 518B.01, by adding a subdivision.



Referred to the Committee on Judiciary.

Messrs. Price, Riveness, Ms. Reichgott, Messrs. Pogemiller and Frederickson, D.J. introduced—

S.F. No. 556: A bill for an act relating to taxation; extending homestead treatment to certain property; amending Minnesota Statutes 1990, section 273.124, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Price introduced—

S.F. No. 557: A bill for an act relating to commerce; removing a real estate licensing prohibition; amending Minnesota Statutes 1990, section 82.20, subdivision 4.

Referred to the Committee on Commerce.

Messrs. Frederickson, D.J.; Vickerman and Sams introduced—

S.F. No. 558: A bill for an act relating to health; modifying the procedure for vendor error notification; excluding the salaries of doctors of osteopathy from certain limitations; requiring flexibility in implementing the state health plan; providing rural hospital assistance grants; modifying nonprofit corporation powers; extending the medical assistance adjustment for hospitals with small volumes; modifying the criteria for establishing a hospital district; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, subdivisions 1 and 4; 43A.17, subdivision 9; 43A.23, by adding a subdivision; 144.581, subdivision 1; 256.969, subdivision 6a; and 447.31, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Messrs. Frederickson, D.J.; DeCramer; Sams and Davis introduced—

S.F. No. 559: A bill for an act relating to motor fuels; requiring ethanol as the oxygenate in oxygenated gasoline; amending Minnesota Statutes 1990, section 239.76, by adding subdivisions.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Frederickson, D.J.; Sams and Beckman introduced—

S.F. No. 560: A bill for an act relating to economic development; providing comprehensive information to potential developers of ethanol plants; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Lessard and Finn introduced—

S.F. No. 561: A bill for an act relating to natural resources; authorizing certain minors to harvest wild rice without a license; amending Minnesota Statutes 1990, sections 84.091, subdivision 2; and 97A.451, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Novak, Ms. Piper, Mr. Johnson, D.J.; Mses. Johnson, J.B. and Olson introduced—

S.F. No. 562: A resolution memorializing the President and Congress to increase funding for the low-income home energy assistance program and to maintain its operation in Minnesota.

Referred to the Committee on Energy and Public Utilities.

Messrs. Hottinger, DeCramer and Stumpf introduced—

S.F. No. 563: A bill for an act relating to nursing; creating a midlevel practitioner education account; establishing grant programs for nurse education; requiring feasibility studies; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136A.

Referred to the Committee on Education.

Mr. Bernhagen introduced—

S.F. No. 564: A bill for an act relating to education; providing for operating fund deficits in certain cases involving certain cooperating and combining districts; amending Minnesota Statutes 1990, section 124.2725, by adding a subdivision.

Referred to the Committee on Education.

Messrs. Stumpf, Finn, Neuville, Bernhagen and Bertram introduced—

S.F. No. 565: A bill for an act relating to civil actions; regulating recovery for economic loss arising from the sales of goods; amending Minnesota Statutes 1990, section 336.2-725; proposing coding for new law in Minnesota Statutes, chapter 604.

Referred to the Committee on Judiciary.

Mr. Lessard introduced—

S.F. No. 566: A bill for an act relating to appropriations; providing funds for the Itasca center.

Referred to the Committee on Finance.

Mr. Lessard introduced—

S.F. No. 567: A bill for an act relating to retirement; authorizing appointed public officers to purchase public employees retirement association service credit for previous service as an elected official; amending Laws 1990, chapter 570, article 8, section 14, subdivision 1.

Referred to the Committee on Governmental Operations.

Mr. Lessard introduced—

S.F. No. 568: A bill for an act relating to education; increasing secondary sparsity revenue; amending Minnesota Statutes 1990, section 124A.22, subdivision 6.

Referred to the Committee on Education.

Mr. Lessard introduced—

S.F. No. 569: A bill for an act relating to education; changing the computation of AFDC pupil units; amending Minnesota Statutes 1990, section 124.17, subdivision 1b.

Referred to the Committee on Education.

Mr. Lessard introduced—

S.F. No. 570: A bill for an act relating to education; discontinuing the authority of school districts to transfer money from the general fund to the community service fund for certain TRA and FICA purposes; repealing Minnesota Statutes 1990, section 121.912, subdivision 1b.

Referred to the Committee on Education.

Mr. Lessard introduced—

S.F. No. 571: A bill for an act relating to education; providing for the accounting of funds from high school league regulated activities; amending Minnesota Statutes 1990, section 123.38, subdivision 2b.

Referred to the Committee on Education.

Messrs. Riveness, Samuelson, Solon and Vickerman introduced—

S.F. No. 572: A bill for an act relating to health; health maintenance organizations; providing coverage for chiropractic care; amending Minnesota Statutes 1990, sections 62D.02, subdivision 7; 62D.102; and 62D.12, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 573: A bill for an act relating to local government; permitting the creation of library tax districts; proposing coding for new law in Minnesota Statutes, chapter 471.

Referred to the Committee on Local Government.

Messrs. Cohen, Spear, Ms. Berglin, Mr. Marty and Ms. Flynn introduced—

S.F. No. 574: A bill for an act relating to health; codifying case law regarding abortion; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services.

Messrs. Marty, Finn, Ms. Johnson, J.B. and Mr. Dicklich introduced—

S.F. No. 575: A bill for an act relating to utilities; encouraging energy efficiency; providing for programs to reduce the use of electricity through energy conservation; authorizing rulemaking; amending Minnesota Statutes 1990, sections 216B.16, subdivisions 6 and 6b; and 216B.243, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Energy and Public Utilities.

Messrs. Solon, Metzen, Kroening, Gustafson and Mehrkens introduced—

S.F. No. 576: 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. Neuville, Mrs. Benson, J.E. and Mr. Dahl introduced—

S.F. No. 577: A bill for an act relating to education; providing for addition of certain revenue by the state academies; amending Minnesota Statutes 1990, sections 120.17, subdivision 7a; and 124.32, subdivision 5.

Referred to the Committee on Education.

Ms. Traub introduced—

S.F. No. 578: A bill for an act relating to taxation; adjusting the class rates that apply to certain homestead property; amending Minnesota Statutes 1990, section 273.13, subdivision 22.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Pogemiller, Morse and Ms. Reichgott introduced—

S.F. No. 579: A bill for an act relating to economic development; regulating the use of tax-exempt revenue bonds; amending Minnesota Statutes 1990, sections 474A.02, subdivisions 1, 2b, 7, 8, 19, and by adding subdivisions; 474A.04, subdivision 1a; 474A.047, subdivisions 1 and 3; 474A.061, subdivisions 1, 2a, 2b, and 2c; 474A.091, subdivisions 3 and 5; 474A.131, by adding a subdivision; 474A.15; 474A.16; and 474A.17; proposing coding for new law in Minnesota Statutes, chapters 462A and 462C; repealing Minnesota Statutes 1990, sections 474A.048; and 474A.081, subdivisions 1, 2, and 4.

Referred to the Committee on Economic Development and Housing.

Ms. Traub, Mr. Dicklich, Ms. Reichgott, Messrs. Pogemiller and Morse introduced—

S.F. No. 580: A bill for an act relating to education; requiring local standards for extended day programs; providing revenue for extended day programs; appropriating money; amending Minnesota Statutes 1990, sections 121.88, subdivision 10, and by adding subdivisions; and 275.125, by adding a subdivision.

Referred to the Committee on Education.

Messrs. Chmielewski; Samuelson; Vickerman; Johnson, D.E. and Renneke introduced—

S.F. No. 581: A bill for an act relating to companion animals; establishing a low-cost spaying and neutering program; imposing a tax on wholesale sales of dog and cat food; imposing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 346; proposing coding for new law as Minnesota Statutes, chapter 297E.

Referred to the Committee on Veterans and General Legislation.

Ms. Pappas, Mr. Spear, Ms. Berglin, Mr. Gustafson and Mrs. Adkins introduced—

S.F. No. 582: A bill for an act relating to liquor; authorizing cities of the first class to extend on-sale closing hours; amending Minnesota Statutes 1990, section 340A.504, subdivision 6.

Referred to the Committee on Commerce.

Mses. Flynn, Traub, Mr. Hottinger, Ms. Ranum and Mr. Riveness introduced—

S.F. No. 583: A bill for an act relating to health; clarifying requirements for vaccination of children for certain illnesses; amending Minnesota Statutes 1990, sections 123.70, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, 10, and by adding a subdivision; and 151.37, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Ms. Flynn, Mr. Waldorf, Ms. Ranum, Mr. Frank and Ms. Johnston introduced—

S.F. No. 584: A bill for an act relating to metropolitan government; setting conditions for the party affiliation of the metropolitan council and agencies; amending Minnesota Statutes 1990, sections 473.123, subdivision 3; and 473.141, subdivision 2.

Referred to the Committee on Metropolitan Affairs.

Ms. Berglin introduced—

S.F. No. 585: A bill for an act relating to health; requiring nursing homes to use efficiency incentive payments to correct licensing violations; authorizing grants to nursing homes to develop innovative programs; providing for inflationary increases to the efficiency incentive; withholding efficiency incentives for uncorrected license violations; requiring reports; appropriating money; amending Minnesota Statutes 1990, sections 144A.10, subdivision 4; 144A.31, by adding a subdivision; and 256B.431, by adding subdivisions.

Referred to the Committee on Health and Human Services.

Mses. Berglin and Piper introduced—

S.F. No. 586: A bill for an act relating to human services; changing priorities and requirements for the AFDC and basic sliding fee child care programs; amending Minnesota Statutes 1990, sections 256H.03, subdivisions 2b and 3; 256H.05, subdivisions 1b and 3; 256H.08; and 256H.09, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Hottinger, Ms. Johnson, J.B.; Messrs. Moe, R.D.; Luther and Mrs. Adkins introduced—

S.F. No. 587: A bill for an act relating to the environment; declaring the 1990s to be the decade of the environment; providing for grants for promotional activities relating to environmental programs; authorizing rule-making; appropriating money; amending Minnesota Statutes 1990, section

126A.04, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

Messrs. Finn, Lessard, Solon, Samuelson and Johnson, D.J. introduced—

S.F. No. 588: A bill for an act relating to crime; providing penalties for intentional damage to timber or wood processing, manufacturing, or transportation equipment; providing penalties for possessing certain devices to damage timber or wood processing, manufacturing, or transportation equipment; providing penalties for unlawful interference with timber harvests; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Mses. Johnson, J.B.; Flynn and Traub introduced—

S.F. No. 589: A bill for an act relating to occupations and professions; establishing a board of nutrition and dietetics practice; requiring nutritionists and dietitians to be licensed; establishing licensing requirements and exemptions; authorizing rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 214.01, subdivision 2; and 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Health and Human Services.

Ms. Johnson, J.B.; Messrs. Dicklich, Dahl, Stumpf and DeCramer introduced—

S.F. No. 590: A bill for an act relating to education; equalizing a portion of the debt service levy; equalizing a portion of the referendum levy; amending Minnesota Statutes 1990, section 275.125, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 124 and 124A; repealing Minnesota Statutes 1990, section 124A.03.

Referred to the Committee on Education.

Messrs. Stumpf and Belanger introduced—

S.F. No. 591: A bill for an act relating to civil actions; regulating the apportionment of joint and several liability; amending Minnesota Statutes 1990, section 604.02, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Solon introduced—

S.F. No. 592: A bill for an act relating to commerce; regulation of health care costs; creating a state cost control commission; providing for a review and control over rates and fees charged by health care providers practicing in Minnesota; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce.

Ms. Olson and Mr. DeCramer introduced—

S.F. No. 593: A bill for an act relating to railroads; allowing access over railroad right-of-way to landlocked adjoining properties; amending Minnesota Statutes 1990, section 219.35.

Referred to the Committee on Transportation.

Mrs. Pariseau, Ms. Berglin, Mr. Neuville, Ms. Piper and Mr. DeCramer introduced—

S.F. No. 594: A bill for an act relating to marriage dissolution; requiring information; providing for a report; amending Minnesota Statutes 1990, section 518.10; proposing coding for new law in Minnesota Statutes, chapter 518.

Referred to the Committee on Judiciary.

Mrs. Adkins, Messrs. Benson, D.D.; DeCramer and Bertram introduced—

S.F. No. 595: A bill for an act relating to the lottery; authorizing and regulating the use of video lottery machines; regulating video lottery manufacturers, retailers, operators, and establishments; providing penalties; amending Minnesota Statutes 1990, sections 349A.01, by adding subdivisions; 349A.05; 349A.06, subdivision 4; 349A.12, subdivision 4; 349A.13; 609.75, subdivision 4; and 609.761, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 349A.

Referred to the Committee on Gaming Regulation.

Messrs. Chmielewski, Gustafson, Langseth, Stumpf and Mrs. Brataas introduced—

S.F. No. 596: A bill for an act relating to workers' compensation; regulating benefits, providers, dispute resolution, and insurance; appropriating money; imposing penalties; amending Minnesota Statutes 1990, sections 15A.083, subdivision 7; 79.095; 79.251, subdivisions 1, 2, 3, 4, and 5; 79.252, subdivisions 1, 3, and 5; 79.55, subdivision 2; 79.56, by adding a subdivision; 79.58, subdivision 2; 79.61, subdivision 1; 175.007; 176.011, subdivisions 3, 11a, 18, 27, and by adding a subdivision; 176.021, subdivision 3; 176.041, subdivision 1a; 176.061, subdivision 10, and by adding a subdivision; 176.081, subdivisions 1, 2, and 3; 176.101, subdivisions 1, 2, 4, 5, 6, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 3a, 4, 6, 7, 9, and 11; 176.105, subdivisions 1 and 4; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 18, 20, and 21; 176.131, subdivision 8, and by adding a subdivision; 176.132, subdivisions 1, 2, and 3; 176.135, subdivisions 1, 1a, 5, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.179; 176.183, subdivision 1; 176.215, by adding a subdivision; 176.221, subdivision 6a; 176.305, subdivision 1; 176.351, subdivision 2a; 176.421, subdivision 7; 176.442; 176.461; 176.645, subdivisions 1 and 2; 176.66, subdivision 11; 176.82; 176.83, subdivisions 5, 6, and by adding a subdivision; 176A.03, by adding a subdivision; 221.141, subdivision 1; 268.08, subdivision 3; 353.33, subdivision 5; and 480A.06, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapters 79; and 176; repealing Minnesota Statutes 1990, 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; 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; 176.106; 176.111, subdivision 8a; 176.135, subdivision 3; and 176.136, subdivision 5.

Referred to the Committee on Employment.

Messrs. Chmielewski, Frank, Kroening, Mses. Flynn and Piper introduced—

S.F. No. 597: A bill for an act relating to labor; providing that certain hiring practices by an employer during a strike or lockout are unfair labor practices; amending Minnesota Statutes 1990, sections 179.12; and 179A.13.

Referred to the Committee on Employment.

Messrs. Langseth, DeCramer, Mehrkens, Novak and Ms. Flynn introduced—

S.F. No. 598: A bill for an act relating to transportation; establishing state transportation goals and requiring periodic revisions of the state transportation plan; establishing a Minnesota highway board and prescribing its powers and duties; directing a study of rail-highway grade crossings and requiring a report; authorizing the commissioner of transportation to make grants for the improvement of commercial navigation facilities; authorizing local units of government to advance funds for the completion of trunk highway projects; authorizing cities to assess up to 35 percent of a street improvement without regard to benefits conferred; authorizing cities to impose street access charges on building permits; authorizing road authorities to enter into agreements for the construction, maintenance, and operation of toll roads and bridges; creating a transportation services fund and providing for its uses; specifying percentage of unrefunded motor fuel tax revenue that is attributable to use on forest roads; authorizing the commissioner of transportation to plan, acquire, construct and equip light rail transit facilities, and restricting authority of regional rail authorities; directing a study of highway corridors; creating a legislative advisory commission on transportation and directing it to conduct certain studies; amending Minnesota Statutes 1990, sections 162.02, subdivision 3a; 168.54, subdivisions 5 and 6; 169.09, subdivision 13; 169.86, subdivision 5; 169.862; 170.23; 171.185; 171.26; 171.36; 173.13, subdivision 4; 173.231; 174.01; 174.03, subdivision 2, and by adding a subdivision; 221.036, subdivision 14; 296.16, subdivision 1a; 296.421, subdivision 8; 299D.03, subdivision 5; 398A.04, subdivision 8; 473.399, by adding a subdivision; 473.3993, subdivisions 2, 3, and by adding a subdivision; 473.3994; 473.3996; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 221; 471; and 473; proposing coding for new law as Minnesota Statutes, chapter 457A; repealing Minnesota Statutes 1990, section 473.3994, subdivision 6; and Laws 1989, chapter 339, section 21.

Referred to the Committee on Transportation.

Messrs. Langseth and Samuelson introduced—

S.F. No. 599: A bill for an act relating to local government; authorizing municipalities to enter into joint ventures with telecommunications organizations; amending Minnesota Statutes 1990, section 237.19.



Referred to the Committee on Local Government.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, March 7, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TWENTIETH DAY

St. Paul, Minnesota, Thursday, March 7, 1991

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

### CALL OF THE SENATE

Mr. Dahl 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. Richard D. Howell, Jr.

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

Adkins	Davis	Johnson, D.E.	Merriam	Ranum
Beckman	Day	Johnson, D.J.	Metzen	Reichgott
Belanger	DeCramer	Johnson, J.B.	Moe, R.D.	Renneke
Benson, D.D.	Dicklich	Johnston	Mondale	Riveness
Benson, J.E.	Finn	Knaak	Morse	Sams
Berglin	Flynn	Kroening	Neuville	Samuelson
Bernhagen	Frank	Laidig	Novak	Solon
Bertram	Frederickson, D.J.	Langseth	Olson	Spear
Brataas	Frederickson, D.R.	Luther	Pappas	Storm
Chmielewski	Gustafson	Marty	Pariseau	Traub
Cohen	Halberg	McGowan	Pogemiller	Vickerman
Dahl	Hottinger	Mehrkens	Price	Waldorf

The President declared a quorum present.

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

### MEMBERS EXCUSED

Messrs. Berg, Hughes, Kelly, Larson, Stumpf and Ms. Piper were excused from the Session of today. Mr. Lessard was excused from the Session of today from 2:00 to 2:30 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

February 18, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

The following appointments are hereby respectfully submitted to the Senate for confirmation as requested by law:

**MEMBERS, ENVIRONMENTAL TRUST FUND  
CITIZENS' ADVISORY COMMITTEE**

C. Merle Anderson, Route 1, Box 171, St. James, Watonwan County, Minnesota, has been appointed by me, effective February 18, 1991, for a term expiring on the first Monday in January, 1995.

Christine Susan Kneeland, 5256 Oxford Street, Shoreview, Ramsey County, Minnesota, has been appointed by me, effective February 18, 1991, for a term expiring on the first Monday in January, 1995.

**MEMBER AT-LARGE, ENVIRONMENTAL TRUST FUND  
CITIZENS' ADVISORY COMMITTEE**

Patricia Baker, 3316 West 34-1/2 Street, Minneapolis, Hennepin County, Minnesota, has been appointed by me, effective February 18, 1991, for a term expiring on the first Monday in January, 1995.

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

February 18, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

The following appointments are hereby respectfully submitted to the Senate for confirmation as requested by law:

**MEMBERS, MINNESOTA HIGHER EDUCATION  
COORDINATING BOARD**

Verne E. Long, Rural Route 1, Box 162, Pipestone, Pipestone County, Minnesota, has been appointed by me, effective February 18, 1991, for a term expiring on the first Monday in January, 1997.

Robert D. Decker, Ph.D., 13321 Wildwood Road Northeast, Bemidji, Beltrami County, Minnesota, has been appointed by me, effective February 18, 1991, for a term expiring on the first Monday in January, 1997.

(Referred to the Committee on Education.)

Warmest regards,  
Arne H. Carlson, 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. 79.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 4, 1991

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 87, 73, 90, 325, 195 and 196.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 4, 1991

### FIRST READING OF HOUSE BILLS

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

H.F. No. 87: A bill for an act relating to highways; allowing county board of and appropriate town boards in Itasca county to establish and record certain public roads less than four rods in width until December 31, 1995.

Referred to the Committee on Transportation.

H.F. No. 73: A bill for an act relating to education; eliminating the deduction for one year's interest payments from the proceeds of state bonds for maximum effort school loans; amending Minnesota Statutes 1990, sections 124.40, subdivision 1; 124.46, subdivision 3; and 124.477.

Referred to the Committee on Finance.

H.F. No. 90: A bill for an act relating to health; requiring geographic representation on the board of medical examiners; amending Minnesota Statutes 1990, section 147.01, subdivision 1.

Referred to the Committee on Health and Human Services.

H.F. No. 325: A resolution memorializing the President and Congress to increase funding for the low-income home energy assistance program and to maintain its operation in Minnesota.

Referred to the Committee on Energy and Public Utilities.

H.F. No. 195: A resolution memorializing the Congress of the United States to continue funding of the POW/MIA special investigation that is being conducted by the United States Senate Foreign Relations Committee.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 172, now on General Orders.

H.F. No. 196: A resolution memorializing the Congress of the United States to enact the POW/MIA truth bill, that relates to the disclosure of live sighting information on American service personnel missing in action from World War II, Korea, and Vietnam.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 171, now on General Orders.

### REPORTS OF COMMITTEES

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

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

S.F. No. 443: A bill for an act relating to civil procedure; providing for security for costs in certiorari matters; amending Minnesota Statutes 1990, section 606.03.

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

Delete everything after the enacting clause and insert:

“Section 1. [REPEALER.]

*Minnesota Statutes 1990, section 606.03, is repealed.”*

Amend the title as follows:

Page 1, line 2, delete “providing for security” and insert “repealing the statute requiring surety”

Page 1, line 3, delete “amending” and insert “repealing”

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 307: A bill for an act relating to economic development; establishing a board of invention; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

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. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 444: A bill for an act relating to education; providing a two-year tuition exemption to Minnesota veterans of the Persian Gulf war; proposing coding for new law in Minnesota Statutes, chapter 135A.

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

Delete everything after the enacting clause and insert:

“Section 1. [197.99] [TUITION EXEMPTION FOR PERSIAN GULF WAR VETERANS.]

*Subdivision 1. [ESTABLISHMENT.] A tuition exemption program is established under the commissioner of veterans affairs for veterans of the Persian Gulf war.*

*Subd. 2. [ELIGIBILITY.] A veteran is eligible to be considered for this tuition exemption if the commissioner finds that the applicant:*

*(1) is a Persian Gulf war veteran who served in the active military service in any branch of the armed forces of the United States, who can document service at any time between August 2, 1990, and . . . . ., 1991;*

*(2) was a Minnesota resident at the time of induction into the armed forces and for the six months immediately preceding induction;*

(3) has been separated or discharged from active military service under honorable conditions;

(4) has not earned a baccalaureate degree; and

(5) is enrolled or has been accepted for enrollment in any undergraduate program at any Minnesota public post-secondary institution.

*Subd. 3. [LENGTH OF EXEMPTION.] A tuition exemption shall be for the lesser of: a maximum of two academic years or the equivalent, or until the recipient has received an exemption for 90 quarter credit hours or the equivalent. An exemption may not continue after the veteran has obtained a baccalaureate degree.*

*Subd. 4. [AMOUNT OF EXEMPTION.] A tuition exemption shall be for the actual amount of tuition remaining after deducting an eligible veteran's educational benefits provided under federal law or regulation or under state law, including but not limited to sections 192.501 and 197.75.*

*Subd. 5. [IMPLEMENTATION.] The commissioner of veterans affairs shall issue criteria for documentation of service in the Persian Gulf area combat zone. The commissioner, in cooperation with the public post-secondary systems, shall develop procedures for implementation of this section. The procedures are exempt from chapter 14.*

*Subd. 6. [EFFECT ON STATE GRANTS.] A tuition exemption received under this section shall not be considered in determining eligibility for a state grant under sections 136A.095 to 136A.132.*

**Sec. 2. [197.991] [SUNSET.]**

*Participants shall have five years from the date of last discharge or release from active duty within which to use the exemption benefits provided by section 1.*

**Sec. 3. [APPROPRIATION.]**

*\$ . . . . . is appropriated for fiscal year 1992 and \$ . . . . . is appropriated for fiscal year 1993 from the general fund to the commissioner of veterans affairs for any tuition benefits provided under section 1. The unencumbered balance remaining from the first year does not cancel, but is available for the second year."*

Amend the title as follows:

Page 1, line 5, delete "135A" and insert "197"

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 393: A bill for an act relating to state lands; authorizing commissioner of veterans affairs to return land to a veterans organization who had originally donated the land for purposes of a state veterans cemetery.

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

Page 1, line 8, delete "Notwithstanding other law to"

Page 1, line 9, delete "the contrary," and delete "veterans affairs" and

insert "*administration*"

Page 1, delete lines 23 to 25

Page 2, delete lines 1 to 8

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 311: A bill for an act relating to Dakota county; authorizing development of a mental health service delivery system; appropriating money.

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

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

S.F. No. 227: A bill for an act relating to marriage dissolution; clarifying procedure for modification of certain custody orders; providing for additional child support payments; providing an alternative form of satisfaction of child support obligation; imposing a fiduciary duty and providing for compensation in cases of breach of that duty; clarifying certain mediation procedures; providing for attorneys' fees in certain cases; clarifying language concerning certain motions; imposing penalties; amending Minnesota Statutes 1990, sections 518.18; 518.551, subdivision 5; 518.57, by adding a subdivision; 518.58, subdivision 1, and by adding a subdivision; 518.619, subdivision 6; and 518.64, subdivision 2.

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

Page 3, line 10, after "*may*" insert "*also*"

Page 3, line 11, delete "*additional*"

Page 3, line 13, delete "*above base pay*" and insert "*, in addition to, or if the obligor receives no base pay, in lieu of, an order for a specific dollar amount*"

Page 7, line 4, before the period, insert "*and child support payments were not assigned to the public agency under section 256.74*"

Page 8, lines 33 to 36, delete the new language

Page 9, line 1, after "*evaluation*" insert "*unless: (1) the parties agree in a written document executed after the termination of mediation that the mediator may conduct the investigation or evaluation, or (2) there is no other person reasonably available to conduct the investigation or evaluation*"

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 242: A bill for an act relating to commerce; prohibiting the unlawful assignment of certain motor vehicle contracts; 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. Solon from the Committee on Commerce, to which was referred

S.F. No. 205: A bill for an act relating to insurance; modifying the allowable delinquency and related charges in premium finance agreements; amending Minnesota Statutes 1990, section 59A.10.

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 441: A bill for an act relating to commerce; modifying provisions relating to certain motor vehicle accident prevention courses; appropriating money; amending Minnesota Statutes 1990, sections 65B.28, subdivisions 1, 2, and by adding subdivisions.

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

Page 1, delete section 1

Page 2, line 10, after the period, insert "*The premium reduction applies for the three-year period beginning with the date that the insurer reduces the premium.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "sections" and insert "section" and delete "subdivisions 1," and insert "subdivision"

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

H.F. No. 153: A bill for an act relating to commerce; regulating real estate appraisers; authorizing the commissioner of commerce to issue temporary licenses.

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 104 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.
104	85				



Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 104 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 104 and insert the language after the enacting clause of S.F. No. 85, the first engrossment; further, delete the title of H.F. No. 104 and insert the title of S.F. No. 85, the first engrossment.

And when so amended H.F. No. 104 will be identical to S.F. No. 85, and further recommends that H.F. No. 104 be given its second reading and substituted for S.F. No. 85, 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. 290 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.
290	461				

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. Metzen from the Committee on Economic Development and Housing, to which was referred the following appointment as reported in the Journal for February 7, 1991:

**DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT  
COMMISSIONER**

**E. Peter Gillette**

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 the following appointment as reported in the Journal for February 4, 1991:

**DEPARTMENT OF COMMERCE  
COMMISSIONER**

**Bert McKasy**

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

S.F. No. 4: A bill for an act relating to elections; clarifying the method of withdrawal of candidates for constitutional office; authorizing political parties to select a new candidate following withdrawal or death of nominee; providing deadlines for filling vacancies in nominations; allowing substituted gubernatorial candidates to select running mates; amending Minnesota Statutes 1990, sections 204B.12; 204B.13; and 204B.41.

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 1990, section 203B.12, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION OF RETURN ENVELOPES.] Two or more election judges shall examine each return envelope and shall mark it accepted or rejected in the manner provided in this subdivision. *The election judges shall not begin removing ballot envelopes from the return envelopes until 8:00 p.m. on election day, either in the polling place or at an absentee ballot board established under section 203B.13.*

The election judges shall mark the return envelope “Accepted” and initial or sign the return envelope below the word “Accepted” if the election judges or a majority of them are satisfied that:

(a) the voter’s signature on the return envelope is the genuine signature of the individual who made the application for ballots and the certificate has been completed as prescribed in the directions for casting an absentee ballot;

(b) the voter is registered and eligible to vote in the precinct or has included a properly completed registration card in the return envelope; and

(c) the voter has not already voted at that election, either in person or by absentee ballot.

The return envelope from accepted ballots must be preserved and returned to the county auditor.

If all or a majority of the election judges examining return envelopes find that an absent voter has failed to meet one of the requirements prescribed in clauses (a) to (c), they shall mark the return envelope “Rejected,” initial or sign it below the word “Rejected,” and return it to the county auditor.

Sec. 2. Minnesota Statutes 1990, section 203B.13, subdivision 3a, is amended to read:

Subd. 3a. [ABSENTEE VOTER LIST.] If the election judges of an absentee ballot board are authorized to receive, examine, validate, and count absentee ballots, the county auditor or municipal clerk shall prepare a list of all persons who have applied for absentee ballots at the election and deliver it to the election judges of the absentee ballot board along with the applications for absentee ballots. The polling place rosters must include an indicator for all persons on the absentee voter list. The county auditor may

provide a supplemental list for use by the election judges after the polling place rosters have been prepared. If a person on the absentee voter list appears in the polling place, the election judges shall ~~contact~~ *notify* the election judges of the absentee ballot board. ~~If contacted by the judges of the precinct, the election judges of the absentee ballot board shall examine the absentee voter list 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.~~ *When notified by the precinct election judges that the voter has voted in person, the election judges of the absentee ballot board shall make a notation on the absentee voter list that the voter has voted and no absentee ballot may be counted for that voter.*

Sec. 3. Minnesota Statutes 1990, section 203B.21, subdivision 3, is amended to read:

Subd. 3. [BACK OF RETURN ENVELOPE.] On the back of the return envelope an affidavit form shall appear with space for:

- (a) The voter's address of present or former residence in Minnesota;
- (b) A statement indicating the category described in section 203B.16 to which the voter belongs;
- (c) A statement that the voter has not cast and will not cast another *absentee* ballot in the same election or elections;
- (d) A statement that the voter personally marked the ballots without showing them to anyone, or if physically unable to mark them, that the voter directed another individual to mark them; and
- (e) The voter's military identification card number, passport number, or, if the voter does not have a valid passport or identification card, the signature and certification of an individual authorized to administer oaths or a commissioned or noncommissioned officer of the military not below the rank of sergeant or its equivalent.

Sec. 4. Minnesota Statutes 1990, section 204B.04, subdivision 2, is amended to read:

Subd. 2. [CANDIDATES SEEKING NOMINATION BY PRIMARY.] No individual who seeks nomination for any partisan or nonpartisan office at a primary shall be nominated for the same office by nominating petition, except as *otherwise provided for partisan offices in section 204D.10, subdivision 2, and for nonpartisan offices in section 204B.13, subdivision 4.*

Sec. 5. Minnesota Statutes 1990, section 204B.12, is amended by adding a subdivision to read:

*Subd. 2a. [AFTER PRIMARY.] A candidate may withdraw from the general election ballot by filing an affidavit of withdrawal with the same official who received the affidavit of candidacy. The affidavit must request that official to withdraw that candidate's name from the ballot and must be filed no later than ten days after the primary.*

Sec. 6. Minnesota Statutes 1990, section 204B.12, is amended by adding a subdivision to read:

*Subd. 2b. [GOVERNOR'S RACE.] If a candidate for governor withdraws, the secretary of state shall remove from the ballot the name of the candidate for governor and the name of that candidate's running mate for*

*lieutenant governor.*

Sec. 7. Minnesota Statutes 1990, section 204B.13, subdivision 1, is amended to read:

Subdivision 1. [DEATH OR WITHDRAWAL.] A vacancy in nomination may be filled in the manner provided by this section. A vacancy in nomination exists when:

(a) A major political party candidate ~~or nonpartisan candidate~~ who was nominated at a primary dies, ~~withdraws, or for any other reason ceases to be the nominated candidate for that office~~ or files an affidavit of withdrawal as provided in section 5; or

(b) A candidate for a nonpartisan office, for which one or two candidates filed, dies or ~~withdraws after the last day for filing for that office~~ files an affidavit of withdrawal as provided in section 5.

Sec. 8. Minnesota Statutes 1990, section 204B.13, subdivision 2, is amended to read:

Subd. 2. [PARTISAN OFFICE; NOMINATION BY PARTY.] *(a) A major political party has the authority to fill a vacancy in nomination of a ~~major political party~~ may be filled that party's candidate* by filing a nomination certificate ~~not later than four days before the general election~~ with the same official who received the affidavits of candidacy for that office.

*(b) A major political party may provide in its governing rules a procedure, including designation of an appropriate committee, to fill vacancies in nomination. The nomination certificate shall be prepared under the direction of and executed by the chair and secretary of the ~~proper committee of that political party~~ and filed within seven days after the vacancy in nomination occurs or before the 14th day following the primary, whichever is sooner. If the vacancy in nomination occurs through the candidate's death, the nomination certificate must be filed within seven days after the vacancy in nomination occurs but no later than four days before the general election. The chair and secretary when filing the certificate shall attach an affidavit stating that the newly nominated candidate has been selected by ~~that committee~~ under the rules of the party and that the individuals signing the certificate and making the affidavit are the chair and secretary of the ~~committee party~~.*

Sec. 9. Minnesota Statutes 1990, section 204B.13, subdivision 4, is amended to read:

Subd. 4. [~~PARTISAN OR NONPARTISAN OFFICE; FILLING VACANCY BY NOMINATING PETITIONS.~~] *If A vacancy in nomination cannot be filled pursuant to subdivision 2 or 3, the vacancy in a nonpartisan office may be filled by nominating petition in the manner provided in sections 204B.06 to 204B.09. The petition shall be filed within one week after the vacancy in nomination occurs, but not later than four calendar days before the election.*

An eligible voter is eligible to sign a nominating petition to fill a vacancy in nomination without regard to whether that eligible voter intends to vote or did vote for any candidate for that office at the primary or signed other nominating petitions for candidates for that office.

Sec. 10. Minnesota Statutes 1990, section 204B.13, is amended by adding a subdivision to read:

*Subd. 5. [CANDIDATES FOR GOVERNOR AND LIEUTENANT GOVERNOR.] (a) If a vacancy in nomination occurs in the race for governor, the candidate for governor determined under this section shall select the candidate for lieutenant governor. If a vacancy in nomination occurs in the race for lieutenant governor, due to a vacancy in nomination for governor or due to the withdrawal or death of the candidate for lieutenant governor, the candidate for governor shall select the candidate for lieutenant governor as provided in this subdivision.*

*(b) For a vacancy in nomination that occurs before the tenth day following the primary, the name of the lieutenant governor candidate must be submitted by the governor candidate to the filing officer within seven days after the vacancy occurs, or before the 14th day following the primary, whichever is sooner. If the vacancy in nomination occurs through the death of the candidate for lieutenant governor, the candidate for governor shall submit the name of the new lieutenant governor candidate to the secretary of state within seven days after the vacancy in nomination occurs but no later than four days before the general election.*

Sec. 11. Minnesota Statutes 1990, section 204B.13, is amended by adding a subdivision to read:

*Subd. 6. [VACANCY AFTER DEADLINE.] If a candidate withdraws after the tenth day following the primary election but before four days before the general election, the secretary of state shall instruct the election judges to strike the name of the withdrawn candidate from the general election ballot and shall substitute no other candidate's name. Filing officers may not accept a nomination certificate for filing to fill a vacancy in nomination resulting from the filing of an affidavit of withdrawal by a candidate after the tenth day following the primary election. Vacancies occurring through death after the tenth day following the primary election are governed by section 204B.41.*

Sec. 12. Minnesota Statutes 1990, section 204B.41, is amended to read:  
204B.41 [VACANCY IN NOMINATION; CHANGING BALLOTS.]

When a vacancy in nomination is filled pursuant to section 204B.13, occurs through the death of a candidate after the ballots have been printed tenth day following the primary election, the officer in charge of preparing the ballots shall prepare and distribute a sufficient number of separate paper ballots which shall be headed with the words "OFFICIAL SUPPLEMENTAL BALLOT." This ballot shall contain the title of the office for which the vacancy in nomination has been filled and the names of all the candidates nominated for that office. The ballot shall conform to the provisions governing the printing of other official ballots as far as practicable. The title of the office and the names of the candidates for that office shall be blotted out or stricken from the regular ballots by the election judges. The official supplemental ballot shall be given to each voter when the voter is given the regular ballot or is directed to the voting machine. Regular ballots shall not be changed nor shall official supplemental ballots be prepared as provided in this section during the three calendar days before an election. Absentee ballots that have been mailed prior to the preparation of official supplemental ballots shall be counted in the same manner as if the vacancy had not occurred. Official supplemental ballots shall not be mailed to absent voters to whom ballots were mailed before the official supplemental ballots were prepared.

Sec. 13. Minnesota Statutes 1990, section 204C.22, is amended by adding a subdivision to read:

*Subd. 4a. [WRITE-IN VOTE FOR CANDIDATE TEAM.] A write-in vote cast for a candidate for governor without a write-in vote for a candidate for lieutenant governor that clearly indicates the intent of the voter shall be counted as a vote for the lieutenant governor candidate selected by that candidate for governor.*

Sec. 14. [REPEALER.]

*Minnesota Statutes 1990, section 204B.13, subdivision 3, is repealed."*

Delete the title and insert:

"A bill for an act relating to elections; changing time for examination by judges of certain return envelopes; changing the form of an affidavit; providing a deadline for withdrawal from the general election ballot; clarifying procedures for filling certain vacancies; providing for counting a write-in vote for a candidate for governor as a vote for that candidate's selection for lieutenant governor; amending Minnesota Statutes 1990, sections 203B.12, subdivision 2; 203B.13, subdivision 3a; 203B.21, subdivision 3; 204B.04, subdivision 2; 204B.12, by adding subdivisions; 204B.13, subdivisions 1, 2, 4, and by adding subdivisions; 204B.41; and 204C.22, by adding a subdivision; repealing Minnesota Statutes 1990, section 204B.13, subdivision 3."

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 443, 393, 242, 205 and 4 were read the second time.

## SECOND READING OF HOUSE BILLS

H.F. Nos. 153, 104 and 290 were read the second time.

## MOTIONS AND RESOLUTIONS

Ms. Piper moved that the name of Ms. Ranum be added as a co-author to S.F. No. 323. The motion prevailed.

Mr. Price moved that the name of Mr. Marty be added as a co-author to S.F. No. 555. The motion prevailed.

Mr. Lessard moved that the name of Mr. Finn be added as a co-author to S.F. No. 568. The motion prevailed.

Mr. Riveness moved that the name of Mr. Davis be added as a co-author to S.F. No. 572. The motion prevailed.

Ms. Berglin moved that the names of Ms. Flynn, Messrs. Vickerman, Sams and Ms. Piper be added as co-authors to S.F. No. 585. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Hottinger be added as a co-author to S.F. No. 591. The motion prevailed.

Mrs. Adkins moved that the name of Mr. Laidig be added as a co-author to S.F. No. 595. The motion prevailed.

Messrs. Bertram and Johnson, D.E. introduced—

Senate Resolution No. 30: A Senate resolution congratulating the Paynesville Bulldogs wrestling team for winning the 1990 State High School Class A wrestling championship.

Referred to the Committee on Rules and Administration.

Mr. McGowan introduced—

Senate Resolution No. 31: A Senate resolution commending Tom Anderson of Medina, Minnesota, for many years of dedicated and effective community service.

Referred to the Committee on Rules and Administration.

Mr. Vickerman introduced—

Senate Resolution No. 32: A Senate resolution recognizing Jackson County's "War's End Appreciation Day" on Sunday, March 10, 1991.

Referred to the Committee on Rules and Administration.

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

Senate Concurrent Resolution No. 5: A Senate concurrent resolution relating to adjournment for more than three days.

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

1. Upon the House of Representatives adjournment on Wednesday, March 13, 1991, the House of Representatives may set its next day of meeting for Monday, March 18, 1991.

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

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

## CALENDAR

S. F. No. 148: A bill for an act relating to human services; case management of persons with mental retardation or related conditions; authorizing alternative methods for delivery of services; proposing coding for new law in Minnesota Statutes, chapter 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 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mondale	Riveness
Beckman	Day	Johnson, D.J.	Morse	Sams
Belanger	DeCramer	Johnson, J.B.	Neuville	Samuelson
Benson, D.D.	Dicklich	Knaak	Novak	Spear
Benson, J.E.	Finn	Kroening	Olson	Storm
Berglin	Flynn	Luther	Pappas	Traub
Bernhagen	Frank	Marty	Pariseau	Vickerman
Bertram	Frederickson, D.J.	McGowan	Pogemiller	Waldorf
Brataas	Frederickson, D.R.	Mehrkens	Price	
Chmielewski	Gustafson	Merriam	Ranum	
Cohen	Halberg	Metzen	Reichgott	
Dahl	Hottinger	Moe, R.D.	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 7: A bill for an act relating to crimes; clarifying that alcoholic beverages are prohibited in public elementary and secondary schools; amending Minnesota Statutes 1990, section 624.701, subdivisions 1 and 1a.

Was read the third time 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 3, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Moe, R.D.	Reichgott
Beckman	Day	Johnson, J.B.	Mondale	Renneke
Belanger	DeCramer	Johnson	Morse	Riveness
Benson, D.D.	Finn	Knaak	Neuville	Samuelson
Benson, J.E.	Frank	Kroening	Novak	Spear
Bernhagen	Frederickson, D.J.	Langseth	Olson	Storm
Bertram	Frederickson, D.R.	Marty	Pappas	Traub
Brataas	Gustafson	McGowan	Pariseau	Vickerman
Chmielewski	Halberg	Mehrkens	Pogemiller	Waldorf
Cohen	Hottinger	Merriam	Price	
Dahl	Johnson, D.E.	Metzen	Ranum	

Mses. Berglin, Flynn and Mr. Luther voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 246: A bill for an act relating to probate; increasing the limit on an estate subject to collection of personal property by affidavit; amending Minnesota Statutes 1990, section 524.3-1201.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Metzen	Reichgott
Beckman	Day	Johnson, D.J.	Moe, R.D.	Renneke
Belanger	DeCramer	Johnson, J.B.	Mondale	Riveness
Benson, D.D.	Dicklich	Johnson	Morse	Sams
Benson, J.E.	Finn	Knaak	Neuville	Samuelson
Berglin	Flynn	Kroening	Novak	Spear
Bernhagen	Frank	Langseth	Olson	Storm
Bertram	Frederickson, D.J.	Luther	Pappas	Traub
Brataas	Frederickson, D.R.	Marty	Pariseau	Vickerman
Chmielewski	Gustafson	McGowan	Pogemiller	Waldorf
Cohen	Halberg	Mehrkens	Price	
Dahl	Hottinger	Merriam	Ranum	

So the bill passed and its title was agreed to.



S.F. No. 224: A bill for an act relating to the public defender; limiting entitlement to appellate representation by the state public defender to the first direct appeal of a conviction; amending Minnesota Statutes 1990, sections 590.05; 611.14; 611.18; and 611.25, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Metzen	Renneke
Beckman	Day	Johnson, D.J.	Moe, R.D.	Riveness
Belanger	DeCramer	Johnson, J.B.	Mondale	Sams
Benson, D.D.	Dicklich	Johnston	Morse	Samuelson
Benson, J.E.	Finn	Knaak	Neuville	Spear
Berglin	Flynn	Kroening	Novak	Storm
Bernhagen	Frank	Langseth	Olson	Traub
Bertram	Frederickson, D.J.	Luther	Pappas	Vickerman
Brataas	Frederickson, D.R.	Marty	Pariseau	Waldorf
Chmielewski	Gustafson	McGowan	Pogemiller	
Cohen	Halberg	Mehrkens	Price	
Dahl	Hottinger	Merriam	Ranum	

So the bill passed and its title was agreed to.

### 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. 81, which the committee recommends to pass.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Ms. Piper introduced—

S.F. No. 600: A bill for an act relating to traffic regulations; establishing the speed limit on interstate highway I-35E in St. Paul; authorizing the commissioner of transportation to designate a lower speed limit; amending Minnesota Statutes 1990, section 161.1245, subdivision 1.

Referred to the Committee on Transportation.

Mr. Johnson, D.E. introduced—

S.F. No. 601: A bill for an act relating to commerce; providing that credit agreements need not be signed by the creditor in certain situations; amending Minnesota Statutes 1990, section 513.33, subdivision 2.

Referred to the Committee on Commerce.

Mrs. Adkins, Messrs. Chmielewski and Hottinger introduced—

S.F. No. 602: A bill for an act relating to game and fish; authorizing residents of boarding care and board and lodging facilities to fish without a license; amending Minnesota Statutes 1990, section 97A.445, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Ms. Berglin introduced—

S.F. No. 603: A bill for an act relating to human services; requiring coverage of depo medroxyprogesterone acetate under the medical assistance program without prior authorization; amending Minnesota Statutes 1990, section 256B.0625, subdivision 13.

Referred to the Committee on Health and Human Services.

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

S.F. No. 604: A bill for an act relating to health; creating the Minnesota health assurance board and the department of health care access; establishing the Minnesota health assurance plan; creating a health care analysis unit; requiring research and data collection initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law as Minnesota Statutes, chapter 62K.

Referred to the Committee on Health and Human Services.

Messrs. Kelly, Cohen and Ms. Reichgott introduced—

S.F. No. 605: A bill for an act relating to crime victims; requiring victims to be notified of offender's escape; requiring notification to victim of final disposition of case; waiving fees necessary to obtain a temporary restraining order for harassment if petitioner is indigent; amending Minnesota Statutes 1990, sections 609.748, subdivisions 3, 4, and 6; 611A.02, subdivision 2; and 611A.06; proposing coding for new law in Minnesota Statutes, chapter 611A.

Referred to the Committee on Judiciary.

Mr. Finn, Meses. Traub, Ranum and Mr. Hottinger introduced—

S.F. No. 606: A bill for an act relating to children; establishing head start program demonstration projects to provide coordinated head start and child care programs at a single site.

Referred to the Committee on Health and Human Services.

Mr. Frederickson, D.J. introduced—

S.F. No. 607: A bill for an act relating to highways; permitting the inclusion of certain cities in the municipal state-aid street system; amending Minnesota Statutes 1990, section 162.02, subdivision 12.

Referred to the Committee on Transportation.

Ms. Berglin introduced—

S.F. No. 608: A bill for an act relating to human services; authorizing the establishment of congregate housing service programs under the administration of the Minnesota board on aging, for elderly and handicapped persons living in subsidized housing developments; establishing a congregate services advisory committee; authorizing a congregate housing resource center; establishing a grant program for congregate housing services; authorizing demonstration projects; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Ms. Berglin and Mr. Marty introduced—

S.F. No. 609: A bill for an act relating to controlled substances; medical care; allowing physicians to prescribe marijuana and Tetrahydrocannabinols for the treatment of cancer or glaucoma; amending Minnesota Statutes 1990, sections 152.02, subdivisions 2 and 3; and 152.21, subdivision 6; repealing Minnesota Statutes 1990, section 152.21, subdivisions 1 to 5 and 7.

Referred to the Committee on Health and Human Services.

Messrs. Finn, Luther, Waldorf, Ms. Traub and Mr. Hottinger introduced—

S.F. No. 610: A bill for an act relating to human services; adjusting requirements for parental contributions for the costs of certain services to children; amending Minnesota Statutes 1990, section 252.27, subdivisions 2 and 2a.

Referred to the Committee on Health and Human Services.

Messrs. Bertram, Bernhagen, Samuelson, Renneke and Lessard introduced—

S.F. No. 611: A bill for an act relating to veterans; clarifying rulemaking authority of the veterans homes board; changing language concerning payment of arrearages by veterans home residents; correcting certain references; amending Minnesota Statutes 1990, sections 198.003; 198.005; 198.03, subdivision 3; and 198.35.

Referred to the Committee on Veterans and General Legislation.

Mrs. Pariseau, Ms. Ranum, Mrs. Brataas, Ms. Berglin and Mr. McGowan introduced—

S.F. No. 612: A bill for an act relating to crime; requiring mandatory HIV antibody testing when a person has been convicted of criminal sexual conduct; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Ms. Pappas, Messrs. Spear, Vickerman and Johnson, D.E. introduced—

S.F. No. 613: A bill for an act relating to education; authorizing revenue for early childhood family education programs for families of limited English

proficiency; appropriating money; amending Minnesota Statutes 1990, section 121.882, subdivision 6, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Messrs. Hottinger, Kelly and Benson, D.D. introduced—

S.F. No. 614: A bill for an act relating to occupations and professions; regulating athletic trainers; creating an advisory committee; providing for registration; establishing fees; requiring rulemaking; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Health and Human Services.

Messrs. McGowan, Finn, Ms. Ranum, Mr. Laidig and Mrs. Pariseau introduced—

S.F. No. 615: A bill for an act relating to crimes; setting penalties for activities related to firearms; regulating the conduct of minors use of firearms; setting penalties for providing dangerous weapons; and setting conditions for arrests; amending Minnesota Statutes 1990, sections 609.11, by adding a subdivision; 609.52, subdivision 3; 609.66; and 629.34, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 152.

Referred to the Committee on Judiciary.

Messrs. Larson and Langseth introduced—

S.F. No. 616: A bill for an act relating to taxation; property; providing for a levy limit base adjustment for Becker county; delaying a penalty for one year; amending Minnesota Statutes 1990, section 275.50, subdivision 5a.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Gustafson; Bernhagen; Johnson, D.E.; Kelly and Metzen introduced—

S.F. No. 617: A bill for an act relating to housing; public assistance; establishing a rent assistance demonstration project for family stabilization for certain families receiving public assistance; appropriating money; amending Minnesota Statutes 1990, section 462A.21, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462A.

Referred to the Committee on Economic Development and Housing.

Messrs. Novak, Dahl, Knaak and Hughes introduced—

S.F. No. 618: A bill for an act relating to taxation; property; authorizing a special levy for the cities of Arden Hills, Blaine, Circle Pines, Mounds View, New Brighton, North Oaks, Shoreview, Vadnais Heights, and White Bear Lake for certain costs of providing drug abuse resistance education; amending Minnesota Statutes 1990, section 275.50, subdivision 5a.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 619: A bill for an act relating to utilities; requiring certificate of authority from public utilities commission to resell local telephone exchange services; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Energy and Public Utilities.

Mr. Solon introduced—

S.F. No. 620: A bill for an act relating to taxation; income; permitting seafarers to pay estimated taxes in one installment; amending Minnesota Statutes 1990, section 289A.25, subdivision 10.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Dahl; Moe, R.D.; Renneke; Lessard and Luther introduced—

S.F. No. 621: A bill for an act relating to the environment; clarifying and correcting provisions relating to the legislative commission on Minnesota resources and the Minnesota environmental and natural resources trust fund; amending Minnesota Statutes 1990, sections 116P.05; 116P.06; 116P.07; 116P.08, subdivisions 3 and 4; 116P.09, subdivisions 2, 4, 5, and 7; repealing Minnesota Statutes 1990, section 116P.04, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

Ms. Berglin, Messrs. Finn, Hottinger, Ms. Traub and Mr. Sams introduced—

S.F. No. 622: A bill for an act relating to human services; clarifying and establishing requirements for implementing the Minnesota family investment plan; amending Minnesota Statutes 1990, sections 256.031; 256.032; 256.033; 256.034; 256.035; and 256.036, subdivisions 1, 2, 4, and 5; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1990, sections 256.032, subdivisions 5 and 9; 256.035, subdivisions 6 and 7; 256.036, subdivision 10; Laws 1989, chapter 282, article 5, section 130.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 623: A bill for an act relating to education; eliminating payment of excess debt redemption fund amounts by school districts with capital loans; amending Minnesota Statutes 1990, section 124.431, subdivision 11.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 624: A bill for an act relating to negligence; volunteers; providing volunteers immunity from civil liability for injuries arising from volunteer activities; proposing coding for new law in Minnesota Statutes, chapter 604.

Referred to the Committee on Judiciary.

Messrs. Laidig, Belanger, Neuville, McGowan and Dahl introduced—

S.F. No. 625: A bill for an act relating to sentencing; requiring the legislature to approve changes made by the sentencing guidelines commission; amending Minnesota Statutes 1990, section 244.09, subdivision 11.

Referred to the Committee on Judiciary.

Mr. Price introduced—

S.F. No. 626: A bill for an act relating to public safety; regulating limousine drivers; adding identification to license plates; providing for limousine driver endorsement on drivers licenses; providing for payment of fees for limousine drivers licenses; requiring the commissioner of public safety to adopt rules relating to limousine permits; appropriating money; amending Minnesota Statutes 1990, sections 168.128, subdivisions 2 and 3; 171.01, by adding a subdivision; 171.02, subdivision 2; 171.10, subdivision 2; 171.13, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 171.

Referred to the Committee on Transportation.

Messrs. Laidig, Belanger, Mrs. Benson, J.E.; Mr. Knaak and Ms. Johnston introduced—

S.F. No. 627: A bill for an act relating to crimes; requiring the sentencing guidelines commission to increase weight assigned prior convictions for certain offenders.

Referred to the Committee on Judiciary.

Mr. Kelly, Ms. Ranum, Mr. Cohen, Ms. Pappas and Mr. McGowan introduced—

S.F. No. 628: A bill for an act relating to juveniles; requiring a study of the juvenile certification process.

Referred to the Committee on Judiciary.

Mr. Kelly introduced—

S.F. No. 629: A bill for an act relating to public employment; transportation department pilots; making certain pilots eligible for state-paid health insurance upon retirement at age 62; amending Minnesota Statutes 1990, section 352.86, subdivision 1.

Referred to the Committee on Governmental Operations.

Ms. Reichgott, Messrs. Dicklich, Dahl, Pogemiller and Ms. Olson introduced—

S.F. No. 630: A bill for an act relating to education; authorizing outcome-based schools; proposing coding for new law in Minnesota Statutes, chapters 120 and 124.

Referred to the Committee on Education.

Mr. Benson, D.D.; Mrs. Benson, J.E.; Mr. McGowan, Mrs. Adkins and Mr. Waldorf introduced—

S.F. No. 631: A bill for an act relating to human services; child care providers; allowing an extension for installing interior vertical access in child care facilities in churches; amending Minnesota Statutes 1990, section 16B.61, subdivision 3.

Referred to the Committee on Health and Human Services.

Messrs. Morse; Metzen; Moe, R.D.; Kroening and Mrs. Brataas introduced—

S.F. No. 632: A bill for an act relating to economic development; establishing a small business innovation research marketing and technical assistance program; appropriating money.

Referred to the Committee on Economic Development and Housing.

Mr. Stumpf introduced—

S.F. No. 633: A bill for an act relating to education; approving a maximum effort school loan program capital loan.

Referred to the Committee on Education.

Messrs. Spear, Luther, Knaak and Solon introduced—

S.F. No. 634: A bill for an act relating to court actions; providing immunity from liability arising out of the use of breathalyzers in liquor establishments; prohibiting the use of the breathalyzer test as evidence; proposing coding for new law in Minnesota Statutes, chapter 604.

Referred to the Committee on Judiciary.

Messrs. Samuelson, Solon, Dicklich and Johnson, D.J. introduced—

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

Referred to the Committee on Commerce.

Messrs. Bernhagen, Larson, Chmielewski, Mmes. Adkins and Pariseau introduced—

S.F. No. 636: A bill for an act relating to local government; enlarging authority to participate in certain federal loan programs; amending Minnesota Statutes 1990, section 465.73.

Referred to the Committee on Local Government.

Messrs. Solon and Gustafson introduced—

S.F. No. 637: A bill for an act relating to the city of Duluth; providing for certain city tax revenues; amending Laws 1980, chapter 511, section 1, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mr. Merriam introduced—

S.F. No. 638: A bill for an act relating to elections; providing directions for the preparation of ballot instructions; amending Minnesota Statutes 1990, section 204B.36, subdivision 2.

Referred to the Committee on Elections and Ethics.

Mr. Waldorf introduced—

S.F. No. 639: A bill for an act relating to retirement; Minnesota state retirement system; directing payment of Medicare Plan B supplemental medical coverage costs for designated retirees receiving annuities from the system; proposing coding for new law in Minnesota Statutes, chapter 352.

Referred to the Committee on Governmental Operations.

Ms. Johnson, J.B.; Mr. Bernhagen, Mrs. Pariseau, Ms. Johnston and Mr. Bertram introduced—

S.F. No. 640: A bill for an act relating to veterans; authorizing the veterans homes board to rent certain facilities; authorizing expenditures of money; amending Minnesota Statutes 1990, section 198.003.

Referred to the Committee on Veterans and General Legislation.

Mses. Piper, Berglin, Messrs. Samuelson, Stumpf and Renneke introduced—

S.F. No. 641: A bill for an act relating to health care; creating a special account; funding a program for pediatric access and training; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Messrs. Pogemiller, Luther, Storm, Novak and Moe, R.D. introduced—

S.F. No. 642: A bill for an act relating to taxation; providing that levies to pay certain costs of redistricting are special levies; amending Minnesota Statutes 1990, section 275.50, subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Pogemiller, Luther, Storm, Novak and Moe, R.D. introduced—

S.F. No. 643: A bill for an act relating to elections; setting certain redistricting goals and deadlines; authorizing certain actions by voters; amending Minnesota Statutes 1990, sections 204B.135; 204B.14, subdivision 3, and by adding a subdivision; and 375.025, subdivision 2.

Referred to the Committee on Redistricting.

Messrs. Pogemiller, Luther, Storm, Novak and Moe, R.D. introduced—

S.F. No. 644: A bill for an act relating to elections; limiting certain special elections; setting times and procedures for certain boundary changes; imposing duties on the secretary of state; changing requirements for polling places;



appropriating money; amending Minnesota Statutes 1990, sections 204B.135, by adding a subdivision; 204B.14, subdivisions 3, 4, and 6; 204B.16, subdivisions 1 and 2; 205.84, subdivision 2; and 205A.12, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 204B.

Referred to the Committee on Redistricting.

Mr. Solon introduced—

S.F. No. 645: A bill for an act relating to commerce; regulating irrevocable funeral trusts; excluding certain trusts from the asset limitation requirements for medical assistance; amending Minnesota Statutes 1990, sections 149.11; and 256B.056, subdivision 3.

Referred to the Committee on Commerce.

Messrs. Solon and Gustafson introduced—

S.F. No. 646: A bill for an act relating to retirement; Duluth police consolidation account in the public employees police and fire fund; authorizing certain survivors to elect alternative benefit coverage.

Referred to the Committee on Governmental Operations.

Messrs. Marty, Spear, Mses. Berglin and Flynn introduced—

S.F. No. 647: A bill for an act relating to human rights; making certain types of criminal harassment an unfair discriminatory practice; amending Minnesota Statutes 1990, section 363.03, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Pogemiller, Kroening, Metzen, Ms. Piper and Mr. Kelly introduced—

S.F. No. 648: A bill for an act relating to housing and economic development; modifying procedures relating to rent escrow actions; modifying procedures relating to the tenant's loss of essential services; modifying provisions relating to tenant remedy actions, retaliatory eviction proceedings, and receivership proceedings; modifying provisions relating to Minnesota housing finance agency low- and moderate-income housing programs; providing for an emergency mortgage and rental assistance pilot project; modifying certain receivership, assignment of rents and profits, and landlord and tenant provisions; modifying provisions relating to housing and redevelopment authorities; providing for the issuance of general obligation bonds for housing by the cities of Minneapolis and St. Paul; authorizing the city of Minneapolis to make small business loans; modifying the property tax classification of certain residential real estate; excluding housing districts from the calculation of local government aid reductions; modifying the interest rate reduction program; appropriating money; amending Minnesota Statutes 1990, sections 273.124, subdivisions 1 and 11; 273.13, subdivision 25; 273.1399, subdivision 1; 462A.03, subdivision 10; 462A.05, by adding a subdivision; 462A.222, subdivision 3; 462C.03, subdivision 10; 469.011, subdivision 4; 469.012, subdivision 1; 469.015, subdivisions 3, 4, and by adding a subdivision; 469.176, subdivision 4f; 481.02, subdivision 3; 504.02; 504.185, subdivision 2; 504.20, subdivisions 3, 4, 5, and 7; 504.27; 559.17, subdivision 2; 566.03, subdivision 1; 566.17,

subdivisions 1, 2, and by adding a subdivision; 566.175, subdivision 6; 566.18, subdivision 9; 566.29, subdivisions 2 and 4; and 576.01, subdivision 2; Laws 1974, chapter 285, section 4, as amended; Laws 1988, chapter 594, section 6; proposing coding for new law in Minnesota Statutes, chapters 268 and 609.

Referred to the Committee on Economic Development and Housing.

Messrs. Pogemiller and Luther introduced—

S.F. No. 649: A bill for an act relating to elections; campaign finance; prohibiting the transfer of funds from one candidate's principal campaign committee to another candidate's principal campaign committee; prohibiting the formation of more than one campaign committee by a candidate; providing that a candidate receive the opponent's public subsidy if the opponent does not agree to spending limits; requiring that recipients of public subsidies agree not to raise campaign funds from political associations that exceed one-half of total contributions to the candidate; requiring that a candidate raise within the candidate's district 50 percent of the matching amount necessary to receive a public subsidy; amending Minnesota Statutes 1990, sections 10A.14, subdivision 2; 10A.19, subdivision 1; 10A.25, subdivision 10; 10A.27, subdivision 9; 10A.322, by adding a subdivision; 10A.323; and 10A.324, subdivision 3, and by adding a subdivision; repealing Minnesota Statutes 1990, section 10A.25, subdivision 2a.

Referred to the Committee on Elections and Ethics.

Mr. Chmielewski, Ms. Pappas, Messrs. Mehrkens and Vickerman introduced—

S.F. No. 650: A bill for an act relating to traffic regulations; exempting emergency vehicles from certain restrictions on television screen installation in motor vehicles; amending Minnesota Statutes 1990, section 169.471, subdivision 1.

Referred to the Committee on Transportation.

Messrs. Spear, Solon, Mrs. Brataas, Messrs. Luther and Hottinger introduced—

S.F. No. 651: A bill for an act relating to insurance; requiring the registration of utilization review organizations; defining terms; requiring certificate to be issued by commissioner of commerce; establishing criteria for issuance of certificate; describing application process and fees; stating grounds for expiration, denial, and revocation of certificate; providing for waiver for some contracts with federal government; establishing reporting requirements; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 72A.

Referred to the Committee on Commerce.

Messrs. Solon; Vickerman; Benson, D.D.; Merriam and Sams introduced—

S.F. No. 652: A bill for an act relating to housing; providing for the payment of fees for certain publicly owned facilities; amending Minnesota Statutes 1990, section 327.23, subdivision 3.

Referred to the Committee on Economic Development and Housing.

Messrs. Metzen, Halberg, Mrs. Pariseau, Ms. Johnston and Mr. Neuville introduced—

S.F. No. 653: A bill for an act relating to Dakota county; permitting cities and towns to transfer assessment review duties to the county; proposing coding for new law in Minnesota Statutes, chapter 383D.

Referred to the Committee on Local Government.

Mr. Pogemiller, Ms. Flynn, Messrs. Kroening, Spear and Ms. Berglin introduced—

S.F. No. 654: A bill for an act relating to retirement; increasing survivor benefits payable from the Minneapolis employees retirement fund; amending Minnesota Statutes 1990, section 422A.23, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Pogemiller, Ms. Flynn, Messrs. Kroening, Spear and Ms. Berglin introduced—

S.F. No. 655: A bill for an act relating to retirement; providing postretirement adjustments for certain persons receiving benefits from the Minneapolis employees retirement fund; appropriating money.

Referred to the Committee on Governmental Operations.

Mr. Pogemiller, Ms. Flynn, Messrs. Kroening, Spear and Ms. Berglin introduced—

S.F. No. 656: A bill for an act relating to retirement; Minneapolis municipal employees; making various changes reflecting benefits, administration, and investment practices of the Minneapolis employees retirement fund; amending Minnesota Statutes 1990, sections 422A.03, subdivision 1; 422A.05, subdivision 2c; 422A.09, subdivision 3; 422A.13, subdivision 2; and 422A.16, subdivisions 1 and 3.

Referred to the Committee on Governmental Operations.

Mrs. Pariseau, Messrs. Knaak and Laidig introduced—

S.F. No. 657: A bill for an act relating to legislature; changing the size of the legislature; restricting certain reapportionment procedures; amending Minnesota Statutes 1990, sections 2.021; and 2.031, subdivision 1.

Referred to the Committee on Redistricting.

Mrs. Pariseau, Messrs. Metzen, Hughes, Novak and Halberg introduced—

S.F. No. 658: A bill for an act relating to education; providing for special education levies in intermediate districts; amending Minnesota Statutes 1990, section 275.125, subdivision 8c.

Referred to the Committee on Education.

Mrs. Pariseau, Messrs. Metzen, Mondale and Mehrkens introduced—

S.F. No. 659: A bill for an act relating to education; allowing intermediate school districts to levy for certain retirement costs; amending Minnesota Statutes 1990, sections 136D.27, by adding a subdivision; 136D.74, by adding a subdivision; and 136D.87, by adding a subdivision.

Referred to the Committee on Education.

Mrs. Pariseau, Mr. Metzen, Ms. Johnston and Mr. Halberg introduced—

S.F. No. 660: A bill for an act relating to education; modifying the levy procedure for intermediate school district No. 917; amending Minnesota Statutes 1990, section 136D.87, by adding a subdivision; repealing Minnesota Statutes 1990, section 136D.87, subdivision 1.

Referred to the Committee on Education.

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

S.F. No. 661: A bill for an act relating to parks; placing restrictions on certain changes on streets and highways within parks; providing an exemption from liability for designs subject to such restrictions; allowing park authorities to request variances from state-aid standards; allowing local authorities to establish speed limits within parks; amending Minnesota Statutes 1990, sections 162.02, subdivision 3a; 162.09, subdivision 3a; 169.14, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 160.

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

Messrs. Vickerman, Davis and Beckman introduced—

S.F. No. 662: A bill for an act relating to lawful gambling; making certain expenditures for maintenance and utilities for premises owned or leased by a licensed organization a lawful purpose; making organization licenses and premises permits valid for two years; repealing the requirement for an annual audit of lawful gambling activities and funds; reducing the rate of tax on the ideal gross from pull-tabs and tipboards; requiring the director of lawful gambling and the commissioner of revenue to jointly adopt a single form for organizations' monthly reporting; amending Minnesota Statutes 1990, sections 349.12, subdivision 25; 349.15; 349.16, subdivision 3; 349.165, subdivision 3; and 349.212, subdivision 4; repealing Minnesota Statutes 1990, section 349.19, subdivision 9.

Referred to the Committee on Gaming Regulation.

Ms. Berglin introduced—

S.F. No. 663: A bill for an act relating to human services; authorizing new intermediate care facilities to serve persons with Prader-Willi syndrome; appropriating money.

Referred to the Committee on Health and Human Services.

Messrs. Bertram, Beckman, Larson, Belanger and Davis introduced—

S.F. No. 664: A bill for an act relating to agriculture; regulating certain sales and services offered by grocery stores; limiting applicability of certain licensing and regulatory provisions; amending Minnesota Statutes 1990, sections 28A.05; 157.01, subdivision 1; and 412.221, subdivision 30.

Referred to the Committee on Agriculture and Rural Development.

Mr. Vickerman, Ms. Berglin and Mr. Samuelson introduced—

S.F. No. 665: A bill for an act relating to health; increasing funding for the nutritional supplement program known as WIC to expand services; appropriating money.

Referred to the Committee on Health and Human Services.

Messrs. Morse; Frederickson, D.R.; Davis and Bertram introduced—

S.F. No. 666: A bill for an act relating to agriculture; changing certain deadlines of the agricultural chemical response compensation board; amending Minnesota Statutes 1990, sections 18E.04, subdivision 5; and 18E.05, subdivision 3.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Morse, Knaak, Price, Davis and DeCramer introduced—

S.F. No. 667: A bill for an act relating to water; mandating requirements on certain development; amending Minnesota Statutes 1990, section 103B.3363, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 103B.

Referred to the Committee on Environment and Natural Resources.

Messrs. Morse; Beckman; Frederickson, D.R.; Solon and Kroening introduced—

S.F. No. 668: A bill for an act relating to economic development; establishing a small business development center program; appropriating money.

Referred to the Committee on Economic Development and Housing.

Mr. Luther introduced—

S.F. No. 669: A bill for an act relating to the Brooklyn Center housing and redevelopment authority; providing for authority to increase levy.

Referred to the Committee on Economic Development and Housing.

Mr. Vickerman, Ms. Berglin, Messrs. Samuelson and Storm introduced—

S.F. No. 670: A bill for an act relating to human services; increasing funding for home delivered meals; appropriating money.

Referred to the Committee on Health and Human Services.

Mr. McGowan, Mrs. Pariseau and Mr. Larson introduced—

S.F. No. 671: A bill for an act relating to lawful gambling; removing limits on allowable expenses; setting minimum percentages of gross profit that must be spent for lawful purposes; setting a maximum payout for pull-tabs; making requirements for posting of pull-tab winners applicable only at the direction of the gambling control board; changing the rate of the tax on pull-tabs and tipboards; abolishing the combined receipts tax; amending Minnesota Statutes 1990, sections 349.15; 349.16, subdivision 2; 349.163, subdivision 3; 349.172; and 349.212, subdivision 4; repealing Minnesota Statutes 1990, section 349.212, subdivision 6.

Referred to the Committee on Gaming Regulation.

Messrs. Dicklich; Chmielewski; Samuelson; Benson, D.D. and Ms. Berglin introduced—

S.F. No. 672: A bill for an act relating to human services; the Minnesota equal access to employment opportunities for persons with severe disabilities act; providing for equal employment opportunities for persons with severe disabilities; establishing rights; appropriating money; amending Minnesota Statutes 1990, sections 43A.191, subdivision 2; 120.183; 252.40; 268A.08, subdivision 2; and 268A.09, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 16B and 120.

Referred to the Committee on Health and Human Services.

Messrs. Spear, Luther, Solon and Cohen introduced—

S.F. No. 673: A bill for an act relating to credit unions; providing that credit unions may be designated as depositories of state funds; providing for the election of a supervisory committee; clarifying investment authority of board of directors; amending Minnesota Statutes 1990, sections 9.031, subdivision 1; 52.08; and 52.09, subdivision 2.

Referred to the Committee on Commerce.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, March 11, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TWENTY-FIRST DAY

St. Paul, Minnesota, Monday, March 11, 1991

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

### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Mark D. Helgeland.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

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

Adkins	Davis	Johnson, D.E.	McGowan	Pogemiller
Beckman	Day	Johnson, D.J.	Mehrkens	Price
Belanger	DeCramer	Johnson, J.B.	Merriam	Ranum
Benson, D.D.	Dicklich	Johnston	Metzen	Reichgott
Benson, J.E.	Finn	Kelly	Moe, R.D.	Renneke
Berg	Flynn	Knaak	Mondale	Riveness
Berglin	Frank	Kroening	Morse	Sams
Bernhagen	Frederickson, D.J.	Laidig	Neuville	Samuelson
Bertram	Frederickson, D.R.	Langseth	Novak	Spear
Brataas	Gustafson	Larson	Olson	Storm
Chmielewski	Halberg	Lessard	Pappas	Stumpf
Cohen	Hottinger	Luther	Pariseau	Traub
Dahl	Hughes	Marty	Piper	Vickerman

The President declared a quorum present.

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

### MEMBERS EXCUSED

Messrs. Solon and Waldorf were excused from the Session of today. Mr. Pogemiller was excused from the session of today from 2:00 to 2:30 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 6, 1991

The Honorable Jerome M. Hughes  
President of the Senate

Dear Senator Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 79 and 106.

Warmest regards,  
Arne H. Carlson, Governor

March 7, 1991

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

The Honorable Jerome M. Hughes  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1991 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1991	Date Filed 1991
106		4	4:25 p.m. March 6	March 7
	245	5	4:25 p.m. March 6	March 7
79		6	4:25 p.m. March 6	March 7

Sincerely,  
Joan Anderson Growe  
Secretary of State

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 238, 243, 36, 275 and 277.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 7, 1991

### FIRST READING OF HOUSE BILLS

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

H.F. No. 238: A bill for an act relating to consumer protection; prohibiting the provision of a credit card number as a condition of check cashing or acceptance; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

H.F. No. 243: A bill for an act relating to highways; allowing specific service signs to be erected at intersections of trunk highways with interstate highways; amending Minnesota Statutes 1990, section 160.293, subdivisions 2 and 3.



Referred to the Committee on Transportation.

H.F. No. 36: A bill for an act relating to occupations and professions; changing requirements for reciprocal licensing of physicians from other states and foreign medical school graduates; authorizing physicians to cancel licenses in good standing; requiring the cancellation of physicians' licenses for nonrenewal; changing licensing requirements for midwifery; changing the name of the board of medical examiners; amending Minnesota Statutes 1990, sections 147.03; 147.037, subdivision 1; and 148.31; proposing coding for new law in Minnesota Statutes, chapter 147.

Referred to the Committee on Health and Human Services.

H.F. No. 275: A bill for an act relating to commerce; prohibiting the unlawful assignment of certain motor vehicle contracts; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 242, now on General Orders.

H.F. No. 277: A bill for an act relating to education; permitting a fund transfer in independent school district No. 653.

Referred to the Committee on Education.

### REPORTS OF COMMITTEES

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

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

S.F. No. 217: A bill for an act relating to highways; adding route to the state highway system.

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

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

S.F. No. 208: A bill for an act relating to motor vehicles; providing for seven-year, in transit license plates for motor vehicle dealers; amending Minnesota Statutes 1990, sections 168.12, subdivision 1; 168.27, subdivisions 16 and 17; and 297B.035, subdivision 2.

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

Page 2, line 4, strike "(1) Number plates issued pursuant to"

Page 2, line 5, delete "*section*" and strike "168.053 shall be for a"

Page 2, strike line 6

Page 2, line 7, strike "(2)" and insert "(1)"

Page 2, line 12, strike "(3)" and insert "(2)"

Page 2, line 17, strike "(4)" and insert "(3)"

Page 2, line 18, after the comma, insert "*and section 168.053*"

Page 2, line 19, delete "(5)" and insert "(4)"

Page 2, line 20, delete "(4)" and insert "(3)"

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

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

S.F. No. 132: A bill for an act relating to public safety; providing for wheelchair securement devices in transit buses for transporting disabled people; amending Minnesota Statutes 1990, sections 299A.11; and 299A.12, subdivision 1, and by adding a subdivision.

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

Page 1, line 15, delete "bus" and insert "vehicle"

Page 2, line 5, delete "bus" and insert "vehicle" and delete "passenger motor vehicle" and insert "bus that is not a school bus as defined in section 169.01, subdivision 6,"

Page 2, line 6, delete everything after "pounds" and insert a period

Page 2, delete lines 7 and 8

Page 2, line 24, delete "ON" and delete "BUSES" and insert "VEHICLES" and delete "bus" and insert "vehicle"

Page 2, line 27, delete ", unassisted by the bus driver"

Page 2, after line 30, insert:

"Sec. 4. Minnesota Statutes 1990, section 299A.14, subdivision 3, is amended to read:

Subd. 3. The inspection shall be made to determine that the vehicle complies with the provisions of sections 299A.12, ~~subdivision~~ subdivisions 1 and 4, and 299A.13, subdivision 1; that the securement device is in working order; and that the securement device is not in need of obvious repair. The inspection may include testing the use of a securement device while the vehicle is in motion."

Amend the title as follows:

Page 1, line 3, delete "buses" and insert "vehicles"

Page 1, line 5, delete the first "and"

Page 1, line 6, before the period, insert "; and 299A.14, subdivision 3"

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. 177: A bill for an act relating to agriculture; abolishing the right of first refusal of an immediately preceding former owner who was a participant in the family farm security program; amending Minnesota Statutes 1990, section 500.24, subdivision 6.

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

Page 3, line 17, strike "five years" and insert "*the time period specified in subdivision 3, paragraph (i),*"

Page 3, lines 33 and 34, strike "five years or longer" and insert "*the time period specified in subdivision 3, paragraph (i)*"

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

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

S.F. No. 34: A bill for an act relating to the state agricultural society; including the Red River Valley Winter Shows as a state agricultural society member; amending Minnesota Statutes 1990, section 37.03, subdivision 1.

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

Mr. Frank from the Committee on Metropolitan Affairs, to which was referred

S.F. No. 75: A bill for an act relating to metropolitan government; extending the date for the international airport plan; amending Minnesota Statutes 1990, section 473.616, subdivision 1.

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 468: A bill for an act relating to employment; changing the date for submission of recommendations by the compensation council; amending Minnesota Statutes 1990, section 15A.082, subdivision 3.

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 235: A bill for an act relating to state government; purchases; amending the definition of "manufactured in the United States"; amending Minnesota Statutes 1990, section 16B.101, subdivision 1.

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 233: A bill for an act relating to state administration; regulating conditions of certain contracts, purchases, sales, and appropriations; clarifying insurance alternatives; setting conditions for certain land sales; appropriating money; amending Minnesota Statutes 1990, sections 16B.19,

subdivision 5; 16B.48, subdivision 2; 16B.51, subdivision 3; 16B.85, subdivision 1; and 94.10, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16B.

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

Page 1, line 23, delete "*must*" and insert "*shall*"

Page 2, line 1, delete "*annually*"

Page 3, line 3, delete "*clause*" and insert "*subdivision*" and delete "*any*" and insert "*an*"

Page 3, line 5, delete "*branches*" and insert "*departments*"

Page 3, line 15, delete "*annually*"

Page 3, line 23, delete "*(a)*" and insert "*(1)*"

Page 3, line 26, delete "*(b)*" and insert "*(2)*"

Page 3, line 32, strike "*any*"

Page 3, line 34, strike "*such*" and insert "*the*" and strike "*the*" and insert "*their*" and strike "*thereof*"

Page 3, line 35, strike "*such*" and insert "*the*"

Page 4, line 1, strike "*shall*" and insert "*must*"

Page 4, line 3, delete "*shall be*" and insert "*, if possible, is*"

Page 4, line 10, strike "*thereon*" and insert "*on it*" and strike the second "*the*" and insert "*its*" and strike "*thereof*"

Page 4, lines 11 and 12, strike "*the same or any part thereof, which oath shall*" and insert "*all or part of the land. A copy of the oath must*"

Page 4, line 13, strike the first "*such*" and insert "*the*" and strike the second "*such*"

Page 4, line 14, strike "*such*" and insert "*the*" and strike "*shall*" and insert "*must*"

Page 4, line 16, strike "*corporate or politic*"

Page 4, line 17, after the first "*purposes*" insert a comma and strike "*such*"

Page 4, line 18, strike "*the*" and insert "*their*" and strike "*thereof*"

Page 4, line 23, after the second "*land*" insert a comma

Page 4, line 25, after "*notice*" insert a comma

Page 4, line 28, strike the second "*shall*" and insert "*is to*"

Page 4, line 29, strike the comma

Page 4, line 30, strike "*such*"

Page 4, line 32, strike "*such*" and insert "*the*"

Page 4, line 33, strike "*not to exceed*" and insert "*no more than*"

Page 4, after line 35, insert:

"Sec. 8. Minnesota Statutes 1990, section 116J.63, subdivision 2, is

amended to read:

Subd. 2. Fees for reports, publications, or related publicity or promotional material are not subject to the rulemaking requirements of chapter 14 and are not subject to sections 16A.128 and 16A.1281. The fees prescribed by the commissioner must be commensurate with the distribution objective of the department for the material produced or with the cost of furnishing the services. ~~All fees for materials and services must be deposited in the general fund.~~"

Amend the title as follows:

Page 1, line 8, delete "and"

Page 1, line 9, after the semicolon, insert "and 116J.63, subdivision 2;"

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

Mrs. Adkins from the Committee on Local Government, to which was referred

H.F. No. 55: A bill for an act relating to peace officers; clarifying the soft body armor reimbursement program; amending Minnesota Statutes 1990, section 299A.38, subdivision 2.

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

H.F. No. 82: A bill for an act relating to public contracts; modifying the criteria for businesses and firms required to file affirmative action plans; amending Minnesota Statutes 1990, sections 363.073, subdivision 1; and 473.144.

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 196 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.
				196	171

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 196 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 196 and insert the language after the enacting clause of S.F. No. 171, the first engrossment; further, delete the title of H.F. No. 196 and insert the title of S.F. No. 171, the first engrossment.

And when so amended H.F. No. 196 will be identical to S.F. No. 171.

and further recommends that H.F. No. 196 be given its second reading and substituted for S.F. No. 171, 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. 195 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.
				195	172

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. 217, 132, 34, 75, 468 and 235 were read the second time.

### SECOND READING OF HOUSE BILLS

H.F. Nos. 55, 82, 196 and 195 were read the second time.

### MOTIONS AND RESOLUTIONS

Ms. Berglin moved that the name of Mr. Merriam be added as a co-author to S.F. No. 609. The motion prevailed.

Mr. Pogemiller moved that the names of Messrs. Price and Merriam be added as co-authors to S.F. No. 649. The motion prevailed.

Mr. Vickerman moved that the name of Ms. Traub be added as a co-author to S.F. No. 665. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Morse be added as a co-author to S.F. No. 670. The motion prevailed.

Mr. McGowan moved that the name of Ms. Johnston be added as a co-author to S.F. No. 671. The motion prevailed.

Mr. Larson introduced—

Senate Resolution No. 33: A Senate resolution congratulating the City of Battle Lake, Minnesota, on the occasion of its 100th Anniversary.

Referred to the Committee on Rules and Administration.

Messrs. Bertram and Samuelson introduced—

Senate Resolution No. 34: A Senate resolution commending Jack Peck, Little Falls, Minnesota, as he retires from KLTF-AM Radio.

Referred to the Committee on Rules and Administration.

Mr. Laidig introduced—

Senate Resolution No. 35: A Senate resolution honoring John Skoglund, former Mayor of Forest Lake, Minnesota, for 14 years of dedicated service.

Referred to the Committee on Rules and Administration.

Mr. Neuville introduced—

Senate Resolution No. 36: A Senate resolution recognizing the declaration of "Support Your National Guard Month" by the city of Faribault and urging Minnesotans to honor the National Guard during the month of April 1991.

Referred to the Committee on Rules and Administration.

**CALENDAR**

S.F. No. 81: A bill for an act relating to towns; clarifying certain provisions for the terms of town supervisor; providing for the compensation of certain town officers and employees; amending Minnesota Statutes 1990, sections 367.03, subdivision 1; and 367.05, subdivision 1.

Was read the third time 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	Day	Johnson, J.B.	Merriam	Reichgott
Beckman	DeCramer	Johnston	Metzen	Renneke
Belanger	Finn	Kelly	Moe, R.D.	Riveness
Benson, D.D.	Flynn	Knaak	Mondale	Sams
Benson, J.E.	Frank	Kroening	Morse	Samuelson
Berg	Frederickson, D.J.	Laidig	Neuville	Spear
Berglin	Frederickson, D.R.	Langseth	Novak	Storm
Bernhagen	Gustafson	Larson	Olson	Stumpf
Bertram	Halberg	Lessard	Pappas	Traub
Chmielewski	Hottinger	Luther	Pariseau	Vickerman
Cohen	Hughes	Marty	Piper	
Dahl	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

**CONSENT CALENDAR**

S.F. No. 393: A bill for an act relating to state lands; authorizing commissioner of veterans affairs to return land to a veterans organization who had originally donated the land for purposes of a state veterans cemetery.

Mr. Samuelson moved to amend S.F. No. 393 as follows:

Amend the title as follows:

Page 1, line 3, delete "veterans affairs" and insert "administration"

The motion prevailed. So the amendment was adopted.

S.F. No. 393 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Merriam	Reichgott
Beckman	DeCramer	Johnston	Metzen	Renneke
Belanger	Finn	Kelly	Moe, R. D.	Riveness
Benson, D.D.	Flynn	Knaak	Mondale	Sams
Benson, J.E.	Frank	Kroening	Morse	Samuelson
Berg	Frederickson, D.J.	Laidig	Neuville	Spear
Berglin	Frederickson, D.R.	Langseth	Novak	Storm
Bernhagen	Gustafson	Larson	Olson	Stumpf
Bertram	Halberg	Lessard	Pappas	Traub
Chmielewski	Hottinger	Luther	Pariseau	Vickerman
Cohen	Hughes	Marty	Piper	
Dahl	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Mehrkens	Ranum	

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

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. No. 443 and H.F. Nos. 290, 13 and 153, which the committee recommends to pass.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mses. Flynn, Piper, Messrs. Spear, Hottinger and Gustafson introduced—

S.F. No. 674: A bill for an act relating to occupations and professions; creating the state board of examiners for speech-language pathology and audiology and providing for its powers and duties; providing for the licensure and regulation of speech-language pathologists and audiologists; authorizing rulemaking; appropriating money; amending Minnesota Statutes 1990, sections 214.01, subdivision 2; and 214.04, subdivision 3; proposing coding for new law as Minnesota Statutes, chapter 153B.

Referred to the Committee on Health and Human Services.



Messrs. Chmielewski, Solon, Frank, Ms. Piper and Mr. Mondale introduced—

S.F. No. 675: A bill for an act relating to employees; providing for a wage protection program; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S.F. No. 676: A bill for an act relating to education; providing for outstanding capital loans when districts combine; amending Minnesota Statutes 1990, sections 122.242, subdivision 9; 122.247, by adding a subdivision; and 124.431, by adding a subdivision.

Referred to the Committee on Education.

Messrs. Pogemiller, Kroening and Renneke introduced—

S.F. No. 677: A bill for an act relating to retirement; surviving spouse benefits for the Minneapolis fire department relief association; amending Laws 1965, chapter 519, section 1, as amended.

Referred to the Committee on Governmental Operations.

Messrs. Pogemiller, Kroening and Renneke introduced—

S.F. No. 678: A bill for an act relating to retirement; administration of general funds in first class city firefighters relief associations; amending Minnesota Statutes 1990, section 69.39.

Referred to the Committee on Governmental Operations.

Messrs. Solon and Gustafson introduced—

S.F. No. 679: A bill for an act relating to retirement; public employees retirement association; granting the equivalent of two months maternity leave to a certain St. Louis county employee.

Referred to the Committee on Governmental Operations.

Messrs. Solon and Gustafson introduced—

S.F. No. 680: A bill for an act relating to firearms; authorizing reasonable fees to be charged for processing pistol permits; amending Minnesota Statutes 1990, sections 624.7131, subdivision 3; 624.7132, subdivision 11; and 624.714, subdivision 4.

Referred to the Committee on Judiciary.

Mses. Reichgott, Traub, Messrs. McGowan, Mondale and Riveness introduced—

S.F. No. 681: A bill for an act relating to education; designating a portion of state head start appropriations for grants to establish new early childhood education programs; amending Minnesota Statutes 1990, section 268.914.

Referred to the Committee on Education.

Mr. Cohen introduced—

S.F. No. 682: A bill for an act relating to child care; permitting variances from certain staffing requirements for parent cooperative programs; amending Minnesota Statutes 1990, sections 245A.02, by adding a subdivision; and 245A.14, subdivision 6.

Referred to the Committee on Health and Human Services.

Mr. Solon introduced—

S.F. No. 683: A bill for an act relating to alcoholic beverages; prohibiting a retailer from having an interest in a manufacturer, brewer, or wholesaler; prohibiting a retailer from renting space to a manufacturer, brewer, or wholesaler; providing that brand registration is for a three-year period; specifying that club on-sale licenses are subject to approval of the commissioner of public safety; consolidating provisions of law relating to seasonal on-sale licenses; providing extended duration of seasonal licenses in certain counties; clarifying law on issuance of off-sale licenses by counties; allowing gambling on licensed premises when governed by tribal ordinance or a tribal-state compact; clarifying language on certain prohibitions on issuance of multiple licenses and repealing obsolete provisions relating thereto; prohibiting off-site storage of intoxicating liquor; specifying applicability of license limits to certain fourth-class cities; changing the expiration date for consumption and display permits; raising the minimum age for keeping intoxicating liquor in bottle clubs; authorizing commissioner of public safety to impose civil penalties for conducting or permitting unlawful gambling on licensed premises, or for failure to remove impure products; specifying applicability to municipal liquor stores of prohibitions against permitting consumption of alcoholic beverages by underage persons; clarifying language on sales of intoxicating liquor on Christmas day; providing for Sunday liquor elections in counties; prohibiting sale of certain beverages of more than 50 percent alcohol content; authorizing commissioner of public safety to inspect alcoholic beverages for purity of contents, and to order the removal of impure products; specifying that a split liquor referendum is not required for issuance of club licenses; authorizing the seizure and disposition of unlawfully purchased alcoholic beverages; repealing restrictions on rules of the commissioner of public safety and wine sales at Twin Cities International Airport; amending Minnesota Statutes 1990, sections 340A.301, subdivision 7; 340A.311; 340A.402; 340A.404, subdivisions 1 and 6; 340A.405, subdivisions 2 and 6; 340A.408, subdivision 2; 340A.410, subdivision 5; 340A.412, subdivisions 2, 3, and by adding a subdivision; 340A.413, subdivision 1; 340A.414, subdivisions 4 and 8; 340A.415; 340A.503, subdivision 1; 340A.504, subdivisions 2 and 3; 340A.506; 340A.508, by adding a subdivision; 340A.601, subdivision 5; 340A.604; proposing coding for new law in Minnesota Statutes, chapter 340A; repealing Minnesota Statutes 1990, sections 340A.314; 340A.404, subdivision 6a; and 340A.903.

Referred to the Committee on Commerce.

Messrs. Pogemiller, Waldorf, Stumpf, Morse and Renneke introduced—

S.F. No. 684: A bill for an act relating to retirement; judges retirement fund; eliminating the offset for a portion of Social Security benefits; amending Minnesota Statutes 1990, sections 355.391, subdivision 1; and 490.123.

subdivision 1; repealing Minnesota Statutes 1990, section 490.129.

Referred to the Committee on Governmental Operations.

Messrs. Sams; Davis; Langseth; Frederickson, D.J. and Day introduced—

S.F. No. 685: A bill for an act relating to agriculture; providing a “Minnesota pure” category of dairy products; proposing coding for new law in Minnesota Statutes, chapter 32.

Referred to the Committee on Agriculture and Rural Development.

Ms. Pappas, Messrs. Samuelson; Kroening; Johnson, D.J. and Ms. Piper introduced—

S.F. No. 686: A bill for an act relating to insurance; defining “physician” to include chiropractors for purposes of long-term care policies; amending Minnesota Statutes 1990, section 62A.46, subdivision 7.

Referred to the Committee on Commerce.

Messrs. Dahl, Lessard, Bernhagen, Merriam and Morse introduced—

S.F. No. 687: A bill for an act relating to the environment; requiring recycled CFCs used in refrigerant applications to comply with certain standards; proposing coding for new law in Minnesota Statutes, chapter 239.

Referred to the Committee on Environment and Natural Resources.

Mr. Waldorf introduced—

S.F. No. 688: A bill for an act relating to employment; board of electricity; clarifying definitions; providing for a complaint committee; clarifying and adding duties of the board; providing penalties; amending Minnesota Statutes 1990, sections 326.01, subdivisions 2, 3, 4, 5, 6, 6a, and by adding subdivisions; 326.241, subdivision 2, and by adding a subdivision; 326.242, subdivisions 1, 2, 3, 4, 5, 6, 9, and by adding subdivisions; 326.244, subdivision 4, and by adding a subdivision; and 326.246.

Referred to the Committee on Commerce.

Messrs. Kroening and Pogemiller introduced—

S.F. No. 689: A bill for an act relating to commerce; requiring real estate brokers and salespersons to receive instruction in fair housing laws; amending Minnesota Statutes 1990, section 82.22, subdivision 13.

Referred to the Committee on Commerce.

Mr. Cohen introduced—

S.F. No. 690: A bill for an act relating to taxation; providing that resident’s employment in a sheltered workshop does not disqualify residence of disabled tenant from homestead treatment; amending Minnesota Statutes 1990, sections 268A.01, subdivision 6; and 273.124, subdivision 15.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Luther, Hottinger, Ms. Johnson, J.B. and Mr. Sams introduced—

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

Referred to the Committee on Judiciary.

Ms. Olson, Messrs. McGowan, Riveness, Merriam and Ms. Traub introduced—

S.F. No. 692: A bill for an act relating to the suburban Hennepin regional park district; setting the size of the board; removing powers of the Hennepin county board to review and veto reserve district budget; amending Minnesota Statutes 1990, sections 383B.68, subdivisions 1, 3, and 4, and by adding a subdivision; and 383B.73, subdivision 1; repealing Minnesota Statutes 1990, sections 383B.68, subdivision 2; and 383B.69.

Referred to the Committee on Local Government.

Messrs. Novak, Vickerman, Mrs. Adkins, Messrs. Renneke and Mehrkens introduced—

S.F. No. 693: A bill for an act relating to highways; requiring notice to political subdivisions before constructing, placing, repairing, maintaining, or operating utility structures or equipment in, along, over, or under a road, street, or highway right-of-way; requiring subsequent restoration, repair, or improvement to town road; amending Minnesota Statutes 1990, sections 116I.015, subdivision 3; 116I.02, subdivision 2; 164.36; and 222.37.

Referred to the Committee on Transportation.

Messrs. DeCramer; Johnson, D.E.; Mehrkens and Vickerman introduced—

S.F. No. 694: A bill for an act relating to traffic regulations; establishing maximum height for rear bumpers of certain semitrailers; allowing certain equipment to be excluded from computing the maximum allowable length of a semitrailer or trailer used in a three-vehicle combination; providing an exception to the length limitation on certain vehicle combinations; limiting maximum weight allowed on certain vehicle tires; conforming state highway weight limitations to federal requirements; imposing a cost-per-mile fee on certain overweight vehicles; amending Minnesota Statutes 1990, sections 169.73, subdivision 4a; 169.81, subdivisions 2 and 3; 169.825, subdivisions 8 and 10; and 169.86, subdivision 5.

Referred to the Committee on Transportation.

Mr. DeCramer, Ms. Olson, Mrs. Benson, J.E.; Mr. Novak and Ms. Johnston introduced—

S.F. No. 695: A bill for an act relating to motor carriers; making technical changes to motor carrier laws; allowing motor carrier certificate to be suspended or revoked for certain violations; providing an exemption for limousine service by a luxury passenger automobile; requiring private carriers operating vehicles having a gross weight greater than 12,000 pounds

to comply with driver qualification rules; requiring formerly exempt carriers operating vehicles having a gross weight greater than 12,000 pounds to comply with rules on driver qualifications and maximum hours of service of drivers; adopting federal out-of-service criteria for motor carriers; providing that certain federal laws and regulations apply to certain intrastate commerce; authorizing certain inspections and information gathering by the department of transportation regarding hazardous materials; authorizing variances to federal regulations regarding certain cargo tanks that transport gasoline; requiring immediate notice and subsequent written reports for additional situations involving hazardous materials transportation; prohibiting issuance of hazardous waste transporter license to applicant with history of repeated or serious violations; allowing exchange of information on applicant for hazardous waste transporter license; allowing trip permits for certain interstate transportation of hazardous waste and imposing a fee; requiring certain information from applicant to operate as permit carrier or local cartage carrier; establishing the initial motor carrier contact program; requiring information to be displayed on power units of registered vehicles of certain motor carriers; authorizing commissioner of transportation to suspend or cancel the operating authority, permit, or certificate of a motor carrier failing to pay a required administrative penalty; imposing administrative penalties; requiring payment of service charge for each identification stamp issued to an interstate motor carrier; allowing commissioner of transportation to inspect vehicles and records of building movers; requiring building movers to comply with rules on driver qualifications, safe operation, maximum hours of service of drivers, inspection, repair and maintenance, and accident reporting; requiring police escort when moving building, when required by permit; allowing commissioner of transportation to revoke, suspend, or deny a license for noncompliance with certain moving permits and other violations regarding building movers; amending Minnesota Statutes 1990, sections 221.021; 221.025; 221.031, subdivisions 2, 3, and by adding a subdivision; 221.033, subdivision 1, and by adding a subdivision; 221.034, subdivisions 1 and 3; 221.035, subdivision 1, and by adding a subdivision; 221.121, subdivisions 1 and 7; 221.131, subdivisions 1 and 2; 221.185, subdivisions 1, 2, and 4; 221.60, subdivision 2; 221.605, by adding a subdivision; and 221.81, subdivisions 2 and 4, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 221.

Referred to the Committee on Transportation.

Messrs. Knaak; Halberg; Mehrkens; Frederickson, D.R. and Ms. Olson introduced—

S.F. No. 696: A bill for an act relating to counties; limiting salaries, other compensation and conditions of service of county commissioners; amending Minnesota Statutes 1990, section 375.055, subdivision 1.

Referred to the Committee on Local Government.

Mr. Belanger and Ms. Johnston introduced—

S.F. No. 697: A bill for an act relating to appropriations; appropriating money to upgrade a segment of county state-aid highway 18 in Hennepin county.

Referred to the Committee on Transportation.

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

S.F. No. 698: A bill for an act relating to education; allowing the Canby school district to use an excess balance in the debt redemption fund for the elementary school roof.

Referred to the Committee on Education.

Mr. Hottinger, Ms. Ranum, Messrs. Vickerman, Storm and Mrs. Benson, J.E. introduced—

S.F. No. 699: A bill for an act relating to utilities; requiring that applicants under the telephone assistance plan be certified by the department of human services for eligibility before receiving benefits; requiring reports; amending Minnesota Statutes 1990, section 237.70, subdivision 7.

Referred to the Committee on Energy and Public Utilities.

Mr. Hottinger introduced—

S.F. No. 700: A bill for an act relating to education; allowing the Mankato school district to conduct a referendum before November 1991.

Referred to the Committee on Education.

Messrs. Knaak, Frank and McGowan introduced—

S.F. No. 701: A bill for an act relating to traffic regulations; providing that vehicle of person convicted a second or subsequent time for unlawfully driving while under the influence of alcohol or a controlled substance be impounded and sold at public auction; increasing fines for speeding violations; creating state patrol employment account; requiring state troopers to carry portable weighing scales; making technical changes; implementing point system for revoking driver's license for moving traffic violations; repealing the Dimler amendment; providing for recording excessive speed on uniform traffic citation; increasing penalties; amending Minnesota Statutes 1990, sections 168.042; 169.85; 169.99, subdivision 1b; and 171.02, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 169 and 171; repealing Minnesota Statutes 1990, section 171.12, subdivision 6.

Referred to the Committee on Transportation.

Mr. Hughes, Ms. Traub, Messrs. Pogemiller, Samuelson and Neuville introduced—

S.F. No. 702: A bill for an act relating to appropriations; appropriating money to the children's trust fund.

Referred to the Committee on Finance.

Ms. Berglin introduced—

S.F. No. 703: A bill for an act relating to health; establishing an AIDS prevention grant program for communities of color; appropriating money; amending Minnesota Statutes 1990, section 145.924.

Referred to the Committee on Health and Human Services.

Messrs. Bertram; DeCramer; Moe, R.D. and Johnson, D.E. introduced—

S.F. No. 704: A bill for an act relating to public safety; authorizing reimbursement of certain legal expenses incurred by certain law enforcement personnel; amending Minnesota Statutes 1990, section 299A.01, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Vickerman; Morse; Benson, D.D.; Mrs. Adkins and Mr. Chmielewski introduced—

S.F. No. 705: A bill for an act relating to local government; permitting certain local options for unfunded costs mandated by the state; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Local Government.

Mr. Spear, Ms. Ranum and Mr. Cohen introduced—

S.F. No. 706: A bill for an act relating to the collection and dissemination of data; classifying certain privately donated historical records as not government data; amending Minnesota Statutes 1990, section 13.40.

Referred to the Committee on Judiciary.

Mr. Gustafson and Ms. Piper introduced—

S.F. No. 707: A bill for an act relating to public safety; modifying exceptions to the requirement of inspection of boilers and pressure vessels; amending Minnesota Statutes 1990, section 183.56.

Referred to the Committee on Employment.

Messrs. Riveness, Pogemiller and Renneke introduced—

S.F. No. 708: A bill for an act relating to retirement; contributions and benefit computation for members of the Richfield police relief association; amending Laws 1965, chapter 458, sections 2 and 4.

Referred to the Committee on Governmental Operations.

Messrs. Novak; Johnson, D.J.; Finn; Metzen and Gustafson introduced—

S.F. No. 709: A bill for an act relating to utilities; excepting certain licensed public facilities from regulation as telephone companies or independent telephone companies; amending Minnesota Statutes 1990, section 237.01, subdivisions 2 and 3.

Referred to the Committee on Energy and Public Utilities.

Mr. Frank, Ms. Olson, Mr. Knaak, Mrs. Pariseau and Mr. Novak introduced—

S.F. No. 710: A bill for an act relating to education; removing restrictions on awarding certain degrees; amending Minnesota Statutes 1990, section 136C.042, subdivision 1.

Referred to the Committee on Education.

Mr. Benson, D.D.; Ms. Berglin, Messrs. Waldorf, Neuville and Ms. Johnston introduced—

S.F. No. 711: A bill for an act relating to human services; clarifying and establishing requirements for implementing the Minnesota family investment plan; amending Minnesota Statutes 1990, sections 256.031; 256.032; 256.033; 256.034; 256.035; and 256.036, subdivisions 1, 2, 4, and 5; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1990, sections 256.032, subdivisions 5 and 9; 256.035, subdivisions 6 and 7; 256.036, subdivision 10; Laws 1989, chapter 282, article 5, section 130.

Referred to the Committee on Health and Human Services.

Ms. Traub introduced—

S.F. No. 712: A bill for an act relating to education; allowing the Wayzata school district to conduct a referendum before November 1991.

Referred to the Committee on Education.

Mses. Traub, Berglin, Messrs. Benson, D.D.; Marty and Storm introduced—

S.F. No. 713: A bill for an act relating to human services licensing; repealing certain rule criteria for disqualification of applicants for licensing and their employees; amending Minnesota Statutes 1990, section 245A.04, subdivision 3.

Referred to the Committee on Health and Human Services.

Ms. Johnston, Mrs. Pariseau, Messrs. Sams, Samuelson and Renneke introduced—

S.F. No. 714: A bill for an act relating to the military; clarifying language about certain money appropriated for land acquisition; amending Minnesota Statutes 1990, section 190.25, subdivision 3.

Referred to the Committee on Veterans and General Legislation.

Messrs. Morse; Vickerman; Benson, D.D.; Mrs. Adkins and Mr. Chmielewski introduced—

S.F. No. 715: A bill for an act relating to local government; permitting certain local options for unfunded costs mandated by the state; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Local Government.

Mses. Reichgott, Ranum, Mr. Spear, Ms. Johnson, J.B. and Mr. Neuville introduced—

S.F. No. 716: A bill for an act relating to domestic abuse; increasing the penalty for violation of an order for protection after a previous conviction; clarifying and conforming arrest provisions; authorizing arrests without a warrant for violation of orders for protection relating to the petitioner's place of employment; increasing the period of probation for misdemeanor domestic



assaults; appropriating money; amending Minnesota Statutes 1990, sections 518B.01, subdivision 14; and 609.135, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Hottinger, Mrs. Adkins, Messrs. Neuville, Chmielewski and Bernhagen introduced—

S.F. No. 717: A bill for an act relating to counties; fixing various fees for documents; amending Minnesota Statutes 1990, sections 357.18, subdivision 1; 508.82; and 508A.82.

Referred to the Committee on Local Government.

Messrs. Frank, Halberg, Knaak, Mrs. Pariseau and Mr. Novak introduced—

S.F. No. 718: A bill for an act relating to education; changing intermediate school district levy limits; amending Minnesota Statutes 1990, sections 136D.27, subdivision 1; 136D.74, subdivision 2; and 136D.87, subdivision 1.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S.F. No. 719: A bill for an act relating to education; providing for school consolidation in certain circumstances.

Referred to the Committee on Education.

Messrs. Metzen, Kelly, Gustafson, Pogemiller and Kroening introduced—

S.F. No. 720: A bill for an act relating to housing; authorizing the Minnesota housing finance agency to establish a shallow rent subsidy program, a lease-purchase housing program, a blighted property acquisition program, and a housing capital reserve program; appropriating money; amending Minnesota Statutes 1990, sections 273.124, subdivision 7; and 462A.05, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 462A.

Referred to the Committee on Economic Development and Housing.

Mr. Marty introduced—

S.F. No. 721: A bill for an act relating to the state lottery; prohibiting advertising in connection with the lottery; amending Minnesota Statutes 1990, sections 349A.02, subdivisions 2 and 3; 349A.03, subdivision 2; 349A.06, by adding a subdivision; and 349A.10, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 349A; repealing Minnesota Statutes 1990, sections 349A.02, subdivision 5; and 349A.09.

Referred to the Committee on Gaming Regulation.

Mr. Merriam introduced—

S.F. No. 722: A bill for an act relating to military affairs; appropriating money to pay a local assessment against a state armory in the city of Anoka.

Referred to the Committee on Finance.

Messrs. Solon, Luther, Waldorf, Pogemiller and Storm introduced—

S.F. No. 723: A bill for an act relating to commerce; requiring accessibility specialists; requiring certification by building officials; amending Minnesota Statutes 1990, sections 16B.63, by adding a subdivision; and 16B.65, by adding a subdivision.

Referred to the Committee on Commerce.

Mr. Kelly introduced—

S.F. No. 724: A bill for an act relating to housing; modifying certain annual housing impact reporting and replacement housing requirements; amending Minnesota Statutes 1990, sections 504.33, subdivision 2; 504.34, subdivision 1; and 504.35.

Referred to the Committee on Economic Development and Housing.

Mr. Pogemiller, Ms. Berglin, Mr. Knaak, Ms. Piper and Mr. Storm introduced—

S.F. No. 725: A bill for an act relating to probate; adopting the uniform anatomical gift act (1987); correcting cross-references; amending Minnesota Statutes 1990, sections 65B.44, subdivision 4; 171.07, subdivision 5; 390.36; and 525.921, subdivisions 1, 4, 5, 8, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 525; repealing Minnesota Statutes 1990, sections 525.921, subdivision 2; and 525.922 to 525.94.

Referred to the Committee on Judiciary.

Mr. Marty introduced—

S.F. No. 726: A bill for an act relating to certain state employees; establishing eligibility for state-paid insurance after retirement in certain circumstances.

Referred to the Committee on Governmental Operations.

Mr. Hottinger, Mses. Traub; Johnson, J.B.; Piper and Mr. Benson, D.D. introduced—

S.F. No. 727: A bill for an act relating to human services; child care; establishing income eligibility levels for families with children with disabilities; amending Minnesota Statutes 1990, section 256H.10, subdivisions 1 and 2.

Referred to the Committee on Health and Human Services.

## ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, March 14, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

**TWENTY-SECOND DAY**

St. Paul, Minnesota, Wednesday, March 13, 1991

The House of Representatives met on Wednesday, March 13, 1991, which was the Twenty-Second Legislative Day of the Seventy-Seventh Session of the Minnesota State Legislature. The Senate did not meet on this date.

## TWENTY-THIRD DAY

St. Paul, Minnesota, Thursday, March 14, 1991

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

### 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.

Prayer was offered by the Chaplain, Archbishop John R. Roach.

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

Adkins	Davis	Johnson, D.E.	Merriam	Reichgott
Beckman	Day	Johnson, D.J.	Metzen	Renneke
Belanger	DeCramer	Johnson, J.B.	Mondale	Riveness
Benson, D.D.	Dicklich	Johnston	Morse	Sams
Benson, J.E.	Finn	Kelly	Neuville	Samuelson
Berg	Flynn	Knaak	Novak	Solon
Berglin	Frank	Kroening	Olson	Spear
Bernhagen	Frederickson, D.J.	Laidig	Pappas	Storm
Bertram	Frederickson, D.R.	Langseth	Pariseau	Stumpf
Brataas	Gustafson	Larson	Piper	Traub
Chmielewski	Halberg	Marty	Pogemiller	Vickerman
Cohen	Hottinger	McGowan	Price	Waldorf
Dahl	Hughes	Mehrkens	Ranum	

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. Lessard, Luther and Moe, R.D. were excused from the Session of today. Mr. Frederickson, D.J. was excused from the Session of today at 2:35 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

February 19, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

The following appointments are hereby respectfully submitted to the Senate for confirmation as requested by law:

**CONGRESSIONAL DISTRICT 2  
MEMBER, BOARD OF THE ARTS**

Lucy Rieth, 10011 North Shore Drive, Spicer, Kandiyohi County, Minnesota, has been appointed by me, effective February 18, 1991, for a term expiring on the first Monday in January, 1995.

**MEMBERS AT-LARGE, BOARD OF THE ARTS**

Elizabeth C. Whitbeck, 2717 Ewing Avenue South, Minneapolis, Hennepin County, Minnesota, has been appointed by me, effective February 18, 1991, for a term expiring on the first Monday in January, 1994.

Joseph Duffy, 1032 Plummer Circle Southwest, Rochester, Olmsted County, Minnesota, has been appointed by me, effective February 18, 1991, for a term expiring on the first Monday in January, 1995.

Conrad Razidlo, 4237 Lynn Avenue South, Edina, Hennepin County, Minnesota, has been appointed by me, effective February 18, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Veterans and General Legislation.)

Warmest regards,  
Arne H. Carlson, Governor

**MESSAGES FROM THE HOUSE**

Mr. President:

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

Senate Concurrent Resolution No. 5: A Senate concurrent resolution relating to adjournment for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 11, 1991

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 282 and 324.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 11, 1991

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 320, 430, 598, 205, 246, 276, 98, 146 and 192.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 13, 1991

### FIRST READING OF HOUSE BILLS

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

H.F. No. 282: A bill for an act relating to public utilities; exempting from prior rate regulation gas utilities that have 650 or fewer customers in any one municipality and a total of 2,000 or fewer customers; amending Minnesota Statutes 1990, section 216B.16, by adding a subdivision.

Referred to the Committee on Energy and Public Utilities.

H.F. No. 324: A bill for an act relating to employment; regulating an employee's lien for wages; amending Minnesota Statutes 1990, section 514.59.

Referred to the Committee on Employment.

H.F. No. 320: A bill for an act relating to occupations and professions; modifying an auctioneer's exemption from real estate brokers and salespersons licensing; amending Minnesota Statutes 1990, section 82.18.

Referred to the Committee on Commerce.

H.F. No. 430: A bill for an act relating to intoxicating liquor; specifying the number of on-sale licenses which may be issued in the city of Virginia; repealing Laws 1974, chapter 501, section 1.

Referred to the Committee on Commerce.

H.F. No. 598: A bill for an act relating to insurance; regulating agent rehabilitations and cancellations of agency contracts by fire and casualty companies; amending Minnesota Statutes 1990, sections 60A.171; and 60A.175.

Referred to the Committee on Commerce.

H.F. No. 205: A bill for an act relating to insurance; prohibiting discrimination against American military personnel; amending Minnesota Statutes 72A.20, subdivision 8.

Referred to the Committee on Veterans and General Legislation.

H.F. No. 246: A bill for an act relating to alcoholic beverages; allowing proof of age by means of a Canadian identification card; amending Minnesota Statutes 1990, section 340A.503, subdivision 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 216, now on General Orders.

H.F. No. 276: A bill for an act relating to insurance; accident and health; prohibiting the nondiagnostic use of X-rays; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce.

H.F. No. 98: A bill for an act relating to civil commitment; establishing requirements for judicial release orders during the emergency hold period; amending Minnesota Statutes 1990, section 253B.05, subdivisions 1, 2, and 3.

Referred to the Committee on Rules and Administration for comparison

with S.F. No. 127, now on General Orders.

H.F. No. 146: A bill for an act relating to commerce; regulating real estate closings; prohibiting persons from requiring the use of particular closing agents; requiring the commissioner to adopt rules; amending Minnesota Statutes 1990, section 507.45, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 329.

H.F. No. 192: A bill for an act relating to the Duluth transit authority; providing for the transportation of students; repealing Laws 1988, chapter 573, section 2.

Referred to the Committee on Transportation.

### REPORTS OF COMMITTEES

Mr. Merriam moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 355 and the report pertaining to appointments. The motion prevailed.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 334: A bill for an act relating to cities; providing for distribution of public notices in cities of the fourth class in the metropolitan area; amending Minnesota Statutes 1990, section 331A.03.

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

Page 1, line 24, after "if" insert "*there is no qualified nondaily newspaper of general circulation in the city, provided*"

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 573: A bill for an act relating to local government; permitting the creation of library tax districts; proposing coding for new law in Minnesota Statutes, chapter 471.

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

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

S.F. No. 397: A bill for an act relating to capital improvements; altering the terms of a grant to the Red Lake watershed district; amending Laws 1990, chapter 610, article 1, section 20, subdivision 5.

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

Page 1, line 24, delete "*permanent*" and insert "*40-year*"

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. 326: A bill for an act relating to natural resources; providing a deadline for the legislative task force on minerals to submit its report; extending the availability of its appropriation.

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

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

S.F. No. 281: A bill for an act relating to agriculture; appropriating money for promoting the use of ethanol.

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

Delete everything after the enacting clause and insert:

“Section 1. [APPROPRIATION; ETHANOL PROMOTION.]

*\$400,000 is appropriated from the general fund 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.”*

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. 560: A bill for an act relating to economic development; providing comprehensive information to potential developers of ethanol plants; appropriating money.

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

Page 1, line 8, delete everything after the first comma

Page 1, line 9, after “*the*” insert “*commissioner of the department of trade and economic development, the*” and after “*licenses*” insert a comma and after “*under*” insert “*Minnesota Statutes,*”

Page 1, line 10, delete “*116J.76*” and insert “*116J.86,*”

Page 1, line 11, after “*under*” insert “*Minnesota Statutes,*”

Page 1, line 12, delete “*department*” and insert “*departments*”

Page 1, line 13, before the first comma, insert “*and health*”

Page 1, line 15, delete “*should*” and insert “*must*”

Page 1, line 17, delete “*such*”

Page 1, line 21, delete “*producing*” and insert “*developing*”

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. 559: A bill for an act relating to motor fuels; requiring ethanol as the oxygenate in oxygenated gasoline; amending Minnesota Statutes 1990, section 239.76, by adding subdivisions.

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

Page 1, line 9, delete "*have*" and insert "*be agricultural alcohol gasoline*"

Page 1, line 10, delete "*ethanol*" and delete "*41A.09*" and insert "*296.01*" and delete "*2, added as*" and insert "*24.*"

Page 1, delete line 11

Page 1, line 15, delete "*air*" and insert "*Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington, Chisago, Isanti, and Wright*"

Page 1, line 16, delete "*quality nonattainment*" and delete "*to*"

Page 1, line 17, delete "*the extent*" and insert "*for the time period*"

Page 1, line 21, delete "*air quality nonattainment*" and insert "*Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington, Chisago, Isanti, and Wright*"

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 460: A bill for an act relating to veterans; changing certain requirements for appointment of county veterans service officers; amending Minnesota Statutes 1990, section 197.60, subdivision 2, and by adding a subdivision.

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was re-referred

S.F. No. 355: A bill for an act relating to animals; providing for disposition of certain seized animals; requiring bond or other security for expenses of care in certain cases; proposing coding for new law in Minnesota Statutes, chapter 343.

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 1990, section 343.22, subdivision 1, is amended to read:

343.22 [INVESTIGATION OF CRUELTY COMPLAINTS.]

Subdivision 1. [REPORTING.] Any person who has reason to believe

that a violation of this chapter has taken place or is taking place may apply to any court having jurisdiction over actions alleging violation of that section for a warrant and for investigation. The court shall examine under oath the person so applying and any witnesses the applicant produces and the court shall take their affidavits in writing. The affidavits must set forth facts tending to establish the grounds for believing a violation of this chapter has occurred or is occurring, or probable cause to believe that a violation exists. If the court is satisfied of the existence of the grounds of the application, or that there is probable cause to believe a violation exists, it shall issue a signed search warrant and order for investigation to a peace officer in the county. The order shall command the officer to proceed promptly to the location of the alleged violation, ~~along with~~. *The order may command that a doctor of veterinary medicine accompany the officer.*

Sec. 2. Minnesota Statutes 1990, section 343.22, subdivision 3, is amended to read:

Subd. 3. ~~[DISPOSAL OF CERTAIN ANIMALS.]~~ Upon a proper determination by a licensed doctor of veterinary medicine, any animal taken into custody pursuant to this section may be immediately disposed of when the animal is suffering and is beyond cure through reasonable care and treatment. *All other animals shall be disposed of as provided in section 343.235. The authority taking custody of the animals may recover all costs incurred under this section.*

Sec. 3. Minnesota Statutes 1990, section 343.29, subdivision 1, is amended to read:

Subdivision 1. ~~[DELIVERY TO SHELTER.]~~ Any peace officer, animal control officer, or agent of the federation or county or district societies for the prevention of cruelty, may remove, shelter, and care for any animal which is not properly sheltered from cold, hot, or inclement weather or any animal not properly fed and watered, or provided with suitable food and drink. When necessary, a peace officer, animal control officer, or agent may deliver the animal to another person to be sheltered and cared for, and furnished with suitable food and drink. In all cases, the owner, if known, shall be immediately notified, and the person having possession of the animal, shall have a lien thereon for its care and keeping, ~~the reasonable value of the food and drink furnished,~~ and the expenses of the notice. If the owner or custodian is unknown and cannot by reasonable effort be ascertained, or does not, within ~~five~~ *seven* days after notice, redeem the animal by paying the expenses authorized by this subdivision, the animal may be ~~treated as an stray disposed of as provided in section 343.235.~~

Sec. 4. [343.235] ~~[DISPOSITION OF SEIZED ANIMALS.]~~

*Subdivision 1. [GENERAL RULE.] An animal taken into custody under section 343.22 or 343.29 may be humanely disposed of at the discretion of the jurisdiction having custody of the animal seven days after the animal is taken into custody.*

*Subd. 2. [SECURITY.] A person claiming an interest in an animal in custody under subdivision 1 may prevent disposition of the animal by posting a bond or security in an amount sufficient to provide for the animal's care and keeping for at least 30 days, inclusive of the date on which the animal was taken into custody. Even if a bond or security is posted, the authority having custody of the animal may humanely dispose of the animal at the end of the time for which expenses of care and keeping are covered by the*

*bond or security, unless there is a court order prohibiting the disposition. The order must provide for a bond or other security in the amount necessary to protect the authority having custody of the animal from any cost of the care, keeping, or disposal of the animal.*

*Subd. 3. [NOTICE.] The authority taking custody of an animal under section 343.22 or 343.29 shall give notice of this section by posting a copy of it at the place where the animal is taken into custody or by delivering it to a person residing on the property.*

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 animals; providing for disposition of certain animals taken into custody by public authorities; requiring bond or other security for expenses of care in certain cases; amending Minnesota Statutes 1990, sections 343.22, subdivisions 1 and 3; and 343.29, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 343."

And when so amended the bill do pass. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 275 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.
275	242				

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. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred the following appointment as reported in the Journal for February 4, 1991:

DEPARTMENT OF REVENUE  
COMMISSIONER

Dorothy McClung

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

Mr. Merriam moved that the foregoing committee report be laid on the table. The motion prevailed.

**SECOND READING OF SENATE BILLS**

S.F. Nos. 334 and 397 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. No. 275 was read the second time.

**MOTIONS AND RESOLUTIONS**

Ms. Berglin moved that the names of Ms. Piper and Mr. Hughes be added as co-authors to S.F. No. 310. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Finn be added as a co-author to S.F. No. 397. The motion prevailed.

Mr. Kelly moved that the name of Ms. Berglin be added as a co-author to S.F. No. 605. The motion prevailed.

Ms. Berglin moved that the name of Ms. Piper be added as a co-author to S.F. No. 609. The motion prevailed.

Ms. Berglin moved that her name be stricken as a co-author to S.F. No. 612. The motion prevailed.

Ms. Ranum moved that her name be stricken as a co-author to S.F. No. 612. The motion prevailed.

Mr. Spear moved that the name of Mr. Merriam be added as a co-author to S.F. No. 706. The motion prevailed.

Mr. Price introduced—

Senate Resolution No. 37: A Senate resolution congratulating the Air Force Junior ROTC program as they celebrate their 25th Anniversary.

Referred to the Committee on Rules and Administration.

**CALENDAR**

H.F. No. 196: A resolution memorializing the Congress of the United States to enact the POW/MIA truth bill, that relates to the disclosure of live sighting information on American service personnel missing in action from World War II, Korea, and Vietnam.

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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mondale	Riveness
Beckman	Day	Johnson, D.J.	Morse	Sams
Belanger	DeCramer	Johnson, J.B.	Neuville	Samuelson
Benson, D.D.	Dicklich	Johnston	Novak	Solon
Benson, J.E.	Finn	Kelly	Olson	Spear
Berg	Flynn	Knaak	Pappas	Storm
Berglin	Frank	Kroening	Pariseau	Stumpf
Bernhagen	Frederickson, D.J.	Laidig	Piper	Traub
Bertram	Frederickson, D.R.	Langseth	Pogemiller	Vickerman
Brataas	Gustafson	Larson	Price	Waldorf
Chmielewski	Halberg	McGowan	Ranum	
Cohen	Hottinger	Mehrkens	Reichgott	
Dahl	Hughes	Metzen	Renneke	

So the resolution passed and its title was agreed to.

H.F. No. 195: A resolution memorializing the Congress of the United States to continue funding of the POW/MIA special investigation that is being conducted by the United States Senate Foreign Relations Committee.

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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mondale	Riveness
Beckman	Day	Johnson, D.J.	Morse	Sams
Belanger	DeCramer	Johnson, J.B.	Neuville	Samuelson
Benson, D.D.	Dicklich	Johnston	Novak	Solon
Benson, J.E.	Finn	Kelly	Olson	Spear
Berg	Flynn	Knaak	Pappas	Storm
Berglin	Frank	Kroening	Pariseau	Stumpf
Bernhagen	Frederickson, D.J.	Laidig	Piper	Traub
Bertram	Frederickson, D.R.	Langseth	Pogemiller	Vickerman
Brataas	Gustafson	Larson	Price	Waldorf
Chmielewski	Halberg	McGowan	Ranum	
Cohen	Hottinger	Mehrkens	Reichgott	
Dahl	Hughes	Metzen	Renneke	

So the resolution passed and its title was agreed to.

H.F. No. 13: A bill for an act relating to taxation; allowing an extension to file income tax returns and property tax refund claims for national guard and reserve members who are called to active duty; amending Minnesota Statutes 1990, section 289A.39, 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	Davis	Johnson, D.E.	Metzen	Renneke
Beckman	Day	Johnson, D.J.	Mondale	Riveness
Belanger	DeCramer	Johnson, J.B.	Morse	Sams
Benson, D.D.	Dicklich	Johnston	Neuville	Samuelson
Benson, J.E.	Finn	Knaak	Novak	Solon
Berg	Flynn	Kroening	Olson	Spear
Berglin	Frank	Laidig	Pappas	Storm
Bernhagen	Frederickson, D.J.	Langseth	Pariseau	Stumpf
Bertram	Frederickson, D.R.	Larson	Piper	Traub
Brataas	Gustafson	Marty	Pogemiller	Vickerman
Chmielewski	Halberg	McGowan	Price	Waldorf
Cohen	Hottinger	Mehrkens	Ranum	
Dahl	Hughes	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 443: A bill for an act relating to civil procedure; repealing the statute requiring surety for costs in certiorari matters; repealing Minnesota Statutes 1990, section 606.03.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.J.	Metzen	Riveness
Beckman	DeCramer	Johnson, J.B.	Mondale	Sams
Belanger	Dicklich	Johnston	Morse	Samuelson
Benson, D.D.	Finn	Kelly	Neuville	Solon
Benson, J.E.	Flynn	Knaak	Novak	Spear
Berglin	Frank	Kroening	Pappas	Storm
Bernhagen	Frederickson, D.J.	Laidig	Pariseau	Stumpf
Bertram	Frederickson, D.R.	Langseth	Piper	Traub
Brataas	Gustafson	Larson	Pogemiller	Vickerman
Chmielewski	Halberg	Marty	Price	Waldorf
Cohen	Hottinger	McGowan	Ranum	
Dahl	Hughes	Mehrkens	Reichgott	
Davis	Johnson, D.E.	Merriam	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 153: A bill for an act relating to commerce; regulating real estate appraisers; authorizing the commissioner of commerce to issue temporary 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Merriam	Reichgott
Beckman	Day	Johnson, D.J.	Metzen	Renneke
Belanger	DeCramer	Johnson, J.B.	Mondale	Riveness
Benson, D.D.	Dicklich	Johnston	Morse	Sams
Benson, J.E.	Finn	Kelly	Neuville	Samuelson
Berg	Flynn	Knaak	Novak	Solon
Berglin	Frank	Kroening	Olson	Spear
Bernhagen	Frederickson, D.J.	Laidig	Pappas	Storm
Bertram	Frederickson, D.R.	Langseth	Pariseau	Stumpf
Brataas	Gustafson	Larson	Piper	Traub
Chmielewski	Halberg	Marty	Pogemiller	Vickerman
Cohen	Hottinger	McGowan	Price	Waldorf
Dahl	Hughes	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

H.F. No. 55: A bill for an act relating to peace officers; clarifying the soft body armor reimbursement program; amending Minnesota Statutes 1990, section 299A.38, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Metzen	Renneke
Beckman	Day	Johnson, J.B.	Mondale	Riveness
Belanger	DeCramer	Johnston	Morse	Sams
Benson, D.D.	Dicklich	Kelly	Neuville	Samuelson
Benson, J.E.	Finn	Knaak	Novak	Solon
Berg	Flynn	Kroening	Olson	Spear
Berglin	Frank	Laidig	Pappas	Storm
Bernhagen	Frederickson, D.R.	Langseth	Pariseau	Stumpf
Bertram	Gustafson	Larson	Piper	Traub
Brataas	Halberg	Marty	Pogemiller	Vickerman
Chmielewski	Hottinger	McGowan	Price	Waldorf
Cohen	Hughes	Mehrkens	Ranum	
Dahl	Johnson, D.E.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. No. 132, which the committee recommends to pass.

H.F. No. 104, which the committee recommends to pass, subject to the following motion:

Mr. Solon moved that the amendment made to H.F. No. 104 by the Committee on Rules and Administration in the report adopted March 7, 1991, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

On motion of Mr. Merriam, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Hottinger, Dicklich, Dahl, Stumpf and Mrs. Benson, J.E. introduced—

S.F. No. 728: A bill for an act relating to education; establishing the Minnesota training institute to ensure quality services to persons with developmental disabilities; requiring the institute to ensure appropriate training programs and materials; establishing a board to govern the training institute; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 252.

Referred to the Committee on Education.

Messrs. Merriam and Lessard introduced—

S.F. No. 729: A bill for an act relating to game and fish; qualifications for obtaining a license to take wild animals by firearms; proposing coding for new law in Minnesota Statutes, chapter 97B.

Referred to the Committee on Environment and Natural Resources.

Messrs. Knaak and Frank introduced—

S.F. No. 730: A bill for an act relating to education; increasing special education funding formulas; amending Minnesota Statutes 1990, sections 124.32, subdivision 1b; and 275.125, subdivision 8c.

Referred to the Committee on Education.

Mr. Lessard, Mrs. Pariseau, Messrs. Dahl and Merriam introduced—

S.F. No. 731: A bill for an act relating to solid waste; regulating packaging and toxic materials in packaging and products; defining packaging; preempting local regulations relating to packaging; establishing a packaging advisory council; establishing a goal for reduction of packaging in the solid waste stream; establishing goals for reduction in the solid waste stream of specific classifications of packaging materials; imposing a future fee for failure to meet the reduction goal for a classification of packaging material; requiring counties to ensure recycling of commonly used packaging materials; requiring registration of and payment of a fee for use of priority toxic materials in products and packaging; requiring reduction of the use of toxic materials in packaging; requiring various reports and research; authorizing rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 115A.02; 115A.03, by adding a subdivision; 115A.072, subdivision 2; 115A.12, subdivision 1, and by adding a subdivision; 115A.552, by adding a subdivision; 115A.557, by adding a subdivision; 115A.558; 115A.93, subdivision 3, and by adding a subdivision; 325E.042, subdivision 3, and by adding a subdivision; and 400.08, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1990, section 115A.953.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 732: A bill for an act relating to state lands; offering an alternative to bond or deposit requirements on contracts for cutting timber; proposing coding for new law in Minnesota Statutes, chapter 90.

Referred to the Committee on Environment and Natural Resources.

Mr. Lessard introduced—

S.F. No. 733: A bill for an act relating to education; allowing independent school district No. 361, International Falls, to set its own school opening day each year.

Referred to the Committee on Education.

Messrs. Pogemiller and Renneke introduced—

S.F. No. 734: A bill for an act relating to retirement; highway patrol refund of certain employee contributions upon death; amending Minnesota Statutes 1990, section 352B.11, by adding a subdivision.

Referred to the Committee on Governmental Operations.



Messrs. Lessard; Frederickson, D.R.; Riveness and Frederickson, D.J. introduced—

S.F. No. 735: A bill for an act relating to public safety; authorizing certain departmental employees to donate vacation time to bargaining representatives; proposing coding for new law in Minnesota Statutes, chapter 299A.

Referred to the Committee on Governmental Operations.

Messrs. Kelly, Cohen, Luther and Marty introduced—

S.F. No. 736: A bill for an act relating to crimes; expanding zones in which sale or possession of a controlled substance carries a more severe penalty; sunsetting the office of drug policy; requiring a study of expanding the implied consent law; expanding the scope of the office of drug policy and the drug abuse prevention resource council to include alcohol abuse; amending Minnesota Statutes 1990, sections 152.01, by adding a subdivision; 152.022, subdivision 1; 152.023, subdivision 2; 244.095, subdivisions 1 and 2; 299A.29, subdivisions 3, 5, and by adding subdivisions; 299A.30; 299A.31; 299A.32; 299A.35; 299A.36; and 609.115, by adding a subdivision; repealing Minnesota Statutes 1990, sections 244.095, subdivision 3; 299A.29, subdivisions 2 and 4; and 299A.30.

Referred to the Committee on Judiciary.

Mr. Merriam introduced—

S.F. No. 737: A bill for an act relating to probate; providing for a statutory will; enacting the uniform statutory will act; proposing coding for new law as Minnesota Statutes, chapter 524A.

Referred to the Committee on Judiciary.

Mr. Merriam introduced—

S.F. No. 738: A bill for an act relating to public safety; requiring commissioner of public safety to implement a state hazardous materials incident response plan; creating the hazardous materials incident response account; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299A.

Referred to the Committee on Veterans and General Legislation.

Mr. Samuelson introduced—

S.F. No. 739: A bill for an act relating to appropriations; providing for payment of various claims.

Referred to the Committee on Finance.

Mr. Merriam introduced—

S.F. No. 740: A bill for an act relating to state finance; providing for the uses of imprest funds, the cancellation of warrants, the costs of data searches, the conditions and uses of bonds, and certain account rules; appropriating money; amending Minnesota Statutes 1990, sections 15.191, subdivision 1; 16A.45, subdivision 1; 16A.641, subdivision 3; 16A.662, subdivision 4; 16A.672, subdivision 9; and 16A.721, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Finance.

Mrs. Benson, J.E.; Messrs. Bernhagen, Dahl and Ms. Olson introduced—

S.F. No. 741: A bill for an act relating to taxation; sales; exempting certain tree removal services; amending Minnesota Statutes 1990, section 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Benson, J.E.; Messrs. Frederickson, D.R.; Bernhagen and Berg introduced—

S.F. No. 742: A bill for an act relating to game and fish; authorizing certain disabled permit holders to take deer of either sex; amending Minnesota Statutes 1990, section 97B.055, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Messrs. Kroening; Frederickson, D.R.; Luther and Merriam introduced—

S.F. No. 743: A bill for an act relating to state government; requiring the supreme court to prepare fiscal notes in certain circumstances; amending Minnesota Statutes 1990, sections 3.98, subdivision 1; and 3.982.

Referred to the Committee on Governmental Operations.

Messrs. Halberg and Larson introduced—

S.F. No. 744: A bill for an act relating to insurance; accident and health; requiring the commissioner of commerce to administer health care plans for Minnesota residents who are not covered by other plans; establishing minimum benefits for these plans; allowing a tax credit for premiums paid for coverage; appropriating money; amending Minnesota Statutes 1990, sections 290.01, subdivision 19a; and 290.92, subdivisions 5 and 5a; proposing coding for new law in Minnesota Statutes, chapter 290; proposing coding for new law as Minnesota Statutes, chapter 62K.

Referred to the Committee on Health and Human Services.

Messrs. Metzen and Halberg introduced—

S.F. No. 745: A bill for an act relating to education; changing the composition of the board of the state high school league; amending Minnesota Statutes 1990, section 128C.01, subdivision 4.

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

Messrs. Belanger and Riveness introduced—

S.F. No. 746: A bill for an act relating to the city of Bloomington; providing for the use of a lodging tax; amending Laws 1990, chapter 604, article 6, section 9, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mses. Pappas, Berglin, Messrs. Spear and Solon introduced—

S.F. No. 747: A bill for an act relating to health and human services; expanding restrictions on the establishment of new health, corrections, or human services residential programs within 1,320 feet of existing residential programs; amending Minnesota Statutes 1990, sections 157.031, by adding a subdivision; 241.021, by adding a subdivision; and 245A.11, subdivision 4.

Referred to the Committee on Health and Human Services.

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

S.F. No. 748: A bill for an act relating to education; allowing Minnesota pupils to enroll in districts located in counties in other states that border Minnesota and non-Minnesota pupils to enroll in Minnesota districts under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 120.

Referred to the Committee on Education.

Mr. Laidig introduced—

S.F. No. 749: A bill for an act relating to retirement; public employees retirement association; authorizing a former member to retire with a reduced retirement annuity at age 62.

Referred to the Committee on Governmental Operations.

Messrs. Hughes; Pogemiller; Marty; Johnson, D.J. and Laidig introduced—

S.F. No. 750: A bill for an act relating to elections; providing for high school students 16 years old or more to act as election judges; clarifying the right to take time off from work without penalty to serve as an election judge; amending Minnesota Statutes 1990, sections 204B.19, subdivision 1, and by adding a subdivision; and 204B.195.

Referred to the Committee on Elections and Ethics.

Ms. Traub, Mr. Hottinger, Ms. Reichgott, Messrs. Hughes and Dahl introduced—

S.F. No. 751: A bill for an act relating to education; providing counseling and guidance services for elementary school students; proposing coding for new law in Minnesota Statutes, chapter 123.

Referred to the Committee on Education.

Mr. Renneke, by request, introduced—

S.F. No. 752: A bill for an act relating to waters; establishing a procedure to govern county boards and the land exchange board in the acquisition of wetlands; prescribing appeal procedures; amending Minnesota Statutes 1990, section 97A.145, subdivision 2, and by adding subdivisions.

Referred to the Committee on Environment and Natural Resources.

Ms. Ranum, Mr. Luther, Ms. Traub, Messrs. McGowan and Spear introduced—

S.F. No. 753: A bill for an act relating to traffic safety; permitting evidence of DWI convictions to be admitted as evidence in certain civil proceedings; amending Minnesota Statutes 1990, section 169.94, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 754: A bill for an act relating to state lands; transferring state land to the city of Moose Lake.

Referred to the Committee on Environment and Natural Resources.

Messrs. Luther; Frederickson, D.R.; Cohen and Pogemiller introduced—

S.F. No. 755: A bill for an act relating to the justice system; making various technical corrections and minor changes to the public defender law; providing for payment of travel fees for defense witnesses; allowing persons in custody reasonable telephone access to their attorneys without charge; providing for certain compensation increases for district public defenders and assistant public defenders; providing who is eligible to be represented by the public defender; making the eighth judicial district court financing pilot project permanent; providing for a county aid offset if certain court costs are assumed by the state; requiring the supreme court to study the costs and prepare a budget; appropriating money; amending Minnesota Statutes 1990, sections 357.24; 477A.012, by adding a subdivision; 481.10; 611.215, subdivision 2; and 611.26, subdivision 6, and by adding subdivisions; and Laws 1989, chapter 335, article 3, section 44, as amended; repealing Minnesota Statutes 1990, sections 611.215, subdivision 4; 611.261; 611.28; and 611.29; and Laws 1989, chapter 335, article 3, section 54, as amended.

Referred to the Committee on Judiciary.

Messrs. Cohen; Luther; Frederickson, D.J.; Pogemiller and Frederickson, D.R. introduced—

S.F. No. 756: A bill for an act relating to courts; making the eighth judicial district court financing pilot project permanent; providing for a county aid offset if certain court costs are assumed by the state; requiring the supreme court to study the costs and prepare a budget; amending Minnesota Statutes 1990, section 477A.012, by adding a subdivision; and Laws 1989, chapter 335, article 3, section 44, as amended; repealing Laws 1989, chapter 335, article 3, section 54, as amended.

Referred to the Committee on Judiciary.

Mr. Berg introduced—

S.F. No. 757: A bill for an act relating to agriculture; repealing the right of first refusal of an immediately preceding former owner; amending Minnesota Statutes 1990, section 550.42, subdivision 1; repealing Minnesota Statutes 1990, section 500.24, subdivisions 6 and 7.

Referred to the Committee on Agriculture and Rural Development.

Mr. Bertram introduced—

S.F. No. 758: A bill for an act relating to lawful gambling; allowing payment of property taxes as a lawful purpose expenditure; amending Minnesota Statutes 1990, section 349.12, subdivision 25.

Referred to the Committee on Gaming Regulation.

Mr. Bertram, Mses. Johnson, J.B.; Johnston and Mr. Samuelson introduced—

S.F. No. 759: A bill for an act relating to human services; authorizing emergency child care assistance for dependents and spouses of certain military personnel serving in the Persian Gulf area; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256H.

Referred to the Committee on Veterans and General Legislation.

Mr. Bertram introduced—

S.F. No. 760: A bill for an act relating to taxation; providing for distribution of fire state aid to cities; amending Minnesota Statutes 1990, sections 69.011, subdivision 1; and 69.021, subdivisions 4, 6, 7, 8, and 9.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 761: A resolution memorializing Canada to correct the new permit regulations for the Canada-Minnesota border, and to encourage federal, state, and provincial governments to resolve differences to the mutual benefit and satisfaction of the citizens of both countries.

Referred to the Committee on Veterans and General Legislation.

Ms. Pappas introduced—

S.F. No. 762: A bill for an act relating to health; eliminating restrictions on disclosing birth record of a child born to an unmarried woman; amending Minnesota Statutes 1990, section 144.225, subdivision 1; repealing Minnesota Statutes 1990, section 144.225, subdivisions 2 and 4; and Minnesota Rules, part 4600.1300.

Referred to the Committee on Judiciary.

Messrs. Dahl, Dicklich, Ms. Olson and Mrs. Benson, J.E. introduced—

S.F. No. 763: A bill for an act relating to education; making education policy changes that do not require undedicated appropriations; amending Minnesota Statutes 1990, sections 121.88, subdivision 10; 124.26, subdivisions 1b, 1c, and 2; 124.261; 125.231; 126.22, subdivisions 2, 3, and 4; 141.25, subdivision 8; and 141.26, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 121 and 125.

Referred to the Committee on Education.

Messrs. Dahl and Chmielewski introduced—

S.F. No. 764: A bill for an act relating to public safety; regulating amusement rides; requiring insurance and inspections; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 184B.

Referred to the Committee on Employment.

Mr. Marty, Ms. Flynn, Messrs. Novak, DeCramer and Mrs. Benson, J.E. introduced—

S.F. No. 765: A bill for an act relating to transportation; clarifying parking provisions for physically disabled persons; authorizing special license plates for motorcycles; amending Minnesota Statutes 1990, sections 168.021, subdivision 1; 169.345, subdivision 1; and 169.346, subdivision 2.

Referred to the Committee on Transportation.

Messrs. Kelly, Spear, Frank, McGowan and Ms. Reichgott introduced—

S.F. No. 766: A bill for an act relating to civil actions; providing that proof of a person's failure to use seat belts is admissible in litigation; amending Minnesota Statutes 1990, sections 169.685, subdivision 4; and 604.01, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Merriam, Mehrkens, Chmielewski and Waldorf introduced—

S.F. No. 767: A bill for an act proposing an amendment to the Minnesota Constitution; providing for a unicameral legislature; changing article IV; article VIII, section 1; article IX, sections 1 and 2; and article XI, section 5; providing by statute for a unicameral legislature to consist of 135 members; amending Minnesota Statutes 1990, sections 2.021; and 2.031, subdivision 1.

Referred to the Committee on Elections and Ethics.

Mses. Pappas, Flynn and Traub introduced—

S.F. No. 768: A bill for an act relating to state government; providing for gender balance in multimember agencies; amending Minnesota Statutes 1990, section 15.0597, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Mr. Storm and Ms. Berglin introduced—

S.F. No. 769: A bill for an act relating to state government; providing for selection of the chair of the advisory council on mental health; appropriating money; amending Minnesota Statutes 1990, section 245.697, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Hughes, Cohen, Marty and Johnson, D.J. introduced—

S.F. No. 770: A bill for an act relating to elections; changing the makeup of the ethical practices board; amending Minnesota Statutes 1990, section 10A.02, subdivisions 1, 2, 4, and 7.

Referred to the Committee on Elections and Ethics.

Messrs. Solon; Johnson, D.J. and Gustafson introduced—

S.F. No. 771: A bill for an act relating to counties; permitting counties to establish economic development revolving funds; permitting St. Louis county to establish subordinate service districts; removing a St. Louis county purchasing law; amending Minnesota Statutes 1990, sections 375B.03; 471.562, subdivision 3; and 471.563; repealing Minnesota Statutes 1990, sections 383C.33 to 383C.34.

Referred to the Committee on Economic Development and Housing.

Messrs. Frederickson, D.R.; Merriam; Lessard; Luther and Laidig introduced—

S.F. No. 772: A bill for an act relating to crimes; imposing a duty to investigate and render aid when a person is injured in a shooting accident; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Environment and Natural Resources.

Ms. Berglin introduced—

S.F. No. 773: A bill for an act relating to children; child protection and placement; establishing an office of ombudsperson for families of color; authorizing additional placement reviews for children of color; amending Minnesota Statutes 1990, sections 257.071, subdivision 1a; and 257.352, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 257.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 774: A bill for an act relating to health; clarifying licensing requirements for certain residential programs for persons with chemical dependency; establishing procedures for contesting a transfer or discharge from a nursing home; setting a time limit for appeals of civil penalties under the nursing home licensing laws; providing procedures for contesting findings under the vulnerable adults act; amending Minnesota Statutes 1990, sections 144.50, subdivision 6; 144.653, subdivision 5; 144A.10, subdivisions 4 and 6d; 144A.135; 144A.45, subdivision 2; 144A.46, subdivision 2, and by adding a subdivision; 144A.53, subdivision 1; 144A.61, subdivisions 3, 3a, and 6a; 144A.611, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 144A.

Referred to the Committee on Health and Human Services.

Messrs. Pogemiller, Renneke and Morse introduced—

S.F. No. 775: A bill for an act relating to pensions and retirement; recodifying, correcting, and amending certain laws relating to the Minneapolis police relief association; proposing coding for new law as Minnesota Statutes, chapter 423B.

Referred to the Committee on Governmental Operations.

Messrs. Sams, Davis, Morse and Beckman introduced—

S.F. No. 776: A bill for an act relating to agriculture; providing for an agricultural development bond program; proposing coding for new law as Minnesota Statutes, chapter 41C.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Marty; Johnson, D.J. and Finn introduced—

S.F. No. 777: A bill for an act relating to public utilities; prescribing conditions for offering and billing for utility and telephone services not subject to rate regulation by the public utilities commission; proposing coding for new law in Minnesota Statutes, chapters 216B and 237.

Referred to the Committee on Energy and Public Utilities.

Mr. Marty, Ms. Johnson, J.B.; Messrs. Finn and Price introduced—

S.F. No. 778: A bill for an act relating to solid waste; setting supplementary recycling goals for counties; requiring mandatory participation in recycling programs in cities with 5,000 or more population; prohibiting the use of lead, cadmium, mercury, and chromium in packaging material, dye, paint, and fungicides; setting a date certain for cities to require licenses and volume or weight-based fees for solid waste collection; placing a five-year moratorium on new solid waste incinerators; amending Minnesota Statutes 1990, sections 115A.551, by adding a subdivision; 115A.93, subdivision 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 115A.

Referred to the Committee on Environment and Natural Resources.

Messrs. Merriam, Novak, Dahl, Frank and Ms. Johnson, J.B. introduced—

S.F. No. 779: A bill for an act relating to counties; removing certain restrictions on county morgues; amending Minnesota Statutes 1990, sections 390.06 and 390.07.

Referred to the Committee on Local Government.

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

S.F. No. 780: A bill for an act relating to the secretary of state; requiring that certain information be provided without a fee; amending Minnesota Statutes 1990, section 336.9-411.

Referred to the Committee on Judiciary.

Messrs. Dicklich, Merriam, Ms. Berglin, Mr. Renneke and Ms. Piper introduced—

S.F. No. 781: A bill for an act relating to human services; permitting energy conservation activities to be funded through the Minnesota future resources fund; describing community action program grants; appropriating money; amending Minnesota Statutes 1990, sections 116P.13, subdivision 3; and 268.52, subdivision 2, and by adding a subdivision.

Referred to the Committee on Energy and Public Utilities.



Mr. Vickerman, Ms. Piper, Mr. Sams, Ms. Berglin and Mrs. Brataas introduced—

S.F. No. 782: A bill for an act relating to jobs and training; requiring the commissioner of jobs and training to contract for the provision of comprehensive adjustment-to-blindness training services; amending Minnesota Statutes 1990, section 248.07, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Dahl; Benson, D.D. and Lessard introduced—

S.F. No. 783: A bill for an act relating to health; infectious waste control; clarifying that veterinarians are also covered by the act; clarifying requirements for management and generators' plans; amending Minnesota Statutes 1990, sections 116.77; and 116.79, subdivisions 1 and 3.

Referred to the Committee on Health and Human Services.

Messrs. Knaak, DeCramer, Hughes and Stumpf introduced—

S.F. No. 784: A bill for an act relating to education; authorizing an aid and levy for teacher centers; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Messrs. Cohen, Solon, Spear, Mrs. Brataas and Mr. Metzen introduced—

S.F. No. 785: A bill for an act relating to financial institutions; permitting interstate banking with additional reciprocating states; amending Minnesota Statutes 1990, section 48.92, subdivision 7.

Referred to the Committee on Commerce.

Mr. Frederickson, D.R. introduced—

S.F. No. 786: A bill for an act relating to agriculture; making changes in the plant and animal pest control act; amending Minnesota Statutes 1990, sections 18.46, subdivisions 6, 9, and by adding a subdivision; 18.49, subdivision 2; 18.51; 18.52, subdivisions 1 and 5; 18.54, subdivision 2; 18.55; 18.56; 18.57; and 18.60.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Knaak, Spear and Neuville introduced—

S.F. No. 787: A bill for an act relating to criminal procedure; requiring guidelines for law enforcement undercover operations; requiring specific findings of reasonable suspicion by an undercover operations review committee; providing for authorization of undercover operations by the chief or director in emergency circumstances; defining the defense of entrapment; providing a civil cause of action for persons injured by undercover operation activities; proposing coding for new law in Minnesota Statutes, chapters 609 and 626.

Referred to the Committee on Judiciary.

Messrs. Merriam and Spear introduced—

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

Referred to the Committee on Judiciary.

Messrs. Kroening, Solon and Kelly introduced—

S.F. No. 789: A bill for an act relating to retirement; first class city teachers; establishing an employer additional contribution rate; increasing the employer contribution on behalf of coordinated members; amending Minnesota Statutes 1990, section 354A.12, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. DeCramer introduced—

S.F. No. 790: A bill for an act relating to motor carriers; amending certain definitions and adding definitions; authorizing conversion of an irregular route permit to a regular route certificate during a specified period; amending Minnesota Statutes 1990, sections 168.013, subdivision 1e; 221.011, subdivisions 9, 10, 11, 12, 25, 28, and by adding subdivisions; 221.131, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1990, section 221.011, subdivision 17.

Referred to the Committee on Transportation.

Messrs. Morse; Frederickson, D.J.; Solon; Johnson, D.E. and Stumpf introduced—

S.F. No. 791: A bill for an act relating to retirement; teachers retirement association; authorizing the purchase of credit for pre-1957 pre-age 25 teaching service; amending Laws 1988, chapter 709, article 3, section 1, subdivision 1.

Referred to the Committee on Governmental Operations.

Mr. Kroening introduced—

S.F. No. 792: A bill for an act relating to credit unions; providing for the appointment of a deputy commerce commissioner for credit unions; providing for the appointment of a credit union advisory task force; amending Minnesota Statutes 1990, sections 45.013 and 52.061.

Referred to the Committee on Commerce.

Messrs. Dahl, Merriam, Morse and Lessard introduced—

S.F. No. 793: A bill for an act relating to the environment; establishing maximum content levels of mercury in batteries; prohibiting certain batteries; amending Minnesota Statutes 1990, sections 115A.9155, subdivision 2; 325E.125, subdivision 2, and by adding a subdivision; and 325E.1251.

Referred to the Committee on Environment and Natural Resources.

**ADJOURNMENT**

Mr. Merriam moved that the Senate do now adjourn until 2:00 p.m., Monday, March 18, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TWENTY-FOURTH DAY

St. Paul, Minnesota, Monday, March 18, 1991

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

### CALL OF THE SENATE

Mr. Price 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. Michael J. Redmond.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

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

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

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

### REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 640 and 196. The motion prevailed.

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

S.F. No. 552: A bill for an act relating to elections; providing for time off to vote in primaries; amending Minnesota Statutes 1990, section 204C.04.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 1, line 13, after "or" insert "general"

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. 142: A bill for an act relating to natural resources; increasing the watershed administrative fund limit; establishing a natural resource protection fund; amending Minnesota Statutes 1990, section 103D.905, subdivision 3, and by adding a subdivision.

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

Page 1, line 10, before "An" insert "(a)"

Page 1, line 12, reinstate the stricken language and delete "\$200,000"

Page 1, after line 22, insert:

*"(b) The dollar amount limit on the ad valorem tax levy in paragraph (a) may be increased to \$200,000 upon approval by the board of county commissioners of each county affected by the watershed district.*

*(c) Any amount over \$125,000 raised by the levy authorized by this subdivision must be allocated to the natural resource protection fund authorized under subdivision 9."*

Page 1, line 26, delete "is" and insert "may be" and delete everything after "established"

Page 2, line 1, delete everything before the second "to"

Page 2, line 4, delete "fund consists of an" and insert "managers may make an annual"

Page 2, line 6, delete "\$50,000" and insert "\$75,000" and delete everything after the period and insert "Any levy under this subdivision must receive prior approval from the board of county commissioners of each county affected by the watershed district."

Page 2, line 7, delete everything before "the"

Page 2, line 9, delete "cannot" and insert "may not"

Page 2, line 10, delete everything after "exceed" and insert "\$200,000. Gifts, grants, and appropriations accepted by the district for enhancing, conserving, and protecting natural resources may be deposited in the natural resource protection fund."

Page 2, delete line 11

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "authorizing an increase in the"

Page 1, line 3, after "limit" insert "under certain conditions"

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 425: A bill for an act relating to unclaimed property; providing for payment of certain expenses for claims made in other states; proposing coding for new law in Minnesota Statutes, chapter 345.

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 1990, section 345.48, subdivision 1, is amended to read:

Subdivision 1. All funds received under sections 345.31 to 345.60, including the proceeds from the sale of abandoned property pursuant to section 345.47, shall forthwith be deposited by the commissioner in the general fund of the state *after deduction of the fees and expenses provided for in section 2*; except that unclaimed restitution payments held by a court under section 345.38 shall be deposited in the crime victim and witness account created in section 609.101, subdivision 1. Before making the deposit the commissioner shall record the name and last known address of each person appearing from the holders’ reports to be entitled to the abandoned property and of the name and last known address of each policyholder, insured person, or annuitant, and with respect to each policy or contract listed in the report of a life insurance corporation, its number, the name of the corporation, and the amount due. The record shall be available for public inspection at all reasonable business hours.

Sec. 2. [345.485] [PROPERTY IN OTHER STATES.]

*The commissioner may request that the attorney general of another state or another person or entity in the other state make a demand or bring an action to recover unclaimed property in the name of the commissioner in the other state. This state shall pay all expenses including attorney fees incurred under this section. The commissioner may agree to pay fees to the person or entity making the demand or bringing the action based in whole or in part on a percentage of the value of any property recovered. Expenses paid under this section shall not reduce the amount to which the claimant is entitled.*

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 unclaimed property; providing for payment of certain expenses for claims made in other states; amending Minnesota Statutes 1990, section 345.48, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 345.”

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 231: A bill for an act relating to insurance; accident and health; defining full-time students for purposes of dependent coverage; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Page 1, line 13, after "*disability*" insert "*as documented by a physician*"

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 295: A bill for an act relating to commerce; providing that cost of doing business by cigarette wholesalers does not include discounts for purposes of the Minnesota unfair cigarette sales act; requiring use of cigarette distributor fees for administration of that act; appropriating money; amending Minnesota Statutes 1990, sections 325D.32, subdivision 10; and 325D.415.

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 484: A bill for an act relating to commerce; regulating farm equipment dealerships; amending Minnesota Statutes 1990, sections 325E.061, subdivisions 2, 4, and 5; 325E.063; 325E.064; 325E.068, subdivisions 2, 4, and 5; 325E.0682; and 325E.0683.

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 557: A bill for an act relating to commerce; removing a real estate licensing prohibition; amending Minnesota Statutes 1990, section 82.20, subdivision 4.

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 329: A bill for an act relating to commerce; regulating real estate closings; prohibiting real estate brokers or salespersons from requiring the use of particular closing agents; requiring certain disclosures in listing agreements; amending Minnesota Statutes 1990, section 82.19, 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 1990, section 507.45, subdivision 4, is amended to read:

Subd. 4. (a) No real estate salesperson, broker, attorney, auctioneer, builder, title company, financial institution, or other person making a mortgage loan may require a ~~borrower~~ person to use any particular licensed attorney, real estate broker, real estate salesperson, or real estate closing agent in connection with a residential real estate closing.

*(b) All listing agreements must include a notice informing sellers of their rights under this subdivision. The notice must require the seller to indicate in writing whether it is acceptable to the seller to have the licensee arrange for closing services or whether the seller wishes to arrange for others to conduct the closing. The notice must also include the disclosure of any controlled business arrangement, as the term is defined in United States Code, title 12, section 1602, between the licensee and the real estate closing agent through which the licensee proposes to arrange closing services.*

*(c) The commissioner of commerce may adopt rules under chapter 14 to implement, administer, and enforce this subdivision."*

Delete the title and insert:

"A bill for an act relating to commerce; regulating real estate closings; prohibiting persons from requiring the use of particular closing agents; authorizing the commissioner to adopt rules; amending Minnesota Statutes 1990, section 507.45, subdivision 4."

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was re-referred

S.F. No. 168: A resolution memorializing the Congress of the United States to propose an amendment to the United States Constitution, for ratification by the states, specifying that Congress and the states shall have the power to prohibit the physical desecration of the flag of the United States.

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 611: A bill for an act relating to veterans; clarifying rulemaking authority of the veterans homes board; changing language concerning payment of arrearages by veterans home residents; correcting certain references; amending Minnesota Statutes 1990, sections 198.003; 198.005; 198.03, subdivision 3; and 198.35.

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 640: A bill for an act relating to veterans; authorizing the veterans homes board to rent certain facilities; authorizing expenditures of money; amending Minnesota Statutes 1990, section 198.003.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Mr. Waldorf questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.



Mr. Davis from the Committee on Agriculture and Rural Development, to which was re-referred

S.F. No. 118: A bill for an act relating to animals; tightening laws prohibiting cruel treatment of certain animals, including equines; increasing certain penalties; amending Minnesota Statutes 1990, sections 343.21, subdivisions 9 and 10; 346.43; and 346.44; proposing coding for new law in Minnesota Statutes, chapter 343.

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

Page 1, lines 21 and 22, delete the new language

Page 2, line 6, delete "or an equine,"

Page 2, line 10, delete ", or an equine"

Page 2, delete section 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete ", including equines"

Page 1, line 6, delete "346.43;"

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

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

S.F. No. 284: A bill for an act relating to county and district agricultural societies; appropriating money.

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

Page 1, line 10, after "38.02," insert "*subdivision 1, clause (3),*"

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

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

S.F. No. 303: A bill for an act relating to agriculture; appropriating money for farm and small business management programs at technical colleges.

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

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

S.F. No. 212: A bill for an act relating to drivers' licenses; extending waiting period for person to receive limited driver's license who has been convicted of manslaughter or criminal negligence with a motor vehicle; amending Minnesota Statutes 1990, section 171.30, subdivision 2, and by adding a subdivision.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 171.30, subdivision 2, is amended to read:

Subd. 2. A limited license shall not be issued for a period of 60 days to an individual whose license or privilege has been revoked or suspended for commission of the following offenses:

(a) ~~Manslaughter or criminal negligence resulting from the operation of a motor vehicle.~~

(b) Any felony in the commission of which a motor vehicle was used.

(c) (b) Failure to stop and disclose identity as required under the laws of this state, in the event of a motor vehicle accident resulting in the death or personal injury of another.

Sec. 2. Minnesota Statutes 1990, section 171.30, is amended by adding a subdivision to read:

*Subd. 2a. Notwithstanding subdivision 2, a limited license shall not be issued for a period of 180 days to an individual whose license or privilege has been revoked or suspended for commission of the offense of manslaughter, criminal negligence resulting from the operation of a motor vehicle, or criminal vehicular homicide or injury under section 609.21.*

Sec. 3. Minnesota Statutes 1990, section 171.30, subdivision 4, is amended to read:

Subd. 4. [PENALTY.] A person who violates a condition or limitation of a limited license issued under subdivision 1 *or fails to have the license in immediate possession at all times when operating a motor vehicle is guilty of a misdemeanor and may not operate a motor vehicle for the remainder of the period of suspension or revocation, or 30 days, whichever is longer.*

Sec. 4. [EFFECTIVE DATE.]

*Sections 1 to 3 are effective for violations that occur on or after August 1, 1991.”*

Delete the title and insert:

“A bill for an act relating to drivers’ licenses; extending waiting period for person to receive limited driver’s license who has been convicted of certain crimes; amending Minnesota Statutes 1990, section 171.30, subdivisions 2, 4, and by adding a subdivision.”

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 162: A bill for an act relating to the city of Nashwauk; authorizing an increase in benefits payable to surviving spouses by the police relief association; amending Laws 1943, chapter 196, section 4, as amended.

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 548: A bill for an act relating to state finance; permitting investments in all federally insured savings accounts; amending Minnesota Statutes 1990, section 11A.24, subdivision 4.

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

Page 1, line 23, strike everything after "by"

Page 1, line 24, strike everything before the semicolon and insert "*federal agencies*"

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 567: A bill for an act relating to retirement; authorizing appointed public officers to purchase public employees retirement association service credit for previous service as an elected official; amending Laws 1990, chapter 570, article 8, section 14, subdivision 1.

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

Page 1, line 10, after "An" insert "*individual who became an appointed public officer prior to May 9, 1990, or an*"

Page 1, line 10, delete "*or appointed*"

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 72: A bill for an act relating to retirement; providing certain widow benefits for the Virginia firefighters relief association; providing for disposition of assets of the Virginia firefighters relief association under certain conditions; amending Laws 1974, chapter 183, section 3.

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

Page 1, line 13, strike "widow" and insert "*spouse*"

Page 1, line 14, strike "his wife prior to" and insert "*the spouse of the member before*" and strike "he" and insert "*the member*"

Page 1, line 15, strike "his"

Page 1, line 17, strike "his"

Page 1, line 19, strike "widow" and insert "*spouse*" and after "and" insert "*surviving*" and strike "there"

Page 1, line 20, strike "shall be paid" and insert "*the survivors are entitled to*"

Page 1, line 21, strike "widow" and insert "*surviving spouse*"

Page 1, line 22, strike "fireman" and insert "firefighter" and strike "he" and insert "the member"

Page 2, line 2, strike "fireman" and insert "firefighter"

Page 2, line 3, strike "he" and insert "the member"

Page 2, line 8, after "last" insert "pension or"

Page 2, line 11, before "benefit" insert "pension or"

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 5: A bill for an act relating to retirement; authorizing a benefit increase for certain retired police officers, firefighters, and surviving spouses in the city of Eveleth.

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

Page 1, line 9, after "to" insert "the current pensions and" and after "other" insert "retirement" and after the comma, insert "the pensions and"

Page 1, line 11, delete "may" and insert "are"

Page 1, line 12, delete the first "be" and delete "may be made" and insert "are"

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 368: A bill for an act relating to motor vehicles; requiring the appointment of officers of statutory and home rule charter cities as deputy registrars in certain circumstances; amending Minnesota Statutes 1990, section 168.33, subdivision 2.

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

Page 2, line 18, after "appoint" insert ", and may for cause discontinue,"

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 543: A bill for an act relating to housing; changing the definition of mentally ill person; consolidating special needs housing programs; clarifying and amending biennial reporting requirement; authorizing new construction of accessible housing; authorizing off-reservation home improvement program; amending Minnesota Statutes 1990, sections 268.39; 462A.03, subdivision 16; 462A.05, subdivision 20; 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9; 474A.048, subdivision 2; Laws 1987, chapter 404, section 28, subdivision 1; Laws 1989, chapter 335,

article 1, section 27, subdivision 1, as amended; repealing Minnesota Statutes 1990, section 462A.05, subdivisions 28 and 29.

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

Page 3, line 5, after "agency" insert "*. Loans or grants for residential housing for migrant farmworkers may be made under this paragraph. Residential housing for migrant farmworkers must contain cooking, sleeping, and bathroom facilities and hot and cold running water in the same structure*"

Page 4, after line 2, insert:

"Sec. 4. Minnesota Statutes 1990, section 462A.08, subdivision 2, is amended to read:

Subd. 2. The agency from time to time may issue bonds or notes for the purpose of refunding any bonds or notes of the agency then outstanding, *or, with the consent of the original issuer, any bonds or notes then outstanding issued by an issuer other than the agency for the purpose of making or purchasing loans for single-family housing or multifamily housing developments, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the redemption date next succeeding the date of delivery of such refunding bonds or notes. The proceeds of any such refunding bonds or notes may, in the discretion of the agency, be applied to the purchase or payment at maturity of the bonds or notes to be refunded, or to the redemption of such outstanding bonds or notes on the redemption date next succeeding the date of delivery of such refunding bonds or notes and may, pending such application, be placed in escrow to be applied to such purchase, retirement, or redemption. Any such escrowed proceeds, pending such use, may be invested and reinvested in obligations issued or guaranteed by the state or the United States or by any agency or instrumentality thereof, or in certificates of deposit or time deposits secured in such manner as the agency shall determine, maturing at such time or times as shall be appropriate to assure the prompt payment of the principal of and interest and redemption premiums, if any, on the bonds or notes to be refunded. The income earned or realized on any such investment may also be applied to the payment of the bonds or notes to be refunded. After the terms of the escrow have been fully satisfied, any balance of such proceeds and investment income may be returned to the agency for use by it in any lawful manner. All refunding bonds or notes issued under the provisions of this subdivision shall be issued and secured in the manner provided by resolution of the agency. If bonds or notes are issued by the agency to refund bonds or notes issued by an issuer other than the agency, as authorized by this subdivision, the agency and the issuer may enter into agreements as they may consider appropriate to facilitate the transaction.*"

Page 6, line 46, before the period, insert "*. Home improvement loans may be made without regard to household income*"

Page 7, line 55, before the period, insert "*. Home improvement loans may be made without regard to household income*"

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 9, after "20;" insert "462A.08, subdivision 2;"

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 286: A bill for an act relating to cities of the first class; providing for the organization and powers of neighborhood revitalization policy boards; amending Minnesota Statutes 1990, section 469.1831, subdivision 6.

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

Page 2, line 9, after "officials" insert "*and appointed members of the library board*"

Page 2, line 19, after "(e)" insert "*Except for the legislative appointees,*"

Page 3, line 6, after "*appropriated*" insert "*or otherwise made available*" and delete "*and encumbered for the*"

Page 3, line 7, delete "*purpose*"

Page 3, line 23, delete "*a*" and insert "*an administrative*"

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 431: A bill for an act relating to local government; permitting Pennington county and Thief River Falls to construct, finance, and own student housing.

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 175: A bill for an act relating to taxation; exempting the city of Isle from certain tax increment financing provisions.

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 196: A bill for an act relating to economic development; specifying that money transferred or appropriated to the capital access program account is appropriated to the commissioner of trade and economic development; amending Minnesota Statutes 1990, section 116J.8765, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 446: A bill for an act relating to economic development; authorizing the establishment of rural development zones; proposing coding for new law in Minnesota Statutes, chapter 469.

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

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

S.F. No. 528: A bill for an act relating to transportation; authorizing state departments to cancel uncollectible debts up to \$200 in certain cases; allowing department of transportation to employ debt collection services; allowing department of transportation to make direct expenditures from state aid funds for administrative expenses; providing penalty for failure to pay fee for sign permit more than 30 days after fee is due; providing when estimates of certain construction projects are nonpublic data; providing for laying fiber optic cable or conduits along highways; directing the commissioner of transportation to adopt rules governing the location and breakaway standards for mailbox installations; allowing white strobe lamps to be used on highway maintenance vehicles; authorizing exchange of lands with Grand Portage Band of Chippewa Indians; abolishing conflicting requirements related to market artery highways; providing a penalty; amending Minnesota Statutes 1990, sections 10.12; 13.72, subdivision 1; 161.20, subdivision 4; 161.45, subdivision 1; 161.46, subdivisions 1 and 2; 162.06, subdivision 2; 162.12, subdivision 2; 169.64, subdivision 7; and 173.13, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, section 169.833.

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

Pages 3 and 4, delete sections 4 to 6

Pages 5 to 7, delete sections 9 and 10 and insert:

“Sec. 6. Minnesota Statutes 1990, section 169.64, is amended by adding a subdivision to read:

*Subd. 6a. [WHITE STROBE LAMPS.] Notwithstanding sections 169.55, subdivision 1, 169.57, subdivision 3, clause (b), or any other law to the contrary, a vehicle may be equipped with a 360-degree flashing strobe lamp that emits a white light with a flash rate of 60 to 120 flashes a minute, and the lamp may be used as provided in this subdivision, if the vehicle is:*

*(1) a school bus that is subject to and complies with the color and equipment requirements of section 169.44, subdivision 1a. The lamp shall be permanently mounted on the longitudinal center line of the bus roof not less than five feet nor more than seven feet forward of the rear roof edge. It shall operate from a separate switch containing an indicator lamp to show when the strobe lamp is in use. The strobe lamp may be lighted only when atmospheric conditions or terrain restrict the visibility of school bus lamps and signals so as to require use of the bright strobe lamp to alert motorists to the presence of the school bus. A strobe lamp may not be lighted unless the school bus is actually being used as a school bus; or*

*(2) a road maintenance vehicle owned or under contract to the department of transportation or a road authority of a county, home rule or statutory city, or town, but the strobe lamp may only be operated while the vehicle is actually engaged in snow removal during daylight hours.*

*The strobe lamp shall be of a double flash type certified to the commissioner of public safety by the manufacturer as being weatherproof and having a minimum effective light output of 200 candelas as measured by the Blondel-Rey formula."*

Page 8, line 4, delete "license" and insert "land"

Page 8, line 26, delete "natural resources" and insert "transportation"

Page 9, line 8, delete "natural resources" and insert "transportation"

Page 11, after line 1, insert:

"Sec. 9. [TRUNK HIGHWAY SYSTEM; ROUTE NO. 336 ADDED.]

*Subdivision 1. [ADDITIONAL ROUTE.] On execution of the agreement required by subdivision 2, there is added to the trunk highway system a new route in Minnesota Statutes, section 161.115, described as follows:*

*Route No. 336. Beginning at a point on Route No. 2 at or near Dilworth; thence extending in a general southerly direction following generally the location of present County State-Aid Highway No. 11 to a point on Route No. 392.*

*Subd. 2. [AGREEMENT REQUIRED.] Legislative Route No. 336 is added to the trunk highway system only when an agreement to transfer jurisdiction has been approved by the commissioner of transportation and the Clay county board and a copy of the agreement, signed by the commissioner and the chair of the Clay county board, has been filed in the office of the commissioner.*

*Subd. 3. [REVISOR INSTRUCTION.] Following execution of the agreement required in subdivision 2, the revisor of statutes, in compiling the next and subsequent editions of Minnesota Statutes, shall add the route identified in subdivision 1.*

Sec. 10. [TRUNK HIGHWAY SYSTEM; NEW ROUTE SUBSTITUTED FOR EXISTING ROUTE.]

*Subdivision 1. [ROUTE.] There is added to the trunk highway system a new route in Minnesota Statutes, section 161.115, described as follows:*

*Route No. 297. Beginning at a point on Route No. 392 northwest of Fergus Falls; thence extending in a general southeasterly direction to a point at or near the intersection of West Fir Avenue and North Oak Street in the city of Fergus Falls; thence in a general northwesterly direction into and through the grounds of the Fergus Falls Regional Treatment Center; thence in a general southeasterly direction to a point at or near the intersection of West Fir Avenue and North Union Avenue in the city of Fergus Falls.*

*Subd. 2. [SUBSTITUTION; AGREEMENT REQUIRED.] The route established in subdivision 1 is substituted for Route No. 297 as contained and described in Minnesota Statutes 1990, section 161.115. Route No. 297 as contained and described in that section is discontinued and removed from the trunk highway system. No transfer is effective until an agreement to transfer jurisdiction of a portion of the old route has been agreed to by the commissioner of transportation and Otter Tail county and the city of Fergus*



*Falls and signed by the commissioner and the chair of the Otter Tail county board and the mayor of Fergus Falls and filed in the office of the commissioner.*

*Subd. 3. [REVISOR INSTRUCTION.] The revisor of statutes, in compiling the next and subsequent editions of Minnesota Statutes, shall substitute the route established in subdivision 1 for the route discontinued and removed from the trunk highway system according to subdivision 2."*

Page 11, after line 4, insert:

"Sec. 12. [EFFECTIVE DATE.]

*Sections 9 and 10 are effective the day following final enactment."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, delete "providing for laying"

Page 1, delete lines 12 to 14

Page 1, line 15, delete everything before "allowing"

Page 1, line 20, after "penalty;" insert "adding and substituting routes on the state highway system;"

Page 1, line 22, delete "161.45, subdivision 1; 161.46,"

Page 1, line 23, delete "subdivisions 1 and 2;"

Page 1, line 24, delete "subdivision 7" and insert "by adding a subdivision"

Page 1, line 25, delete everything after the semicolon

Page 1, line 26, delete everything before "repealing"

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. Novak from the Committee on Energy and Public Utilities, to which was referred

S.F. No. 562: A resolution memorializing the President and Congress to increase funding for the low-income home energy assistance program and to maintain its operation in Minnesota.

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

Page 1, delete lines 23 to 25

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

Mr. Novak from the Committee on Energy and Public Utilities, to which was referred

S.F. No. 137: A bill for an act relating to energy; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; amending Minnesota Statutes 1990, sections 16B.61, subdivision 3; and 299F.011, by adding a subdivision.

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

Page 3, line 28, delete "1996" and insert "1994"

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. 550: A bill for an act relating to health; employee drug testing; clarifying requirements for labs that test employees for drugs; amending Minnesota Statutes 1990, sections 181.950, subdivisions 2, 5, 8, and 10; 181.951, subdivision 1; 181.953, subdivisions 1, 3, 5, and 9; and 626.5562, subdivision 5; repealing Minnesota Statutes 1990, sections 181.950, subdivision 3; and 181.953, subdivision 2; Minnesota Rules, parts 4740.0100 to 4740.1090.

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

Page 5, line 1, delete "either"

Page 5, lines 2 and 3, delete "*or the laboratory accreditation program*"

Page 7, line 15, delete "*federal*"

Page 7, line 16, before the period, insert "*imposed by the licensing, accreditation, or certification program listed in section 181.953, subdivision 1, in which the laboratory participates*"

Page 7, line 19, delete "189.953" and insert "181.953"

Page 7, line 30, after "*enactment*" insert "*, except that the changes in section 6 do not apply to a laboratory with a current license from the commissioner until July 1, 1992*"

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. 453: A bill for an act relating to corrections; establishing a juvenile detention services subsidy program; appropriating money; amending Minnesota Statutes 1990, section 241.022; proposing coding for new law in Minnesota Statutes, chapter 241.

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

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

S.F. No. 583: A bill for an act relating to health; clarifying requirements for vaccination of children for certain illnesses; amending Minnesota Statutes 1990, sections 123.70, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, 10, and by adding a subdivision; and 151.37, by adding a subdivision.

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

Page 7, line 10, before "*children*" insert "*preschool-aged*"

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. 296: A bill for an act relating to abortion; providing the manner of authorizing abortion for minors; imposing penalties; amending Minnesota Statutes 1990, section 144.343; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 144.343, subdivision 3, is amended to read:

Subd. 3. [PARENT, ABORTION; DEFINITIONS.] For purposes of this section, "parent" means ~~both parents the mother or the father of the pregnant woman if they are both living, one parent of the pregnant woman if only one is living or if the second one cannot be located through reasonably diligent effort,~~ or the guardian or conservator if the pregnant woman has one.

For purposes of this section, "abortion" means the use of any means to terminate the pregnancy of a woman known to be pregnant with knowledge that the termination with those means will, with reasonable likelihood, cause the death of the fetus and "fetus" means any individual human organism from fertilization until birth.

Sec. 2. Minnesota Statutes 1990, section 144.343, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS.] No notice shall be required under this section if:

(a) The attending physician certifies in the pregnant woman's medical record that the abortion is necessary to prevent the woman's death and there is insufficient time to provide the required notice; or

(b) The abortion is authorized in writing by ~~the person or persons who are entitled to notice a parent;~~ or

(c) The pregnant minor woman declares that she is a victim of sexual abuse, neglect, or physical abuse as defined in section 626.556. Notice of that declaration shall be made to the proper authorities as provided in section 626.556, subdivision 3."

Amend the title as follows:

Page 1, line 3, delete everything after the first semicolon

Page 1, line 4, delete the semicolon and insert ", subdivisions 3 and 4."

Page 1, delete lines 5 and 6

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. 374: A bill for an act relating to taxation; income; authorizing a tax checkoff for foodshelf programs; creating a foodshelf account distribution board; appropriating money; amending Minnesota Statutes 1990, section 290.431; 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. [268.55] [FOODSHELF ACCOUNT.]

*Subdivision 1. [ESTABLISHMENT.] A foodshelf account is established in the state general fund to receive contributions designated on income tax returns and property tax refund forms. The state treasurer shall credit all interest earned on the money to the account.*

*Subd. 2. [DISTRIBUTION OF MONEY.] The statewide grantee designated by the legislature shall periodically distribute money in the account to qualifying foodshelf programs. A foodshelf program qualifies under this section if it is a nonprofit corporation, or is affiliated with a nonprofit corporation, as defined under section 501(c)(3) of the Internal Revenue Code of 1986, and distributes a standard food order without charge to needy individuals. The standard food order must consist of, at least, a two-day supply or six pounds per person of nutritionally balanced food items. A qualifying foodshelf program may not limit food distributions to individuals of a particular religious affiliation, race, or other criteria unrelated to need or to requirements necessary to administration of a fair and orderly distribution system. A qualifying foodshelf program may not use the money received or the food distribution program to foster or advance religious or political views. A qualifying foodshelf must have a stable address and directly serve individuals in a defined geographic area that is not also served in substantial part by another foodshelf. The statewide grantee shall resolve questions of whether two foodshelves are serving in substantial part the same area.*

*Subd. 3. [APPLICATION.] In order to receive money from the foodshelf account, a program must apply to the statewide grantee. The application must be in a form prescribed by the statewide grantee and must contain information specified by the statewide grantee to verify that the applicant is a qualifying foodshelf program and the amount the applicant is entitled to receive under subdivision 4. Applications must be filed at the times and for the periods determined by the statewide grantee.*

*Subd. 4. [DISTRIBUTION FORMULA.] The statewide grantee shall distribute the foodshelf account money to qualifying foodshelf programs either (1) in proportion to the number of individuals served by the program during the prior period of its operation or (2) in proportion to the share of contributions to the foodshelf account from taxpayers who reside in the geographic service area of the foodshelf. The statewide grantee shall gather*

*data from applications or other appropriate sources to determine the proportionate amount each qualifying program is entitled to receive. The statewide grantee may increase or decrease the qualifying program's proportionate amount if it determines the increase or decrease is necessary or appropriate to meet changing needs or demands.*

*Subd. 5. [USE OF MONEY.] Money distributed to foodshelf programs under this section must be used to provide client services to needy individuals and families. Qualified expenditures include purchases of food or personal care items, expenditures for vouchers for those items, and expenditures for transportation of food. None of the money expended may be used to pay for other expenses, such as rent, salaries, and other administrative expenses. Recipients must retain records documenting expenditure of the money for a three-year period and comply with any additional requirements imposed by the statewide grantee.*

*Subd. 6. [ENFORCEMENT.] The statewide grantee may undertake any reasonable actions, including but not limited to on-site inspections and auditing of accounts and records, to assure that recipients of money under this section comply with the requirements of the law. The statewide grantee may contract with an outside organization to audit or otherwise oversee recipients' use of the money. If ineligible expenditures are made by a recipient, the amount must be repaid to the statewide grantee and deposited in the foodshelf account.*

*Subd. 7. [APPROPRIATION.] (a) The money deposited in the foodshelf account is appropriated to the commissioner of jobs and training, to be awarded to a statewide grantee designated by the legislature, provided the grantee agrees to comply with the requirements in this section, to be distributed to foodshelf programs under this section and for administration of the distribution. None of the money may be retained by the commissioner for administrative expenses or other purposes.*

*(b) For each fiscal year, the statewide grantee may estimate the amounts that will be received during the year by the foodshelf account and may distribute the estimated receipts evenly over the fiscal year even though the contributions are not received until the second half of the year.*

Sec. 2. Minnesota Statutes 1990, section 290.431, is amended to read:

**290.431 [NONGAME WILDLIFE CHECKOFF AND FOODSHELF CHECKOFFS.]**

*Subdivision 1. [CHECKOFF AUTHORIZED.] Every individual who files an income tax return or property tax refund claim form may designate on their original return that \$1 or more shall be added to the tax or deducted from the refund that would otherwise be payable by or to that individual and paid either into an account to be established for the management of nongame wildlife or into the foodshelf account, or both. The commissioner of revenue shall, on the income tax return and the property tax refund claim form, notify filers of their right to designate that a portion of their tax or refund shall be paid into either the nongame wildlife management account or the foodshelf account, or both.*

*Subd. 2. [DEPOSIT OF MONEY.] The sum of the amounts so designated to be paid shall be credited to the nongame wildlife management account for use by the nongame program of the section of wildlife in the department of natural resources and to the foodshelf account established under section 1.*

*Subd. 3. [NONGAME WILDLIFE ACCOUNT.] All interest earned on money accrued in the nongame wildlife management account shall be credited to the account by the state treasurer. The commissioner of natural resources shall submit a work program for each fiscal year and semiannual progress reports to the legislative commission on Minnesota resources in the form determined by the commission. None of the money provided in this section may be expended unless the commission has approved the work program.*

*Subd. 4. [STATE PLEDGE.] The state pledges and agrees with all contributors to the nongame wildlife management account to use the funds contributed solely for the management of nongame wildlife projects and further agrees that it will not impose additional conditions or restrictions that will limit or otherwise restrict the ability of the commissioner of natural resources to use the available funds for the most efficient and effective management of nongame wildlife.*

*The state further pledges that all money given to the foodshelf programs will be used for foodshelf programs for needy people in Minnesota.*

*Subd. 5. [INFORMATION ON SOURCE.] The commissioner shall annually report to the commissioner of jobs and training the amount of the contributions to that account designated on the tax returns of residents of each county.*

*Subd. 6. [LIMITATIONS ON CHECKOFFS.] (a) No more than two tax checkoffs may be included on income tax returns and property tax refund forms for any taxable year.*

*(b) Beginning with the third taxable year when a tax checkoff for contributions for a specific purpose is included on the tax form, if the contributions designated for a tax year equal less than \$300,000, the checkoff program for that purpose will terminate and that checkoff will no longer be included on the income tax returns and property tax refund forms for subsequent years.*

### Sec. 3. [STATEWIDE GRANTEE.]

*The statewide grantee for the fiscal year ending June 30, 1992, and subsequent years until changed by the legislature is the Minnesota foodshelf association.*

### Sec. 4. [EFFECTIVE DATE.]

*Sections 1 to 3 are effective for taxable years beginning after December 31, 1990."*

Delete the title and insert:

"A bill for an act relating to taxation; income; authorizing a tax checkoff for foodshelf programs; authorizing grants; appropriating money; amending Minnesota Statutes 1990, section 290.431; 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 Taxes and Tax Laws. Amendments adopted. Report adopted.

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

H.F. No. 243: A bill for an act relating to highways; allowing specific service signs to be erected at intersections of trunk highways with interstate highways; amending Minnesota Statutes 1990, section 160.293, subdivisions 2 and 3.

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 246 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.
246			216		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 246 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 246 and insert the language after the enacting clause of S.F. No. 216, the first engrossment; further, delete the title of H.F. No. 246 and insert the title of S.F. No. 216, the first engrossment.

And when so amended H.F. No. 246 will be identical to S.F. No. 216, and further recommends that H.F. No. 246 be given its second reading and substituted for S.F. No. 216, 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. 98 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.
98			127		

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. 552, 425, 231, 484, 557, 329, 611, 162, 548, 567, 72, 5, 368, 543, 286, 562, 137, 550, 583 and 296 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 243, 246 and 98 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Lessard moved that his name be stricken as a co-author to S.F. No. 240. The motion prevailed.

Mr. Lessard moved that the name of Mr. Bernhagen be added as a co-author to S.F. No. 731. The motion prevailed.

Mr. Lessard moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 732. The motion prevailed.

Mr. Lessard moved that the name of Mr. Finn be added as a co-author to S.F. No. 761. The motion prevailed.

Ms. Pappas moved that the name of Ms. Piper be added as a co-author to S.F. No. 768. The motion prevailed.

Ms. Berglin moved that the names of Mses. Piper and Pappas be added as co-authors to S.F. No. 773. The motion prevailed.

Ms. Berglin moved that the name of Ms. Piper be added as a co-author to S.F. No. 774. The motion prevailed.

Mr. Sams moved that the name of Mr. Frederickson, D.R. be added as a co-author to S.F. No. 776. The motion prevailed.

Mr. Hottinger moved that S.F. No. 82 be withdrawn from the Committee on Local Government and returned to its author. The motion prevailed.

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

Senate Concurrent Resolution No. 6: A Senate concurrent resolution relating to adjournment for more than three days.

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

1. Upon their adjournments on March 27, 1991, the Senate and House of Representatives may each set its next day of meeting for April 2, 1991.

2. Each house consents to adjournment of the other house for more than three days.

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

**CALENDAR**

H.F. No. 290: A bill for an act relating to state employees; increasing the amount of vacation time a state employee may donate for the benefit of another state employee; amending Minnesota Statutes 1990, section 43A.181, subdivision 1.

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



The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Merriam	Ranum
Beckman	Day	Johnson, D.J.	Metzen	Reichgott
Belanger	DeCramer	Johnson, J.B.	Moe, R.D.	Renneke
Benson, D.D.	Dicklich	Johnston	Mondale	Riveness
Benson, J.E.	Finn	Kelly	Morse	Sams
Berg	Flynn	Kroening	Neuville	Samuelson
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederickson, D.J.	Langseth	Olson	Spear
Bertram	Frederickson, D.R.	Larson	Pappas	Storm
Brataas	Gustafson	Lessard	Pariseau	Stumpf
Chmielewski	Halberg	Luther	Piper	Traub
Cohen	Hottinger	Marty	Pogemiller	Vickerman
Dahl	Hughes	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 104: A bill for an act relating to consumer protection; regulating automatic garage door opening systems; amending Minnesota Statutes 1990, sections 325F.82, subdivision 2, and by adding a subdivision; and 325F.83, 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	Davis	Johnson, D.E.	Merriam	Ranum
Beckman	Day	Johnson, D.J.	Metzen	Reichgott
Belanger	DeCramer	Johnson, J.B.	Moe, R.D.	Renneke
Benson, D.D.	Dicklich	Johnston	Mondale	Riveness
Benson, J.E.	Finn	Kelly	Morse	Sams
Berg	Flynn	Kroening	Neuville	Samuelson
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederickson, D.J.	Langseth	Olson	Spear
Bertram	Frederickson, D.R.	Larson	Pappas	Storm
Brataas	Gustafson	Lessard	Pariseau	Stumpf
Chmielewski	Halberg	Luther	Piper	Traub
Cohen	Hottinger	Marty	Pogemiller	Vickerman
Dahl	Hughes	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 132: A bill for an act relating to public safety; providing for wheelchair securement devices in transit vehicles for transporting disabled people; amending Minnesota Statutes 1990, sections 299A.11; 299A.12, subdivision 1, and by adding a subdivision; and 299A.14, subdivision 3.

Was read the third time 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.E.	Merriam	Ranum
Beckman	Day	Johnson, D.J.	Metzen	Reichgott
Belanger	DeCramer	Johnson, J.B.	Moe, R.D.	Renneke
Benson, D.D.	Dicklich	Johnston	Mondale	Riveness
Benson, J.E.	Finn	Kelly	Morse	Sams
Berg	Flynn	Kroening	Neuville	Samuelson
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederickson, D.J.	Langseth	Olson	Spear
Bertram	Frederickson, D.R.	Larson	Pappas	Storm
Brataas	Gustafson	Lessard	Pariseau	Stumpf
Chmielewski	Halberg	Luther	Piper	Traub
Cohen	Hottinger	Marty	Pogemiller	Vickerman
Dahl	Hughes	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

S.F. No. 34: A bill for an act relating to the state agricultural society; including the Red River Valley Winter Shows as a state agricultural society member; amending Minnesota Statutes 1990, section 37.03, 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 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Moe, R.D.	Riveness
Beckman	DeCramer	Johnston	Mondale	Sams
Belanger	Dicklich	Kelly	Morse	Samuelson
Benson, D.D.	Finn	Kroening	Neuville	Solon
Benson, J.E.	Flynn	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederickson, D.J.	Larson	Pappas	Stumpf
Bernhagen	Frederickson, D.R.	Lessard	Pariseau	Traub
Bertram	Gustafson	Luther	Piper	Vickerman
Brataas	Halberg	Marty	Pogemiller	Waldorf
Chmielewski	Hottinger	McGowan	Price	
Cohen	Hughes	Mehrkens	Ranum	
Dahl	Johnson, D.E.	Merriam	Reichgott	
Davis	Johnson, D.J.	Metzen	Renneke	

So the bill passed and its title was agreed to.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 205, 75, 468 and H.F. No. 275, which the committee recommends to pass.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Waldorf, Kelly, Morse and Cohen introduced—

S.F. No. 794: A bill for an act relating to retirement; St. Paul teachers retirement fund association; special postretirement adjustment for certain pre-1978 retirees.

Referred to the Committee on Governmental Operations.

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

S.F. No. 795: A bill for an act relating to the Red River watershed management board; changing the description of the area subject to special authority of watershed districts; requiring the board to adopt criteria for funding applications; clarifying the uses of levy proceeds; expanding the board's authority to cooperate with other entities; amending Laws 1976, chapter 162, sections 1 and 2, as amended, and 3.

Referred to the Committee on Environment and Natural Resources.

Messrs. Solon, Chmielewski and Gustafson introduced—

S.F. No. 796: A bill for an act relating to waste; Western Lake Superior sanitary district; amending the definition of solid waste; changing the date for adoption of a budget; amending Minnesota Statutes 1990, sections 458D.02, subdivision 18; and 458D.08.

Referred to the Committee on Environment and Natural Resources.

Mr. DeCramer introduced—

S.F. No. 797: A bill for an act relating to traffic regulations; authorizing the use of studded tires by rural mail carriers; amending Minnesota Statutes 1990, section 169.72, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Morse and Waldorf introduced—

S.F. No. 798: A bill for an act relating to public employees; regulating insurance benefits; amending Minnesota Statutes 1990, sections 43A.13, by adding a subdivision; and 43A.316, subdivision 8.

Referred to the Committee on Governmental Operations.

Messrs. Moe, R.D.; Langseth; DeCramer; Ms. Olson and Mr. Merriam introduced—

S.F. No. 799: A bill for an act relating to highways; establishing a category of natural preservation routes in the county state-aid highway system; proposing coding for new law in Minnesota Statutes, chapter 162.

Referred to the Committee on Transportation.

Mr. Price and Mrs. Adkins introduced—

S.F. No. 800: A bill for an act relating to natural resources; revising certain provisions relating to the taking, possession, and transportation of wild animals; amending Minnesota Statutes 1990, sections 97A.445, subdivision 2; 97A.535, subdivision 1; 97B.055, subdivision 3; 97B.106; and 97B.935, subdivision 3; repealing Minnesota Statutes 1990, section

97B.035, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Messrs. Metzen, Solon and Ms. Johnson, J.B. introduced—

S.F. No. 801: A bill for an act relating to retirement; providing for payment of the normal retirement annuity to persons whose age and credited allowable service totals at least 80.

Referred to the Committee on Governmental Operations.

Ms. Ranum, Messrs. Cohen, Knaak and Merriam introduced—

S.F. No. 802: A bill for an act relating to the collection and dissemination of data; authorizing child protective service agencies and family court service agencies to share information about cases relating to child abuse when they involve common clients; amending Minnesota Statutes 1990, sections 13.46, by adding a subdivision; and 13.84, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Pogemiller introduced—

S.F. No. 803: A bill for an act relating to juvenile court; requiring that a juvenile be referred for adult prosecution if the juvenile has previously been referred to adult court for any delinquent act; amending Minnesota Statutes 1990, section 260.125, subdivision 3a.

Referred to the Committee on Judiciary.

Messrs. Luther and Marty introduced—

S.F. No. 804: A bill for an act relating to corrections; requiring county boards to provide medical aid for prisoners in jail; amending Minnesota Statutes 1990, section 641.15.

Referred to the Committee on Health and Human Services.

Messrs. Beckman, Hottinger, Day and Johnson, D.J. introduced—

S.F. No. 805: A bill for an act relating to education; transferring the Waseca campus to the state board of technical colleges; specifying conditions; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136C.

Referred to the Committee on Education.

Messrs. Bertram, Morse, Merriam, McGowan and Dahl introduced—

S.F. No. 806: A bill for an act relating to public safety; repealing sunset provision relating to position of public fire safety educator; repealing Laws 1989, chapter 322, section 7.

Referred to the Committee on Veterans and General Legislation.

Mr. DeCramer introduced—

S.F. No. 807: A bill for an act relating to education; establishing referendum equity revenue; increasing training and experience revenue; modifying referendum levies; reducing secondary pupil weighting; appropriating money; amending Minnesota Statutes 1990, sections 124.17, subdivision 1; 124A.03, subdivision 2; and 124A.22, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Ms. Pappas introduced—

S.F. No. 808: A bill for an act proposing an amendment to the Minnesota Constitution, article VII, section 1; changing the voting age.

Referred to the Committee on Elections and Ethics.

Messrs. Cohen, Mondale, Ms. Traub and Mr. Belanger introduced—

S.F. No. 809: A bill for an act relating to crimes; providing that it is a prima facie case for certification to adult court if a juvenile used a firearm at the time of the offense or is alleged to have committed a firearms violation after a previous firearms violation; increasing the penalty for furnishing a firearm to a minor; increasing the penalty for unlawful possession of a pistol by a minor; amending Minnesota Statutes 1990, sections 260.125, subdivision 3; 609.66, subdivision 1a, and by adding a subdivision; and 624.713, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Johnson, D.E. introduced—

S.F. No. 810: A bill for an act relating to animal health; providing alternative methods for the disposal of certain animal carcasses; amending Minnesota Statutes 1990, section 35.82, subdivisions 1b and 2.

Referred to the Committee on Agriculture and Rural Development.

Mr. Kelly introduced—

S.F. No. 811: A bill for an act relating to retirement; providing certain disability benefits to certain persons under the public employees retirement association police and fire plan.

Referred to the Committee on Governmental Operations.

Mr. Cohen, Ms. Ranum and Mr. Knaak introduced—

S.F. No. 812: A bill for an act relating to the collection and dissemination of data; classifying county coroner and medical examiner data; amending Minnesota Statutes 1990, section 13.83, subdivision 4.

Referred to the Committee on Judiciary.

Mr. Knaak introduced—

S.F. No. 813: A bill for an act relating to retirement; teachers retirement association; permitting purchases of prior services by certain employees for periods of leave.

Referred to the Committee on Governmental Operations.

Mr. Neuville, Ms. Johnston, Messrs. Spear, McGowan and DeCramer introduced—

S.F. No. 814: A bill for an act relating to public safety; authorizing the department of public safety to develop a pilot program to require an ignition interlock device as a condition of a limited license for a driver whose license has been canceled and denied; requiring the department of public safety to certify interlock devices; providing penalties for misuse or tampering, and for failure to use the device; proposing coding for new law in Minnesota Statutes, chapter 171.

Referred to the Committee on Transportation.

Ms. Reichgott, Messrs. Hughes, Belanger, Novak and Ms. Traub introduced—

S.F. No. 815: A bill for an act relating to taxation; extending the property tax exemption for buildings leased to school districts for use in certain community education programs; amending Minnesota Statutes 1990, section 272.02, subdivision 8.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Brataas, Messrs. DeCramer, Chmielewski, Mses. Pappas and Flynn introduced—

S.F. No. 816: A bill for an act relating to traffic regulations; authorizing immediate towing of certain unlawfully parked vehicles; amending Minnesota Statutes 1990, section 169.041, subdivision 4.

Referred to the Committee on Transportation.

Messrs. Benson, D.D.; Neuville; Mrs. Benson, J.E.; Messrs. Day and Johnson, D.E. introduced—

S.F. No. 817: A bill for an act relating to education; extending the rural physician loan forgiveness program to those beyond the first year of residency.

Referred to the Committee on Education.

Mrs. Brataas, Messrs. Chmielewski, Gustafson, Mrs. Adkins and Mr. Mondale introduced—

S.F. No. 818: A bill for an act relating to unemployment; regulating requirements for requalification for benefits following a voluntary quit or discharge for misconduct; amending Minnesota Statutes 1990, section 268.09, subdivision 1.

Referred to the Committee on Employment.

Mrs. Brataas and Mr. Benson, D.D. introduced—

S.F. No. 819: A bill for an act relating to human services; providing rule 12 funding for a dispersed apartment pilot program for persons with mental illness.

Referred to the Committee on Health and Human Services.

Messrs. Chmielewski, Laidig, Bertram and Dahl introduced—

S.F. No. 820: A bill for an act relating to the state agricultural society; providing some building and contracting exceptions; regulating real estate transactions; amending Minnesota Statutes 1990, sections 37.02 and 37.19.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Chmielewski, Solon, Mrs. Brataas and Mr. Gustafson introduced—

S.F. No. 821: A bill for an act relating to state government; authorizing a study to develop models for STARS regions; appropriating money.

Referred to the Committee on Governmental Operations.

Messrs. Merriam and Pogemiller introduced—

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

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 823: A bill for an act relating to economic development; providing funding for the Red River trade corridor project; appropriating money.

Referred to the Committee on Finance.

Messrs. Knaak, Hughes, Pogemiller, Beckman and Ms. Olson introduced—

S.F. No. 824: A bill for an act relating to education; clarifying the status of foreign exchange students who have graduated from high school; limiting foreign exchange student participation in the post-secondary enrollment options program; amending Minnesota Statutes 1990, sections 123.35, by adding a subdivision; and 123.3514, subdivision 4.

Referred to the Committee on Education.

Messrs. Merriam, McGowan, Mrs. Adkins, Messrs. Laidig and Dahl introduced—

S.F. No. 825: A bill for an act relating to waste management; abolishing the inventory process for solid waste disposal facilities in the metropolitan area; amending Minnesota Statutes 1990, sections 473.145, subdivisions 2c, 2e, and 4; 473.803, subdivision 4; 473.811, subdivisions 1, 1a, 4a, 6, 7, 8, and 9; 473.823, subdivision 6; 473.831, subdivision 2; 473.840, subdivisions 2, 3, 4, and 7; and 473.845, subdivision 3; repealing Minnesota

Statutes 1990, sections 473.149, subdivision 2b; 473.803, subdivision 1a; 473.806; and 473.833.

Referred to the Committee on Environment and Natural Resources.

Messrs. Frederickson, D.J.; DeCramer; Johnson, D.E. and Hottinger introduced—

S.F. No. 826: A bill for an act relating to education; revising membership requirements for joint vocational technical boards; authorizing joint vocational technical boards to appoint additional members; amending Minnesota Statutes 1990, section 136C.61, subdivision 1; and by adding a subdivision.

Referred to the Committee on Education.

Messrs. Knaak and Laidig introduced—

S.F. No. 827: A bill for an act relating to education; providing equity in general education revenue for all school districts; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Messrs. Knaak and Laidig introduced—

S.F. No. 828: A bill for an act relating to education; increasing training and experience revenue; equalizing referendum levies; increasing funding for early childhood family education programs; increasing the pupil unit weighting for first and second grade pupils; authorizing a parent education levy; amending Minnesota Statutes 1990, sections 124.17, subdivision 1; 124.2711, subdivision 1; 124A.22, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 124 and 124A; repealing Minnesota Statutes 1990, section 124A.03, subdivision 2.

Referred to the Committee on Education.

Mses. Berglin, Piper, Messrs. Storm and Samuelson introduced—

S.F. No. 829: A bill for an act relating to human services; requiring a study of the feasibility of state takeover of the responsibility for child support enforcement and collection.

Referred to the Committee on Health and Human Services.

Messrs. Berg, Chmielewski, Langseth and Stumpf introduced—

S.F. No. 830: A bill for an act relating to workers' compensation; regulating coverage for family farm employees; amending Minnesota Statutes 1990, section 176.11, subdivision 11a.

Referred to the Committee on Employment.

Mses. Flynn, Ranum, Messrs. Dahl, Merriam and Morse introduced—

S.F. No. 831: A bill for an act relating to watershed districts; expanding the authority of watershed districts to assess costs of remedial work; clarifying and expanding judicial review procedures; allowing watershed districts to prosecute certain violations; allowing recovery of attorneys fees;



providing administrative penalties; amending Minnesota Statutes 1990, sections 103D.335, subdivision 19; 103D.535, subdivision 1; and 103D.545; proposing coding for new law in Minnesota Statutes, chapter 103D.

Referred to the Committee on Environment and Natural Resources.

Messrs. Frank, Marty, Kroening, Ms. Pappas and Mr. Mondale introduced—

S.F. No. 832: A bill for an act relating to workers' compensation; providing for increased benefits in cases of employer safety violations; proposing coding for new law in Minnesota Statutes, chapter 176.

Referred to the Committee on Employment.

Mr. Solon, Ms. Olson and Mr. Day introduced—

S.F. No. 833: A bill for an act relating to commerce; regulating heavy and utility equipment dealership agreements; providing for returns and repurchases under certain circumstances; providing remedies; amending Minnesota Statutes 1990, section 325E.0681, by adding subdivisions.

Referred to the Committee on Commerce.

Mr. Merriam introduced—

S.F. No. 834: A bill for an act relating to eminent domain; providing for exercise of eminent domain power over properties owned by railroads.

Referred to the Committee on Judiciary.

Mr. Spear, Meses. Berglin, Reichgott, Piper and Mr. Benson, D.D. introduced—

S.F. No. 835: A bill for an act relating to battered women's programs; clarifying and expanding the role of the battered women's advisory council; updating and correcting certain statutory provisions; amending Minnesota Statutes 1990, sections 611A.31, subdivision 2; 611A.32, subdivisions 1 and 2; 611A.33; 611A.34; 611A.35; and 611A.36, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 1990, section 611A.32, subdivision 4.

Referred to the Committee on Health and Human Services.

Mrs. Benson, J.E.; Mr. Larson, Ms. Olson, Messrs. DeCramer and Hughes introduced—

S.F. No. 836: A bill for an act relating to education; allowing nonstate funds for construction on the St. Cloud State University campus.

Referred to the Committee on Education.

Ms. Johnson, J.B.; Messrs. Morse, Price and Lessard introduced—

S.F. No. 837: A bill for an act relating to natural resources; amending certain provisions concerning mineral exploration, exploratory boring, and data acquired in connection therewith; authorizing the adoption of rules establishing minimum standards for wells to explore for or produce oil, gas, and related hydrocarbons; amending Minnesota Statutes 1990, sections

13.793, subdivision 2; 103I.601, subdivision 4; and 103I.605, subdivision 4.

Referred to the Committee on Environment and Natural Resources.

Ms. Johnson, J.B.; Messrs. Marty, Novak and Finn introduced—

S.F. No. 838: A bill for an act relating to public utilities; certificates of need for large power facilities; requiring utilities to justify the use of non-renewable resources for new large energy facilities; amending Minnesota Statutes 1990, section 216B.243, by adding a subdivision.

Referred to the Committee on Energy and Public Utilities.

Messrs. Knaak, Sams, Bertram and Lessard introduced—

S.F. No. 839: A bill for an act relating to income taxation; extending the elderly exclusion to recipients of military retirement who are under age 65; amending Minnesota Statutes 1990, section 290.0802, subdivisions 1 and 2.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Morse, Finn, Dahl, Laidig and Merriam introduced—

S.F. No. 840: A bill for an act relating to the environment; recognizing the hydrological cycle of water purification through the atmosphere; establishing a list of toxic air pollutants; requiring the pollution control agency to monitor toxic emissions and to require reductions of toxic air emissions; requiring mercury emission reductions; requiring reports to the legislature; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

Messrs. Morse, Merriam, Ms. Johnson, J.B.; Messrs. Laidig and Marty introduced—

S.F. No. 841: A bill for an act relating to the environment; setting a goal for reduction of toxic pollutant releases; expanding the required contents of toxic pollution prevention plan progress reports; requiring a notice of plan completion; increasing pollution prevention fees; requiring establishment of a toxic pollution prevention advisory council; requiring reports; requiring the pollution control agency to adopt rules; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 115D.02; 115D.04, subdivision 2; 115D.08, subdivision 1; and 115D.12, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 115D.

Referred to the Committee on Environment and Natural Resources.

Mr. Morse, Mses. Flynn; Johnson, J.B. and Mr. Price introduced—

S.F. No. 842: A bill for an act relating to health; modifying requirements for drilling, sealing, and construction of wells, borings, and elevator shafts; amending Minnesota Statutes 1990, sections 103I.005, subdivisions 2, 22, and by adding a subdivision; 103I.101, subdivisions 2, 4, 5, and 6; 103I.205, subdivisions 3, 4, 7, 8, and 9; 103I.208, subdivision 2; 103I.231; 103I.235; 103I.301, subdivision 1; 103I.311, subdivision 3; 103I.525, subdivisions 1, 4, 8, and 9; 103I.531, subdivisions 8 and 9; 103I.535, subdivisions 8

and 9; 103I.541, subdivisions 4 and 5; 103I.545, subdivision 2; 103I.621, subdivision 3; 103I.701, subdivisions 1 and 4; 103I.705, subdivisions 2, 3, 4, and 5; and 103I.711, subdivision 1; repealing Minnesota Statutes 1990, section 103I.005, subdivision 18.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 843: A bill for an act relating to taxation; providing that a penalty not be imposed on Mille Lacs county for an excess levy.

Referred to the Committee on Taxes and Tax Laws.

Ms. Johnson, J.B.; Messrs. Larson and Lessard introduced—

S.F. No. 844: A bill for an act relating to state lands; authorizing Otter Tail county to return donated state land to the donor's heir.

Referred to the Committee on Environment and Natural Resources.

Mr. Vickerman, Mses. Piper and Berglin introduced—

S.F. No. 845: A bill for an act relating to human services; providing a per diem adjustment for nursing home salaries and fringe benefits; appropriating money; amending Minnesota Statutes 1990, section 256B.431, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Sams; Moe, R.D.; Davis; Bertram and Johnson, D.E. introduced—

S.F. No. 846: A resolution memorializing Congress and the President to expedite passage of a law establishing class 1 dairy support prices at the market levels prevailing on August 1, 1990.

Referred to the Committee on Agriculture and Rural Development.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

### MOTIONS AND RESOLUTIONS

Mr. Novak moved that H.F. No. 325 be withdrawn from the Committee on Energy and Public Utilities and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 562, now on General Orders. The motion prevailed.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, March 21, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TWENTY-FIFTH DAY

St. Paul, Minnesota, Thursday, March 21, 1991

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

### CALL OF THE SENATE

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

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

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

Adkins	Day	Johnson, J.B.	Metzen	Riveness
Beckman	DeCramer	Johnston	Moe, R.D.	Sams
Belanger	Dicklich	Kelly	Mondale	Samuelson
Benson, D.D.	Finn	Knaak	Morse	Solon
Benson, J.E.	Flynn	Kroening	Neuville	Spear
Berg	Frank	Laidig	Novak	Storm
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Traub
Bertram	Gustafson	Lessard	Pariseau	Vickerman
Brataas	Halberg	Luther	Piper	Waldorf
Chmielewski	Hottinger	Marty	Pogemiller	
Cohen	Hughes	McGowan	Ranum	
Dahl	Johnson, D.E.	Mehrkens	Reichgott	
Davis	Johnson, D.J.	Merriam	Renneke	

The President declared a quorum present.

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

### MEMBERS EXCUSED

Mr. Price was excused from the Session of today.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 246.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 18, 1991

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 155, 304 and 373.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 18, 1991

### FIRST READING OF HOUSE BILLS

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

H.F. No. 155: A bill for an act relating to traffic regulations; authorizing immediate towing of certain unlawfully parked vehicles; amending Minnesota Statutes 1990, section 169.041, subdivision 4.

Referred to the Committee on Transportation.

H.F. No. 304: A bill for an act relating to labor; providing that certain hiring practices by an employer during a strike or lockout are unfair labor practices; amending Minnesota Statutes 1990, sections 179.12; and 179A.13.

Referred to the Committee on Employment.

H.F. No. 373: A bill for an act relating to commerce; removing a real estate licensing prohibition; amending Minnesota Statutes 1990, section 82.20, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 557, 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. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 559: A bill for an act relating to motor fuels; requiring ethanol as the oxygenate in oxygenated gasoline; amending Minnesota Statutes 1990, section 239.76, by adding subdivisions.

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

Page 1, line 19, after "*act*" insert "*of 1990*"

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

Mr. Berg from the Committee on Gaming Regulation, to which was referred

S.F. No. 324: A bill for an act relating to lawful gambling; abolishing the department of gaming and the position of commissioner of gaming; removing paddlewheels from the definition of lawful gambling; changing the membership of the gambling control board; amending Minnesota Statutes 1990, sections 15A.081, subdivision 1; 240.011; 240.02, subdivisions 1 and 2;

240.06, subdivision 8; 240.28; 349.12, subdivisions 10, 18, 21, and 24; 349.151, subdivision 2; 349.153; 349.163, subdivisions 1 and 4; 349.167, subdivision 4; 349.169, subdivision 2; 349.18, subdivision 1; 349A.01, subdivisions 5 and 9; 349A.02, subdivisions 1, 4, 5, 6, and 8; 349A.03, subdivision 1; 349A.06, subdivisions 2 and 5; 349A.08, subdivision 7; 349A.10, subdivisions 3 and 4; 349A.11; 349A.12, subdivision 4; repealing Minnesota Statutes 1990, section 240.01, subdivision 15; 349.12, subdivisions 12 and 29; 349A.01, subdivisions 3, 4, and 6; and 349B.01.

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

Page 6, line 26, delete the new language and strike "the board"

Page 6, strike lines 27 and 28

Page 6, line 29, strike "as a voting member."

Page 6, line 33, delete everything before "*the*" and insert "*(a)*"

Page 6, line 36, after "*(2)*" insert "*one member appointed by the governor for a term expiring June 30, 1994; (3)*"

Page 7, line 2, delete "*(3)*" and insert "*(4)*"

Page 7, line 4, delete "*(c)*" and insert "*(b)*"

Page 7, line 5, delete "*advise*" and insert "*advice*"

Page 7, line 6, delete "*(d)*" and insert "*(c)*"

Page 7, line 8, delete "*(e)*" and insert "*(d)*"

Page 8, after line 36, insert:

"Sec. 16. Minnesota Statutes 1990, section 349.168, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] 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 the following persons may receive compensation without being active members: (1) sellers of pull-tabs, tip-boards, raffle tickets, ~~paddlewheel tickets~~, and bingo paper; (2) accountants performing auditing or bookkeeping services for the organization; and (3) attorneys providing legal services to the organization. The board may by rule allow other persons not active members of the organization to receive compensation."

Page 9, after line 26, insert:

"Sec. 19. Minnesota Statutes 1990, section 349.212, subdivision 6, is amended to read:

Subd. 6. [COMBINED RECEIPTS TAX.] In addition to the taxes imposed under subdivisions 1 and 4, there is imposed a tax on 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 less gross receipts directly derived from the conduct of bingo, ~~and raffles, and paddlewheels~~, as defined in section 349.12, subdivision 21, for the fiscal year. The combined receipts of an organization are subject to a tax computed according to the following schedule:

If the combined receipts for the

The tax is:

fiscal year are:

Not over \$500,000	zero
Over \$500,000 but not over \$700,000	two percent of the amount over \$500,000 but not over \$700,000
Over \$700,000 but not over \$900,000	\$4,000 plus four percent of the amount over \$700,000 but not over \$900,000
Over \$900,000	\$12,000 plus six percent of the amount over \$900,000"

Page 16, after line 10, insert:

"Sec. 35. Minnesota Statutes 1990, section 609.75, subdivision 4, is amended to read:

Subd. 4. [GAMBLING DEVICE.] A gambling device is a contrivance which for a consideration affords the player an opportunity to obtain something of value, other than free plays, automatically from the machine or otherwise, the award of which is determined principally by chance. "Gambling device" *also* includes ~~any~~ a video game of chance, as defined in ~~section 349.50, subdivision 8; that is not in compliance with sections 349.50 to 349.60.~~

Sec. 36. Minnesota Statutes 1990, section 609.75, is amended by adding a subdivision to read:

Subd. 8. [VIDEO GAME OF CHANCE.] *A video game of chance is a game or device that simulates one or more games commonly referred to as poker, blackjack, craps, hi-lo, roulette, or other common gambling forms, though not offering any type of pecuniary award or gain to players. The term also includes any video game having one or more of the following characteristics:*

- (1) it is primarily a game of chance, and has no substantial elements of skill involved;*
- (2) it awards game credits or replays and contains a meter or device that records unplayed credits or replays.*

Sec. 37. Minnesota Statutes 1990, section 609.755, is amended to read:  
609.755 [ACTS OF OR RELATING TO GAMBLING.]

Whoever does any of the following is guilty of a misdemeanor:

- (1) ~~Makes~~ *makes* a bet; ~~or~~
- (2) ~~Sells~~ *sells* or transfers a chance to participate in a lottery; ~~or~~
- (3) ~~Disseminates~~ *disseminates* information about a lottery with intent to encourage participation therein; ~~or~~
- (4) ~~Permits~~ *permits* a structure or location owned or occupied by the actor or under the actor's control to be used as a gambling place; *or*
- (5) *operates a gambling device.*

Sec. 38. Minnesota Statutes 1990, section 609.76, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANORS.] (a) Whoever does any of the following may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both:

- (1) maintains or operates a gambling place or operates a bucket shop;
- (2) intentionally participates in the income of a gambling place or bucket shop;
- (3) conducts a lottery, or, with intent to conduct a lottery, possesses facilities for doing so;
- (4) sets up for use for the purpose of gambling, or collects the proceeds of, any gambling device or bucket shop;
- (5) with intent that it shall be so used, 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, with anything of value other than free plays, players of video games of chance as defined in section 349.50, subdivision 8, or who directs an employee to pay any such compensation or reward.~~

(b) On conviction of a person for the crime established in paragraph (a), clause (7), the court shall impose a fine of not less than \$700.

#### Sec. 39. [TRIBAL-STATE COMPACTS.]

*Sections 35 to 38 must not be construed as prohibiting the state from entering into or participating in a compact with the governing body of an Indian tribe governing the conduct of any form of gambling under the Indian Gaming Regulatory Act, United States Code, title 25, sections 2701 to 2721."*

Page 16, line 14, delete "32," and insert "15, 17, 18, and 20 to 34,"

Page 16, delete line 28 and insert:

*"Sections 1 to 34, 40, and 41 are effective July 1, 1991. Sections 35 to 39 are effective January 1, 1992."*

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "clarifying the prohibition on video games of chance;"

Page 1, line 11, after the first semicolon, insert "349.168, subdivision 3;"

Page 1, line 12, after the first semicolon, insert "349.212, subdivision 6;"

Page 1, line 16, after the semicolon, insert "609.75, subdivision 4, and by adding a subdivision; 609.755; 609.76, subdivision 1;"

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



Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 720: A bill for an act relating to housing; authorizing the Minnesota housing finance agency to establish a shallow rent subsidy program, a lease-purchase housing program, a blighted property acquisition program, and a housing capital reserve program; appropriating money; amending Minnesota Statutes 1990, sections 273.124, subdivision 7; and 462A.05, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 462A.

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

Page 2, line 7, delete "3" and insert "2"

Page 2, delete section 2

Page 3, after line 24, insert:

"Sec. 4. [462A.205] [SHALLOW RENT SUBSIDY PROGRAM.]

*Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.*

*(a) "Caretaker parent" means a parent, relative caretaker, or minor caretaker as defined by the aid to families with dependent children program, sections 256.72 to 256.87.*

*(b) "Family" or "participating family" means either:*

*(1) a family with a caretaker parent who is participating in a program and with at least one minor child; or*

*(2) a family which, at the time it began receiving rent assistance under this section, had a caretaker parent participating in a program and at least one minor child.*

*(c) "Program" means a program operated under sections 256.736 and 256D.051, an employability program administered by a community action agency, a job training program administered under the federal Jobs Training Partnership Act, or courses of study at an accredited institution of higher education pursued with at least half-time student status under an employment development plan approved by the institution.*

*Subd. 2. [ESTABLISHMENT.] The agency may establish a shallow rent housing subsidy program to provide direct rental subsidies for housing for individuals or families with incomes of up to 60 percent of area median income. One-half of the money appropriated for this program must be used to provide rental housing subsidies for individuals or families with incomes not exceeding 30 percent of the area median income. The amount of the tenant's portion of the rental payment may exceed 30 percent of the tenant's annual income. Direct rental subsidies must be administered by the agency for the benefit of eligible tenants. Financial assistance provided under this subdivision must be in the form of vendor payments whenever possible. The program must offer two options: a voucher option and a project-based voucher option. When providing project-based vouchers, the agency shall give priority to a project that has received public money for rehabilitation of the housing.*

*Subd. 3. [AMOUNT AND PAYMENT OF RENT ASSISTANCE.] (a)*

*Within the limits of available appropriations, eligible individuals and families may receive monthly rent assistance for a 36-month period starting with the month the individual or family first receives rent assistance under this section.*

*(b) The rent assistance must be paid directly to the property owner.*

*(c) Subject to the limitations in paragraph (d), the amount of rent assistance is the difference between the rent and the individual's or family's copayment.*

*(d) In no case:*

*(1) may the amount of monthly rent assistance be more than \$350;*

*(2) may the owner receive more rent for assisted units than for comparable unassisted units; or*

*(3) may the amount of monthly rent assistance be more than the difference between the individual's or family's copayment and the fair market rent for the unit as determined by the United States Department of Housing and Urban Development.*

*Subd. 4. [PROPERTY OWNER.] In order to receive rent assistance payments, the property owner must enter into a standard lease agreement with the tenant which includes a clause providing for good cause evictions only. Otherwise, the lease may be any standard lease agreement. The agency must make model lease agreements available to program administrators, participating individuals, families, and property owners.*

*Subd. 5. [FAMILY STABILIZATION DEMONSTRATION PROJECT.] The agency, in consultation with the department of human services, may establish a family stabilization demonstration project within the shallow rent subsidy program. The purpose of the project is to provide rental assistance to families receiving public assistance which have a caretaker parent participating in a self-sufficiency, education, or job-training program. The agency may contract with local housing agencies to administer the demonstration project. The requirements specified under subdivisions 1 to 4 apply to the demonstration project."*

Page 4, line 1, after the period, insert "Loans from the pool may be sold on the secondary market."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the first comma, insert "a family stabilization demonstration project,"

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. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 252: A bill for an act relating to housing; authorizing a multi-county housing and redevelopment authority to appoint additional commissioners; amending Minnesota Statutes 1990, section 469.006, subdivision 2.

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

Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 652: A bill for an act relating to housing; providing for the payment of fees for certain publicly owned facilities; amending Minnesota Statutes 1990, section 327.23, subdivision 3.

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 448: A bill for an act relating to local government; regulating the development, imposition, and management of state mandates upon local political subdivisions; amending Minnesota Statutes 1990, section 14.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3 and 14; repealing Minnesota Statutes 1990, section 3.982.

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 333: A bill for an act relating to the city of St. Paul; authorizing an increase in the hotel-motel tax; amending Laws 1986, chapter 462, section 31.

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

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

S.F. No. 846: A resolution memorializing Congress and the President to expedite passage of a law establishing class 1 dairy support prices at the market levels prevailing on August 1, 1990.

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

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

S.F. No. 437: A bill for an act relating to agriculture; changing the shade tree disease and wood use programs; amending Minnesota Statutes 1990, sections 18.023, subdivisions 10a and 11; and 18.024, subdivision 1.

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

Page 1, line 25, delete "*even-numbered*" and insert "*odd-numbered*"

Page 2, delete lines 13 to 32 and insert:

"Subdivision 1. [RECOMMENDATIONS WOOD UTILIZATION.] The

~~department departments of agriculture, in cooperation and natural resources, after consultation with the commissioner of trade and economic development, the director of public service, and the Minnesota shade tree advisory committee and the commissioners of public service, and trade and economic development, shall draft recommendations for investigate, evaluate, and make recommendations to the legislature concerning the potential uses of wood from community trees removed due to disease or other disorders. These recommendations shall include maximum resource recovery through recycling, use as an alternative energy source, or use in construction or the manufacture of new products. Wood utilization or disposal systems as defined in section 18.023- These recommendations shall encourage must be included to ensure maximum utilization of diseased shade trees- In addition to ensuring maximum utilization, the recommendations must be designed with designs and procedures to ensure public safety and to assure compliance with approved disease control programs."~~

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 513: A bill for an act relating to the military; providing for issuance of a state ribbon to certain participants in the Persian Gulf War; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 190.

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

Page 1, line 10, after "*Minnesota*" insert "*army or air*" and delete "*or reserve*"

Page 1, line 11, delete "*components*"

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 759: A bill for an act relating to human services; authorizing emergency child care assistance for dependents and spouses of certain military personnel serving in the Persian Gulf area; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256H.

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

Page 1, line 19, delete "*area in*" and insert "*conflict in support of*"

Page 1, line 20, delete "*another*" and insert "*any other*"

Page 1, line 21, delete "*in the area*" and insert "*that was part of the conflict in the Persian Gulf region*"

Amend the title as follows:

Page 1, line 5, delete "*area*" and insert "*conflict*"

And when so amended the bill do pass and be re-referred to the Committee

on Health and Human Services. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 714: A bill for an act relating to the military; clarifying language about certain money appropriated for land acquisition; amending Minnesota Statutes 1990, section 190.25, subdivision 3.

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

Mr. Novak from the Committee on Energy and Public Utilities, to which was referred

S.F. No. 699: A bill for an act relating to utilities; requiring that applicants under the telephone assistance plan be certified by the department of human services for eligibility before receiving benefits; requiring reports; amending Minnesota Statutes 1990, section 237.70, subdivision 7.

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

Page 1, line 25, delete the comma and before the period, insert "*and must provide examples of acceptable proof*" and after the period, insert "*The application must state that failure to submit proof with the application will result in the applicant being found ineligible.*"

Page 2, line 27, delete the first "an" and insert "*a completed*"

Page 2, line 29, after the period, insert "*If the department fails to do so, it shall within three working days provide written notice to the applicant's telephone company that the company shall provide telephone assistance plan credits against monthly charges in the earliest possible month following receipt of the written notice. The applicant must receive telephone assistance plan credits until the earliest possible month following the company's receipt of notice from the department that the applicant is ineligible.*"

Page 3, line 17, delete "no" and insert "not"

Page 3, line 18, delete "longer"

Page 3, line 27, delete "or transfers"

Page 3, line 29, delete "or transfer"

Page 3, line 31, delete everything after "disconnected"

Page 3, delete line 32

Page 3, line 33, delete "or transfer" and delete "or"

Page 3, line 34, delete "transfer"

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. 187: A bill for an act relating to mental health; authorizing competent persons to make advance declarations regarding mental health treatment; amending Minnesota Statutes 1990, section 253B.03.

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

Page 4, line 7, after "*retardation*" insert a comma

Page 4, line 8, after "*conservator*" insert a comma

Page 4, line 14, delete "TREATMENT FOR MENTAL ILLNESS" and insert "MENTAL HEALTH TREATMENT"

Page 4, line 15, delete "*patient*" and insert "*person admitted or committed to a treatment facility*" and delete "*treatment for*" and insert "*mental health treatment*"

Page 4, line 16, delete "*mental illness*" and delete "*patient's*" and insert "*person's*"

Page 4, line 17, delete "*treatment for*" and insert "*mental health treatment*" "

Page 4, line 18, delete "*mental illness*" "

Page 4, line 19, before the period, insert "*and does not include treatment for mental retardation*" and delete "*patient*" and insert "*person*"

Page 4, line 21, delete "*shall*" and insert "*must*"

Page 4, line 33, delete "*directive*" and insert "*declaration*"

Page 4, line 34, delete "*such*" and insert "*the*" and after "*treatment*" insert "*or authorizing a proxy to request the treatment*"

Page 5, line 1, delete "*directive*" and insert "*declaration*"

Page 6, line 5, before "A" insert "(a)"

Page 6, line 10, before "A" insert "(b)"

Page 6, line 16, before "A" insert "(c)"

Page 6, line 17, after the period, insert "*The witnesses must include a statement that they believe the declarant understands the risks and benefits of any decision regarding intrusive mental health treatment.*"

Page 6, line 24, after "*all*" insert "*intrusive*"

Page 6, line 25, after the period, insert "*A treatment provider may not require a person to make a declaration under this subdivision as a condition of receiving services.*"

Page 6, line 26, before "*The*" insert "(d)"

Page 7, line 2, delete "*a petition for commitment*"

Page 7, line 3, delete "*has been filed*" and insert "*the declarant is committed as mentally ill or mentally ill and dangerous to the public*"

Page 7, line 5, before "A" insert "(e)"

Page 7, after line 11, insert:

*"(f) A provider who administers intrusive mental health treatment according to and in good faith reliance upon the validity of a declaration under this subdivision is held harmless from any liability resulting from a subsequent finding of invalidity.*

*(g) In addition to making a declaration under this subdivision, a competent*

*adult may delegate parental powers under section 524.5-505 or may nominate a guardian or conservator under section 525.544."*

Page 8, after line 15, insert:

"Sec. 2. Minnesota Statutes 1990, section 253B.18, subdivision 4b, is amended to read:

Subd. 4b. [PASS-ELIGIBLE STATUS; NOTIFICATION.] The following patients committed to the Minnesota security hospital shall not be placed on pass-eligible status unless that status has been approved by the medical director of the Minnesota security hospital:

(a) a patient who has been committed as mentally ill and dangerous and who

(1) was found incompetent to proceed to trial for a felony or was found not guilty by reason of mental illness of a felony immediately prior to the filing of the commitment petition;

(2) was convicted of a felony immediately prior to or during commitment as mentally ill and dangerous; or

(3) is subject to a commitment to the commissioner of corrections; and

(b) a patient who has been committed as a psychopathic personality, as defined in section 526.09.

At least ten days prior to a determination on the status, the medical director shall notify the committing court, the county attorney of the county of commitment, *the designated agency*, an interested person, the petitioner, and the petitioner's counsel of the proposed status, and their right to request review by the special review board. If within ten days of receiving notice any notified person requests review by filing a notice of objection with the commissioner and the head of the treatment facility, a hearing shall be held before the special review board. The proposed status shall not be implemented unless it receives a favorable recommendation by a majority of the board and approval by the commissioner. The order of the commissioner is appealable as provided in section 253B.19.

Nothing in this subdivision shall be construed to give a patient an affirmative right to seek pass-eligible status from the special review board.

Sec. 3. Minnesota Statutes 1990, section 253B.18, subdivision 5, is amended to read:

Subd. 5. [PETITION; NOTICE OF HEARING; ATTENDANCE; ORDER.] A petition for an order of transfer, discharge, provisional discharge, or revocation of provisional discharge shall be filed with the commissioner and may be filed by the patient or by the head of the treatment facility. The special review board shall hold a hearing on each petition prior to making any recommendation. Within 45 days of the filing of the petition, the committing court, the county attorney of the county of commitment, *the designated agency*, an interested person, the petitioner and petitioner's counsel shall be given written notice by the commissioner of the time and place of the hearing before the special review board. Only those entitled to statutory notice of the hearing or those administratively required to attend may be present at the hearing. The commissioner shall issue an order no later than 14 days after receiving the recommendation of the special review board. A copy of the order shall be sent by certified mail to every person entitled to statutory notice of the hearing within five days after it is issued.

No order by the commissioner shall be effective sooner than 15 days after it is issued.

Sec. 4. Minnesota Statutes 1990, section 253B.19, subdivision 2, is amended to read:

Subd. 2. [PETITION; HEARING.] The committed person or the county attorney of the county from which a patient as mentally ill and dangerous to the public was committed may petition the appeal panel for a rehearing and reconsideration of a decision by the commissioner. The petition shall be filed with the supreme court within 30 days after the decision of the commissioner. The supreme court shall refer the petition to the chief judge of the appeal panel. The chief judge shall notify the patient, the county attorney of the county of commitment, *the designated agency*, the commissioner, the head of the treatment facility, any interested person, and other persons the chief judge designates, of the time and place of the hearing on the petition. The notice shall be given at least 14 days prior to the date of the hearing. The hearing shall be within 45 days of the filing of the petition. Any person may oppose the petition. The appeal panel may appoint examiners and may adjourn the hearing from time to time. It shall hear and receive all relevant testimony and evidence and make a record of all proceedings. The patient, patient's counsel, and the county attorney of the committing county may be present and present and cross-examine all witnesses."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "requiring certain notices to be given to the designated agency;"

Page 1, line 5, delete "section 253B.03" and insert "sections 253B.03; 253B.18, subdivisions 4b and 5; and 253B.19, subdivision 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. 154: 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 1990, section 327C.095, subdivision 1, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 327C.

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

Page 2, line 7, before "*written*" insert "*45-day*"

Page 2, line 9, after the period, insert "*The notice must state that the park owner will provide information on the cash price and the terms and conditions of the purchaser's offer to residents requesting the information.*"

Page 2, line 12, delete "*All of the residents*" and insert "*During the notice period required in this subdivision, the owners of at least 51 percent of the manufactured homes in the park*"

Page 2, line 13, after "*of*" insert "*the owners of at least*"

Page 2, line 14, delete "*residents*" and insert "*manufactured homes in the park*"



Page 2, line 15, delete "45 days" and insert "the right" and delete the second "to"

Page 2, line 30, after the period, insert "For purposes of this subdivision, the date of purchase is the date of the transfer of the title to the purchaser." and delete "the residents" and insert "a resident of each manufactured home"

Page 2, line 32, delete "residents" and insert "owners of at least 51 percent of the manufactured homes in the park"

Page 2, line 33, after the first "of" insert "the owners of at least" and delete "residents" and insert "manufactured homes in the park"

Page 2, line 35, after "a" insert "cash"

Page 3, line 4, before the period, insert "and pay the cash price within 90 days of the date of the purchase agreement"

Page 3, line 8, delete everything after the period

Page 3, delete line 9 and insert:

"Sec. 4. Minnesota Statutes 1990, section 327C.095, is amended by adding a subdivision to read:

*Subd. 8. [REQUIRED FILING OF NOTICE.] Subdivisions 6 and 7 apply to manufactured home parks upon which notice has been filed with the county recorder or registrar of titles in the county where the manufactured home park is located. Any person may file the notice required under this subdivision with the county recorder or registrar of titles. The notice must be in the following form:*

**"MANUFACTURED HOME PARK NOTICE**

**THIS PROPERTY IS USED AS A MANUFACTURED HOME PARK**

.....

**PARK OWNER**

.....

.....

.....

.....

**LEGAL DESCRIPTION OF PARK**

.....

**COOPERATIVE ASSOCIATION (IF APPLICABLE)"**

Page 3, line 12, delete "8" and insert "9"

Page 3, line 13, after "is" insert "finally"

Page 3, line 16, delete "Any" and insert "A" and delete "shall be" and insert "is"

Page 3, line 17, delete ", subdivision 1"

Page 3, after line 19, insert:

"Sec. 6. Minnesota Statutes 1990, section 327C.095, is amended by adding a subdivision to read:

*Subd. 10. [EXCLUSION.] Subdivisions 6 and 7 do not apply to:*

(1) a conveyance of an interest in a manufactured home park incidental to the financing of the manufactured home park;

(2) a conveyance by a mortgagee subsequent to foreclosure of a mortgage or a deed given in lieu of a foreclosure; or

(3) a purchase of a manufactured home park by a governmental entity under its power of eminent domain.

Sec. 7. Minnesota Statutes 1990, section 327C.095, is amended by adding a subdivision to read:

*Subd. 11. [AFFIDAVIT OF COMPLIANCE.] After a park is sold, a park owner or other person with personal knowledge may file an affidavit with the county recorder or registrar of titles in the county in which the park is located certifying compliance with subdivision 6 or 7 or that subdivisions 6 and 7 are not applicable. The affidavit may be used as proof of the facts stated in the affidavit. A person acquiring an interest in a park or a title insurance company or attorney who prepares, furnishes, or examines evidence of title may rely on the truth and accuracy of statements made in the affidavit and is not required to inquire further as to the park owner's compliance with subdivisions 6 and 7. When an affidavit is filed, the right to purchase provided under subdivisions 6 and 7 terminate, and if registered property, the registrar of titles shall delete the memorials of the notice and affidavit from future certificates of title."*

Page 3, line 26, after the period, insert "Written notice provided once within a one-year period satisfies the requirement under this section."

Page 3, line 28, after "park" insert "and is for informational purposes only"

Page 3, line 30, after "one" insert "or more"

Page 3, line 35, after "make" insert "a"

Renumber the sections in sequence

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 582: A bill for an act relating to liquor; authorizing cities of the first class to extend on-sale closing hours; amending Minnesota Statutes 1990, section 340A.504, subdivision 6.

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

Page 1, line 13, strike "city" and insert "municipality"

Page 1, lines 14 and 17, delete "city" and insert "municipality"

Page 1, line 15, delete "of the first class"

Amend the title as follows:

Page 1, lines 2 and 3, delete "cities of the first class" and insert "municipalities"

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 202: A bill for an act relating to occupations and professions; requiring residential building contractors, remodelers, and specialty contractors to be licensed by the state; establishing a builders state advisory council; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 326.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 45.027, subdivision 1, is amended to read:

Subdivision 1. [GENERAL POWERS.] In connection with the administration of chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, 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 chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or any rule or order under those chapters, or to aid in the enforcement of chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or in the prescribing of rules or forms under those chapters;

(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 chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98;

(4) conduct investigations and hold hearings for the purpose of compiling information with a view to recommending changes in chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, to the legislature;

(5) examine the books, accounts, records, and files of every licensee under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, and of every person who is engaged in any activity regulated under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98; 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 chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, to report all sales or transactions that are regulated under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98. 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.

Sec. 2. Minnesota Statutes 1990, section 45.027, subdivision 2, is amended to read:

Subd. 2. [POWER TO COMPEL PRODUCTION OF EVIDENCE.] For the purpose of any investigation, hearing, or proceeding under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, 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.

Sec. 3. Minnesota Statutes 1990, section 45.027, subdivision 5, is amended to read:

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 chapters 45 to 83, 309, and 332, sections 326.83 to 362.98, or any rule or order adopted under those chapters, 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 chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or any rule or order adopted or issued under those chapters, 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 chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or any rule or order adopted or issued under those chapters. 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, unless the person requesting the hearing and the department of commerce agree the hearing be scheduled after the seven-day period. After the hearing 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.

Sec. 4. Minnesota Statutes 1990, section 45.027, subdivision 6, is amended to read:

Subd. 6. [VIOLATIONS AND PENALTIES.] The commissioner may impose a civil penalty not to exceed \$2,000 per violation upon a person who violates chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, unless a different penalty is specified.

Sec. 5. Minnesota Statutes 1990, 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 sections 326.83 to 326.98, or censure that person if the commissioner finds that:

(1) the order is in the public interest; and

(2) the person has violated chapters 45 to 83, 155A, 309, or 332, or sections 326.83 to 326.98.

Sec. 6. Minnesota Statutes 1990, section 45.027, subdivision 8, is amended to read:

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 chapters 45 to 83, 309, or 332, or sections 326.83 to 326.98.

### RESIDENTIAL CONTRACTORS

Sec. 7. [326.83] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] *The definitions in this section apply to sections 7 to 22.*

Subd. 2. [COMMISSIONER.] *"Commissioner" means the commissioner of commerce.*

Subd. 3. [COUNCIL.] *"Council" means the builders state advisory council.*

Subd. 4. [LICENSEE.] *"Licensee" means a residential building contractor, remodeler, or specialty contractor licensed under sections 7 to 22.*

Subd. 5. [MECHANICAL CONTRACTOR.] *"Mechanical contractor" means a person, sole proprietor, partnership, joint venture, corporation, or other organization which is in the business of erection, installation, alteration, repair, relocation, replacement, addition to, use or maintenance of any heating, ventilating, cooling, process piping, plumbing, fire protection, refrigeration systems, incinerators or other miscellaneous heat-producing appliance, piping, or equipment or appliances associated with those systems.*

Subd. 6. [PUBLIC MEMBER.] *"Public member" means a person who is not, and never was, a residential builder, remodeler, or specialty contractor or the spouse of such person, or a person who has no, or never has had a material financial interest in acting as a residential building contractor, remodeler, or specialty contractor or a directly related activity.*

Subd. 7. [REMODELER.] *"Remodeler" means a person in the business of contracting or offering to contract to improve existing residential real estate. A remodeler has two or more special skills.*

Subd. 8. [RESIDENTIAL BUILDING CONTRACTOR.] *"Residential building contractor" means a person in the business of building residential real estate or of contracting or offering to contract to improve residential real estate.*

Subd. 9. [RESIDENTIAL REAL ESTATE.] *"Residential real estate" means a new or existing building constructed for habitation by one to four families, and includes detached garages.*

Subd. 10. [SPECIALTY CONTRACTOR.] *"Specialty contractor" means*

*a person other than a residential building contractor, remodeler, or material supplier, in the business of contracting or offering to contract to make part of an improvement to residential real estate.*

Sec. 8. [326.84] [LICENSING REQUIREMENTS.]

*Subdivision 1. [PERSONS REQUIRED TO BE LICENSED.] Except as provided in subdivision 3, no person may engage in the work of a residential building contractor, remodeler, or specialty contractor for compensation without a valid license issued by the commissioner. The commissioner shall determine which types of one-skill competency or single special skill groups must be licensed as specialty contractors.*

*Subd. 2. [PERSONS CONSIDERED LICENSED.] Residential building contractors, remodelers, and specialty contractors are considered licensed if the following requirements are met:*

- (1) for a sole proprietorship, the proprietor is licensed;*
- (2) for a partnership, a general partner is licensed; and*

*(3) for a corporation, a chief executive officer, responsible managing employee, or qualifying person in Minnesota designated by the corporation is licensed. "Responsible managing employee" or "qualifying person" means an employee who is regularly employed by the corporation and is actively engaged in the classification of work for which the responsible managing employee qualifies on behalf of the corporation. A person may act in the capacity of the qualifying party for one additional corporation if one of the following conditions exist:*

- (i) there is a common ownership of at least 25 percent of each licensed corporation for which the person acts in a qualifying capacity; or*
- (ii) one corporation is a subsidiary of another corporation for which the same person acts in a qualifying capacity. "Subsidiary" as used in this section means a corporation of which at least 25 percent is owned by the parent corporation.*

*Subd. 3. [EXCEPTIONS.] The license requirement does not apply to:*

- (1) an employee of a licensee performing work for the licensee;*
- (2) a material person, manufacturer, or retailer furnishing finished products, materials, or articles of merchandise who does not install or attach the items;*
- (3) an owner or owners of residential real estate who improve the residential real estate or who build or improve a structure on the residential real estate and who do the work themselves or jointly with the owner's own employees or agents;*
- (4) an architect or engineer engaging in professional practice as defined in chapter 326;*
- (5) a person engaging in any project by one or more contracts, for which the aggregate contract price, including labor, materials, installation, and all other items, is less than \$1,500;*
- (6) a residential building contractor, remodeler, or specialty contractor licensed by the city of St. Paul or the city of Minneapolis and who is performing work within the legal boundaries of one of those municipalities. The two cities shall adopt and administer the competency tests for the*

*residential building contractors and remodelers established in section 13 within six months of the effective date of the rules establishing the examinations. The commissioner may by rule establish a procedure for the city of Minneapolis and the city of St. Paul to administer this licensing program on a contract basis;*

*(7) a mechanical contractor, plumber, or electrician;*

*(8) all specialty contractors that were required to be licensed by the state before the effective date of sections 7 to 22; and*

*(9) specialty contractors that are not required to be licensed, as determined by the commissioner.*

**Sec. 9. [326.85] [ADVISORY COUNCIL.]**

*Subdivision 1. [BUILDERS STATE ADVISORY COUNCIL.] The commissioner shall appoint seven persons to the builders state advisory council. At least three members of the council must reside in greater Minnesota, as defined in section 1160.02, subdivision 5. At least one member of the council must be a residential building contractor, one a remodeler, one a specialty contractor, one a representative of the commissioner, one a local building official, and one a public member.*

*Subd. 2. [MEMBERSHIP TERMS.] The membership terms, compensation, removal, and filling of vacancies of the council are as provided in section 15.059.*

*Subd. 3. [DUTIES.] The council shall advise the commissioner on matters related to sections 7 to 22.*

**Sec. 10. [326.86] [FEES.]**

*Subdivision 1. [LICENSING FEE.] The commissioner shall establish licensing fees for residential building contractors, remodelers, and specialty contractors. The fees must be limited to the cost of license administration and enforcement and must be placed in a separate account in the general fund. The amount necessary to administer and enforce sections 7 to 22 is appropriated to the commissioner from the separate account.*

*Subd. 2. [LOCAL SURCHARGE.] A local government unit may place a surcharge in an amount no greater than \$5 on each building permit that requires a licensed residential building contractor, remodeler, or specialty contractor for the purpose of license verification. The local government may verify a license by telephone or facsimile machine.*

**Sec. 11. [326.87] [CONTINUING EDUCATION.]**

*Subdivision 1. [STANDARDS.] The commissioner, in consultation with the council, may adopt standards for continuing education requirements and course approval. Except for the course content, the standards must be consistent with the standards established for real estate agents and other professions licensed by the department of commerce.*

*Subd. 2. [HOURS.] A licensee of a general residential contractor or remodeler must provide proof of completion of 15 hours for each two-year license period. A specialty contractor must complete five hours for each two-year license period. Continuing real estate hours and continuing general residential contractor or remodeler hours must be granted for the same course if it meets the guidelines for an approved course in each license program.*

Sec. 12. [326.88] [TEMPORARY LICENSES.]

*Subdivision 1. [APPLICATION AND ISSUANCE.] Residential building contractors and remodelers must apply for a category one temporary license from the commissioner within 180 days of the effective date of sections 7 to 22. The commissioner must issue category one and two temporary licenses as provided in subdivisions 2 and 3.*

*Subd. 2. [CATEGORY ONE LICENSE.] A category one temporary license must be:*

*(1) in effect for no more than two years after the effective date of sections 7 to 22;*

*(2) issued no later than two years after the effective date of sections 7 to 22; and*

*(3) issued only upon proof satisfactory to the commissioner of at least two years of education or prior experience in the area for which the license is applied.*

*Subd. 3. [CATEGORY TWO LICENSE.] A category two temporary license must be issued to residential building contractors, remodelers, or specialty contractors if the person who obtained a license under section 8, subdivision 2, clause (2) or (3), leaves the partnership or corporation because of death, disability, retirement, or position change. A category two temporary license expires after one year and may not be renewed.*

Sec. 13. [326.89] [APPLICATION AND EXAMINATION.]

*Subdivision 1. [FORM.] An applicant for a license under sections 7 to 22 must submit an application to the commissioner, under oath, on a form prescribed by the commissioner. Within 30 days of receiving all required application information, the commissioner must act on the license request. If one of the categories in the application does not apply, the applicant must state the reason. The commissioner may refuse to issue a license if the application is not complete or contains unsatisfactory information.*

*Subd. 2. [CONTENTS.] The application must include the following information regarding the applicant:*

*(1) workers' compensation insurance account number;*

*(2) employment insurance account number;*

*(3) type of license requested;*

*(4) name and address of the applicant if the applicant is a sole proprietorship; name and address of each partner if the applicant is a partnership; or name and address of each of the corporate officers, directors, and all shareholders holding more than five percent of the outstanding stock in the corporation;*

*(5) whether the applicant has ever been licensed in any other state and has had a professional or vocational license refused, suspended, or revoked;*

*(6) whether the applicant or any of its corporate or partnership directors, officers, limited or general partners, or shareholders holding more than five percent of the outstanding stock of the corporation has been convicted of a crime within the ten years previous to the submission of the application that either related directly to the business for which the license is sought or involved fraud, misrepresentation, or misuse of funds; has suffered a*



*judgment in a civil action involving fraud, misrepresentation, or conversion within the five years prior to the submission of the application; or has had any government license or permit suspended or revoked as a result of an action brought by a federal, state, or local governmental agency in this or any other state within the five years prior to the submission of the application;*

*(7) the applicant's education and experience as they relate to the requested type of license; and*

*(8) the applicant's business history for the past five years and whether the applicant has ever filed for bankruptcy or protection from creditors or has any unsatisfied judgments against the applicant.*

*The commissioner may require further information as the commissioner deems appropriate to administer the provisions and further the purposes of this chapter.*

*Subd. 3. [EXAMINATION.] All individual applicants must satisfactorily complete a written examination for the type of license requested. The commissioner may establish the examination qualifications, including related education experience and education, the examination procedure, and the examination for each licensing group. The examination must include at a minimum the following areas:*

*(1) appropriate knowledge of technical terms commonly used and the knowledge of reference materials and code books to be used for technical information; and*

*(2) understanding of the general principles of business management and other pertinent state laws.*

*Each examination must be designed for the specified type of license requested. The council shall advise the commissioner on the grading, monitoring, and updating of examinations.*

*Subd. 4. [COMPETENCY SKILLS.] The commissioner shall, in consultation with the council, determine the competency skills and installation knowledge required for the licensing of specialty contractors.*

**Sec. 14. [326.90] [LOCAL LICENSE PROHIBITED.]**

*Except as provided in section 8, subdivision 3, clause (6), a political subdivision may not require a residential building contractor, remodeler, or specialty contractor to also be licensed under any ordinance, law, rule, or regulation of the political subdivision. This section does not prohibit charges for building permits or other charges not directly related to licensure.*

**Sec. 15. [326.91] [DENIAL, SUSPENSION, OR REVOCATION OF LICENSES.]**

*Subdivision 1. [CAUSE.] The commissioner may by order deny, suspend, or revoke any license or may censure a licensee if the commissioner finds that the order is in the public interest, and that the applicant or licensee:*

*(1) has filed an application for a license which is incomplete in any material respect or contains any statement which, in light of the circumstances under which it is made, is false or misleading with respect to any material fact;*

*(2) has engaged in a fraudulent, deceptive, or dishonest practice;*

(3) *is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the real estate business;*

(4) *has failed to reasonably supervise subcontractors, or salespersons, so as to cause injury or harm to the public;*

(5) *has violated or failed to comply with any provision of sections 7 to 22 or any rule or order under sections 7 to 22;*

(6) *has, in the conduct of the licensee's affairs under the license, been shown to be incompetent, untrustworthy, or financially irresponsible; or*

(7) *has been convicted of a violation of the state building code.*

*Subd. 2. [ADMINISTRATIVE ACTION.] Section 45.027 applies to any action taken by the commissioner in connection with the administration of sections 7 to 22.*

**Sec. 16. [325.92] [PENALTIES.]**

*Subdivision 1. [MISDEMEANOR.] A person required to be licensed under sections 7 to 22, who performs unlicensed work as a residential building contractor, remodeler, or specialty contractor, is guilty of a misdemeanor.*

*Subd. 2. [LIEN RIGHTS.] An unlicensed person who knowingly violates sections 7 to 22 has no right to claim a lien under section 514.01 and the lien is void. Nothing in this section affects the lien rights of material suppliers and licensed contractors to the extent provided by law.*

*Subd. 3. [COMMISSIONER ACTION.] The commissioner may bring actions, including cease and desist actions, against an unlicensed residential building contractor, remodeler, or specialty contractor to protect the public health, safety, and welfare.*

**Sec. 17. [326.93] [SERVICE OF PROCESS; NONRESIDENT LICENSING.]**

*Subdivision 1. [LICENSE.] A nonresident of Minnesota may be licensed as a residential building contractor, remodeler, or specialty contractor upon compliance with all the provisions of sections 7 to 22.*

*Subd. 2. [SERVICE OF PROCESS.] Service of process upon a person performing work in the state of a type that would require a license under sections 7 to 22 may be made as provided in section 45.028.*

**Sec. 18. [326.94] [BOND; INSURANCE.]**

*Subdivision 1. [BOND.] (a) Residential building contractors, remodelers, and specialty contractors licensed under section 8 must post a license bond with the commissioner, conditioned that the applicant shall faithfully perform the duties and in all things comply with all laws, ordinances, and regulations pertaining to the license or permit applied for. The bond must be continuous and maintained for so long as the licensee remains licensed. The aggregate liability of the surety on the bond to any and all persons, regardless of the number of claims made against the bond or the number of years the bond remains in force, shall not exceed the amount of the bond. The bond may be canceled as to future liability by the surety upon 30 days written notice mailed to the commissioner by regular mail.*

*(b) The commissioner shall establish by rule a bond scale based on the*

*gross annual receipts of the licensee. The residential building contractor and remodeler licensees must post a bond of at least \$5,000 and not to exceed \$50,000. A specialty contractor licensee must post a bond of at least \$2,500. The bond amounts for specialty contractor licensees must be based upon the same classifications as a residential building contractor and remodeler licensee.*

*Subd. 2. [INSURANCE.] Residential building contractors, remodelers, and specialty contractors must have public liability insurance with limits of at least \$100,000 per occurrence and \$10,000 property damage insurance. The commissioner may increase the minimum amount of insurance required based on the type of license and the annual gross receipts of the licensee.*

Sec. 19. [326.95] [LICENSE NUMBER; ADVERTISING.]

*Subdivision 1. [LICENSE NUMBER MUST BE DISPLAYED.] The license number of a licensee must be placed on all building permits and building permit applications made to or issued by the state or a political subdivision. In jurisdictions that have not adopted the state building code, the license number must be placed on the site plan review or zoning permit. License numbers must be on all business cards and all contracts to perform work for which a license is required.*

*Subd. 2. [ADVERTISING.] The license number of a licensee must appear in any display advertising by that licensee.*

*Subd. 3. [CONTRACTS.] Contracts entered into by a licensee must state that the person is licensed and must state the license number.*

*Subd. 4. [NOTICES.] License numbers must appear on each notice under section 514.011, and each statement under section 514.08.*

Sec. 20. [326.96] [PUBLIC EDUCATION.]

*The commissioner may develop materials and programs to educate the public concerning licensing requirements and methods for reporting unlicensed contracting activity.*

Sec. 21. [326.97] [LICENSE RENEWAL.]

*Subdivision 1. [APPROVAL.] Licensees whose applications have been properly and timely filed and who have not received notice of denial of renewal are considered to have been approved for renewal and may continue to transact business whether or not the renewed license has been received on or before January 1 of the renewal year. Application for renewal of a license is required every two years after the initial issuance. Applications are timely if received or postmarked by December 15 of the year prior to the renewal year. Applications must be made on a form approved by the commissioner.*

*Subd. 2. [FAILURE TO APPLY.] A person who has failed to make a timely application for renewal of a license by January 1 of the renewal year is unlicensed until the license has been issued by the commissioner and is received by the applicant.*

*Subd. 3. [REEXAMINATION NOT REQUIRED.] An examination is not required for the renewal of a license, except that a licensee who has failed to renew a license for two years must retake the examination.*

Sec. 22. [326.98] [RULES.]

*The commissioner may adopt rules to administer and enforce sections 7 to 22.*

Sec. 23. [APPROPRIATION.]

*§ . . . . . is appropriated to the commissioner of commerce from the general fund to administer sections 7 to 22."*

Amend the title as follows:

Page 1, line 6, after "money;" insert "amending Minnesota Statutes 1990, section 45.027, subdivisions 1, 2, 5, 6, 7, and 8;"

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

Mr. Moe, R.D. from the Committee on Redistricting, to which was referred

S.F. No. 643: A bill for an act relating to elections; setting certain redistricting goals and deadlines; authorizing certain actions by voters; amending Minnesota Statutes 1990, sections 204B.135; 204B.14, subdivision 3, and by adding a subdivision; and 375.025, subdivision 2.

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

Page 1, after line 7, insert:

"Section 1. [204B.133] [LEGISLATIVE AND CONGRESSIONAL REDISTRICTING DEADLINE.]

*The legislature finds that the process of redrawing the boundaries of legislative and congressional districts must be completed at least 25 weeks before the state primary election in the year ending in two in order to permit counties and municipalities to redraw precincts, wards, and other local government election districts and to complete all other actions necessary to conduct the state primary election in an orderly manner."*

Page 2, delete section 2

Page 3, after line 15, insert:

"Sec. 4. [204B.145] [DUTIES OF SECRETARY OF STATE.]

*Subdivision 1. [CONFERENCES FOR AUDITORS AND CLERKS.] The secretary of state shall conduct conferences with the county auditors, municipal clerks, and school district clerks to instruct them on procedures to redraw election districts and establish election precincts in the year ending in one.*

*Subd. 2. [REDISTRICTING INFORMATION; COORDINATION.] Following the completion of legislative redistricting, the secretary of state may coordinate and facilitate the exchange of information between the legislative redistricting computer system, the statewide registration system, and a computer system developed to assist the counties, municipalities, and school districts in redrawing election districts and establishing election precincts.*

*Subd. 3. [RULES.] The secretary of state may adopt permanent rules governing the procedures for redrawing local government election districts and establishing election precincts under sections 204B.135, 204B.14, 204B.145, and 205A.12 and to provide alternate procedures to implement*

*sections 204B.135, 204B.14, 204B.145, and 205A.12 if litigation prevents the enactment of the legislative redistricting plan by the deadline provided in section 1 or a local government election district plan in the time provided by section 204B.135. The establishment of congressional or legislative districts is not affected by the adoption of rules under this subdivision."*

Page 4, after line 5, insert:

"Sec. 6. [APPROPRIATION.]

*§ . . . . is appropriated from the general fund to the secretary of state for activities related to redistricting, as provided in section 4, to be available until June 30, 1993."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "imposing duties on the secretary of state; appropriating money;"

Page 1, line 6, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 204B"

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 Redistricting, to which was referred

S.F. No. 644: A bill for an act relating to elections; limiting certain special elections; setting times and procedures for certain boundary changes; imposing duties on the secretary of state; changing requirements for polling places; appropriating money; amending Minnesota Statutes 1990, sections 204B.135, by adding a subdivision; 204B.14, subdivisions 3, 4, and 6; 204B.16, subdivisions 1 and 2; 205.84, subdivision 2; and 205A.12, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 204B.

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

Pages 3 and 4, delete section 5

Pages 6 and 7, delete section 10

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 4 and 5, delete "imposing duties on the secretary of state;"

Page 1, line 6, delete "appropriating money;"

Page 1, line 9, delete the third semicolon and insert a period

Page 1, delete lines 10 and 11

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

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

S.F. No. 350: A bill for an act relating to the environment; authorizing the city of Hopkins to issue bonds to pay for environmental response costs at a landfill; authorizing the city to impose a solid waste collection surcharge; authorizing a landfill cleanup assessment against property; authorizing a service charge; appropriating money.

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

Page 1, after line 8, insert:

“Section 1. Minnesota Statutes 1990, section 473.845, subdivision 3, is amended to read:

Subd. 3. [EXPENDITURES FROM THE FUND.] Money in the fund may only be appropriated to the agency for expenditure for:

(1) reasonable and necessary expenses for closure and postclosure care of a mixed municipal solid waste disposal facility in the metropolitan area for a 20-year period after closure, if the agency determines that the operator or owner will not take the necessary actions requested by the agency for closure and postclosure in the manner and within the time requested;

(2) reasonable and necessary response and postclosure costs at a mixed municipal solid waste disposal facility in the metropolitan area that has been closed for 20 years in compliance with the closure and postclosure rules of the agency; ~~or~~

(3) reasonable and necessary response costs resulting from county actions required under section 473.833, subdivision 2a, when those actions are done under the supervision of the agency; *or*

*(4) reimbursement to a local government unit for costs incurred over \$400,000 under a work plan approved by the commissioner of the agency to remediate methane at a closed disposal facility owned by the local government unit.”*

Page 3, line 24, delete “2” and insert “3”

Page 4, line 1, delete “2” and insert “3”

Page 5, line 35, delete everything after “landfill” and insert a period

Page 6, line 2, delete “and then” and insert “. The remaining amount recovered must first be used” and after “reimburse” insert “, on a pro rata basis,”

Page 6, line 4, before the period, insert “, and the city for the first \$400,000 paid by the city for methane remediation at the landfill”

Page 6, lines 7 and 22, delete “2” and insert “3”

Page 6, line 11, delete “\$ . . . . .” and insert “\$1,300,000”

Page 6, line 14, delete everything after “the” and insert “purpose of reimbursing the city for costs incurred over \$400,000 under a work plan approved by the commissioner to remediate methane at the landfill.”

Page 6, delete lines 15 to 20

Page 6, after line 23, insert:

“Sec. 8. [EFFECTIVE DATE.]

*Sections 1 to 6 are effective June 15, 1991.”*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert “adding a purpose for expenditure from the metropolitan landfill contingency action trust fund;”

Page 1, line 7, before the period, insert “; amending Minnesota Statutes 1990, section 473.845, subdivision 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. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 561: A bill for an act relating to natural resources; authorizing certain minors to harvest wild rice without a license; amending Minnesota Statutes 1990, sections 84.091, subdivision 2; and 97A.451, 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 1990, section 84.091, subdivision 2, is amended to read:

Subd. 2. [LICENSE REQUIRED; EXCEPTION.] (a) *Except as provided in paragraph (b), a person may not harvest, buy, sell, transport, or possess aquatic plants without a license required under this chapter. A license shall be issued in the same manner as provided under the game and fish laws.*

*(b) A resident under the age of 16 years may harvest wild rice without a license.”*

Amend the title as follows:

Page 1, line 4, delete “sections” and insert “section”

Page 1, line 5, delete everything after “2” and insert a period

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. 420: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in Cass county.

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

Page 1, line 7, after the second comma, insert “*subdivision 1,*”

Page 1, after line 24, insert:

*“(d) The improvements on the lands that are owned by the lessee must be appraised separately from the lands. If a person other than the lessee*

*purchases the lands, the purchaser must make payment in full to the lessee for the appraised value of any improvements. Failure of a successful bidder to comply with this provision voids the sale and the property may be reoffered for sale.*

*(e) For the purpose of local zoning ordinances, lands sold under this section must be treated as if purchased at the time the county first leased the lands under Minnesota Statutes, section 282.04, subdivision 1a."*

Page 1, line 25, delete "(d)" and insert "(f)"

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. 531: A bill for an act relating to waste; authorizing a water or sewer commission to issue bonds; amending Minnesota Statutes 1990, section 116A.24, subdivisions 2 and 3.

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

Page 3, line 25, strike "for the power to issue bonds" and insert "*that the issuance of bonds by a commission is subject to subdivision 3, paragraph (b)*" and delete everything after the period

Page 3, delete line 26

Page 5, delete lines 5 to 28 and insert:

*"(b) The commission may incur debt by issuing obligations for any lawful purpose, including the construction, alteration, extension, or improvement of works or any part of works or of a building for the use of the commission, and for the purchase of materials, machinery, and equipment necessary for carrying out the commission's authority. The debt, whether express or implied, must be payable solely:*

*(1) from revenues, income, receipts, and profits derived by the commission from the operation and management of its system;*

*(2) from the proceeds of other debt incurred by the commission under this paragraph; or*

*(3) from federal or state grants, gifts, or other available money.*

*(c) The commission may by resolution pledge any source of revenue referred to in paragraph (b) to pay obligations and interest on them. The resolution may specify the particular revenues that are pledged, related terms and conditions, and the rights of holders. The commission may provide for the refunding of obligations through the issuance of other obligations, with rights and priorities similar in all respects to those of the refunded obligations."*

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. 146 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.
146			329		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 146 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 146 and insert the language after the enacting clause of S.F. No. 329, the first engrossment; further, delete the title of H.F. No. 146 and insert the title of S.F. No. 329, the first engrossment.

And when so amended H.F. No. 146 will be identical to S.F. No. 329, and further recommends that H.F. No. 146 be given its second reading and substituted for S.F. No. 329, 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. 325 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.
325			562		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 325 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 325 and insert the language after the enacting clause of S.F. No. 562, the first engrossment; further, delete the title of H.F. No. 325 and insert the title of S.F. No. 562, the first engrossment.

And when so amended H.F. No. 325 will be identical to S.F. No. 562, and further recommends that H.F. No. 325 be given its second reading and substituted for S.F. No. 562, 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. 252, 652, 846, 437, 714, 187, 154, 582, 561, 420 and 531 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 146 and 325 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Marty moved that the name of Mr. Storm be added as a co-author to S.F. No. 137. The motion prevailed.

Mr. Frederickson, D.J. moved that the name of Mr. Frederickson, D.R. be added as a co-author to S.F. No. 558. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Mr. Dicklich be added as a co-author to S.F. No. 589. The motion prevailed.

Mr. Kelly moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 605. The motion prevailed.

Mr. Finn moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 606. The motion prevailed.

Mr. Chmielewski moved that the names of Messrs. Finn and Belanger be added as co-authors to S.F. No. 624. The motion prevailed.

Mr. Vickerman moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 665. The motion prevailed.

Mr. Knaak moved that the name of Mr. Larson be added as a co-author to S.F. No. 701. The motion prevailed.

Mr. Dahl moved that the name of Mr. Finn be added as a co-author to S.F. No. 764. The motion prevailed.

Mr. Merriam moved that the name of Ms. Reichgott be added as a co-author to S.F. No. 767. The motion prevailed.

Mr. Marty moved that the name of Mr. Frederickson, D.R. be added as a co-author to S.F. No. 778. The motion prevailed.

Mr. Dahl moved that the name of Mr. Finn be added as a co-author to S.F. No. 793. The motion prevailed.

Ms. Ranum moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 802. The motion prevailed.

Mr. McGowan moved that his name be stricken as a co-author to S.F. No. 814. The motion prevailed.

Mr. Neville moved that the name of Mr. Johnson, D.E. be added as a co-author to S.F. No. 814. The motion prevailed.

Mr. Mondale moved that his name be stricken as a co-author to S.F. No. 818. The motion prevailed.

Mr. Merriam moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 822. The motion prevailed.

Messrs. Gustafson; Moe, R.D.; Benson, D.D.; Hughes and Solon introduced—

Senate Resolution No. 38: A Senate resolution congratulating Jack G. Krenzen, President of Krenzen Indoor Auto Mall, Duluth, Minnesota, on being named the Time Magazine National Quality Dealer of the Year.

Referred to the Committee on Rules and Administration.

**CALENDAR**

H.F. No. 275: A bill for an act relating to commerce; prohibiting the unlawful assignment of certain motor vehicle contracts; 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Merriam	Reichgott
Beckman	Day	Johnson, D.J.	Metzen	Renneke
Belanger	DeCramer	Johnson, J.B.	Moe, R.D.	Riveness
Benson, D.D.	Dicklich	Johnston	Mondale	Sams
Benson, J.E.	Finn	Kelly	Morse	Samuelson
Berg	Flynn	Knaak	Neuville	Solon
Berglin	Frank	Laidig	Novak	Spear
Bernhagen	Frederickson, D.J.	Langseth	Olson	Storm
Bertram	Frederickson, D.R.	Larson	Pappas	Stumpf
Brataas	Gustafson	Lessard	Pariseau	Traub
Chmielewski	Halberg	Luther	Piper	Vickerman
Cohen	Hottinger	McGowan	Pogemiller	Waldorf
Dahl	Hughes	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 205: A bill for an act relating to insurance; modifying the allowable delinquency and related charges in premium finance agreements; amending Minnesota Statutes 1990, section 59A.10.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Riveness
Beckman	DeCramer	Johnston	Moe, R.D.	Sams
Belanger	Dicklich	Kelly	Mondale	Samuelson
Benson, D.D.	Finn	Knaak	Morse	Solon
Benson, J.E.	Flynn	Kroening	Neuville	Spear
Berg	Frank	Laidig	Novak	Storm
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Traub
Bertram	Gustafson	Lessard	Pariseau	Vickerman
Brataas	Halberg	Luther	Piper	Waldorf
Chmielewski	Hottinger	Marty	Pogemiller	
Cohen	Hughes	McGowan	Ranum	
Dahl	Johnson, D.E.	Mehrkens	Reichgott	
Davis	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 75: A bill for an act relating to metropolitan government; extending the date for the international airport plan; amending Minnesota Statutes 1990, section 473.616, 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	Johnson, D.E.	Mehrkens	Ranum
Beckman	Day	Johnson, D.J.	Merriam	Reichgott
Belanger	DeCramer	Johnson, J.B.	Metzen	Renneke
Benson, D.D.	Dicklich	Johnston	Moe, R. D.	Sams
Benson, J.E.	Finn	Kelly	Mondale	Samuelson
Berg	Flynn	Knaak	Morse	Solon
Berglin	Frank	Kroening	Neuville	Spear
Bernhagen	Frederickson, D.J.	Laidig	Novak	Storm
Bertram	Frederickson, D.R.	Langseth	Olson	Stumpf
Brataas	Gustafson	Larson	Pappas	Traub
Chmielewski	Halberg	Lessard	Pariseau	Vickerman
Cohen	Hottinger	Luther	Piper	Waldorf
Dahl	Hughes	Marty	Pogemiller	

So the bill passed and its title was agreed to.

S.F. No. 468: A bill for an act relating to employment; changing the date for submission of recommendations by the compensation council; amending Minnesota Statutes 1990, section 15A.082, subdivision 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Renneke
Beckman	Day	Johnson, J.B.	Metzen	Riveness
Belanger	DeCramer	Johnston	Moe, R. D.	Sams
Benson, D.D.	Dicklich	Kelly	Mondale	Samuelson
Benson, J.E.	Finn	Knaak	Morse	Solon
Berg	Flynn	Kroening	Neuville	Spear
Berglin	Frank	Laidig	Novak	Storm
Bernhagen	Frederickson, D.J.	Langseth	Olson	Stumpf
Bertram	Frederickson, D.R.	Larson	Pariseau	Traub
Brataas	Gustafson	Lessard	Piper	Vickerman
Chmielewski	Hottinger	Luther	Pogemiller	Waldorf
Cohen	Hughes	Marty	Ranum	
Dahl	Johnson, D.E.	McGowan	Reichgott	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 425, 368, 550, 5, 286 and H.F. No. 243, 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.

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

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

Messrs. DeCramer and Stumpf introduced—

S.F. No. 847: A bill for an act relating to education; repealing school district dissolution and attachment laws; repealing Minnesota Statutes 1990, section 122.22.

Referred to the Committee on Education.

Mr. Waldorf introduced—

S.F. No. 848: A bill for an act relating to retirement; Duluth and St. Paul fire department relief associations; providing a refund to a beneficiary or estate in the event of certain deaths.

Referred to the Committee on Governmental Operations.

Messrs. Price, Bernhagen and Dahl introduced—

S.F. No. 849: A bill for an act relating to health; clarifying licensing requirements and other standards for installation and servicing of water conditioning equipment; providing penalties; amending Minnesota Statutes 1990, sections 326.01, subdivision 9; 326.37; 326.38; 326.39; 326.40; 326.401, subdivisions 2, 3, and by adding a subdivision; 326.405; 326.41; 326.42; 326.44; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Statutes, sections 326.43; 326.45; and 326.57 to 326.65.

Referred to the Committee on Health and Human Services.

Messrs. Beckman, Sams, Larson, DeCramer and Mehrkens introduced—

S.F. No. 850: A bill for an act relating to commerce; providing a computerized system for notification of security interests in farm products; imposing a penalty; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 336A.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Samuelson and Vickerman introduced—

S.F. No. 851: A bill for an act relating to local government aids; establishing a separate local government aid formula for cities with a population less than 1,000; amending Minnesota Statutes 1990, sections 477A.011, subdivisions 1a, 15, 20, and by adding subdivisions; and 477A.013, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Kelly introduced—

S.F. No. 852: A bill for an act relating to taxation; sales tax; imposing the tax on ditching and draining services; providing for use of revenue from the tax; amending Minnesota Statutes 1990, sections 297A.01, subdivision 3; and 297A.44, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Kelly introduced—

S.F. No. 853: A bill for an act relating to occupational safety and health; honoring workers killed while working on public projects; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 182.

Referred to the Committee on Employment.

Ms. Berglin introduced—

S.F. No. 854: A bill for an act relating to human services; requiring the commissioner to develop specialized residential treatment services for children with emotional disturbances for whom there are no appropriate services available in Minnesota; establishing a commission on specialized children's mental health resources; amending Minnesota Statutes 1990, section 245.4882, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 855: A bill for an act relating to crimes; repealing the sodomy law; repealing Minnesota Statutes 1990, section 609.293.

Referred to the Committee on Judiciary.

Mr. Storm introduced—

S.F. No. 856: A bill for an act relating to taxation; property; not requiring payment of additional taxes when open space qualification is lost due to acquisition of property by the state of Minnesota or a political subdivision; amending Minnesota Statutes 1990, section 273.112, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Metzen introduced—

S.F. No. 857: A bill for an act relating to crime; providing penalties for residential tenants who intentionally abscond without paying current or past rent due; providing defenses; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Messrs. McGowan and Kelly introduced—

S.F. No. 858: A bill for an act relating to restitution; requiring offenders who have been court-ordered to pay restitution to provide affidavits of financial disclosure to investigating correctional agencies; amending Minnesota Statutes 1990, section 611A.04, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Pogemiller, Mses. Berglin, Flynn and Ranum introduced—

S.F. No. 859: A bill for an act relating to local improvements; providing authority for review of assessments for improvements; defining improvements; validating certain actions of the city of Minneapolis; amending Minnesota Statutes 1990, section 430.102, subdivisions 3 and 4.

Referred to the Committee on Local Government.

Mses. Ranum, Flynn, Messrs. Kroening, Pogemiller and Spear introduced—

S.F. No. 860: A bill for an act relating to the city of Minneapolis; providing that certain special service districts may provide parking facilities; amending Laws 1988, chapter 719, article 16, section 1, subdivision 3.

Referred to the Committee on Local Government.

Messrs. Luther, Solon, Kroening and Belanger introduced—

S.F. No. 861: A bill for an act relating to commerce; removing or modifying certain bond requirements; amending Minnesota Statutes 1990, sections 6.26; 10.38; 46.08, subdivision 1; 84.01, subdivision 4; 115A.06, subdivision 12; 116.03, subdivision 4; 233.08; 234.06; 241.08, subdivision 1; 246.15, subdivision 1; 257.05, subdivision 1; 280.27; 281.38; 299C.08; 299D.01, subdivision 4; 299D.03, subdivision 1; 340A.316; 375.03; 386.06; 388.01; 390.05; 398.10; 473.375, subdivision 5; 480.09, subdivision 2; 480.11, subdivision 1; and 488A.20, subdivision 2; repealing Minnesota Statutes 1990, sections 60B.08; 84.081, subdivision 2; 160.24, subdivision 5; 166.04; 196.02, subdivision 2; 234.07; 246.03; 340A.302, subdivision 4; 383A.20, subdivision 8; and 514.52.

Referred to the Committee on Governmental Operations.

Messrs. Pogemiller, Spear, Kroening and Ms. Flynn introduced—

S.F. No. 862: A bill for an act relating to retirement; Minneapolis municipal employees; changing interest and salary assumptions and the target date for amortization of unfunded liabilities; providing for certain postretirement adjustments; providing for certain optional annuities; increasing survivor benefits; amending Minnesota Statutes 1990, sections 356.215, subdivisions 4d and 4g; 422A.101; 422A.17; and 422A.23, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 356.

Referred to the Committee on Governmental Operations.

Messrs. Pogemiller, Spear, Kroening and Ms. Flynn introduced—

S.F. No. 863: A bill for an act relating to retirement; Minneapolis municipal employees; changing interest and salary assumptions and the target date for amortization of unfunded liabilities; providing for certain postretirement adjustments; providing for certain optional annuities; increasing survivor benefits; amending Minnesota Statutes 1990, sections 356.215, subdivisions 4d and 4g; 422A.101; 422A.17; and 422A.23, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 356.

Referred to the Committee on Governmental Operations.

Messrs. Renneke; Beckman; Frederickson, D.J.; Vickerman and Larson introduced—

S.F. No. 864: A bill for an act relating to agriculture; changing certain food licensing fees; amending Minnesota Statutes 1990, section 28A.08.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Mondale, Cohen, Mrs. Brataas, Messrs. Luther and Kroening introduced—

S.F. No. 865: A bill for an act relating to insurance; rental vehicles; increasing property damage liability coverage; amending Minnesota Statutes 1990, section 65B.49, subdivision 5a.

Referred to the Committee on Commerce.

Messrs. Mondale, Spear, Ms. Traub and Mr. Kroening introduced—

S.F. No. 866: A bill for an act relating to natural resources; appropriating money for a grant to develop Cedar Lake Park.

Referred to the Committee on Environment and Natural Resources.

Messrs. Mondale, Morse and Novak introduced—

S.F. No. 867: A bill for an act relating to landfill cleanup; appropriating money for cleanup of a landfill in Hopkins.

Referred to the Committee on Environment and Natural Resources.

Ms. Ranum, Messrs. Riveness; Frederickson, D.R. and Hughes introduced—

S.F. No. 868: A bill for an act relating to occupations and professions; enacting provisions applicable to boards regulating occupations and professions; providing standard methods of operation, licensing or other permission to practice, and disciplinary procedures; providing penalties; amending Minnesota Statutes 1990, sections 144A.19, subdivision 1; 146.13; 147.01, subdivision 1; 148.02; 148B.19, subdivision 1; 148B.30, subdivision 4; 148B.40, subdivision 2; 214.001; 214.01; 214.02; 214.03; 214.04; 214.06; 214.07, subdivision 1; 214.08; 214.09; 214.10, subdivisions 1, 2, 3, and by adding subdivisions; 214.11; 214.12; and 214.13; proposing coding for new law in Minnesota Statutes, chapter 214; repealing Minnesota Statutes 1990, sections 146.14; 146.15; 146.18; 146.19; 146.20; 214.07, subdivision 2; 214.10, subdivisions 2a, 4, 5, 6, 7, and 8; and 214.15.

Referred to the Committee on Governmental Operations.

Messrs. Lessard, Kroening, Kelly, Price and Benson, D.D. introduced—

S.F. No. 869: A bill for an act relating to the environment; petrofund; amending Minnesota Statutes 1990, sections 115C.09, subdivisions 1, 2, 3, and 5; 116.46, subdivision 7; 116.491, subdivision 1; and 116.50; proposing coding for new law in Minnesota Statutes, chapter 115C.

Referred to the Committee on Environment and Natural Resources.



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

S.F. No. 870: A bill for an act relating to retirement; adopting a rule of 85 for state and public employees and teachers; amending Minnesota Statutes 1990, sections 352.116, subdivision 1; 353.30, subdivision 1a; 354.44, subdivision 6; and 354A.31, subdivision 6.

Referred to the Committee on Governmental Operations.

Messrs. Novak and Mondale introduced—

S.F. No. 871: A bill for an act relating to the city of New Brighton; permitting the city to acquire granular carbon without a bond.

Referred to the Committee on Local Government.

Mr. Storm, Ms. Berglin, Messrs. Kelly and Neuville introduced—

S.F. No. 872: A bill for an act relating to human services; prohibiting restrictions on a license to provide day care; proposing coding for new law in Minnesota Statutes, chapter 245A.

Referred to the Committee on Health and Human Services.

Messrs. Storm, Solon and Mrs. Brataas introduced—

S.F. No. 873: A bill for an act relating to human services; establishing penalty provisions relating to those found to have wrongfully obtained assistance; limiting the availability of general assistance to those disqualified from the aid to families with dependent children program; expanding fraud prevention investigation programs; providing for a federally mandated penalty for intentionally falsifying a public assistance application; clarifying appeal filing times for medical assistance providers; amending Minnesota Statutes 1990, sections 256.98, by adding a subdivision; 256.983; 256B.064, subdivision 2; and 256D.05, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Mses. Berglin, Traub, Messrs. Dicklich, Samuelson and Storm introduced—

S.F. No. 874: A bill for an act relating to human services; establishing a children's mental health services consolidated fund; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Messrs. Luther, Cohen, Belanger and Hottinger introduced—

S.F. No. 875: A bill for an act relating to commerce; requiring an abstract holder to provide a written notice under certain circumstances; amending Minnesota Statutes 1990, section 386.375, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Merriam and Benson, D.D. introduced—

S.F. No. 876: A bill for an act relating to insurance; accident and health; establishing the consumers' health improvement plan pilot project; prescribing the powers and duties of the commissioner of health and the project administrator; establishing project eligibility and coverage; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 62K.

Referred to the Committee on Health and Human Services.

Messrs. Bertram, Renneke and Mrs. Adkins introduced—

S.F. No. 877: A bill for an act relating to locally collected fees; setting fees for certain public services; providing authority to set fees for certain public services; amending Minnesota Statutes 1990, sections 84.82, subdivision 2; 86B.415, subdivision 8; 97A.485, subdivisions 6 and 7; 171.06, subdivision 4; 272.46, subdivision 1; 272.47; and 624.7131, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

Mr. Knaak introduced—

S.F. No. 878: A bill for an act relating to drivers' licenses; authorizing a showing of probable cause before cancellation of a driver's license for a seizure-related condition; amending Minnesota Statutes 1990, section 171.14.

Referred to the Committee on Transportation.

Messrs. Beckman, Dicklich, Ms. Reichgott, Messrs. Mehrkens and Vickerman introduced—

S.F. No. 879: A bill for an act relating to education; providing for the calculation of fund balance pupil units for districts receiving cooperation and combination revenue; amending Minnesota Statutes 1990, section 124.2725, subdivision 16.

Referred to the Committee on Education.

Messrs. Spear, McGowan, Solon, Belanger and Stumpf introduced—

S.F. No. 880: A bill for an act relating to checks; increasing bank verification requirements for opening checking accounts; prohibiting service charges for dishonored checks on persons other than the issuer; regulating check numbering procedures; requiring the commissioner of commerce to adopt rules regarding verification procedure requirements; authorizing fees for obtaining certain information from financial institutions; modifying procedures and liability for civil restitution for holders of worthless checks; authorizing service charges for use of law enforcement agencies; clarifying criminal penalties; increasing information that banks must provide to holders of worthless checks; imposing penalties; amending Minnesota Statutes 1990, sections 48.512, subdivisions 4, 5, 7, and by adding subdivisions; 332.50, subdivisions 1 and 2; and 609.535, subdivisions 2a, 6, and 7; proposing coding for new law in Minnesota Statutes, chapter 48.

Referred to the Committee on Commerce.

Messrs. Bertram and Chmielewski introduced—

S.F. No. 881: A bill for an act relating to the state patrol; appropriating money for Forward Looking Infra Red equipment.

Referred to the Committee on Transportation.

Messrs. Merriam, McGowan, Dahl and Luther introduced—

S.F. No. 882: A bill for an act relating to taxation; property; increasing a special levy for the cities of Maple Grove, Brooklyn Park, Brooklyn Center, and Coon Rapids for certain costs of providing drug abuse resistance education; amending Minnesota Statutes 1990, section 275.50, subdivision 5a; and Laws 1990, chapter 604, article 3, section 60.

Referred to the Committee on Taxes and Tax Laws. Ms. Berglin questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Dicklich introduced—

S.F. No. 883: A bill for an act relating to human services; requiring increases in rates for salaries of employees of intermediate care facilities for persons with mental retardation, home and community-based waived services, developmental achievement centers, and semi-independent living services programs; amending Minnesota Statutes 1990, sections 245.465; 252.24, by adding a subdivision; 252.275, by adding a subdivision; 252.28, by adding a subdivision; 256B.491, by adding a subdivision; and 268A.06, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Beckman, Dicklich, Ms. Reichgott, Messrs. Mehrkens and Vickerman introduced—

S.F. No. 884: A bill for an act relating to insurance; exempting educational cooperative service unit self-insurance pools from certain requirements; amending Minnesota Statutes 1990, section 471.982, subdivision 3.

Referred to the Committee on Commerce.

Ms. Berglin, Messrs. Benson, D.D. and Samuelson introduced—

S.F. No. 885: A bill for an act relating to health; creating a limited exception to the moratorium on licensure of new nursing home beds; allowing a licensed, but not medical assistance certified, facility to upgrade beds from boarding care beds to nursing home beds; amending Minnesota Statutes 1990, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Ms. Flynn and Mr. DeCramer introduced—

S.F. No. 886: A bill for an act relating to drivers' licenses; allowing holder of a limited driver's license to get or keep a Minnesota identification card; amending Minnesota Statutes 1990, sections 171.02, subdivision 1; and 171.07, subdivision 3.

Referred to the Committee on Transportation.

Messrs. Beckman, Metzen, Davis, Bernhagen and Sams introduced—

S.F. No. 887: A bill for an act relating to economic development; creating a commission on economic development policy; appropriating money.

Referred to the Committee on Economic Development and Housing.

Mr. DeCramer introduced—

S.F. No. 888: A bill for an act relating to local government; changing terms of authority to borrow money for certain purposes; amending Minnesota Statutes 1990, section 465.73.

Referred to the Committee on Local Government.

Mr. Larson, Ms. Olson, Messrs. Dicklich, Mehrkens and DeCramer introduced—

S.F. No. 889: A bill for an act relating to education; extending to sites the authority to levy for leased buildings; amending Minnesota Statutes 1990, section 275.125, subdivision 11d.

Referred to the Committee on Education.

Ms. Johnston, Mr. Metzen, Mrs. Pariseau and Mr. Halberg introduced—

S.F. No. 890: A bill for an act relating to Dakota county; authorizing a project to collaborate on programs between the county and school districts; appropriating money.

Referred to the Committee on Education.

Messrs. Morse; Lessard; Mehrkens; Benson, D.D. and Price introduced—

S.F. No. 891: A bill for an act relating to the environment; prescribing who must prevent, prepare for, and respond to worst case discharges of oil and hazardous substances; describing response plans; authorizing the commissioners of the pollution control agency and departments of agriculture and public safety to order compliance; providing for good samaritan assistance; authorizing cooperation between public and private responders; requiring the establishment of a single answering point system; providing penalties; amending Minnesota Statutes 1990, section 116.072, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 115E.

Referred to the Committee on Environment and Natural Resources.

Messrs. Beckman, Vickerman, Morse, Davis and Frederickson, D.R. introduced—

S.F. No. 892: A bill for an act relating to agriculture; authorizing reimbursement to school districts for purchase of Minnesota commodities for school lunches; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Davis, Spear and Finn introduced—

S.F. No. 893: A bill for an act relating to law enforcement; authorizing the Mille Lacs Band of Chippewa Indians to exercise law enforcement authority within the Mille Lacs Reservation and certain trust lands; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Judiciary.

Mr. Vickerman introduced—

S.F. No. 894: A bill for an act relating to game and fish; providing an experimental open season for angling two weeks earlier in certain designated areas; amending Minnesota Statutes 1990, section 97C.395, subdivision 1, and by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Messrs. Luther, Solon, Larson, Cohen and Moe, R.D. introduced—

S.F. No. 895: A bill for an act relating to contracts; providing for enforcement of certain contracts; making technical changes; correcting inconsistencies; clarifying certain provisions; amending Minnesota Statutes 1990, section 325E.37.

Referred to the Committee on Commerce.

Messrs. Marty and Dahl introduced—

S.F. No. 896: A bill for an act relating to public administration; establishing the mentoring and youth community service commission; stating its purposes and responsibilities; appropriating money; amending Minnesota Statutes 1990, sections 121.88, subdivision 9; 124.2713, subdivision 5; and 126.70, subdivision 2a; proposing coding for new law as Minnesota Statutes, chapter 16C.

Referred to the Committee on Education.

Messrs. Marty, Merriam and Laidig introduced—

S.F. No. 897: A bill for an act relating to traffic regulations; providing misdemeanor penalties for persons who refuse to submit to a chemical test to determine if the person is under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1990, sections 169.121, subdivisions 1a, 3, and 3b; and 169.123, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Lessard introduced—

S.F. No. 898: A bill for an act relating to veterans; providing educational assistance to certain dependents of persons killed or missing in action in the Persian Gulf area; proposing coding for new law in Minnesota Statutes, chapter 197.

Referred to the Committee on Veterans and General Legislation.

Mr. Lessard introduced—

S.F. No. 899: A bill for an act relating to torts; providing immunity against tort liability for claims arising out of the use of highways that provide access to timber; amending Minnesota Statutes 1990, sections 3.736, subdivision 3; 87.025; and 466.03, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Morse and Hottinger introduced—

S.F. No. 900: A bill for an act relating to retirement; eliminating the additional employer contribution to the teachers retirement association on behalf of employees participating in the individual retirement account plan; amending Minnesota Statutes 1990, section 354B.04, subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Morse and Hottinger introduced—

S.F. No. 901: A bill for an act relating to retirement; delaying transfer of certain administrative responsibilities from the teachers retirement association to the state university and community college boards; amending Minnesota Statutes 1990, section 136.81, subdivision 1a; and Laws 1990, chapter 570, article 3, section 13.

Referred to the Committee on Governmental Operations.

Messrs. Morse and Hottinger introduced—

S.F. No. 902: A bill for an act relating to retirement; permitting repayment of certain omitted deductions to the college supplemental retirement fund.

Referred to the Committee on Governmental Operations.

Messrs. Finn and Morse introduced—

S.F. No. 903: A bill for an act relating to retirement; permitting certain persons to transfer coverage from the individual retirement account plan to the teachers retirement association.

Referred to the Committee on Governmental Operations.

Mses. Ranum, Pappas, Mr. Luther, Ms. Berglin and Mr. Neuville introduced—

S.F. No. 904: A bill for an act relating to insurance; regulating automobile insurance medical claim denials; amending Minnesota Statutes 1990, sections 65B.525, subdivision 1; and 72A.201, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 65B; repealing Minnesota Statutes 1990, section 72A.327.

Referred to the Committee on Commerce.

Mr. Chmielewski, Mrs. Brataas, Mr. Gustafson and Mrs. Adkins introduced—

S.F. No. 905: A bill for an act relating to unemployment compensation; defining the term "wages"; amending Minnesota Statutes 1990, section 268.04, subdivision 25.

Referred to the Committee on Employment.

Mr. Price introduced—

S.F. No. 906: A bill for an act relating to retirement; authorizing purchase of military service credit by a certain teachers retirement association member.

Referred to the Committee on Governmental Operations.

Mr. Price introduced—

S.F. No. 907: A bill for an act relating to taxation; permitting a special levy in the cities of Cottage Grove, Woodbury, St. Paul Park, and Newport for drug-related crime investigation and drug resistance education; amending Minnesota Statutes 1990, section 275.50, subdivision 5a.

Referred to the Committee on Taxes and Tax Laws.

Mr. Langseth introduced—

S.F. No. 908: A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

Referred to the Committee on Health and Human Services.

Messrs. Frederickson, D.J.; DeCramer; Knaak and Stumpf introduced—

S.F. No. 909: A bill for an act relating to retirement; teachers; calculation of annuities based upon the highest three years of service; amending Minnesota Statutes 1990, section 354.44, subdivision 6.

Referred to the Committee on Governmental Operations.

Ms. Berglin introduced—

S.F. No. 910: A bill for an act relating to health; providing clarification of various laws relating to public health issues; providing penalties; amending Minnesota Statutes 1990, sections 115.71, subdivision 9, and by adding a subdivision; 145.43, subdivision 1a; 153A.15, by adding a subdivision; 153A.16; 153A.17; and 268.12, subdivision 12; proposing coding for new law in Minnesota Statutes, chapters 144; 147; and 176; repealing Minnesota Statutes 1990, sections 115.71, subdivision 7; 145.34; and 145.35.

Referred to the Committee on Health and Human Services.

Ms. Ranum, Mr. Knaak and Ms. Berglin introduced—

S.F. No. 911: A bill for an act relating to the collection and dissemination of data; classifying convention facility, arena, stadium, and theater data; amending Minnesota Statutes 1990, section 13.55.

Referred to the Committee on Judiciary.

Ms. Ranum, Messrs. Knaak, Spear and Ms. Berglin introduced—

S.F. No. 912: A bill for an act relating to the collection and dissemination of data; protecting the identity of a person placing a call on the 911 system; amending Minnesota Statutes 1990, sections 13.82, subdivision 10; and 403.07, subdivision 4.

Referred to the Committee on Judiciary.

Mr. Kelly introduced—

S.F. No. 913: A bill for an act relating to child support; requiring the child support guidelines to apply to all court orders for child support; establishing standards for deviations from the guidelines; requiring the commissioner of human services to regularly review and report on the guidelines; amending Minnesota Statutes 1990, section 518.551, subdivision 5.

Referred to the Committee on Health and Human Services.

Messrs. Cohen, Belanger, Luther, Novak and Kelly introduced—

S.F. No. 914: A bill for an act relating to taxation; providing an exemption from the withholding tax requirement on royalties upon ore; amending Minnesota Statutes 1990, section 290.923, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Ms. Berglin introduced—

S.F. No. 915: A bill for an act relating to human services; providing for changes in rules relating to intermediate care facilities for persons with mental retardation; exempting intermediate care facilities for persons with mental retardation or related conditions from certain additional state human services rules; requiring wage adjustments for intermediate care facilities for persons with mental retardation or related conditions; providing for downsizing of certain community facilities; appropriating money; amending Minnesota Statutes 1990, sections 252.28, by adding a subdivision; 252.46, subdivision 4; 256B.092, subdivision 7; and 256B.501, subdivision 3b; proposing coding for new law in Minnesota Statutes, chapter 252.

Referred to the Committee on Health and Human Services.

Messrs. Gustafson, Mehrkens and Neuville introduced—

S.F. No. 916: A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 4, limiting the term of consecutive service of persons to ten consecutive years in the legislature.

Referred to the Committee on Elections and Ethics.



Ms. Berglin introduced—

S.F. No. 917: A bill for an act relating to human services; providing for clarification and changes in law relating to child support enforcement; amending Minnesota Statutes 1990, sections 256B.031, subdivision 5; 518.131, subdivision 7; 518.17, subdivision 6; 518.551, subdivisions 5, 5a, and 6; 518.57, subdivision 1; and 518.64; proposing coding for new law in Minnesota Statutes, chapter 518.

Referred to the Committee on Health and Human Services.

Mr. Luther introduced—

S.F. No. 918: A bill for an act relating to insurance; prohibiting certain agreements; amending Minnesota Statutes 1990, section 60A.08, by adding a subdivision.

Referred to the Committee on Commerce.

Mr. Merriam introduced—

S.F. No. 919: A bill for an act relating to government operations; amending provisions to adopt emergency game and fish rules; providing alternative methods of publishing game and fish rules; deleting obsolete references to publication under the game and fish laws; authorizing the commissioner to protect wild animals by emergency rule; authorizing the commissioner to set seasons and limits for migratory birds and waterfowl; authorizing the commissioner to allow or prohibit hunting and fishing on certain state lands; amending Minnesota Statutes 1990, sections 3.846, subdivisions 1 and 4; 14.03, subdivision 3; 14.29, subdivision 2, and by adding a subdivision; 14.38, subdivision 6; 84.944, subdivision 1; 84A.02; 86A.06; 86B.211; 97A.045, subdivision 2; 97A.051, subdivisions 1, 2, and 4; 97A.081; 97A.141, by adding a subdivision; 97B.731, subdivision 1; and 97C.805, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 97A and 97B.

Referred to the Committee on Environment and Natural Resources.

Messrs. Merriam and Marty introduced—

S.F. No. 920: A bill for an act relating to taxation; authorizing certain counties to levy for general purposes in lieu of imposing a levy for regional rail authority purposes; amending Minnesota Statutes 1990, sections 275.51, subdivision 3h; and 398A.04, subdivision 8.

Referred to the Committee on Transportation.

Mr. Stumpf introduced—

S.F. No. 921: A bill for an act relating to education; allowing the Argyle school district to transfer money from the debt redemption fund to the capital expenditure fund to comply with fire safety inspection orders and make other improvements.

Referred to the Committee on Education.

Mr. Johnson, D.E. introduced—

S.F. No. 922: A bill for an act relating to local government; permitting officers to contract for certain services; amending Minnesota Statutes 1990, section 471.88, by adding a subdivision.

Referred to the Committee on Local Government.

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

S.F. No. 923: A bill for an act relating to taxation; providing for an increase in the levy limit base of Mille Lacs county; providing that a penalty not be imposed on Mille Lacs county for an excess levy.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Johnson, D.E.; Benson, D.D. and Mehrkens introduced—

S.F. No. 924: A bill for an act relating to workers' compensation; defining "employee" to include certain volunteers; amending Minnesota Statutes 1990, section 176.011, subdivision 9.

Referred to the Committee on Employment.

Messrs. Finn, Luther, Mses. Pappas, Ranum and Traub introduced—

S.F. No. 925: A bill for an act relating to insurance; medical expense benefits; including language translation services as medical expense benefits for insurance; amending Minnesota Statutes 1990, section 65B.44, subdivision 2.

Referred to the Committee on Commerce.

Messrs. Luther, Cohen, Hottinger, Mses. Traub and Johnson, J.B. introduced—

S.F. No. 926: A bill for an act relating to insurance; life; prohibiting discrimination against American military personnel; amending Minnesota Statutes 72A.20, subdivision 8.

Referred to the Committee on Veterans and General Legislation.

Mrs. Brataas, Messrs. Benson, D.D.; Halberg; Waldorf and Solon introduced—

S.F. No. 927: A bill for an act relating to human services; establishing a demonstration project involving alternative reimbursement, appeals, and inspection systems for intermediate care facilities for persons with mental retardation or related conditions.

Referred to the Committee on Health and Human Services.

Messrs. Neuville, Day and Renneke introduced—

S.F. No. 928: A bill for an act relating to agriculture; providing for enforcement of agricultural laws; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture and Rural Development.

Mrs. Pariseau, Messrs. Johnson, D.E.; Mehrkens and Chmielewski introduced—

S.F. No. 929: A bill for an act relating to motor vehicles; authorizing special license plates for members of the United States armed forces ready reserve; amending Minnesota Statutes 1990, section 168.12, by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Knaak introduced—

S.F. No. 930: A bill for an act relating to natural resources; providing for enforcement of sanctions for hunting while under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1990, section 97B.065; proposing coding for new law in Minnesota Statutes, chapter 97B.

Referred to the Committee on Environment and Natural Resources.

Mr. Mondale introduced—

S.F. No. 931: A bill for an act relating to waste management; requiring counties to prepare and amend solid waste management plans; requiring counties and solid waste facilities to develop and implement problem materials management plans; prohibiting issuance and renewal of certain permit if plans are not developed and implemented; amending Minnesota Statutes 1990, sections 115A.03, subdivision 24a; 115A.45; 115A.46, subdivisions 1 and 2; 115A.956; 115A.96, subdivision 6; and 116.07, subdivisions 4j and 4k.

Referred to the Committee on Environment and Natural Resources.

Messrs. Marty, Storm and Ms. Traub introduced—

S.F. No. 932: A bill for an act relating to human services; clarifying membership requirements for the advisory committee for regional service centers for hearing impaired persons; authorizing fees for interpreter referral services; amending Minnesota Statutes 1990, sections 256C.24, subdivisions 2 and 3; and 256C.25.

Referred to the Committee on Health and Human Services.

Mr. Waldorf introduced—

S.F. No. 933: A bill for an act relating to controlled substances; providing for driver's license revocation for persons convicted of or adjudicated for felony-level controlled substance offenses; proposing coding for new law in Minnesota Statutes, chapters 152 and 171.

Referred to the Committee on Judiciary.

Ms. Ranum, Messrs. Hottinger, Dahl and Pogemiller introduced—

S.F. No. 934: A bill for an act relating to higher education; creating a minority community service career grant program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136A.

Referred to the Committee on Education.

Messrs. Morse, DeCramer, Stumpf, Larson and Beckman introduced—

S.F. No. 935: A bill for an act relating to retirement; allowing an optional annuity based upon statewide average salaries for members of the teachers retirement association; amending Minnesota Statutes 1990, section 354.44, subdivision 6.

Referred to the Committee on Governmental Operations.

Ms. Ranum, Messrs. Dahl, Stumpf, Larson and DeCramer introduced—

S.F. No. 936: A bill for an act relating to education; extending early childhood family education programs to tribal contract schools; requiring school boards to respond to certain resolutions of American Indian parent committees; requiring school districts to adopt long-range plans for Indian education; expanding the Indian teacher preparation program; appropriating money; amending Minnesota Statutes 1990, sections 124.2711, by adding a subdivision; 124.86, by adding a subdivision; and 126.51, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 125 and 126.

Referred to the Committee on Education.

Ms. Berglin, Messrs. Benson, D.D.; Samuelson; Larson and Waldorf introduced—

S.F. No. 937: A bill for an act relating to human services; establishing an investment per bed limit for nursing homes; establishing an equipment allowance for nursing homes; establishing a capital replacement per diem for nursing homes; authorizing the recognition of debt from sales or refinancing occurring after May 22, 1983; amending Minnesota Statutes 1990, section 256B.431, subdivision 3f, and by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. DeCramer, Dicklich, Larson, Beckman and Frederickson, D.J. introduced—

S.F. No. 938: A bill for an act relating to education; providing the conditions for severance pay for teachers; amending Minnesota Statutes 1990, sections 120.08, subdivision 3; 122.535, subdivision 6; and 275.125, subdivision 4.

Referred to the Committee on Education.

Mr. Knaak, Mmes. Pariseau; Benson, J.E. and Mr. Spear introduced—

S.F. No. 939: A bill for an act relating to waters; establishing a program for the enhancement, preservation, and protection of wetlands within the state; providing penalties; amending Minnesota Statutes 1990, sections 103A.201; 103E.701, by adding a subdivision; 103G.005, subdivision 18, and by adding subdivisions; 103G.221, subdivision 1; and 103G.231, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 103G; repealing Minnesota Statutes 1990, sections 97A.145, subdivision 2; and 103G.221, subdivisions 2 and 3.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 940: A bill for an act relating to economic development; changing the organization of the department of trade and economic development; amending Minnesota Statutes 1990, section 116J.01, subdivision 3.

Referred to the Committee on Economic Development and Housing.

Mr. Kroening introduced—

S.F. No. 941: A bill for an act relating to horse racing; providing that at least one race per racing day be limited to horses which are Minnesota-bred or Minnesota-foaled; amending Minnesota Statutes 1990, section 240.29.

Referred to the Committee on Gaming Regulation.

Mr. Hottinger introduced—

S.F. No. 942: A bill for an act relating to education; establishing a scholarship program; specifying conditions; providing for funding through special collegiate license plates; removing some responsibilities from higher education coordinating board and transferring others to the commissioner of education; amending Minnesota Statutes 1990, sections 135A.05; 135A.06, subdivisions 2, 3, and 5; 135A.08; 135A.10, subdivision 1; 135A.15; 136A.02, subdivision 5; 136A.04, subdivision 1; and 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapters 125; 126; 135A; and 168; repealing Minnesota Statutes 1990, sections 136A.02, subdivision 6; 136A.04, subdivision 2; 136A.041; 136A.043; 136A.044; 136A.85; 136A.86; 136A.87; and 136A.88.

Referred to the Committee on Education.

Messrs. Kelly and Marty introduced—

S.F. No. 943: A bill for an act relating to Ramsey county; changing Ramsey county special laws to make them consistent with the county home rule charter; amending Minnesota Statutes 1990, sections 383A.06, subdivision 2; 383A.16, subdivision 4; 383A.20, subdivision 10; 383A.32, subdivision 1; and 383A.50, subdivision 4; repealing Minnesota Statutes 1990, sections 383A.04; 383A.06, subdivision 3; 383A.07, subdivisions 6, 15, and 20; 383A.16, subdivision 5; 383A.20, subdivisions 1, 6 to 9, and 11; 383A.23, subdivision 1; 383A.24; 383A.25; 383A.45; 383A.46; 383A.48; 383A.49; and 383A.50, subdivisions 1 and 3.

Referred to the Committee on Local Government.

Messrs. Novak; Finn; Johnson, D.J. and Storm introduced—

S.F. No. 944: A bill for an act relating to energy; expanding conservation improvement programs; extending protection against disconnection of residential utility customers during cold weather; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring applicants for certificates of need for large utility facilities to justify the use of nonrenewable rather than renewable energy; establishing energy conservation goals for state buildings; requiring a review of the state building code

and energy standards; transferring the office of pipeline safety to the department of public service; making conforming amendments; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 16B.32; 16B.61, subdivision 3; 216B.095; 216B.16, subdivision 6b; 216B.241; 216B.243, by adding a subdivision; 216C.02, subdivision 1; 299F.011, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 216E; repealing Minnesota Statutes 1990, sections 16B.32, subdivision 2; and 299J.01 to 299J.18.

Referred to the Committee on Energy and Public Utilities.

Messrs. Berg and Bernhagen introduced—

S.F. No. 945: A bill for an act relating to agriculture; providing for development of aquaculture; amending Minnesota Statutes 1990, section 17.49; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1990, sections 17.491; and 17.492.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Hottinger, Finn, Sams and Mrs. Adkins introduced—

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

Referred to the Committee on Elections and Ethics.

Messrs. Hottinger, Morse, Luther and Ms. Traub introduced—

S.F. No. 947: A bill for an act relating to elections; providing for identification of voters by means of picture identification card and evidence of residential ownership or tenancy of property or residence in student housing in the precinct; requiring post-secondary institutions to issue annual student identification cards; providing for voter registration by students at the time of registering for college; amending Minnesota Statutes 1990, section 201.061, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 135A and 201.

Referred to the Committee on Elections and Ethics.

Mr. Hottinger and Mrs. Adkins introduced—

S.F. No. 948: A bill for an act relating to local government; permitting the cities of Mankato and North Mankato to incur debt and tax for certain improvements.

Referred to the Committee on Local Government.

Ms. Berglin introduced—

S.F. No. 949: A bill for an act relating to human services; requiring special fiscal note information on county costs for proposed changes to human services programs; requiring an annual report on the fiscal impact on counties of changes in state and federal human services laws, rules, or policies; providing for state reimbursement of 50 percent of county administrative expenses associated with determining and verifying eligibility for income maintenance and health care programs and providing direct services to recipients; providing for state reimbursement of 100 percent of increases

in county income maintenance administrative costs attributable to caseload growth; including certain income maintenance administrative costs within the property tax levy limits; appropriating money; amending Minnesota Statutes 1990, sections 3.982; 256.01, by adding a subdivision; 256.025, by adding a subdivision; and 275.50, subdivision 5.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 950: A bill for an act relating to public safety; requiring tenants to covenant not to allow any controlled substances on rental property; allowing the closing of an alleged disorderly house during pretrial release of owner; lowering the threshold amount of seized controlled substance necessary to warrant unlawful detainer action; providing that certain weapons offenses and controlled substance seizures and arrests may form the basis for a nuisance action; amending Minnesota Statutes 1990, sections 504.181, subdivision 1; 609.33, by adding a subdivision; 609.5317, subdivision 4; 617.80, subdivision 8; and 617.81, subdivisions 2 and 3, and by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Pogemiller introduced—

S.F. No. 951: A bill for an act relating to housing; modifying procedures relating to rent escrow actions; modifying procedures relating to the tenant's loss of essential services; modifying provisions relating to tenant remedy actions, retaliatory eviction proceedings, and receivership proceedings; modifying provisions relating to Minnesota housing finance agency low- and moderate-income housing programs; providing for an emergency mortgage and rental assistance pilot project; modifying certain receivership, assignment of rents and profits, and landlord and tenant provisions; modifying provisions relating to housing and redevelopment authorities; providing for the issuance of general obligation bonds for housing by the cities of Minneapolis and St. Paul; authorizing the city of Minneapolis to make small business loans; modifying the property tax classification of certain residential real estate; excluding housing districts from the calculation of local government aid reductions; modifying the interest rate reduction program; changing the definition of mentally ill person; consolidating special needs housing programs; clarifying and amending biennial reporting requirement; authorizing new construction of accessible housing; authorizing off-reservation home improvement program; appropriating money; amending Minnesota Statutes 1990, sections 268.39; 273.124, subdivisions 1 and 11; 273.13, subdivision 25; 273.1399, subdivision 1; 462A.03, subdivisions 10 and 16; 462A.05, subdivision 20, and by adding a subdivision; 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9; 462A.222, subdivision 3; 462C.03, subdivision 10; 469.011, subdivision 4; 469.012, subdivision 1; 469.015, subdivisions 3, 4, and by adding a subdivision; 469.176, subdivision 4f; 474A.048, subdivision 2; 481.02, subdivision 3; 504.02; 504.185, subdivision 2; 504.20, subdivisions 3, 4, 5, and 7; 504.27; 559.17, subdivision 2; 566.03, subdivision 1; 566.17, subdivisions 1, 2, and by adding a subdivision; 566.175, subdivision 6; 566.18, subdivision 9; 566.29, subdivisions 2 and 4; and 576.01, subdivision 2; Laws 1974, chapter 285, section 4, as amended; Laws 1987, chapter 404, section 28, subdivision 1; Laws 1988, chapter 594, section 6; Laws 1989, chapter 335,

article 1, section 27, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapters 268 and 609; repealing Minnesota Statutes 1990, section 462A.05, subdivisions 28 and 29.

Referred to the Committee on Economic Development and Housing.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

### **MOTIONS AND RESOLUTIONS**

Mr. Belanger moved that S.F. No. 250 be withdrawn from the Committee on Taxes and Tax Laws and returned to its author. The motion prevailed.

### **ADJOURNMENT**

Mr. Luther moved that the Senate do now adjourn until 2:00 p.m., Monday, March 25, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



## TWENTY-SIXTH DAY

St. Paul, Minnesota, Monday, March 25, 1991

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

### CALL OF THE SENATE

Mr. Dahl 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 R. Nelson.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

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

Adkins	DeCramer	Johnson, J.B.	Merriam	Ranum
Belanger	Dicklich	Johnston	Metzen	Reichgott
Benson, D.D.	Finn	Kelly	Moe, R.D.	Renneke
Benson, J.E.	Flynn	Knaak	Mondale	Riveness
Berg	Frank	Kroening	Morse	Sams
Berglin	Frederickson, D.J.	Laidig	Neuville	Samuelson
Bertram	Frederickson, D.R.	Langseth	Novak	Solon
Brataas	Gustafson	Larson	Olson	Spear
Chmielewski	Halberg	Lessard	Pappas	Storm
Cohen	Hottinger	Luther	Pariseau	Stumpf
Dahl	Hughes	Marty	Piper	Traub
Davis	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Day	Johnson, D.J.	Mehrkens	Price	Waldorf

The President declared a quorum present.

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

### MEMBERS EXCUSED

Mr. Bernhagen was excused from the Session of today. Mr. Beckman was excused from the Session of today from 2:00 to 2:30 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

March 18, 1991

The Honorable Jerome M. Hughes  
President of the Senate

Dear Senator Hughes:

It is my pleasure to enclose herewith the names of the notaries public in the State of Minnesota.

Pursuant to the provisions of Article V, Section 3, of the Minnesota Constitution, I hereby appoint those individuals as notaries public and hereby request the advice and consent of the Senate in those appointments.

Warmest regards,  
Arne H. Carlson, Governor

Mr. Moe, R.D. moved that the appointments of notaries public be laid on the table. The motion prevailed.

### MESSAGES FROM THE HOUSE

Mr. President:

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

Senate Concurrent Resolution No. 6: A Senate concurrent resolution relating to adjournment for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 21, 1991

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 7 and 393.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 21, 1991

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. 141: A bill for an act relating to human services; delaying the effective date of the moratorium on new negotiated rate facility agreements.

Senate File No. 141 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 21, 1991

### CONCURRENCE AND REPASSAGE

Ms. Traub moved that the Senate concur in the amendments by the House to S.F. No. 141 and that the bill be placed on its repassage as amended.

The motion prevailed.

S.F. No. 141 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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, J.B.	Merriam	Ranum
Belanger	Dicklich	Johnston	Metzen	Reichgott
Benson, D.D.	Finn	Kelly	Moe, R. D.	Renneke
Benson, J.E.	Flynn	Knaak	Mondale	Riveness
Berg	Frank	Kroening	Morse	Sams
Berglin	Frederickson, D.J.	Laidig	Neuville	Samuelson
Bertram	Frederickson, D.R.	Langseth	Novak	Solon
Brataas	Gustafson	Larson	Olson	Spear
Chmielewski	Halberg	Lessard	Pappas	Storm
Cohen	Hottinger	Luther	Pariseau	Stumpf
Dahl	Hughes	Marty	Piper	Traub
Davis	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Day	Johnson, D.J.	Mehrkens	Price	Waldorf

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

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 196:

H.F. No. 196: A resolution memorializing the Congress of the United States to enact the POW/MIA truth bill, that relates to the disclosure of live sighting information on American service personnel missing in action from World War II, Korea, and Vietnam.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Beard, Milbert and Newinski have been appointed as such committee on the part of the House.

House File No. 196 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 21, 1991

Mr. Bertram moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 196, 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. 154, 291, 646, 126, 331, 752 and 595.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 21, 1991

### FIRST READING OF HOUSE BILLS

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

H.F. No. 154: A bill for an act relating to financial transactions; enacting conforming amendments to the Uniform Commercial Code proposed by the Uniform Laws Conference; proposing changes to articles relating to leases and bulk sales; amending Minnesota Statutes 1990, sections 47.015, by adding a subdivision; 336.1-105; 336.2-403; 336.2A-103; 336.2A-209; 336.2A-303; 336.2A-304; 336.2A-307; 336.2A-309; 336.2A-407; 336.2A-501; 336.2A-503; 336.2A-507; 336.2A-508; 336.2A-516; 336.2A-517; 336.2A-518; 336.2A-519; 336.2A-523; 336.2A-525; 336.2A-527; 336.2A-528; 336.2A-529; proposing coding for new law in Minnesota Statutes, chapter 336; repealing Minnesota Statutes 1990, sections 336.6-101 to 336.6-111; and 336.9-111.

Referred to the Committee on Judiciary.

H.F. No. 291: A bill for an act relating to local government; authorizing the city of Minneapolis, special school district No. 1, the Minneapolis library board, and the Minneapolis park and recreation board to impose residency requirements as a condition of employment.

Referred to the Committee on Local Government.

H.F. No. 646: A bill for an act relating to state government; purchases; amending the definition of "manufactured in the United States"; amending Minnesota Statutes 1990, section 16B.101, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 235, now on General Orders.

H.F. No. 126: A bill for an act relating to highways; designating the Paul Bunyan Expressway from Little Falls through Cass Lake to Bemidji; amending Minnesota Statutes 1990, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation.

H.F. No. 331: A bill for an act relating to education; permitting education districts and districts operating under joint powers agreements to conduct meetings via interactive television; amending Minnesota Statutes 1990, sections 122.92, subdivision 1; 136C.61, subdivision 7; and 471.59, subdivision 2.

Referred to the Committee on Education.

H.F. No. 752: A bill for an act relating to education; providing for school consolidation in certain circumstances.

Referred to the Committee on Education.

H.F. No. 595: A bill for an act relating to education; providing for joinder with and withdrawal from education districts in certain cases; amending Minnesota Statutes 1990, section 122.91, subdivision 5.

Referred to the Committee on Education.

**REPORTS OF COMMITTEES**

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

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 675: A bill for an act relating to employees; providing for a wage protection program; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 181.

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

Page 1, line 22, delete "*general fund*" and insert "*state treasury*" and after "*by*" insert "*the commissioner of*"

Page 1, line 23, before "*The*" insert "*Money in*" and after "*appropriated*" insert "*to the commissioner*"

Page 2, after line 15, insert:

*"Subd. 6. [RULES.] The commissioner may adopt rules to implement this section."*

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

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

S.F. No. 638: A bill for an act relating to elections; providing directions for the preparation of ballot instructions; amending Minnesota Statutes 1990, section 204B.36, subdivision 2.

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 436: A resolution memorializing the International Special Olympics Committee in support of the 1991 International Special Olympics Games.

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

Page 2, line 13, after the first "*the*" insert "*Governor and the*"

And when so amended the resolution do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 491: A bill for an act providing money to construct a noncommercial television station; appropriating money.

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

Page 1, line 6, after the first “*the*” insert “*state capital improvement*” and delete “*proceeds*”

Page 1, line 10, delete “*the*” and insert “*this*”

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 761: A resolution memorializing Canada to correct the new permit regulations for the Canada-Minnesota border, and to encourage federal, state, and provincial governments to resolve differences to the mutual benefit and satisfaction of the citizens of both countries.

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

Mr. Solon from the Committee on Commerce, to which was referred

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

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

Page 2, line 3, after “*the*” insert “*existing*”

Page 2, after line 5, insert:

“Sec. 3. [EFFECTIVE DATE.]

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

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 539: A bill for an act relating to commerce; restraint of trade; providing an evidentiary presumption in resale price maintenance cases; proposing coding for new law in Minnesota Statutes, chapter 325D.

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

Page 1, line 17, after “*reseller*” insert “*which were the subject matter of the communication*”

Page 1, delete lines 21 and 22 and insert:

*“Section 1 is effective the day following final enactment and applies to claims arising from incidents occurring on or after the effective date.”*

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. 134: A bill for an act relating to game and fish; authorizing an experimental season on mourning doves in a designated area; requiring mourning dove stamps and setting a fee for them; requiring a report to the legislature on the experimental season.

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 717: A bill for an act relating to counties; fixing various fees for documents; amending Minnesota Statutes 1990, sections 357.18, subdivision 1; 508.82; and 508A.82.

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

Page 2, line 7, after the comma, insert "*or a condominium plat in accordance with section 515A.2-110,*"

Page 2, line 10, after the comma, insert "*or a copy of a condominium plat filed in accordance with section 515A.2-110,*"

Page 2, line 11, after "plan" insert "*or condominium plat*"

Page 2, line 11, strike from "and" through page 2, line 13, to "plan"

Page 2, line 20, strike "and" and after the comma, insert "*and (19),*"

Page 2, line 23, strike "\$20" and insert "\$30"

Page 4, line 7, strike "and"

Page 4, line 8, after the comma, insert "*and (19),*"

Page 4, line 11, strike "\$20" and insert "\$30"

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 636: A bill for an act relating to local government; enlarging authority to participate in certain federal loan programs; amending Minnesota Statutes 1990, section 465.73.

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

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 453: A bill for an act relating to corrections; establishing a juvenile detention services subsidy program; appropriating money; amending Minnesota Statutes 1990, section 241.022; proposing coding for new law in Minnesota Statutes, chapter 241.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 5, line 26, delete “(a)” and insert “(1)”

Page 5, line 28, delete “(b)” and insert “(2)”

Page 5, line 33, after “shall” insert “adopt emergency and permanent rules to”

Page 5, line 34, delete “, under chapter 14,”

Page 5, line 36, delete “by July 1, 1993” and delete everything after the period

Page 6, delete line 1

Page 6, delete line 5

Page 6, line 6, delete “procedures.”

Page 8, delete lines 24 to 26 and insert:

“Sec. 3. [LIMITATION OF SUBSIDIES.]

*The subsidy funding authorized by section 2, subdivision 5, paragraph (a), is available only for construction projects begun after July 1, 1991.”*

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. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 734: A bill for an act relating to retirement; highway patrol refund of certain employee contributions upon death; amending Minnesota Statutes 1990, section 352B.11, by adding a subdivision.

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

Page 1, lines 10 and 11, after “annuity” insert “under section 352B.08, subdivision 3,”

Page 1, line 13, before “contributions” insert “member” and after “contributions” insert “under section 352B.02, subdivision 1a.”

Page 1, line 14, delete everything after the comma

Page 1, line 15, delete “paid to” and after “spouse” insert a comma and delete the second “to” and insert a comma

Page 1, line 16, after “shares” insert a comma and delete “to” and insert a comma

Page 1, line 17, before the period, insert “is entitled, upon application, to a refund. The refund is equal to the balance of accumulated member contributions under section 352B.02, subdivision 1a, remaining after subtracting the total amount of benefits paid to the decedent”

Page 1, after line 17, insert:

“Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective on July 1, 1991.”*



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

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

S.F. No. 391: A bill for an act relating to animal health; providing alternative methods for the disposal of certain animal carcasses; amending Minnesota Statutes 1990, section 35.82, subdivisions 1b and 2.

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 355: A bill for an act relating to animals; providing for disposition of certain seized animals; requiring bond or other security for expenses of care in certain cases; proposing coding for new law in Minnesota Statutes, chapter 343.

Reports the same back with the recommendation that the report from the Committee on Veterans and General Legislation, shown in the Journal for March 14, 1991, be amended to read:

“the bill be amended and when so amended the bill do pass and be referred to the Committee on Judiciary”. Amendments adopted. Report adopted.

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

S.F. Nos. 507, 529, 530, 661 and 745 reports the same back with the recommendation that the bills be re-referred as follows:

S.F. Nos. 507, 529 and 530 to the Committee on Metropolitan Affairs.

S.F. No. 661 to the Committee on Environment and Natural Resources.

S.F. No. 745 to the Committee on Governmental Operations.

Report adopted.

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

S.F. No. 774: A bill for an act relating to health; clarifying licensing requirements for certain residential programs for persons with chemical dependency; establishing procedures for contesting a transfer or discharge from a nursing home; setting a time limit for appeals of civil penalties under the nursing home licensing laws; providing procedures for contesting findings under the vulnerable adults act; amending Minnesota Statutes 1990, sections 144.50, subdivision 6; 144.653, subdivision 5; 144A.10, subdivisions 4 and 6d; 144A.135; 144A.45, subdivision 2; 144A.46, subdivision 2, and by adding a subdivision; 144A.53, subdivision 1; 144A.61, subdivisions 3, 3a, and 6a; 144A.611, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 144A.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 4, line 23, after "*resident*" insert "*or the resident's representative*"

Page 4, line 24, delete "15" and insert "30"

Page 4, line 25, after "*notice*" insert "*, which conforms to state and federal law.*"

Page 4, line 31, delete everything after the period

Page 4, delete lines 32 and 33

Page 4, line 35, delete everything after "*transfer*"

Page 4, line 36, delete "*boarding care home*"

Page 5, line 2, delete everything after "*appeal*" and insert a period

Page 5, delete lines 3 to 5

Page 5, line 6, delete "*appeal,*"

Page 5, line 8, after "*is*" insert "*required to be*" and after "*hospitalized*" insert "*for medical necessity*"

Page 5, line 9, delete "*allow*" and insert "*readmit*"

Page 5, line 10, delete "*to return*" and delete "*a*" and insert "*the resident's attending*" and delete "*that the*" and insert "*why the resident's specific health care needs cannot be met in the facility.*"

Page 5, delete line 11

Page 5, line 14, delete "*(a)*" and insert "*(b)*"

Page 5, after line 14, insert:

*"(f) Nothing in this section limits the right of a resident or the resident's representative to request or receive assistance from the office of ombudsman for older Minnesotans or the office of health facility complaints with respect to an intended discharge or transfer."*

Page 8, line 32, strike "*and*" and insert a comma

Page 8, line 33, after "*colleges*" insert "*, or other organizations approved by the department of health. A competency evaluation for a person, other than an individual enrolled in a licensed nurse education program, who has not completed an approved nursing assistant training program, must include an evaluation of all clinical skills*"

Page 9, line 35, after the period, insert:

*"(b)"*

Page 10, line 2, after the period, insert "*The notice must contain a statement of the nature of the allegation and the time and date of the occurrence; the individual's right to a hearing; and the commissioner's intent to report the findings to the nurse aide registry, pending the individual's appeal.*

*(c)"*

Page 10, line 4, delete "15" and insert "30"

Page 10, after line 6, insert:

*"(d) The hearing must be held within 60 days from the date of receipt*

*of the request for a hearing. The individual must be served written notice by certified mail of the time, place, and date of the hearing at least 15 days in advance. The hearing must be held in a place and time that is convenient for the individual to attend.*

*(e) The hearing must provide an opportunity for the individual to present evidence, either in person, in writing, or through witnesses, and to refute the allegations. The individual is entitled to have an attorney or other representative present at the hearing. The commissioner must issue a decision within 30 days after the hearing record is complete and the parties have had an opportunity to file exceptions under section 14.61. A copy of the decision shall be mailed to the individual."*

Page 10, line 7, delete "(b)" and insert "(f)"

Page 10, line 9, after "upheld" insert "by a preponderance of the evidence"

Page 10, line 15, delete "15-day" and insert "30-day"

Page 10, line 16, after "not" insert "requested or" and after the period, insert "The registry must include any brief statement by the individual disputing the findings."

*(g) If it is determined that the individual did not neglect, abuse, or misappropriate resident property, all records and investigative reports shall be classified as private data under section 13.39."*

Page 10, line 17, delete "(c)" and insert "(h)"

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. 254: A bill for an act relating to health; maternal and child health; clarifying eligibility for maternal and child health services; requiring birth or death certificate medical supplements to report prenatal exposure to controlled substances; amending Minnesota Statutes 1990, sections 145.883, subdivision 5; and 626.5562, subdivision 3.

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

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1990, section 144.126, is amended to read:

**144.126 [PHENYLKETONURIA TESTING PROGRAM.]**

The commissioner shall provide on a statewide basis without charge to the recipient, treatment control tests for which approved laboratory procedures are available for *hemoglobinopathy, phenylketonuria, and other metabolic diseases causing mental retardation* inborn errors of metabolism.

Sec. 2. Minnesota Statutes 1990, section 144.128, is amended to read:

**144.128 [TREATMENT FOR POSITIVE DIAGNOSIS, REGISTRY OF CASES.]**

The commissioner shall:

(1) make arrangements for the necessary treatment of diagnosed cases of *hemoglobinopathy*, phenylketonuria, and other ~~metabolic diseases~~ *inborn errors of metabolism* when treatment is indicated and the family is uninsured and, because of a lack of available income, is unable to pay the cost of the treatment;

(2) maintain a registry of cases of *hemoglobinopathy*, phenylketonuria, and other ~~metabolic diseases~~ *inborn errors of metabolism* for the purpose of follow-up services to ~~prevent mental retardation~~; and

(3) adopt rules to carry out section 144.126 and this section.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the second semicolon, insert “clarifying newborn screening requirements;”

Page 1, line 6, after “sections” insert “144.126; 144.128;”

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. 804: A bill for an act relating to corrections; requiring county boards to provide medical aid for prisoners in jail; amending Minnesota Statutes 1990, section 641.15.

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

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

S.F. No. 713: A bill for an act relating to human services licensing; repealing certain rule criteria for disqualification of applicants for licensing and their employees; amending Minnesota Statutes 1990, section 245A.04, subdivision 3.

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

Page 3, delete lines 3 to 14 and insert:

“(c) *Except for child foster care, adult foster care, and family day care homes*, a study must include information from the county agency’s record of substantiated abuse or neglect of adults in licensed programs, and the maltreatment of minors in licensed programs, *information from juvenile courts as required in paragraph (a) for persons listed in paragraph (a), clause (2)*, and information from the bureau of criminal apprehension. *For child foster care, adult foster care, and family day care homes, the study must include information from the county agency’s record of substantiated abuse or neglect of adults, and the maltreatment of minors, information from juvenile courts as required in paragraph (a) for persons listed in paragraph (a), clause (2), and information from the bureau of criminal apprehension.* 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).”

Page 4, line 15, after “*parts*” insert “9502.0335, subpart 6, item B;”

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. 641: A bill for an act relating to health care; creating a special account; funding a program for pediatric access and training; 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:

Page 1, line 7, delete “; PURPOSE”

Page 1, line 10, delete everything after the period

Page 1, delete lines 11 to 14

Page 1, line 15, delete “*today*.”

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. 120: A bill for an act relating to children; requiring peace officers executing health and welfare holds to notify parents or custodians of available social services; appropriating money; amending Minnesota Statutes 1990, section 260.165, by adding a subdivision.

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

Mr. Solon from the Committee on Commerce, to which was referred

H.F. No. 598: A bill for an act relating to insurance; regulating agent rehabilitations and cancellations of agency contracts by fire and casualty companies; amending Minnesota Statutes 1990, sections 60A.171; and 60A.175.

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

Page 4, line 27, after “commissions” insert “, bonuses, and other compensation”

Page 4, line 28, delete the first “at” and insert a period and after “rate” insert “*must be the rate*”

Page 4, line 30, after “commissions” insert “, bonuses, or other compensation”

Page 4, line 32, delete “*commission*”

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. 324: A bill for an act relating to employment; regulating an employee's lien for wages; amending Minnesota Statutes 1990, section 514.59.

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

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

H.F. No. 131: A bill for an act relating to Meeker county; authorizing the county board to provide for an addition to the county hospital.

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

Page 2, after line 3, insert:

“Sec. 4. [MUST COMPLY WITH THE HOSPITAL BED MORATORIUM.]

*Minnesota Statutes, section 144.551, applies to any project authorized by this act. Nothing in this act authorizes an increase in the licensed capacity of the hospital, or the licensing, relocation, or redistribution of hospital beds, except as allowed under Minnesota Statutes, section 144.551, subdivision 1, paragraph (b).”*

Renumber the sections in sequence

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 373 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
	373		557		

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. 638, 436, 761, 635, 539, 134, 717, 636, 734, 391, 774, 254, 804 and 713 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 598, 324, 131 and 373 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Day moved that the name of Mr. Renneke be added as a co-author to S.F. No. 309. The motion prevailed.

Mr. Frederickson, D.J. moved that the name of Mr. Renneke be added as a co-author to S.F. No. 559. The motion prevailed.

Mr. Hottinger moved that the name of Mr. Larson be added as a co-author to S.F. No. 563. The motion prevailed.

Mr. DeCramer moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 807. The motion prevailed.

Ms. Berglin moved that the name of Ms. Pappas be added as a co-author to S.F. No. 885. The motion prevailed.

Ms. Johnston moved that the name of Mr. Hughes be added as a co-author to S.F. No. 890. The motion prevailed.

Mr. Davis moved that the name of Ms. Berglin be added as a co-author to S.F. No. 893. The motion prevailed.

Mr. Marty moved that the names of Mr. Beckman and Ms. Pappas be added as co-authors to S.F. No. 896. The motion prevailed.

Mr. Mondale moved that the names of Messrs. Merriam, Dahl and Novak be added as co-authors to S.F. No. 931. The motion prevailed.

Ms. Ranum moved that the name of Ms. Pappas be added as a co-author to S.F. No. 934. The motion prevailed.

Mr. Novak moved that the name of Mr. Dicklich be added as a co-author to S.F. No. 944. The motion prevailed.

Ms. Berglin moved that the name of Mr. Spear be added as a co-author to S.F. No. 950. The motion prevailed.

Mr. Bertram moved that S.F. No. 373 be withdrawn from the Committee on Finance and re-referred to the Committee on Veterans and General Legislation. The motion prevailed.

Mr. Metzen moved that S.F. No. 353 be withdrawn from the Committee on Education and re-referred to the Committee on Finance. The motion prevailed.

Mr. Novak moved that S.F. No. 871 be withdrawn from the Committee on Local Government and re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Mr. Riveness moved that S.F. No. 528 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Hottinger introduced—

Senate Resolution No. 39: A Senate resolution congratulating Marian Anderson, Mankato, Minnesota, on being selected "Artist of the Year - 1991" by the Collectors Society.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. introduced—

Senate Resolution No. 40: A Senate resolution adopting permanent rules of the Senate.

The Permanent Rules of the Senate for the 77th Legislature shall read as follows:

## **“PERMANENT RULES OF THE SENATE**

### **PARLIAMENTARY REFERENCE**

1. The rules of parliamentary practice comprised in Mason's Manual of Legislative Procedure shall govern the Senate in all cases in which they are applicable, and in which they are not inconsistent with these rules and orders of the Senate and the joint rules and orders of the Senate and House of Representatives.

### **HOUR OF CONVENING**

2. The Senate shall convene on days of meeting at 2 o'clock p.m. unless the Senate directs otherwise.

### **PRESIDENT**

3. The President shall take the chair at the hour to which the Senate adjourned. He shall immediately call the members to order and, on the appearance of a quorum, shall proceed with the regular order of business. He shall preserve order and decorum, may speak on points of order in preference to members, and shall also decide all questions of order, subject to an appeal to the Senate by a member. An appeal is decided by a majority vote of those present and voting. Upon an appeal from the decision of the President, the question is, “Shall the decision of the President be the judgment of the Senate?”

### **SUBSTITUTES FOR THE PRESIDENT**

4. The President may call a member to preside. In the absence of the President the Chair of the Committee on Rules and Administration, or his designee, shall preside over the Senate. In the absence of the President and the Chair, a member may be selected by the Senate to perform the duties of the President. Substitutions do not extend beyond adjournment.

### **ABSENCE OF MEMBERS**

5. No member or officer of the Senate shall be absent from a session of the Senate unless excused by the Senate.

### **DECORUM DURING BUSINESS**

6. When the President puts a question, or addresses the Senate, no one shall walk out of or cross the Chamber. When a member is speaking, no one shall pass between the member speaking and the President. No member, or other person, shall proceed to or remain by the Secretary's desk while the yeas and nays are being called or counted. No member may speak



without using a microphone.

### **ORDER OF BUSINESS**

7. The order of business is as follows:
  1. Petitions, letters, remonstrances.
  2. Executive and official communications.
  3. Messages from the House of Representatives.
  4. First reading of House bills.
  5. Reports of committees.
    - (a) From standing committees.
    - (b) From select committees.
  6. Second reading of Senate bills.
  7. Second reading of House bills.
  8. Motions and Resolutions.
  9. Calendar.
  10. Consent Calendar.
  11. General Orders.
  12. Introduction and first reading of Senate bills.
  13. Announcements of Senate interest.

Under the order of business of Motions and Resolutions the Senate may by a majority vote of the whole Senate temporarily revert or proceed to any other order of business.

### **CALENDAR**

8. The Secretary shall make a Calendar of all bills, resolutions and other matters coming before the Senate for final action. He shall place them on the Calendar in the order in which they have been acted upon in Committee of the Whole. The Calendar shall be printed and placed upon the members' desks at least one calendar day before the matters on it are considered.

### **CONSENT CALENDAR**

9. If a committee determines that a bill it recommends to pass is of a routine nature or otherwise of a nature which likely will not be opposed, it may in its report recommend that the bill be placed on the Consent Calendar. If the report is adopted, the bill shall be printed and placed on the Consent Calendar after its second reading. On the question of adoption of the report the question of accepting the recommendation that the bill be placed on the Consent Calendar may be divided from the question of adopting the report in other respects.

A majority of the whole Senate, or the Chair of the Committee on Rules and Administration, may order a bill on General Orders to be placed on the Consent Calendar.

The Consent Calendar consists of bills placed on it. Senate bills shall be positioned ahead of House bills. The Consent Calendar shall be printed and placed on the members' desks at least one calendar day before the matters on it are considered.

If a member objects to consideration of a bill on the Consent Calendar at any time during its consideration in the Senate before the question on final passage is put, and that objection is supported by at least two other members, the bill shall be referred to the Committee of the Whole, and

shall be placed at the bottom of General Orders subject to Rule 11, except that it need not lie over one calendar day before consideration in the Committee of the Whole.

### **SPECIAL ORDER**

10. The Chair of the Committee on Rules and Administration may designate a special order for a bill that has been given its second reading.

A special order shall provide that the bill be considered immediately, at a time certain, or after specific other business is completed.

During consideration of a special order, Rule 20 is suspended. As nearly as applicable, debate on the bill and all proceedings including amendments and substitutions shall be that of the Committee of the Whole.

On any question a member may call for the yeas and nays which shall be entered in the Journal.

Unless it is otherwise disposed of, after consideration a bill on Special Orders of the Senate shall immediately proceed to its third reading and final passage.

*A bill may not be made a special order if the chief author has declined on three previous occasions to take the bill up after it was designated a special order.*

### **GENERAL ORDERS**

11. The Secretary shall make a list of all bills, resolutions, reports of committees, and other proceedings of the Senate, which are referred to the Committee of the Whole, and which are not made the order of the day, for a particular day, and number them. The lists are called the "General Orders". They shall be taken up in the order in which they are numbered unless otherwise ordered by a majority of the committee.

General Orders, together with all bills included on it required to be printed under the rules or orders of the Senate, shall be printed and placed upon the members' desks at least one calendar day before being considered in Committee of the Whole.

### **MOTIONS**

12. When a motion is made it shall be stated by the President. If it is in writing it shall be handed to the Secretary and read to the members.

13. A motion or amendment shall be written if the President or a member requests. In that case it must identify the member or committee offering it.

14. After a motion is stated by the President, or read by the Secretary, it is in possession of the Senate, but may be withdrawn by the author at any time before decision or amendment.

### **PRECEDENCE OF MOTIONS**

15. When a question is under debate no motion shall be received, except:

1. To adjourn.
2. To recess.

3. To reconsider.
4. To lay on the table.
5. For the previous question.

(Motions numbered 1, 2, 4 and 5 above shall be decided without debate.)

6. To refer.
7. To postpone to a day certain.
8. To amend.
9. To postpone indefinitely.

These several motions have precedence in the foregoing order; but when a motion for the previous question has been seconded, or the main question ordered, a motion to lay on the table is not in order.

A motion to postpone to a day certain, to refer, to postpone indefinitely, or to amend, having been decided, shall not again be put on the same day, nor at the same stage of the bill or proposition.

### **MOTION TO ADJOURN**

16. A motion to adjourn is always in order, and also a motion to adjourn to a time certain. The latter motion is debatable solely as to the time. When either motion is rejected it shall not be renewed until further business has been transacted.

### **AMENDMENTS TO RULES AND SUSPENSION OF RULES**

17. Every proposition to amend a rule of the Senate shall be referred to the Committee on Rules and Administration. The proposition shall not be acted upon until the report of the committee is received by the Senate. A rule shall not be suspended except by at least two-thirds vote of the whole Senate. A motion to suspend the rules for the purpose of advancing a bill shall be made only under the order of business, "Motions and Resolutions".

### **ORDER IN DEBATE**

18. When a member is about to speak in debate, or deliver a matter to the Senate, the member shall rise and respectfully address "Mr. President". The member shall not proceed to speak further until recognized by the President. The member shall speak only to the question under debate and avoid personality. In discussing a resolution, each member is limited to ten minutes.

19. When a member is called to order, he shall be silent until it is determined whether or not he is in order. If a member is called to order for words spoken in debate, the words excepted to shall be taken down in writing by the Secretary immediately.

20. No member shall speak more than twice on the same question on the same day without leave of the Senate.

### **COMMITTEES NOT TO BE ABSENT**

21. Committees shall not be absent from the Senate without permission of the Senate. The names of the members excused shall be printed in the Journal.

### **MEMBERS TO VOTE UNLESS EXCUSED**

22. Every member who is in the Senate Chamber during a roll call shall vote upon the request of another member unless, for special reasons, excused by the Senate.

A motion by a member to be excused from voting shall be made before the question is put. A member wishing to be excused from voting may make a brief statement of the reason for making the request and the question on the motion shall be taken without further debate.

When members have had an opportunity to vote and fail to do so, a majority of all the members of the Senate may, by motion, direct the President to close the roll. The vote on a motion to close the roll shall be taken without debate and no member is required to vote on the motion.

### **CALL OF THE SENATE**

23. A member may impose a call of the Senate requiring the attendance of all members before any further proceedings occur except a motion to adjourn. Upon the imposition of a call, a record of those present shall be obtained upon the request of any member, and the Sergeant at Arms instructed to bring in the absent members. When the Senate has been placed under call, a member may demand that the doors be closed and no member permitted to leave the Chamber until the matter or question, if any, under consideration at the time of the call is disposed of, or until the call is lifted by a majority vote of all the members of the Senate, or until the Senate adjourns. A majority vote of all the members of the Senate may excuse from attendance members not answering the call.

A call cannot be made after voting has commenced.

### **QUESTIONS—HOW STATED AND DECIDED**

24. Questions shall be distinctly put. The President shall declare all votes but if a member rises to question a vote, the President shall order a division.

### **ONLY MEMBERS PRESENT TO VOTE**

25. Upon a division and count of the Senate on a question, only members present in the Senate Chamber shall be counted. No member may vote on a question except at the member's own seat in the Chamber.

### **ANY MEMBER MAY DEMAND YEAS AND NAYS**

26. At any time prior to the start of voting on a question, a member may call for the yeas and nays which shall be entered in the Journal. A call for the yeas and nays cannot be interrupted except as provided in Rule 22.

### **AUTHORIZED ELECTRICAL VOTING DEVICE**

27. Unless otherwise ordered, a vote, except upon elections and upon the overriding of a governor's veto, may be taken by means of the electrical voting system which is under the control of the President.

### **CERTIFICATE FOR MONEY**

28. No certificate authorizing the payment of money appropriated by the Legislature shall be issued by the Secretary by virtue of a motion or resolution, unless the motion or resolution is voted for by a majority of all members of the Senate upon a call of the yeas and nays.

### **THE PREVIOUS QUESTION**

29. Unless the motion for the previous question is made specifically applicable to a subsidiary motion, the previous question shall be in this form:

“Shall the main question now be put?” It shall only be admitted when demanded by a majority of the members present, and its effect is to put an end to all debate, and bring the Senate to a direct vote upon amendments reported by a committee, if any, then upon all pending amendments in their order and then upon the main question.

On a motion for the previous question a call of the Senate is in order before the President submits the question to the Senate.

On a previous question there is no debate. All incidental questions of order, arising after a motion is made for the previous question, and pending the motion, shall be decided, whether on appeal or otherwise, without debate.

### **DIVISION OF QUESTION**

30. A member may call for a division of the question when the question will admit of it. A motion to strike out and insert is indivisible. A motion to strike out being lost does not preclude an amendment nor a motion to strike out and insert.

### **RECONSIDERATION**

31. When a motion or question has been once put and carried in the affirmative or negative, it is in order for a member who voted with the prevailing side to move for reconsideration on the same day on which the vote was taken or within the next two calendar days or, if later, the first day the Senate meets after the vote was taken. The motion takes precedence over all other questions except a motion to adjourn or recess. When a motion to adjourn is adopted prior to the disposition of the motion for reconsideration, a motion for reconsideration shall lie over until the next succeeding day the Senate meets except as provided in this rule. When notice of intention to move reconsideration of the final action of the Senate on a question is given by a member, the Secretary shall retain the subject of the notice until after the expiration of the time during which the motion can be made.

During the six calendar days before the first Tuesday following the third Saturday in May of any year a notice of intention to move for reconsideration is not in order, but a motion to reconsider may be made and have priority over all other business except a motion to adjourn. A motion for reconsideration having been once voted on shall not be put again nor reconsidered.

### INTRODUCTION OF BILLS

32. Bills, memorials, concurrent or joint resolutions may be introduced by a member or by order of the Senate on a report of a committee. An original and three copies are required for introduction. The number of authors shall not exceed five. A member or a committee desiring to introduce a bill, memorial or concurrent or joint resolution shall place it in the hands of the Secretary, and the Secretary shall promptly deliver all the bills, memorials or concurrent or joint resolutions to the President who shall present them to the Senate.

The name of the author or authors shall be prefixed to each bill, memorial or resolution and the name of a committee introducing a bill, memorial or resolution shall be endorsed on it.

### RECESS BILL INTRODUCTIONS

33. During the period between the last day of the session in any odd-numbered year and the first day of the session in the following year, a bill filed with the Secretary for introduction shall be given a file number and may be unofficially referred by the President, with the approval of the Chair of the Committee on Rules and Administration, to an appropriate standing committee of the Senate. All bills filed for introduction during this period shall be presented to the Senate when it reconvenes and shall be referred to the standing committees previously indicated by the President, subject to objection under Rule 35.

### REPORTING OF BILLS

34. Every bill, memorial, order, resolution or vote requiring the approval of the Governor shall be reported to the Senate on three different days previous to its passage. The first report, called the first reading, is made when it has been received for introduction; the second report, called the second reading, is made when it has been considered by all the necessary standing committees and is ready for debate; the third report, called the third reading, is made when it is ready for final passage.

### REFERRING OF BILLS

35. All bills shall be referred by the President without motion to the proper standing committee unless otherwise referred by the Senate. A bill introduced by a committee need not be referred to a standing committee unless a question arises but rather shall lie over one day before being given its second reading. When a question arises concerning the proper reference of a bill during the order of business of first reading on the day of introduction or at the time of report on it by a standing committee to which the bill was previously referred, the bill shall be referred without debate to the Committee on Rules and Administration to report the proper reference, and upon adoption of the report of the Committee on Rules and Administration, it shall be referred accordingly.

All bills appropriating money, or obligating the state to pay or expend money, or establishing a policy which to be effective will require expenditure of money, when referred to and reported by any other than the Committee on Finance, shall, before passage, be referred to the Committee on Finance.

All bills delegating emergency rulemaking to a department or agency of

state government and all bills exempting a department or agency of state government from rulemaking, when referred to and reported by any other than the Committee on Governmental Operations, shall, before passage, be referred to the Committee on Governmental Operations.

36. No bill or resolution shall be referred to committee or amended until it has been given its first reading. No bill or resolution shall be objected to on its introduction.

### **AMENDMENTS TO BE GERMANE**

37. An amendment proposed to the Senate or to the Committee of the Whole that is not germane is out of order. A non-germane amendment includes one that relates to a substantially different subject, or is intended to accomplish a substantially different purpose than that of the original bill to which it is proposed. Whether an amendment is germane is a question to be decided by the President, who may put the question to the body if he chooses.

### **AMENDMENTS TO BILLS**

38. In drawing an amendment to a bill or resolution reference shall be made therein, first to the number of the bill, then to the page, and then to the line or lines from which matter is to be stricken or in which new matter is to be inserted.

### **AMENDMENTS TO TITLE**

39. The title to a bill may be amended at any time during its pendency in the Senate.

### **RECALL FROM COMMITTEE**

40. With the concurrence of the first author of the bill, *before the deadline for committee action on the bill a majority of the Senate and after the deadline for committee action on the bill 60 percent of the Senate may at any time recall a bill from any committee or take a bill from the table and re-refer it to any other committee or place it on General Orders. With the concurrence of the first author of the bill, a majority of the Senate may at any time take a bill from the table and place it on General Orders.*

By a report of the Committee on Rules and Administration adopted by the Senate, the Committee on Rules and Administration, on request of the first author, may remove a bill from committee and re-refer it to any other committee or place it on General Orders.

### **DISTRIBUTION AND PRINTING OF BILLS**

41. To the extent practical the Secretary shall provide a copy of any bill to the public. He may charge a reasonable fee.

Unless otherwise ordered by the Senate, all Senate bills which have been reported upon favorably or without recommendation by a committee shall be printed prior to consideration by the Senate or the Committee of the Whole. A House bill amended by the Senate must be unofficially engrossed and printed when placed on General Orders. A bill may be printed by order of the Secretary when amended after second reading. A bill shall be printed when ordered by a majority vote of the Senate. Action by the Senate on a

bill which has not been printed is a waiver of the printing requirement.

### COMMITTEE OF THE WHOLE

42. All bills, memorials, orders, resolutions and votes requiring the approval of the Governor shall, after a second reading, be considered in Committee of the Whole before they are finally acted upon by the Senate, except as provided for in Rules 9 and 10.

43. The President may call a member to the Chair when the Senate resolves itself into the Committee of the Whole. The rules observed in the Senate govern, as far as practicable, the proceedings of the Committee of the Whole, and the Chair of the Committee of the Whole has the powers of the President, as appropriate. However, a member may speak more than twice on the same subject and a call for the previous question cannot be made. The yeas and nays shall be taken only upon the request of three members, and when taken shall be recorded in the Journal along with the amendment; provided, however, that a member may, with the approval of the Chair of the Committee on Rules and Administration, submit a description of the amendment for printing. In those cases the Secretary shall retain in the minutes of the Committee of the Whole the full text of the amendment.

44. The recommendations of the Committee of the Whole shall be reported to the Senate. If a recommendation contains a proposed amendment of a bill, that amendment shall be noted on a separate piece of paper but when reported need not be read by the President unless required by one or more of the members. The question is on the adoption or rejection of the report, and no other question shall be admitted. The question may be divided to permit separate Senate action on the report as to any bill. On adoption of the report of the Committee of the Whole all bills recommended to pass shall be placed upon the Calendar.

### AMENDMENT ON THIRD READING

45. No amendment is in order on third reading without the unanimous consent of the Senate unless it fills a blank, amends the title as provided by Rule 39, is proposed to the chief author of the bill by the Revisor of Statutes to correct technical defects found by the Revisor while engrossing earlier amendments to the bill, or is proposed to a bill on the Consent Calendar before the bill is given its third reading.

In filling blanks, the largest sum, the longest time and the greatest distance shall be first taken.

### MOTION TO REFER

46. A bill or resolution may be referred to committee at any time prior to its passage, and if an amendment is reported on the referral to any other than the Committee of the Whole, it shall again be read the second time, considered in Committee of the Whole, read the third time and placed on final passage. If the referral is to the Committee of the Whole it shall be placed at the head of General Orders, except when the referral is under Rule 9.



### FINAL PASSAGE

47. The final question upon a bill or other matter requiring action by both Houses after its first and second reading, and after the consideration in Committee of the Whole, is upon its final passage.

### TRANSMITTING OF BILLS TO THE HOUSE

48. Except as provided in Rule 31, immediately after the passage of a bill or other matter in which the concurrence of the House of Representatives is requested, the Secretary shall transmit it to the House. On the concurrence of a bill or other matter of the House by the Senate, or on the concurrence or disagreement in a vote of the House, the Secretary shall notify the House.

### COMPARISON AND SUBSTITUTION OF BILLS

49. Unless there is a motion by the Chair of the Committee on Rules and Administration or objection under Rule 35, a House bill, after its first reading, shall be referred as follows:

(a) If there is no Senate companion bill, the House bill shall be referred to the appropriate standing committee;

(b) If there is a Senate companion bill, the House bill shall be referred to the standing committee possessing the Senate companion;

(c) If the Senate companion bill has been reported to the Senate, the House bill shall be referred to the Committee on Rules and Administration, which shall report whether the House bill is identical to the Senate companion bill. If the bills are identical, the report shall recommend that the House bill be given its second reading and substituted for the Senate companion bill and the Senate companion bill be indefinitely postponed. If the House bill is not identical to the Senate companion bill, the report of the committee shall so state and recommend an amendment to the House bill that when adopted will render the House bill identical to the Senate bill. Upon adoption of a committee report containing the proposed amendment, the House bill as amended shall be given its second reading and substituted for the Senate companion bill and the Senate companion bill shall be indefinitely postponed.

Reports of the Committee on Rules and Administration pursuant to this rule shall be prepared and submitted on behalf of the committee by the Secretary.

A House bill placed on the Calendar by substitution shall not be given its third reading on the same day as the substitution.

### ENGROSSING AND ENROLLING OF BILLS

50. All engrossing and enrolling of bills shall be done at the direction and under authority of the Senate.

Every bill, memorial, order or resolution originating in the Senate shall be carefully engrossed before being transmitted to the House of Representatives for concurrence.

All bills shall be carefully enrolled under the supervision of the Committee on Rules and Administration, which may report to the Senate at any time on the enrollment of bills.

### **DISPOSITION OF BILLS ON ADJOURNMENT**

51. Adjournment of the regular session in an odd-numbered year to a date certain in the following year shall be equivalent to daily adjournment, except that a bill on the Calendar, Consent Calendar, or General Orders shall be returned to the standing committee other than the Committee on Rules and Administration from which it was last reported to the Senate, unless otherwise provided for by motion prior to adjournment. Bills returned to committee pursuant to this rule shall, upon request of the author, be given priority for consideration by the committee ahead of all other bills in the order in which they appeared on the Calendar, Consent Calendar, or General Orders.

### **PETITIONS AND OTHER COMMUNICATIONS**

52. In presenting a petition, memorial, remonstrance or other communication addressed to the Senate, a member shall only state the general purpose of it.

Every petition, memorial, remonstrance, resolution, bill and report of committee, shall have an appropriate title, and the name of the member presenting it written on it.

### **RESOLUTIONS**

53. Memorial resolutions addressed to the President or the Congress of the United States, or a house or member of Congress, or a department or officer of the United States, or a state or foreign government, joint resolutions, and resolutions requiring the signature of the Governor shall follow the same procedure as bills before being adopted.

Upon a member giving notice of intention to debate a resolution not required to follow the same procedure as bills and not offered by the Committee on Rules and Administration, the resolution shall lie over one calendar day without debate or other action. Upon the request of a member, the resolution shall be referred to the proper committee. Whenever a question arises concerning the proper reference the procedure provided by Rule 35 applies.

### **CONFIRMATIONS**

54. Every gubernatorial appointment requiring the advice and consent of the Senate shall be referred by the President to the appropriate committee. If a question arises as to the proper committee, the appointment shall be referred without debate to the Committee on Rules and Administration for a report making the proper reference.

The final question on the appointment is, "Will the Senate, having given its advice, now consent to this appointment?" The question shall not be put the same day the appointment is received or on the day it is reported by committee unless by unanimous consent.

### **SIGNING OF ACTS, RESOLUTIONS**

55. In addition to his duties under Rule 3, the President shall sign all acts, memorials, addresses and resolutions. All writs, warrants and subpoenas issued by the Senate shall be signed by the President and attested

by the Secretary. Upon a finding by the Committee on Rules and Administration that the President refuses or is unable to sign any of the documents described in this rule, the Chair of the Committee on Rules and Administration, or some other member selected by the committee shall assume the duties of the President under this rule until the President is able to sign the documents described or until the Senate elects a new President, whichever occurs first.

### **APPOINTMENT OF COMMITTEES**

56. The majority and minority shall each be represented on all standing committees of the Senate substantially in proportion to their numbers in the Senate. The majority group shall assign the number of positions the minority group will hold on each committee. The minority group shall be given adequate notice about its positions prior to the commencement of the session. Both the majority and minority groups shall appoint their own members to fill the number of positions each group will hold on each committee. The minority group shall transmit notice of its assignments to the majority group within ten calendar days after receipt of the notice of positions available. If the minority group for any reason fails to make its appointments pursuant to this rule, the majority group may make all the committee assignments.

The majority and minority committee assignments are subject to the uniform criteria governing committee assignments applicable to both the majority and minority. The uniform criteria shall be promulgated by the majority group and transmitted to the minority group together with notification of committee positions available to the minority.

Committee assignments as made by the majority and minority groups shall be followed by the Senate in the resolution establishing representation on all Senate standing committees.

After the organization of the Senate, all committees of the Senate and members of commissions to be appointed by the Senate authorized by rule, statute, resolution or otherwise, shall be appointed by the Subcommittee on Committees of the Committee on Rules and Administration, unless otherwise provided, subject to confirmation by the Senate. In the appointment of members of conference committees between the two houses, the Subcommittee on Committees of the Committee on Rules and Administration of the Senate shall appoint those who are in accord with the position of the Senate, and whenever practical, give preference to authors of bills in dispute and to members of standing committees in which the bills were considered.

### **STANDING COMMITTEES**

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

Agriculture and Rural Development

Commerce

Economic Development and Housing

Education

Elections and Ethics

Employment

Energy and Public Utilities  
Environment and Natural Resources  
Finance  
Gaming Regulation  
Governmental Operations  
Health and Human Services  
Judiciary  
Local Government  
Metropolitan Affairs  
Redistricting  
Rules and Administration  
Taxes and Tax Laws  
Transportation  
Veterans and General Legislation

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

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

### COMMITTEE MEETINGS

58. All meetings of the Senate, its committees, *committee divisions*, and subcommittees are open to the public. *A meeting of a caucus of the members of any of those bodies from the same political party need not be open to the public. Notwithstanding Minnesota Statutes, section 3.055, a caucus of the Hennepin county, Ramsey county, or St. Louis county delegation is open to the public. For purposes of this rule, a meeting occurs when a quorum is present and action is taken regarding a matter within the jurisdiction of the body.*

To the extent practical, meetings of all committees shall be announced to the public at least three calendar days prior to convening. The notice shall state the name of the committee, the bill or bills to be considered, the place and time of meeting. The notice shall be posted on all Senate bulletin boards in the Capitol and the State Office Building. A notice shall be sent to the House of Representatives for posting as it deems necessary.

### **QUORUM IN COMMITTEE**

59. A majority of its members constitutes a quorum of a committee.

### **REPORT OF VOTE IN COMMITTEE**

60. Upon the request of a member of a committee or subcommittee to which a bill has been referred, or upon the request of the author of the bill, a record shall be made of the vote on the bill in the committee or subcommittee, including the vote on any amendment or proposed amendment to it, in the committee or subcommittee to which the bill was referred.

Upon request of three members of the committee before the vote is taken, the record of a roll call vote in a standing committee shall accompany the committee report and be printed in the Journal.

### **COMMITTEE ACTION**

61. No report of any committee shall be made to the Senate unless it reports action taken at a regular or special meeting of the committee. A report in violation of this rule is out of order.

### **EMPLOYEES AUTHORIZED IN THE SENATE**

62. The Committee on Rules and Administration shall establish positions, set compensation, appoint employees, and authorize expense reimbursement for employees as it deems proper to carry out the work of the Senate. At the request of any committee member, an action of the committee shall be submitted as a Senate resolution for adoption by the Senate. A roster of all employees of the Senate, including positions and compensation, shall be kept by the Secretary and shall be open for inspection by the public. The Secretary shall post, in a public place in the Capitol, a notice of every vacant position on the permanent staff of the Senate. The notice must remain posted for at least two weeks, and no vacancy may be filled until the period of posting has elapsed.

### **BUDGET AND EXPENDITURES**

63. The Committee on Rules and Administration shall adopt an operating budget for the Senate and refer it to the Committee on Finance.

All propositions for the appointment and payment of employees of the Senate or for expenditures on account of the Legislature, other than those provided by law, shall be referred to the Committee on Rules and Administration without debate.

### **AUTHORITY OVER EMPLOYEES**

64. Except as otherwise provided in these rules, the Committee on Rules and Administration has full and exclusive authority over, and charge of all employees, officers and clerks of the Senate both elective and appointive. The committee has the sole and exclusive power and authority to assign them to duties other than for which they were elected or appointed as the committee may from time to time provide. The committee has power to appoint employees, officers or clerks as it deems proper to exercise the power granted to it by this rule. The committee may make rules and regulations for the government of the employees, officers and clerks as they see fit. In case of violation of an order of the committee by an employee,

officer or clerk, or in case of a violation of a rule or regulation made by the committee, or in case of misconduct or omission by an employee, officer or clerk, the Committee on Rules and Administration may hear complaints and discharge the employee, officer or clerk or impose other punishment by way of fine or otherwise upon the employee, officer or clerk as the committee deems just and proper.

### DUTIES OF SECRETARY

65. The Secretary shall keep a correct Journal of the proceedings of the Senate and shall perform other duties assigned to him as Secretary. He shall not permit Journal records, accounts or papers to be taken from the table or out of his custody, other than in the regular mode of business. If a paper in his charge is missing, he shall report the fact to the President, so that inquiry may be made. He shall superintend the recording of proceedings in the Journal, the engrossing, transcribing and copying of the bills and resolutions, supervise the assistants, clerks and stenographers under the direction of the Committee on Rules and Administration, and generally perform the duties of Secretary, under direction of the President. The Secretary shall keep a record of all Senate and House bills showing the state, condition, and progress of each bill pending, until its final passage.

The Secretary shall cause to be recorded on magnetic tape the proceedings of the Senate, the Committee of the Whole, each standing committee and standing subcommittee. Each tape shall be clearly labeled to show the name of the body whose proceedings are recorded and the dates the proceedings occurred. Each tape shall be accompanied by a log showing the number of each bill considered and the places on the tape where consideration of the bill occurred. Within two working days after each day the Senate is in session the Secretary shall make a copy of the tape and corresponding log of proceedings of the Senate and the Committee of the Whole and deliver the copies to the Legislative Reference Library. Within one week after each meeting of a standing committee or standing subcommittee the Secretary shall make a copy of the tape and corresponding log of the meeting and deliver the copies to the Legislative Reference Library. Upon completion and approval of the minutes of the meeting, a copy of the minutes shall be promptly delivered to the Legislative Reference Library. The Secretary shall keep a record of each session of the Senate and the Committee of the Whole, each meeting of a Senate standing committee or standing subcommittee, and the date on which a tape recording of the session or meeting was transmitted to the Legislative Reference Library. The Library shall keep a similar record of all tapes received. The Library shall provide committee staff with reasonable access to Senate tapes and shall provide the public with convenient facilities to listen to the tapes. Copies of Senate tapes shall be available to the public from the Secretary, for a fee determined by the Secretary to be adequate to cover the cost of preparing the copies. A copy shall be provided free to a member of the Senate upon request for use in legislative business. The original tape and log of each session of the Senate and the Committee of the Whole shall be kept by the Secretary until the end of the period for which the members of the existing House of Representatives have been elected, at which time the tape may be preserved or disposed of as he sees fit. Tapes, logs, and minutes forwarded to the Legislative Reference Library shall be kept by the Library until two years after the end of the period for which the members of the existing Senate have been elected, at which time they may be preserved or disposed of as the

Library sees fit. It is the intention that testimony and discussion preserved under this rule not be admissible in any court or administrative proceeding on an issue of legislative intent.

### **JOURNAL—HOW APPROVED**

66. The Journal of each day's proceedings is open for correction at any time during the session of the next day the Senate meets. Unless corrected on that day, the Journal stands approved.

### **SECRETARY MAY CORRECT ERRORS**

67. The Secretary of the Senate and Engrossing Secretary, in all proper cases, shall correct all mistakes in numbering the sections and reference to them, whether the errors occur in the original bill or are caused by amendments to it.

### **PURCHASING SUPPLIES**

68. The Secretary is the agent of the Senate for the purchase of supplies. The Secretary's records on purchase of supplies are open for inspection during normal business hours.

### **DUTIES OF THE SERGEANT AT ARMS**

69. The Sergeant at Arms shall execute all orders of the President and perform all duties assigned to him connected with the police and good order of the Senate Chamber; exercise supervision over the entry and exit of all persons to and from the Chamber; see that messages are promptly delivered; see that the hall is properly ventilated and the temperature properly regulated, and that it is open for the use of members of the Senate at the time fixed; and perform all other services pertaining to his office.

### **PERSONS PRIVILEGED TO THE FLOOR OF THE SENATE**

70. No person shall be admitted within the Senate Chamber, but a member, an officer, the constitutional officers, ex-Governors of the State of Minnesota, members of the House, judges of the trial and appellate courts and members of Congress. Those who have been members of Congress or of the state Legislature who are not interested in any claim or directly in a bill pending before the Legislature may be personally admitted by a member of the Senate. An employee of either house may be admitted at the request of a member or an officer of the Senate. The head of a department of state government may be admitted by the President. When a member-elect is sworn in, the member-elect may request that one guest be admitted. When the Senate is not meeting, a person not a member may be admitted to the floor at the request of a member or officer. No public hearings shall be held in the Senate Chamber. The retiring room of the Senate is reserved for the exclusive use of the members of the Senate at all times. The Sergeant at Arms shall strictly enforce this rule.

### **PRIVILEGE OF REPORTERS**

71. Provision shall be made for news reporters on the Senate floor in limited numbers, and in the Senate gallery. Because of limited space on the

floor, permanent space is limited to those news agencies which have regularly covered the legislature, namely: The Associated Press, United Press International, St. Paul Pioneer Press Dispatch, Star Tribune, Duluth News-Tribune and Herald, Rochester Post-Bulletin, St. Cloud Daily Times, WCCO radio, KSTP radio, and Minnesota Public Radio. An additional two spaces shall be provided to other reporters if space is available.

One person from each named agency and one person from the Senate Publications Office may be present at the press table on the Senate floor at any one time.

Other news media personnel may occupy seats provided in the Senate gallery.

The Committee on Rules and Administration may, through committee action or by delegating authority to the Secretary, allow television filming on the Senate floor on certain occasions.

The committee or its agent may designate a committee of three senior news correspondents to act as an issuing agency for reporters' badges or other credentials.

### **DISORDERLY CONDUCT**

72. In case of a disturbance or disorderly conduct in the lobbies or galleries, the President may order them cleared. Picture taking by persons other than accredited news reporters, picture taking with floodlights or flash units, hand clapping, demonstrations, and food and beverages, are prohibited in the Senate Chamber and in the galleries.

### **INTRODUCTION OF VISITORS**

73. No introduction of a visitor or visitors in the galleries shall be made from the floor or rostrum of the Senate.

### **SMOKING**

74. No person is permitted to smoke in the Senate Chamber, Retiring Room, hearing rooms, or public spaces under the control of the Senate. There shall be no smoking in the visitors section of the galleries.

### **ETHICAL CONDUCT**

75. The Subcommittee on Committees shall appoint a special committee on Ethical Conduct consisting of four members, two from the majority and two from the minority.

The committee shall serve in an advisory capacity to a member or employee upon written request and shall issue recommendations to the member or employee.

A lobbyist shall not appear before a Senate committee pursuant to his employment unless he is in compliance with the law requiring lobbyist registration, Minnesota Statutes, Sections 10A.03 to 10A.06. A lobbyist when appearing before a committee shall disclose to the committee those in whose interest he speaks and the purpose of his appearance. A lobbyist shall not knowingly furnish false or misleading information or make a false or misleading statement that is relevant and material to a matter before the Senate or any of its committees when he knows or should know it will



influence the judgment or action of the Senate or any of its committees thereon. A lobbyist shall not exert undue influence or expend improper sums of money in connection with any legislation.

The committee shall investigate a complaint by a member of the Senate in writing under oath received during a legislative session regarding improper conduct by a member or employee of the Senate or a lobbyist. The committee has the powers of a standing committee to issue subpoenas pursuant to Minnesota Statutes, Section 3.153. In order to determine whether there is probable cause to believe that improper conduct has occurred, the committee may, by a vote of three of its members, conduct a preliminary inquiry in executive session to which the requirements of Rule 58 do not apply. Upon a finding of probable cause, further proceedings on the complaint are open to the public. If, after investigation, the committee finds the complaint substantiated by the evidence, it shall recommend to the Senate appropriate disciplinary action.

*A complaint that members have violated the open meeting requirements of Minnesota Statutes, section 3.055, may be made in writing to the Chair of the Committee on Rules and Administration, who shall immediately forward it in writing to the Special Committee on Ethical Conduct without disclosing the identity of the complainant. A complaint by a member of the Senate need not be in writing. A complaint that is not made by a member in writing under oath must not be further disclosed, except to the members against whom the complaint is made."*

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

## CALENDAR

S.F. No. 425: A bill for an act relating to unclaimed property; providing for payment of certain expenses for claims made in other states; amending Minnesota Statutes 1990, section 345.48, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 345.

Was read the third time 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	DeCramer	Johnson, J.B.	Merriam	Ranum
Belanger	Dicklich	Johnston	Metzen	Reichgott
Benson, D.D.	Finn	Kelly	Moe, R.D.	Renneke
Benson, J.E.	Flynn	Knaak	Mondale	Riveness
Berg	Frank	Kroening	Morse	Sams
Berglin	Frederickson, D.J.	Laidig	Neuville	Samuelson
Bertram	Frederickson, D.R.	Langseth	Novak	Solon
Brataas	Gustafson	Larson	Olson	Spear
Chmielewski	Halberg	Lessard	Pappas	Storm
Cohen	Hottinger	Luther	Pariseau	Stumpf
Dahl	Hughes	Marty	Piper	Traub
Davis	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Day	Johnson, D.J.	Mehrkens	Price	

So the bill passed and its title was agreed to.

S.F. No. 5: A bill for an act relating to retirement; authorizing a benefit increase for certain retired police officers, firefighters, and surviving

spouses in the city of Eveleth.

Was read the third time 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	Dicklich	Kelly	Moe, R.D.	Renneke
Belanger	Finn	Knaak	Mondale	Riveness
Benson, D.D.	Flynn	Kroening	Morse	Sams
Benson, J.E.	Frank	Laidig	Neuville	Samuelson
Berg	Frederickson, D.J.	Langseth	Novak	Solon
Berglin	Frederickson, D.R.	Larson	Olson	Spear
Bertram	Halberg	Lessard	Pappas	Storm
Chmielewski	Hottinger	Luther	Pariseau	Stumpf
Cohen	Hughes	Marty	Piper	Traub
Dahl	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Davis	Johnson, D.J.	Mehrkens	Price	Waldorf
Day	Johnson, J.B.	Merriam	Ranum	
DeCramer	Johnston	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 368: A bill for an act relating to motor vehicles; requiring the appointment of officers of statutory and home rule charter cities as deputy registrars in certain circumstances; amending Minnesota Statutes 1990, section 168.33, subdivision 2.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Finn	Kelly	Moe, R.D.	Renneke
Belanger	Flynn	Knaak	Mondale	Riveness
Benson, D.D.	Frank	Kroening	Morse	Sams
Benson, J.E.	Frederickson, D.J.	Laidig	Neuville	Samuelson
Berg	Frederickson, D.R.	Langseth	Novak	Spear
Berglin	Gustafson	Larson	Olson	Storm
Bertram	Halberg	Lessard	Pappas	Stumpf
Chmielewski	Hottinger	Luther	Pariseau	Traub
Cohen	Hughes	Marty	Piper	Vickerman
Dahl	Johnson, D.E.	McGowan	Pogemiller	Waldorf
Davis	Johnson, D.J.	Mehrkens	Price	
DeCramer	Johnson, J.B.	Merriam	Ranum	
Dicklich	Johnston	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 286: A bill for an act relating to cities of the first class; providing for the organization and powers of neighborhood revitalization policy boards; amending Minnesota Statutes 1990, section 469.1831, 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	Dicklich	Johnston	Mondale	Riveness
Belanger	Finn	Kelly	Morse	Sams
Benson, D.D.	Flynn	Kroening	Neuville	Samuelson
Benson, J.E.	Frank	Laidig	Novak	Solon
Berg	Frederickson, D.J.	Langseth	Olson	Spear
Berglin	Frederickson, D.R.	Larson	Pappas	Storm
Bertram	Gustafson	Lessard	Pariseau	Stumpf
Chmielewski	Halberg	Luther	Piper	Traub
Cohen	Hottinger	Marty	Pogemiller	Vickerman
Dahl	Hughes	McGowan	Price	Waldorf
Davis	Johnson, D.E.	Mehrkens	Ranum	
Day	Johnson, D.J.	Metzen	Reichgott	
DeCramer	Johnson, J.B.	Moe, R. D.	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 550: A bill for an act relating to health; employee drug testing; clarifying requirements for labs that test employees for drugs; amending Minnesota Statutes 1990, sections 181.950, subdivisions 2, 5, 8, and 10; 181.951, subdivision 1; 181.953, subdivisions 1, 3, 5, and 9; and 626.5562, subdivision 5; repealing Minnesota Statutes 1990, sections 181.950, subdivision 3; and 181.953, subdivision 2; Minnesota Rules, parts 4740.0100 to 4740.1090.

Was read the third time 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	Dicklich	Johnston	Moe, R. D.	Renneke
Belanger	Finn	Kelly	Mondale	Riveness
Benson, D.D.	Flynn	Knaak	Morse	Sams
Benson, J.E.	Frank	Kroening	Neuville	Samuelson
Berg	Frederickson, D.J.	Laidig	Novak	Solon
Berglin	Frederickson, D.R.	Langseth	Olson	Spear
Bertram	Gustafson	Larson	Pappas	Storm
Chmielewski	Halberg	Lessard	Pariseau	Stumpf
Cohen	Hottinger	Luther	Piper	Traub
Dahl	Hughes	Marty	Pogemiller	Vickerman
Davis	Johnson, D.E.	McGowan	Price	Waldorf
Day	Johnson, D.J.	Mehrkens	Ranum	
DeCramer	Johnson, J.B.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 243: A bill for an act relating to highways; allowing specific service signs to be erected at intersections of trunk highways with interstate highways; amending Minnesota Statutes 1990, section 160.293, subdivisions 2 and 3.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, J.B.	Metzen	Riveness
Belanger	Dicklich	Johnston	Moe, R.D.	Sams
Benson, D.D.	Finn	Kelly	Mondale	Samuelson
Benson, J.E.	Flynn	Knaak	Morse	Solon
Berg	Frank	Kroening	Neuville	Spear
Berglin	Frederickson, D.J.	Laidig	Novak	Storm
Bertram	Frederickson, D.R.	Langseth	Olson	Stumpf
Brataas	Gustafson	Larson	Pappas	Traub
Chmielewski	Halberg	Lessard	Piper	Vickerman
Cohen	Hottinger	Luther	Pogemiller	Waldorf
Dahl	Hughes	Marty	Price	
Davis	Johnson, D.E.	McGowan	Ranum	
Day	Johnson, D.J.	Mehrrens	Renneke	

So the bill passed and its title was agreed to.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 231, 162, 583, 652, 846 and H.F. No. 325, which the committee recommends to pass.

S.F. No. 611, which the committee recommends to pass with the following amendment offered by Mr. Bertram:

Page 2, lines 8 and 9, delete "*executive director*" and insert "*board*"

Page 2, line 9, strike ", with the approval of the board."

Page 2, line 16, delete "*executive director*" and strike "may remove an"

Page 2, line 17, strike "administrator with the approval" and insert "*administrators serve at the pleasure*" and strike "If"

Page 2, line 18, delete the new language

Page 2, line 19, delete the new language and strike the old language

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Sams, Mrs. Pariseau, Ms. Johnston, Mr. Bertram and Ms. Johnson, J.B. introduced—

S.F. No. 952: A bill for an act relating to the military; clarifying the time frame for pay and benefits to members of the national guard and reserve military services who are called to active duty in the United States armed forces; amending Minnesota Statutes 1990, section 192.26, subdivision 1.

Referred to the Committee on Veterans and General Legislation.

Mses. Ranum, Flynn, Mr. Luther, Ms. Traub and Mr. Belanger introduced—

S.F. No. 953: A bill for an act relating to courts; providing for fees for law libraries; amending Minnesota Statutes 1990, section 134A.09, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Sams; Morse; Frederickson, D.R.; Vickerman and Davis introduced—

S.F. No. 954: A bill for an act relating to agriculture; extending the farmer-lender mediation act; providing for the assessment of mediation fees; appropriating money; amending Laws 1986, chapter 398, article 1, section 18, as amended; proposing coding for new law in Minnesota Statutes, chapter 583.

Referred to the Committee on Agriculture and Rural Development.

Mr. Frank introduced—

S.F. No. 955: A bill for an act relating to metropolitan government; providing for the membership of the metropolitan airports commission; amending Minnesota Statutes 1990, section 473.604, subdivision 1.

Referred to the Committee on Metropolitan Affairs.

Mr. Frank introduced—

S.F. No. 956: A bill for an act relating to traffic regulations; requiring record of all speeding violations; amending Minnesota Statutes 1990, section 169.99, subdivision 1b; repealing Minnesota Statutes 1990, section 171.12, subdivision 6.

Referred to the Committee on Transportation.

Mses. Berglin, Reichgott and Pappas introduced—

S.F. No. 957: A bill for an act relating to public contracts; requiring school districts to include employees of food service contractors in their comparable work job evaluation systems; requiring school food service contractors to pay their employees at levels that maintain equitable compensation relationships; amending Minnesota Statutes 1990, section 471.992, by adding a subdivision.

Referred to the Committee on Governmental Operations.

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

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

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 959: A bill for an act relating to environment; limiting the application of pesticides; proposing coding for new law in Minnesota Statutes, chapter 18B.

Referred to the Committee on Environment and Natural Resources.

Ms. Traub, Mr. Dahl, Ms. Pappas, Mr. Hughes and Ms. Ranum introduced—

S.F. No. 960: A bill for an act relating to education; proposing a program for children with barriers to learning and development; appropriating money; amending Minnesota Statutes 1990, sections 120.03, subdivision 1; and 120.17, subdivision 12, and by adding a subdivision.

Referred to the Committee on Education.

Mr. Dicklich introduced—

S.F. No. 961: A bill for an act relating to education; providing for the employment rights of teachers upon the dissolution of or a member district's withdrawal from certain cooperatives; proposing coding for new law in Minnesota Statutes, chapter 122.

Referred to the Committee on Education.

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

S.F. No. 962: A bill for an act relating to natural resources; revising certain provisions regarding the leasing of state-owned iron ore and related minerals; amending Minnesota Statutes 1990, sections 93.16; 93.17, subdivisions 1 and 3; and 93.20, by adding a subdivision; repealing Minnesota Statutes 1990, section 93.20, subdivision 9.

Referred to the Committee on Environment and Natural Resources.

Mr. Dicklich introduced—

S.F. No. 963: A bill for an act relating to energy; encouraging energy conservation improvements; requiring that one-half of the money spent on residential energy conservation programs directly address the needs of renters and low-income families; amending Minnesota Statutes 1990, section 216B.241, subdivision 2.

Referred to the Committee on Energy and Public Utilities.

Mr. Dicklich introduced—

S.F. No. 964: A bill for an act relating to retirement; Hibbing police relief association and firefighters relief association; increasing certain benefits for surviving spouses and children; amending Laws 1967, chapter 678, section 2, as amended; and Laws 1971, chapter 614, section 1, subdivision 2, as amended.

Referred to the Committee on Governmental Operations.

Messrs. Solon, Samuelson and Benson, D.D. introduced—

S.F. No. 965: A bill for an act relating to insurance; transferring authority for regulation of certain aspects of health maintenance organizations from commissioner of health to commissioner of commerce; amending Minnesota Statutes 1990, sections 60B.03, subdivision 2; 60B.15; 60B.20; 62D.01, subdivision 2; 62D.02, subdivision 3, and by adding subdivisions; 62D.03;

62D.04; 62D.041; 62D.042, subdivisions 5 and 7; 62D.043; 62D.045, subdivision 1; 62D.05, subdivision 6; 62D.06, subdivision 2; 62D.07, subdivisions 2, 3, and 10; 62D.08; 62D.09, subdivisions 1, 6, and 8; 62D.10, subdivision 4; 62D.11; 62D.12, subdivisions 1, 2, and 9; 62D.121, subdivisions 2, 3a, 4, 5, 6, and 7; 62D.122; 62D.123, subdivision 4; 62D.14; 62D.15; 62D.16; 62D.17; 62D.18; 62D.182; 62D.19; 62D.20; 62D.21; 62D.211; 62D.22, subdivisions 4 and 10; 62D.24; 62D.30; and 144.691, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 62D.

Referred to the Committee on Health and Human Services.

Ms. Johnson, J.B.; Messrs. Lessard and Johnson, D.J. introduced—

S.F. No. 966: A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks; authorizing nonpark use of a portion of Interstate park; authorizing the sale of certain deleted lands.

Referred to the Committee on Environment and Natural Resources.

Mr. Davis introduced—

S.F. No. 967: A bill for an act relating to taxation; requiring payment of penalties and interest on delinquent property taxes on state-owned land; amending Minnesota Statutes 1990, section 279.04.

Referred to the Committee on Taxes and Tax Laws.

Ms. Johnston, Messrs. Neuville, Storm, Mrs. Brataas and Ms. Berglin introduced—

S.F. No. 968: A bill for an act relating to human services; family preservation; clarifying requirements for grants to counties; authorizing grants for family-based crisis services; amending Minnesota Statutes 1990, sections 256F.01; 256F.02; 256F.03, subdivision 5; 256F.04; 256F.05; 256F.06; 256F.07, subdivisions 1, 2, and 3; and 257.3579.

Referred to the Committee on Health and Human Services.

Messrs. Luther, Finn, Hottinger, Mondale and Neuville introduced—

S.F. No. 969: A bill for an act relating to courts; directing the supreme court to establish an alternative dispute resolution program and adopt rules; proposing coding for new law in Minnesota Statutes, chapter 484; repealing Minnesota Statutes 1990, sections 484.73; and 484.74.

Referred to the Committee on Judiciary.

Mr. Johnson, D.J. introduced—

S.F. No. 970: A bill for an act relating to game and fish; extending the date by which fish houses and dark houses must be removed from certain state waters; amending Minnesota Statutes 1990, section 97C.355, subdivision 7.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 971: A bill for an act relating to agriculture; extending the ban on the use of biosynthetic bovine somatotropin by one year; amending Minnesota Statutes 1990, sections 151.01, subdivision 28; 151.15, subdivision 3; and 151.25; and Laws 1990, chapter 526, section 1.

Referred to the Committee on Agriculture and Rural Development.

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

S.F. No. 972: A bill for an act relating to agriculture; protecting aquaculture waters from irreversible degradation; requiring certain aquatic farms to have aquaculture use permits; regulating aquatic farm operations; requiring financial assurance to restore aquaculture waters; providing a procedure to prevent and minimize impacts from aquatic farms; prescribing best management practices and, if ineffective, permit modifications; defining aquaculture therapeutics as pesticides; defining aquaculture feed as commercial feed; amending Minnesota Statutes 1990, sections 18B.01, subdivision 18; and 25.33, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Kelly, Knaak, Ms. Pappas, Messrs. Marty and Novak introduced—

S.F. No. 973: A bill for an act relating to Ramsey county; providing for additional civil service certification of underrepresented groups; amending Minnesota Statutes 1990, section 383A.291, subdivision 2.

Referred to the Committee on Local Government.

Messrs. Finn, Vickerman, Berg and Morse introduced—

S.F. No. 974: A bill for an act relating to agriculture; authorizing compensation for apiary damage caused by bear; appropriating money; amending Minnesota Statutes 1990, section 3.736, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Dicklich; Johnson, D.J.; Chmielewski; Mondale and Solon introduced—

S.F. No. 975: A bill for an act relating to labor; establishing rights and duties in relation to union organization; providing that certain acts are an unfair labor practice; proposing penalties; amending Minnesota Statutes 1990, section 179.12; 179A.07, by adding a subdivision; and 179A.13, subdivision 2.

Referred to the Committee on Employment.

Messrs. Frederickson, D.R.; Renneke; Marty and Morse introduced—

S.F. No. 976: A bill for an act relating to wild animals; altering the classification of certain ferrets; amending Minnesota Statutes 1990, section



346.41, by adding a subdivision.

Referred to the Committee on Veterans and General Legislation.

Ms. Traub, Messrs. Dicklich, Mondale, Mehrkens and DeCramer introduced—

S.F. No. 977: A bill for an act relating to education; requiring a study of health needs of students; changing certain requirements with respect to nursing in schools; appropriating money, amending Minnesota Statutes 1990, sections 123.35, subdivision 17; and 148.191, subdivision 2.

Referred to the Committee on Education.

Messrs. Cohen, Spear, Hottinger, Marty and Ms. Traub introduced—

S.F. No. 978: A bill for an act relating to crimes; increasing penalties for felonies committed with an illegal weapon; creating a permissive inference of possession with respect to a firearm in an automobile; prohibiting the ownership, possession, or operation of military assault weapons except under certain circumstances; requiring the issuance of permits to existing owners of military assault weapons; defining terms; providing penalties; amending Minnesota Statutes 1990, sections 609.11, by adding a subdivision; and 609.67; proposing coding for new law in Minnesota Statutes, chapters 609 and 624.

Referred to the Committee on Judiciary.

Ms. Pappas, Mr. Spear and Ms. Berglin introduced—

S.F. No. 979: A bill for an act relating to crimes; providing that it is a misdemeanor to sell butane to a minor; amending Minnesota Statutes 1990, sections 145.38; 145.385; and 145.39.

Referred to the Committee on Judiciary.

Messrs. Riveness, Mondale, Ms. Johnson, J.B. and Mr. Morse introduced—

S.F. No. 980: A bill for an act relating to lawful gambling; taxes; exempting lawful gambling profits from the unrelated business income tax; changing the rate of the tax on pull-tabs and tipboards; abolishing the combined receipts tax; amending Minnesota Statutes 1990, sections 290.05, subdivision 3; 349.15; 349.16, subdivision 2; and 349.212, subdivision 4; repealing Minnesota Statutes 1990, section 349.212, subdivision 6.

Referred to the Committee on Gaming Regulation.

Messrs. Storm, Chmielewski, Ms. Johnston, Messrs. Bernhagen and Lessard introduced—

S.F. No. 981: A resolution making application to the Congress of the United States to adopt an amendment to the Constitution of the United States, for submission to the States, to require, with certain exceptions, that the Federal budget be balanced; or, in the alternative, to call a convention for the sole and exclusive purpose of proposing such an amendment for submission to the States for ratification.

Referred to the Committee on Finance.

Messrs. Bernhagen; Moe, R.D.; Frederickson, D.R.; Kroening and Neuville introduced—

S.F. No. 982: A bill for an act relating to economic development; changing the name of the Greater Minnesota Corporation; adding duties; providing for a new structure for the board of directors; amending Minnesota Statutes 1990, sections 116O.03, subdivision 2; 116O.04, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 116O; repealing Minnesota Statutes 1990, sections 116J.970; 116J.971; and 116O.03, subdivision 2a.

Referred to the Committee on Economic Development and Housing.

Ms. Piper, Messrs. Dicklich, Marty, Waldorf and Novak introduced—

S.F. No. 983: A bill for an act relating to electric power; requiring a proposer of a large electric power generating plant to obtain a preliminary permit from the public utilities commission before the proposer can begin preliminary site analysis; amending Minnesota Statutes 1990, section 116C.57, by adding a subdivision.

Referred to the Committee on Energy and Public Utilities.

Mrs. Brataas, Messrs. Gustafson; Moe, R.D.; Pogemiller and Frederickson, D.J. introduced—

S.F. No. 984: A bill for an act relating to the city of Rochester; permitting the imposition of certain taxes within the city; permitting the issuance of general obligation bonds for fire station, city hall, and public library facilities.

Referred to the Committee on Local Government.

Mmes. Brataas, Adkins, Messrs. Stumpf, Gustafson and Berg introduced—

S.F. No. 985: A bill for an act relating to workers' compensation; regulating supplementary benefits; amending Minnesota Statutes 1990, section 176.132, subdivisions 1, 2, and 3.

Referred to the Committee on Employment.

Messrs. Belanger and Mehrkens introduced—

S.F. No. 986: A bill for an act relating to traffic regulations; increasing criminal and civil penalties for littering; amending Minnesota Statutes 1990, sections 169.42, subdivision 5; and 169.421, subdivision 4.

Referred to the Committee on Transportation.

Messrs. Belanger, Langseth and Solon introduced—

S.F. No. 987: A bill for an act relating to human services; general assistance; requiring that social security numbers and proof of citizenship status be provided as a condition of eligibility for general assistance, general assistance medical care, and work readiness; proposing coding for new law in Minnesota Statutes, chapter 256D.

Referred to the Committee on Health and Human Services.

Mr. Vickerman introduced—

S.F. No. 988: A bill for an act relating to public employees; excluding the salaries of doctors of osteopathy from certain limitations; amending Minnesota Statutes 1990, section 43A.17, subdivision 9.

Referred to the Committee on Governmental Operations.

Mr. Belanger introduced—

S.F. No. 989: A bill for an act relating to health; transferring the powers and duties of the commissioner of health relating to health maintenance organizations to the commissioner of commerce; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1990, section 62D.02, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Finn, Ms. Traub, Messrs. Dicklich; Frederickson, D.J. and Hottinger introduced—

S.F. No. 990: A bill for an act relating to human services; requiring training of child care providers to include training in cultural sensitivity; amending Minnesota Statutes 1990, section 245A.14, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Kelly introduced—

S.F. No. 991: A bill for an act relating to taxation; providing an increased class rate for substandard commercial and industrial property; amending Minnesota Statutes 1990, section 273.13, subdivision 24; proposing coding for new law in Minnesota Statutes, chapter 273.

Referred to the Committee on Taxes and Tax Laws.

Mr. Finn introduced—

S.F. No. 992: A bill for an act relating to retirement; requiring recalculation of annuities of certain teachers retirement association annuitants.

Referred to the Committee on Governmental Operations.

Mr. Finn introduced—

S.F. No. 993: A bill for an act relating to education; authorizing a fund balance correction.

Referred to the Committee on Education.

Messrs. Sams, Samuelson, Dahl and Dicklich introduced—

S.F. No. 994: A bill for an act relating to education; providing for an education district bargaining grant if certain conditions are met; amending Minnesota Statutes 1990, section 124.2721, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 124C.

Referred to the Committee on Education.

Mr. Dicklich introduced—

S.F. No. 995: A bill for an act relating to public safety; expanding the juvenile code definition of “child in need of protection or services” to include children exposed to criminal gang-related activity in the home; increasing penalties for certain assaults committed against school officials; increasing penalties for dangerous weapon offenses committed in school or park zones; establishing a grant program to assist targeted young people in setting and realizing education and employment goals; appropriating money; amending Minnesota Statutes 1990, sections 260.015, subdivision 2a; 609.2231, by adding a subdivision; and 609.66, subdivisions 1 and 1a.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 996: A bill for an act relating to retirement; authorizing a contract between independent school district No. 100 and its superintendent.

Referred to the Committee on Governmental Operations.

Mr. Solon introduced—

S.F. No. 997: A bill for an act relating to horse racing; providing for the definition of horseperson; amending Minnesota Statutes 1990, section 240.01, by adding a subdivision.

Referred to the Committee on Gaming Regulation.

Mrs. Benson, J.E.; Ms. Pappas, Messrs. Mehrkens, Belanger and Larson introduced—

S.F. No. 998: A bill for an act relating to weights and measures; adopting weights and measures standards recommended by the United States Department of Commerce, National Institute of Standards and Technology; defining the responsibilities, duties, and powers of the division of weights and measures; providing that the division have a director; amending Minnesota Statutes 1990, sections 239.01; 239.02; 239.05; 239.09; proposing coding for new law in Minnesota Statutes, chapter 239; repealing Minnesota Statutes 1990, sections 239.07; 239.08; and 239.37.

Referred to the Committee on Commerce.

Mr. Samuelson introduced—

S.F. No. 999: A bill for an act relating to taxation; requiring compensation for land alleged to be tax-forfeited and transferred to the state; appropriating money.

Referred to the Committee on Finance.

Messrs. Spear, Luther, Mses. Piper, Pappas and Mr. Merriam introduced—

S.F. No. 1000: A bill for an act relating to human rights; prohibiting unfair discriminatory practices on the basis of sexual orientation; amending Minnesota Statutes 1990, sections 363.01, subdivision 23, and by adding a subdivision; 363.02, subdivisions 1 and 2; 363.03, subdivisions 1, 2, 3, 4, 5, 7, 8, and 8a; 363.05, subdivision 1; 363.11; 363.115; and 363.12.

subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Hughes; Moe, R.D.; Dicklich; Ms. Olson and Mr. Stumpf introduced—

S.F. No. 1001: A bill for an act relating to education; proposing an amendment to the Minnesota Constitution, article XIII, section 1, to provide for a system of public education instead of a system of public schools.

Referred to the Committee on Education.

Mr. DeCramer introduced—

S.F. No. 1002: A bill for an act relating to education; providing for joinder with and withdrawal from education districts in certain cases; amending Minnesota Statutes 1990, section 122.91, subdivision 5.

Referred to the Committee on Education.

Mr. DeCramer introduced—

S.F. No. 1003: A bill for an act relating to education; authorizing cities and counties to operate public libraries and school libraries in one location by entering into contracts; establishing requirements for shared use libraries; amending Minnesota Statutes 1990, sections 134.001, subdivisions 2 and 3; 134.09; 134.10; 134.11, subdivision 2; and 134.12, by adding a subdivision.

Referred to the Committee on Education.

Messrs. Larson; Bertram; Frederickson, D.R.; Renneke and Vickerman introduced—

S.F. No. 1004: A bill for an act relating to agriculture; authorizing an agricultural development bond program; changing provisions of the rural finance authority law; authorizing a program for training youth in the safe operation of farm equipment; providing for a pilot project of comprehensive farm safety audits; establishing a research center for agricultural health and safety; requiring certain reports; eliminating a restriction on small businesses eligible for agricultural and economic development board loans; exempting certain land transfers by the Minnesota agricultural and economic development board from laws reserving marginal land and wetlands; changing the primary responsibility for certain agriculture promotion functions from the department of trade and economic development to the department of agriculture; authorizing a Minnesota world trade advisory committee; appropriating money; amending Minnesota Statutes 1990, sections 17.03, subdivision 6; 41A.02, subdivision 16; 41B.03, subdivision 3; 41B.036; 41B.211; 103F.535, subdivision 1; 116J.966, subdivision 2; 474A.02, subdivisions 13a and 23a; 474A.03, subdivision 1; 474A.061, subdivisions 1, 2b, 3, and 4; 474A.081; 474A.091; 474A.14; proposing coding for new law in Minnesota Statutes, chapters 17; 41B; 116J; and 137; repealing Minnesota Statutes 1990, sections 17.03, subdivision 8; and 116J.967, subdivision 2.

Referred to the Committee on Agriculture and Rural Development.

Ms. Reichgott, Mr. DeCramer, Ms. Traub and Mr. Dahl introduced—

S.F. No. 1005: A bill for an act relating to education; establishing a program and financial incentives to provide coordinated services for children whose emotional/behavioral problems interfere with learning; expanding the membership of local coordinating councils responsible for mental health services for children; appropriating money; amending Minnesota Statutes 1990, section 245.4873, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 124C.

Referred to the Committee on Health and Human Services.

Mr. Solon introduced—

S.F. No. 1006: A bill for an act relating to crimes; permitting the advertising of games of chance legally operated under the laws of another jurisdiction; permitting the conduct and advertising of games of chance by certain business, charitable, religious, social, or commercial organizations; amending Minnesota Statutes 1990, section 609.761, by adding a subdivision.

Referred to the Committee on Gaming Regulation.

Messrs. Marty and Merriam introduced—

S.F. No. 1007: A bill for an act relating to traffic regulations; amending the implied consent law advisory; amending Minnesota Statutes 1990, section 169.123, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Marty, Ms. Piper, Messrs. Morse and Merriam introduced—

S.F. No. 1008: A bill for an act relating to state government; requiring certain notice of proposed executive reorganization orders; amending Minnesota Statutes 1990, section 16B.37, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Johnson, D.J. introduced—

S.F. No. 1009: A bill for an act relating to taxation; property; modifying the newspaper publication requirements for truth-in-taxation; amending Minnesota Statutes 1990, section 275.065, subdivision 5a.

Referred to the Committee on Taxes and Tax Laws.

Mses. Piper; Flynn; Johnson, J.B. and Mr. Benson, D.D. introduced—

S.F. No. 1010: A bill for an act relating to corrections; extending female offender programs to include juveniles adjudicated delinquent; encouraging counties and agencies to develop and implement female offender programs; amending Minnesota Statutes 1990, sections 241.70; 241.71; 241.72; and 241.73.

Referred to the Committee on Health and Human Services.

Mr. Hughes introduced—

S.F. No. 1011: A bill for an act relating to taxation; extending the time for public advertisements of notices of hearings on proposed property taxes;

amending Minnesota Statutes 1990, section 275.065, subdivision 5a.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Frederickson, D.J.; Chmielewski and Beckman introduced—

S.F. No. 1012: A bill for an act relating to taxation; excluding the captured tax capacity of certain districts in determining the state tax increment financing aid reduction; extending the duration limits of certain districts; amending Minnesota Statutes 1990, section 273.1399, subdivision 1; and 469.176, subdivision 1.

Referred to the Committee on Economic Development and Housing.

Mr. Kelly introduced—

S.F. No. 1013: A bill for an act relating to local government; transferring authority for incorporations, detachments, and annexations to the office of administrative hearings and the state planning agency; providing a single annexation procedure; amending Minnesota Statutes 1990, sections 414.01, subdivisions 1, 14, 15, 16, and by adding subdivisions; 414.011, subdivisions 7 and 8; 414.012; 414.02; 414.031; 414.035; 414.041; 414.051; 414.06; 414.061; 414.063; 414.067; 414.07; 414.08; and 414.09; repealing Minnesota Statutes 1990, section 414.01, subdivisions 2, 3, 3a, 4, 5, 6a, 7a, 8, 10, 11, and 12; 414.0325; 414.033; and 414.036.

Referred to the Committee on Local Government.

Messrs. Morse, Merriam, DeCramer, Marty and Johnson, D.E. introduced—

S.F. No. 1014: A bill for an act relating to bicycles; requiring registration; changing the fee structure; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 168C.02, subdivisions 1 and 5; 168C.03; 168C.04, subdivisions 1, 2, and by adding a subdivision; 168C.05; 168C.06; 168C.07; 168C.08; 168C.09; 168C.11; 168C.12; and 168C.13, subdivision 1; repealing Minnesota Statutes 1990, sections 168C.04, subdivisions 3 and 4; and 168C.13, subdivision 2.

Referred to the Committee on Transportation.

Messrs. Morse, DeCramer, Marty and Johnson, D.E. introduced—

S.F. No. 1015: A bill for an act relating to transportation; providing for and regulating bicycles to be operated on bikeways along or between the divided lanes of certain interstate highways and other highways and roads; providing for highway planning and rules for bikeways; amending Minnesota Statutes 1990, sections 160.262, subdivision 1; 161.174; 161.20, subdivision 2; 161.202, subdivision 2; 161.21, subdivision 1; 161.32, subdivision 4; 161.38, subdivision 7; 161.39, subdivision 1; 164.151; 167.50, subdivision 1; 169.18, subdivision 7; 169.19, subdivision 1; and 169.222, subdivisions 4, 8, and 10.

Referred to the Committee on Transportation.

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

S.F. No. 1016: A bill for an act relating to human services; authorizing a grant program to establish two pilot children's safety centers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256F.

Referred to the Committee on Health and Human Services.

Messrs. Mondale, Chmielewski, Ms. Johnson, J.B.; Messrs. Sams and Johnson, D.J. introduced—

S.F. No. 1017: A bill for an act relating to motor vehicles; authorizing special license plates for Persian Gulf war veterans; amending Minnesota Statutes 1990, section 168.123, subdivision 2.

Referred to the Committee on Transportation.

Messrs. Johnson, D.E.; Solon; Metzen and Larson introduced—

S.F. No. 1018: A bill for an act relating to taxation; income; allowing a deduction for self-employed health insurance; amending Minnesota Statutes 1990, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Ms. Ranum, Mr. Cohen, Ms. Reichgott, Messrs. Merriam and Knaak introduced—

S.F. No. 1019: A bill for an act relating to children; modifying child protection system data practices study requirements; amending Laws 1990, chapter 542, section 36.

Referred to the Committee on Judiciary.

Messrs. Kelly and Metzen introduced—

S.F. No. 1020: A bill for an act relating to the city of Saint Paul; exempting certain port authority activities from competitive bidding; amending Minnesota Statutes 1990, section 469.084, by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Messrs. Kelly, Cohen and Price introduced—

S.F. No. 1021: A bill for an act relating to port authorities; providing for extraterritorial exercise of port authority powers to assist economic development projects; authorizing affected governmental units to contribute funds in support of port authority financing; amending Minnesota Statutes 1990, section 469.062, by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Ms. Pappas introduced—

S.F. No. 1022: A bill for an act relating to health; appropriating money to the commissioner of health to contract for research and testing of RU 486 for family planning and treatment of disease.

Referred to the Committee on Health and Human Services.



Ms. Pappas introduced—

S.F. No. 1023: A bill for an act relating to the environment; defining medical waste; requiring appropriate management of the noninfectious and nonpathological waste generated by medical facilities; requiring a local permit for incineration of infectious and pathological waste in a solid waste facility; establishing a medical waste management task force; requiring rules to authorize infectious waste decontamination technologies other than incineration; placing a moratorium on permits for the incineration of infectious and pathological waste; amending Minnesota Statutes 1990, sections 116.76, by adding a subdivision; and 116.78, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

Messrs. Spear, Luther, Ms. Flynn, Messrs. Neuville and Finn introduced—

S.F. No. 1024: A bill for an act relating to civil actions; recognizing a cause of action for tortious interference with access rights to a child; proposing coding for new law as Minnesota Statutes, chapter 604A.

Referred to the Committee on Judiciary.

Mr. Hottinger and Ms. Flynn introduced—

S.F. No. 1025: A bill for an act relating to waters; acceptance of funds or property and acquisition of real property by the state board of water and soil resources; amending Minnesota Statutes 1990, section 103C.401, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Finn, Luther, Stumpf and Ms. Reichgott introduced—

S.F. No. 1026: A bill for an act relating to foreign money claims; enacting the uniform foreign-money claims act; proposing coding for new law in Minnesota Statutes, chapter 548.

Referred to the Committee on Judiciary.

Mr. Price introduced—

S.F. No. 1027: A bill for an act relating to natural resources; directing a study of the potential of an adopt-a-park program by the department of natural resources.

Referred to the Committee on Environment and Natural Resources.

Mr. Waldorf, Ms. Pappas, Messrs. Cohen and Kelly introduced—

S.F. No. 1028: A bill for an act relating to state government; permitting the commissioner of administration to make certain leases; amending Minnesota Statutes 1990, section 16B.24, subdivision 6.

Referred to the Committee on Governmental Operations.

Messrs. Dahl, Morse, DeCramer, Merriam and Mehrkens introduced—

S.F. No. 1029: A bill for an act relating to education; equalizing a portion of the debt levy; equalizing a portion of the referendum levy; limiting referendum levy amounts; increasing training and experience revenue; providing an equalized training and experience aid and levy; amending Minnesota Statutes 1990, sections 124A.04; 124A.22, subdivisions 4, 8, 9, and by adding subdivisions; 275.125, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 124 and 124A; repealing Minnesota Statutes 1990, section 124A.03.

Referred to the Committee on Education.

Messrs. Waldorf, Renneke, Morse, Pogemiller and Stumpf introduced—

S.F. No. 1030: A bill for an act relating to retirement; teachers retirement association; making various changes in laws governing the administration of the association; amending Minnesota Statutes 1990, sections 136.82, subdivision 1; 176.021, subdivision 7; 354.05, subdivisions 5, 13, 22, 35, 35a, and by adding a subdivision; 354.071, subdivision 2; 354.092; 354.093; 354.094, subdivision 1; 354.095; 354.10, subdivisions 1, 2, and 4; 354.33, subdivision 6; 354.35; 354.41, subdivision 7; 354.46, subdivision 2; 354.48, subdivisions 2, 4, 6, 7, and 8; 354.49, subdivision 3; 354.50, subdivision 1; 354.52, subdivision 2, and by adding a subdivision; 356.30, by adding a subdivision; and 356.87; repealing Minnesota Statutes 1990, sections 354.094, subdivisions 1a and 1b; and 354.48, subdivision 5.

Referred to the Committee on Governmental Operations.

Ms. Pappas and Mr. Luther introduced—

S.F. No. 1031: A bill for an act relating to landlord and tenant; establishing residential landlord liability for certain undisclosed or uncorrected conditions; removing landlord defense for failure to provide required information; making unlawful leases voidable by tenants; providing for liens on property that are the subject of condemnation action; providing for limitations on rent increases and late charges; providing an exception to prohibition against certain evictions; amending Minnesota Statutes 1990, sections 504.22, subdivision 5, and by adding a subdivision; 504.245; 566.03, by adding a subdivision; and 566.29, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 504.

Referred to the Committee on Economic Development and Housing.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, March 27, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TWENTY-SEVENTH DAY

St. Paul, Minnesota, Wednesday, March 27, 1991

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

### CALL OF THE SENATE

Mr. Riveness 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 E. Nyman.

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

Adkins	Day	Kelly	Moe, R.D.	Renneke
Beckman	DeCramer	Knaak	Mondale	Riveness
Belanger	Dicklich	Kroening	Morse	Sams
Benson, D.D.	Finn	Laidig	Neuville	Samuelson
Benson, J.E.	Flynn	Langseth	Novak	Solon
Berglin	Frank	Larson	Olson	Spear
Bernhagen	Frederickson, D.J.	Lessard	Pappas	Storm
Bertram	Frederickson, D.R.	Luther	Pariseau	Stumpf
Brataas	Gustafson	Marty	Piper	Traub
Chmielewski	Hottinger	McGowan	Pogemiller	Vickerman
Cohen	Johnson, D.E.	Mehrkens	Price	Waldorf
Dahl	Johnson, D.J.	Merriam	Ranum	
Davis	Johnston	Metzen	Reichgott	

The President declared a quorum present.

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

### MEMBERS EXCUSED

Messrs. Berg, Halberg, Hughes, Riveness and Ms. Johnson, J.B. were excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

March 5, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

The following appointments are hereby respectfully submitted to the Senate for confirmation as requested by law:

**PUBLIC MEMBER, MINNESOTA ENVIRONMENTAL  
QUALITY BOARD**

Carolyn E. Engebretson, HC 10, Box 93, Rochert, Becker County, Minnesota, has been appointed by me, effective March 6, 1991, for a term expiring on the first Monday in January, 1995.

**PUBLIC MEMBER, MINNESOTA ENVIRONMENTAL  
QUALITY BOARD**

Edward C. Oliver, 20230 Cottagewood Road, Deephaven, Hennepin County, Minnesota, has been appointed by me, effective March 6, 1991, for a term expiring on the first Monday in January, 1995.

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

Warmest regards,  
Arne H. Carlson, Governor

March 22, 1991

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

The Honorable Jerome M. Hughes  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1991 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1991	Date Filed 1991
	195	Res. No. 2	11:13 a.m. March 21	March 21
	55	8	11:14 a.m. March 21	March 21

Sincerely,  
Joan Anderson Growe  
Secretary of State

March 25, 1991

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

The Honorable Jerome M. Hughes  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1991 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1991	Date Filed 1991
	153	7	5:00 p.m. March 22	March 25

Sincerely,  
Joan Anderson Growe  
Secretary of State

March 26, 1991

The Honorable Jerome M. Hughes  
President of the Senate

Dear Senator Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 246.

Warmest regards,  
Arne H. Carlson, 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. 443.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 25, 1991

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 85, 357, 365, 472, 236, 239, 499 and 661.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 25, 1991

#### FIRST READING OF HOUSE BILLS

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

H.F. No. 85: A bill for an act relating to health; authorizing nursing homes with 100 or fewer beds that are located within 75 miles of each other to share an administrator; amending Minnesota Statutes 1990, section 144A.04, subdivision 5.

Referred to the Committee on Health and Human Services.

H.F. No. 357: A bill for an act relating to highways; authorizing political

subdivisions to require notice before constructing or repairing utility structures or equipment in, along, over, or under a road, street, or highway right-of-way; requiring subsequent restoration to a town road; amending Minnesota Statutes 1990, sections 164.36; and 222.37, subdivision 1.

Referred to the Committee on Transportation.

H.F. No. 365: A bill for an act relating to courts; providing that the sheriff shall not charge for certain duties performed; amending Minnesota Statutes 1990, section 563.01, subdivision 4.

Referred to the Committee on Judiciary.

H.F. No. 472: A bill for an act relating to occupations and professions; amending the definition of high pressure piping; amending Minnesota Statutes 1990, section 326.461, subdivision 2.

Referred to the Committee on Employment.

H.F. No. 236: A bill for an act relating to eminent domain; allowing entry onto land for environmental testing before beginning eminent domain proceedings; amending Minnesota Statutes 1990, section 117.041.

Referred to the Committee on Judiciary.

H.F. No. 239: A bill for an act relating to crime; clarifying the application of felony penalties to the act of intentionally disarming a peace officer; amending Minnesota Statutes 1990, section 609.50, subdivision 2.

Referred to the Committee on Judiciary.

H.F. No. 499: A bill for an act relating to education; providing for flagging of school records of missing children; proposing coding for new law in Minnesota Statutes, chapter 120.

Referred to the Committee on Education.

H.F. No. 661: A resolution memorializing Canada to correct the new permit regulations for the Canada-Minnesota border, and to encourage federal, state, and provincial governments to resolve differences to the mutual benefit and satisfaction of the citizens of both countries.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 761, now on General Orders.

## REPORTS OF COMMITTEES

Mr. Luther moved that the Committee Reports at the Desk be now adopted, with the exception of the report on H.F. No. 304. The motion prevailed.

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

S.F. No. 587: A bill for an act relating to the environment; declaring the 1990s to be the decade of the environment; providing for grants for promotional activities relating to environmental programs; authorizing rule-making; appropriating money; amending Minnesota Statutes 1990, section 126A.04, subdivision 5.

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

Page 1, delete section 1 and insert:

“Section 1. [DECADE OF THE ENVIRONMENT.]

*The legislature declares the 1990s to be the “decade of the environment” .”*

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. 729: A bill for an act relating to game and fish; qualifications for obtaining a license to take wild animals by firearms; proposing coding for new law in Minnesota Statutes, chapter 97B.

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

Delete everything after the enacting clause and insert:

“Section 1. [97B.020] [FIREARMS SAFETY CERTIFICATE REQUIRED.]

*Except as provided in this section, a person born after December 31, 1979, may not obtain a license to take wild animals by firearms. A person may obtain a hunting license if the person has a firearms safety certificate or equivalent certificate, previous hunting license, or other evidence indicating that the person has completed in this state or in another state a hunter safety course recognized by the department under a reciprocity agreement. A person who successfully completes basic training in the United States armed forces, reserve component, or national guard may obtain a hunting license or approval authorizing hunting regardless of whether the person is issued a firearms safety certificate.”*

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. 302: A bill for an act relating to signs; requiring recycling centers and junk yards to accept certain hazard signs; amending Minnesota Statutes 1990, sections 115A.555; and 161.242, subdivision 2, and by adding a subdivision.

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

Page 1, line 11, delete the new language

Page 1, line 14, after “recycling” insert “:

(1)”

Page 1, delete lines 16 and 17 and insert “metal-; and

(2) if the recycling center accepts metal, hazard signs, as defined in section”

Page 1, line 18, delete “(8)” and insert “(h)”

Page 1, line 23, strike “(1)” and insert “(a)”

Page 1, line 24, strike “shall”

Page 2, line 1, strike "(2) Junk yard" and insert "(b) "Junk yard" "

Page 2, line 13, strike "(3) Dealer" and insert "(c) "Dealer" "

Page 2, line 15, strike "(4) Junk" and insert "(d) "Junk" "

Page 2, line 21, strike "(5) Automobile graveyard" and insert "(e) "Auto-mobile graveyard" "

Page 2, line 25, strike "(6) Unzoned industrial area" and insert "(f) "Unzoned industrial area" "

Page 2, line 32, strike "(7) Industrial activities" and insert "(g) "Industrial activities" "

Page 3, delete lines 2 to 19 and insert:

~~(a)~~ (1) outdoor advertising devices as defined in Minnesota Statutes 1969, section 173.02, subdivision 2-;

~~(b)~~ (2) agricultural, forestry, ranching, grazing, farming and related activities, including, but not limited to, wayside fresh produce stands-;

~~(c)~~ (3) activities normally and regularly in operation less than three months of the year-;

~~(d)~~ (4) activities not visible from the traffic lanes of the main traveled way-;

~~(e)~~ (5) activities conducted in a building principally used as a residence-;

~~(f)~~ (6) railroad tracks, minor sidings, and passenger depots-; or

~~(g)~~ (7) junk yards, as defined ~~herein~~ in paragraph (b).

(h) "Hazard signs" means signs listed in the Minnesota drivers' manual published by the department of public safety, signs required by the state fire code, and other signs related to road or fire hazards and approved for use by the state or a political subdivision."

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 806: A bill for an act relating to public safety; repealing sunset provision relating to position of public fire safety educator; repealing Laws 1989, chapter 322, section 7.

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 948: A bill for an act relating to local government; permitting the cities of Mankato and North Mankato to incur debt and tax for certain improvements.

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



Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 499: A bill for an act relating to counties; setting conditions for assisting state fair exhibits; amending Minnesota Statutes 1990, section 375.79; repealing Minnesota Statutes 1990, sections 375.80; 375.81; and 375.82.

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

Page 1, line 17, after "appropriate" insert "*funds*" and strike the comma

Page 1, line 18, strike "not more than"

Page 1, line 19, delete "\$2,000" and insert "*in an appropriate amount to be determined by the county board*"

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. 395: A bill for an act relating to corporations; clarifying and modifying provisions governing divisions and combinations of shares and rights of shareholders; clarifying meeting notice requirements; authorizing electronic communications by shareholders; modifying access to corporate records; clarifying and modifying provisions governing mergers and dissolutions; amending Minnesota Statutes 1990, sections 302A.111, subdivision 2; 302A.139; 302A.401, subdivisions 3 and 4; 302A.405, subdivision 1; 302A.413, subdivision 3; 302A.435, subdivision 1; 302A.437, subdivision 1; 302A.449, subdivision 1, and by adding a subdivision; 302A.461, subdivisions 2, 4, and 4a; 302A.471, subdivision 1; 302A.551, subdivision 4; 302A.613, subdivision 2; 302A.621; 302A.651, subdivision 1; 302A.701; 302A.723, subdivision 3; 302A.725, subdivision 1; 302A.727; and 302A.781; proposing coding for new law in Minnesota Statutes, chapter 302A; repealing Minnesota Statutes 1990, sections 302A.729; 302A.730; and 302A.733.

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

Page 9, lines 3 and 16, after "*authorized*" insert "*in the bylaws or*"

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. 177: A bill for an act relating to agriculture; abolishing the right of first refusal of an immediately preceding former owner who was a participant in the family farm security program; amending Minnesota Statutes 1990, section 500.24, subdivision 6.

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

Page 6, after line 36, insert:

"Sec. 2. [EFFECTIVE DATE; APPLICATION.]

(a) *Except as provided in paragraph (b), the amendments in section 1,*

paragraphs (e) and (g), are effective the day following final enactment and apply to the sale or lease of any property within the scope of that section, regardless of whether the right of first refusal expired under Minnesota Statutes 1990.

(b) Section 1, paragraphs (e) and (g), do not revive an expired right of first refusal if the state or federal agency, limited partnership, or corporation sold or executed an agreement to sell the land before their effective date.

(c) The amendment in section 1, paragraph (a), applies to extinguish the right of first refusal, regardless of when the loan was made."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "extending the time period for exercise of a right of first refusal in certain cases;"

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. 482: A bill for an act relating to corporations; deleting consideration of the effect of insurance company takeovers on shareholders and creditors; limiting application of fair price provisions to domestic corporations; deleting nexus requirements for application of control share acquisition and business combination statutes; exempting employee stock ownership plans from takeover statutes; modifying limitations on corporate share purchases above market value; amending Minnesota Statutes 1990, sections 60D.02, subdivisions 1, 2, and 4; 60D.06; 60D.08, subdivisions 1 and 2; 60D.11; 60D.12, subdivision 2; 302A.011, subdivisions 38, 39, 49, and by adding subdivisions; and 302A.553, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 302A; repealing Minnesota Statutes 1990, sections 60D.02, subdivision 5; and 80B.06, subdivision 7.

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

Page 9, line 22, after "*capacity*" insert "*pursuant to the plan*"

Page 9, line 23, before "All" insert "*For purposes of this subdivision, shares beneficially owned by a plan described in clause (g), or by a fiduciary of a plan described in clause (g) pursuant to the plan, are not deemed to be beneficially owned by a person who is a fiduciary of the plan.*"

Page 11, line 11, after "*capacity*" insert "*pursuant to the plan*"

Page 11, after line 11, insert:

*"For purposes of this subdivision, shares beneficially owned by a plan described in clause (2), or by a fiduciary of a plan described in clause (2) pursuant to the plan, are not deemed to be beneficially owned by a person who is a fiduciary of the plan."*

Page 13, lines 10 to 13, delete the new language and insert "*For purposes of determining the period that shares have been beneficially owned by a person:*

*(1) shares acquired by the person by gift from a donor are deemed to have first become beneficially owned by the person when the shares were*

acquired by the donor;

(2) shares acquired by a trust from the settlor of the trust, or shares acquired from the trust by a beneficiary of the trust, are deemed to have first become beneficially owned by the trust or the beneficiary when the shares were acquired by the settlor; and

(3) shares acquired by an estate or personal representative as a result of the death or incapacity of a person, or shares acquired from the estate or personal representative by an heir, devisee, or beneficiary of the deceased or incapacitated person, are deemed to have first become beneficially owned by the estate, personal representative, heir, devisee, or beneficiary when the shares were acquired by the deceased or incapacitated person."

Page 13, line 28, before the period, insert "*before the purchase of any shares by the offeror pursuant to a takeover offer*"

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

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

Pages 1 and 2, delete section 1

Page 3, line 18, delete "(1) is"

Page 3, line 19, delete everything before "is"

Page 3, line 20, delete "(3)"

Page 3, line 22, after "bus" insert "that is" and delete "after June 1,"

Page 3, line 23, delete "1973,"

Page 3, line 35, delete "January 1, 1986" and insert "December 31, 1991"

Page 4, line 1, delete "in" and insert "within" and after the period, insert "*The "MN" designation may be made only by the manufacturer and must not be located on either end of the bus body identification number.*"

Page 4, line 5, delete "2, 1986" and insert "1, 1992"

Page 4, lines 6 and 7, delete "1987" and insert "1992"

Page 4, line 21, after "A" insert "type 1 or type 2" and delete "that can"

Page 4, line 22, delete everything before "must"

Page 5, line 36, after "activate" insert "and continuously operate" and after "signals" insert "for a distance of"

Page 6, line 20, delete "residential or business districts" and insert

“*certain locations*”

Page 7, after line 13, insert:

“*Subd. 7. [VIOLATION.] A person who violates this section is guilty of a misdemeanor.*”

Page 8, line 23, delete “*must*” and insert “*may*”

Page 8, line 35, after “*a*” insert “*rebuttable*”

Page 9, line 1, delete “*during the time*”

Page 9, line 2, after “*was*” insert “*allegedly*”

Page 9, line 28, delete “*March 1,*” and insert “*September 1 each year, beginning in*”

Page 9, line 30, delete “*calendar*” and insert “*school*”

Page 10, line 23, delete “*or assigned*”

Page 10, line 24, delete “*to*”

Page 10, line 27, delete “*not more than*” and insert “*may not exceed*”

Page 10, line 28, after “*stand*” insert “*in the school bus*” and delete “*school*”

Page 10, line 30, delete “*purchased*”

Page 10, line 31, delete “*after July 1, 1969,*”

Page 11, line 15, delete “*must*” and insert “*may*”

Page 11, line 19, delete “*must not be*” and insert “*may not be operated if it is*”

Page 11, line 28, delete “*after March 25, 1986*”

Page 11, line 33, delete “*must*” and insert “*may*”

Page 11, line 36, delete “*By August 1, 1986,*”

Page 12, line 1, delete “*adopt*” and insert “*implement*”

Page 12, after line 6, insert:

“*Sec. 10. Minnesota Statutes 1990, section 169.45, is amended to read: 169.45 [SCHOOL BUSES BUS RULES, ENFORCEMENT.]*”

*Subdivision 1. [BOARD OF EDUCATION RULES, ENFORCEMENT.] Except as provided in subdivision 2 and section 169.451, the state board of education has sole and exclusive authority to adopt and enforce rules not inconsistent with this chapter to govern the design, color, and operation of school buses used for the transportation of school children, when owned and operated by a school or privately owned and operated under a contract with a school, and these rules must be made a part of that contract by reference. Each school, its officers and employees, and each person employed under the contract is subject to these rules.*

*Subd. 2. [PENALTY; ENFORCEMENT.] The operation of a school bus on the public streets or highways in violation of rules concerning the operation of school buses adopted by the board under subdivision 1 is a misdemeanor. Law enforcement officers shall enforce rules adopted under subdivision 1 when a school bus is operated on a public street or highway.*

Sec. 11. Minnesota Statutes 1990, section 169.451, is amended to read:  
169.451 [SCHOOL BUS INSPECTION; RULES; PENALTY.]

Subdivision 1. [ANNUAL REQUIREMENT.] The Minnesota state patrol shall inspect every school bus annually to ascertain whether its construction, design, equipment, and color comply with all provisions of law.

Subd. 2. [INSPECTION CERTIFICATE.] No person shall drive, or no owner shall knowingly permit or cause to be driven, any school bus unless there is displayed thereon a certificate issued by the commissioner of public safety stating that on a certain date, which shall be within 13 months of the date of operation, a member of the Minnesota state patrol inspected the bus and found that on the date of inspection the bus complied with the applicable provisions of state law relating to construction, design, equipment, and color. ~~The commissioner of public safety shall provide by rule for the issuance and display of distinctive inspection certificates.~~

Subd. 3. [RULES OF COMMISSIONER.] (a) *The commissioner of public safety shall provide by rule for the issuance and display of distinctive inspection certificates.*

(b) *The commissioner of public safety shall provide by rule a point system for evaluating the effect on safety operation of any variance from law detected during school bus inspections conducted pursuant to subdivision 1.*

Subd. 4. [VIOLATIONS; PENALTY.] *Law enforcement officers shall enforce subdivision 2. A violation of subdivision 2 is a misdemeanor.*

Page 12, line 16, delete "affect" and insert "bar"

Page 12, line 28, reinstate the stricken "the commission of"

Page 12, line 29, delete the new language

Page 13, line 11, after "the" insert "*misdemeanor offense described in section 169.443, subdivision 7, or the*"

Page 14, line 20, delete "1" and insert "2, paragraph (a)"

Page 15, after line 33, insert:

"Sec. 16. [EFFECTIVE DATE.]

*Sections 4, 5, and 9, subdivision 1, are effective August 1, 1991, and apply to violations occurring on or after that date."*

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 6, after "6;" insert "169.45; 169.451;"

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. 304: A bill for an act relating to labor; providing that certain hiring practices by an employer during a strike or lockout are unfair labor practices; amending Minnesota Statutes 1990, sections 179.12; and 179A.13.

Reports the same back with the recommendation that the bill do pass. Mr. Waldorf questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 73: A bill for an act relating to education; eliminating the deduction for one year's interest payments from the proceeds of state bonds for maximum effort school loans; amending Minnesota Statutes 1990, sections 124.40, subdivision 1; 124.46, subdivision 3; and 124.477.

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1990, section 124.39, subdivision 3, is amended to read:

Subd. 3. There shall be a capital loan account, out of which loans under section 124.431 shall be made. There shall be transferred to it from the debt service loan account on ~~October~~ *November* 1 of each year all moneys therein in excess of those required for debt service loans then agreed to be made. There shall be transferred from it to the debt service loan account on July 1 of each year all moneys therein in excess of those required for capital loans theretofore agreed to be made.

Sec. 2. Minnesota Statutes 1990, section 124.39, subdivision 5, is amended to read:

Subd. 5. ~~All money deposited to the credit of the loan repayment account and not required for the payment of principal and interest and costs as prescribed in subdivision 4 shall be transferred~~ *The commissioner shall transfer from the loan repayment account to the credit of the debt service loan account on July November 1 of each year all money deposited to the credit of the loan repayment account that will not be required for the payment of principal and interest and costs as prescribed in subdivision 4 but that will be needed for debt service loans in the fiscal year beginning July 1, and those moneys are annually appropriated to that account for the purposes prescribed by the maximum effort school aid law; except that the commissioner may retain in the loan repayment account any amount which the commissioner estimates will not be needed for loans in the fiscal year commencing July 1. Money deposited to the credit of the loan repayment account and not required for the transfers or for the payment of principal and interest due on school loan bonds may be invested and reinvested in securities which are general obligations of the United States or the state of Minnesota. When all school loan bonds have been fully paid with interest accrued thereon, the balance remaining in the account shall be transferred to the state bond fund.*"

Page 2, line 4, strike "November" and insert "*December*"

Page 3, line 13, delete the new language

Page 3, line 14, strike from "enough" through page 3, line 17, to "fund."

Page 3, after line 22, insert:

"Sec. 6. [TRANSFER TO CAPITAL LOAN ACCOUNT.]

*During the fiscal year ending June 30, 1992, the commissioner of education may transfer within the maximum effort school loan fund from the loan repayment account to the capital loan account up to \$185,000, to be used to make new capital loans.*

**Sec. 7. [PIERZ CONSTRUCTION CONTRACT DEADLINES.]**

*Construction contracts entered into by independent school district No. 484, Pierz, to carry out the project for which a capital loan is made under Minnesota Statutes, section 124.431, are valid even though they were entered into before the loan was granted, notwithstanding the requirements of the capital loan contract and Minnesota Statutes, section 124.431, subdivision 1, that they be entered into within 18 months after the loan was granted."*

Page 3, line 24, delete "Sections 1 to 3 are" and insert "This act is"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "changing requirements for transfers within the maximum effort school loan fund;"

Page 1, line 4, after the semicolon, insert "validating construction contracts entered into by independent school district No. 484, Pierz;"

Page 1, line 5, after "sections" insert "124.39, subdivisions 3 and 5;"

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

H.F. No. 205: A bill for an act relating to insurance; prohibiting discrimination against American military personnel; amending Minnesota Statutes 72A.20, subdivision 8.

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

Page 2, line 5, after "States" insert "or the national guard"

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 646 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.
646	235				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 646 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 646, the first engrossment, and insert the language after the enacting clause of S.F.

No. 235; further, delete the title of H.F. No. 646, the first engrossment, and insert the title of S.F. No. 235.

And when so amended H.F. No. 646 will be identical to S.F. No. 235, and further recommends that H.F. No. 646 be given its second reading and substituted for S.F. No. 235, 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. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 685: A bill for an act relating to agriculture; providing a "Minnesota pure" category of dairy products; proposing coding for new law in Minnesota Statutes, chapter 32.

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

Delete everything after the enacting clause and insert:

"Section 1. [32.65] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] As used in sections 1 to 7, the terms defined in this section have the meanings given.*

*Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture or a designated representative.*

*Subd. 3. [MINNESOTA PREMIUM.] "Minnesota premium" means a dairy product that meets the requirements in section 2.*

*Subd. 4. [PRODUCER.] "Producer" means a person who operates a dairy herd or herds producing milk or cream commercially and whose milk or cream is sold to, or received or handled by, a distributor or manufacturer.*

Sec. 2. [32.66] [REQUIREMENTS; PROCEDURES.]

*(a) The term "Minnesota premium" may only be used on milk and dairy products made from milk from dairy cows certified by the producer to be free from artificial growth drugs and other artificial drugs or hormones. Certified dairy cattle may be given drugs or medications necessary for humane treatment of the animals.*

*(b) To participate in the Minnesota premium program, a producer must certify to the producer's milk processor, on forms provided by the commissioner, compliance with the requirements of paragraph (a). The processor must provide to the commissioner a list of producer applicants for the program. The commissioner shall mail to each applicant a certificate of participation with the requirements of paragraph (a).*

Sec. 3. [32.67] [RECORD KEEPING.]

*Producers, manufacturers, and sellers of Minnesota premium dairy products shall produce for the commissioner on demand the certificate required in section 2 and records necessary to document the claims made to acquire and maintain that certification.*

Sec. 4. [32.68] [PROCESSORS MUST PAY PREMIUM.]



*A processor that manufactures milk products for sale as Minnesota premium products must pay the producer of milk certified under section 2 a price at least \$1 per hundredweight higher than is paid to noncertified milk producers.*

**Sec. 5. [32.69] [COMMISSIONER DUTIES.]**

*The commissioner shall enforce sections 1 to 5. The commissioner shall withhold from sale or trade any dairy product sold, labeled, or advertised in violation of sections 1 to 5.*

*The commissioner shall investigate the offering for sale, labeling, or advertising of a dairy product as Minnesota premium if there is reason to believe that action is in violation of sections 1 to 5.*

*The commissioner may charge a fee to producers and processors in the Minnesota premium dairy program to cover administrative costs of the Minnesota premium program.*

*The commissioner may adopt rules establishing standards for milk produced and marketed under the Minnesota premium program that represent the highest practicable milk quality standards in the United States.*

*The commissioner may adopt rules that set fees, standards, and marketing practices for Minnesota premium dairy products.*

**Sec. 6. [32.70] [DAIRY PROMOTION COUNCIL PARTICIPATION.]**

*The Minnesota dairy promotion council may provide funding for producers or manufacturers of Minnesota premium dairy products to promote those products.*

**Sec. 7. [EXEMPTION FROM FEDERAL NUTRITION LABELING PREEMPTION.]**

*The commissioner shall petition the United States Secretary of Agriculture to grant an exemption from nutrition labeling preemption provisions of the nutrition labeling and education act of 1990, Public Law Number 101-535, for dairy products produced and marketed under the Minnesota premium program."*

Delete the title and insert:

"A bill for an act relating to agriculture; providing a "Minnesota premium" category of dairy products; proposing coding for new law in Minnesota Statutes, chapter 32."

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. 664: A bill for an act relating to agriculture; regulating certain sales and services offered by grocery stores; limiting applicability of certain licensing and regulatory provisions; amending Minnesota Statutes 1990, sections 28A.05; 157.01, subdivision 1; and 412.221, subdivision 30.

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

Page 2, after line 15, insert:

“Sec. 2. [28A.075] [DELEGATION TO LOCAL BOARD OF HEALTH.]

*The commissioner may enter into an agreement with a local board of health to delegate all or part of the licensing and inspection duties of the commissioner pertaining to retail food handlers that are grocery or convenience stores.*

Sec. 3. Minnesota Statutes 1990, section 145A.03, is amended by adding a subdivision to read:

*Subd. 6. A board of health must work with the commissioner of agriculture to eliminate duplicate licensing and inspection of grocery and convenience stores within one year of the effective date of this legislation.”*

Page 3, line 20, delete “in” and insert “including a grocery or convenience store under section 28A.05, paragraph (a), in which food is sold or prepared for consumption on- or off-site”

Page 3, line 21, delete “which meals or lunches are served”

Page 3, after line 31, insert:

“Sec. 5. Minnesota Statutes 1990, section 157.03, is amended to read:  
157.03 [LICENSES REQUIRED; FEES.]

Each year every person, firm, or corporation engaged in the business of conducting an hotel, motel, restaurant, lodging house, boarding house, or resort, or place of refreshment, or who shall hereafter engage in conducting any such business, except vending machine operators and grocery and convenience stores licensed under the license provisions of sections 28A.01 to 28A.16, must procure a license for each hotel, motel, restaurant, lodging house, boarding house, or resort, or place of refreshment so conducted. For any hotel, motel, resort, campground, or manufactured home park as defined in section 327.15, in which food, fountain, or bar service is furnished, one license, in addition to the hotel, resort, manufactured home park, or campground license, shall be sufficient for all restaurants and places of refreshment conducted on the same premises and under the same management with the hotel, motel, resort, manufactured home park, or campground. Each license shall expire and be renewed as prescribed by the commissioner pursuant to section 144.122. Any proprietor who operates a place of business after the expiration date without first having made application for a license and without having made payment of the fee thereof shall be deemed to have violated the provisions of this chapter and be subject to prosecution, as provided in this chapter. In addition thereto, a penalty in an amount prescribed by the commissioner pursuant to section 144.122 shall be added to the amount of the license fee and paid by the proprietor, as provided herein, if the application has not reached the office of the state commissioner of health within 30 days following the expiration of license; or, in the case of a new business, 30 days after the opening date of the business. The state commissioner of health shall furnish to any person, firm, or corporation desiring to conduct an hotel, motel, restaurant, lodging house, boarding house, or resort, or place of refreshment an application blank to be filled out by the person, firm, or corporation, for a license therefor, which shall require the applicant to state the full name and address of the owner of the building, structure, or enclosure, the lessee and manager of the hotel, motel, restaurant, lodging house, boarding house, or resort, or place of refreshment, the location of the same, the name under which the business is to be conducted, and any other information as may be required

therein by the state commissioner of health to complete the application for license. The application shall be accompanied by a license fee as hereinafter provided.

For hotels, motels, lodging houses, and resorts, the license fee may be graduated according to the number of sleeping rooms and the amount of the fees shall be prescribed by the state commissioner of health pursuant to section 144.122.

For restaurants, places of refreshment, and boarding houses, the license fee may be based on the average number of employees. If the license fee is so computed, the commissioner shall consider each full-time employee as one employee and each part-time employee as that fraction of one employee as the number of months the employee is employed is to the 12 months of the year. Employees shall include all persons, except children of the licensee under the age of 18, at work in any capacity, either voluntary or paid, and whether or not reported under the labor laws of this state.

If the license fee is based upon the average number of employees, every licensee shall, at the time of application, certify as to the number of employees on forms provided by the state commissioner of health and the state commissioner of health shall have access, on demand, to any and all employment records for purposes of substantiating or correcting numbers of declared employees.

License fees for restaurants, places of refreshment, and boarding houses shall be in an amount prescribed by the state commissioner of health pursuant to section 144.122.

No school, as defined in sections 120.05 and 120.101, may be required to pay a license fee."

Page 3, line 36, after "grocery" insert "or convenience"

Page 4, after line 1, insert:

"Sec. 7. [TRANSFER OF AUTHORITY.]

*All authority of the commissioner of health to license and regulate the preparation or sale of food in grocery or convenience stores is transferred to the commissioner of agriculture under Minnesota Statutes 1990, section 15.039.*

Sec. 8. [EFFECTIVE DATE.]

*This act is effective July 1, 1990."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "authorizing delegation of licensing responsibility to local boards of health;"

Page 1, line 6, after the first semicolon, insert "145A.03, by adding a subdivision;" and after "subdivision 1;" insert "157.03;"

Page 1, line 7, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 28A"

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 880: A bill for an act relating to checks; increasing bank verification requirements for opening checking accounts; prohibiting service charges for dishonored checks on persons other than the issuer; regulating check numbering procedures; requiring the commissioner of commerce to adopt rules regarding verification procedure requirements; authorizing fees for obtaining certain information from financial institutions; modifying procedures and liability for civil restitution for holders of worthless checks; authorizing service charges for use of law enforcement agencies; clarifying criminal penalties; increasing information that banks must provide to holders of worthless checks; imposing penalties; amending Minnesota Statutes 1990, sections 48.512, subdivisions 4, 5, 7, and by adding subdivisions; 332.50, subdivisions 1 and 2; and 609.535, subdivisions 2a, 6, and 7; proposing coding for new law in Minnesota Statutes, chapter 48.

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

Page 2, lines 10 and 11, delete the new language

Page 2, line 16, after the period, insert "*This subdivision does not exempt a financial intermediary from civil penalties imposed under section 45.027.*"

Page 3, line 26, after "*subdivision*" insert "2," and after "3" insert a comma

Pages 7 and 8, delete section 12

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. 310: A bill for an act relating to health; establishing a traumatic brain injury and spinal cord injury registry; requiring reporting of injuries; providing for use of information; amending Minnesota Statutes 1990, sections 171.29, subdivision 2; and 268A.03; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Page 4, line 17, strike "\$200" and insert "\$250"

Page 4, line 19, strike "25" and insert "20"

Page 4, line 20, strike "50" and insert "40"

Page 4, line 34, delete "11" and insert "25"

Page 5, line 4, after the period, insert "*At least \$70,000 must be awarded in grants to local school districts.*"

Page 5, line 7, delete "*four*" and insert "*five*"

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. 917: A bill for an act relating to human services; providing for clarification and changes in law relating to child support enforcement; amending Minnesota Statutes 1990, sections 256B.031, subdivision 5; 518.131, subdivision 7; 518.17, subdivision 6; 518.551, subdivisions 5, 5a, and 6; 518.57, subdivision 1; and 518.64; proposing coding for new law in Minnesota Statutes, chapter 518.

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

Page 7, line 21, delete "75" and insert "70"

Page 8, line 4, after the period, insert "*No findings are required if there is no deviation.*"

Page 14, line 33, delete "\$700" and insert "\$500"

Pages 15 and 16, delete subdivision 8

Page 16, line 11, before "*Adjustments*" insert "*There may be*" and delete "*are*" and insert a comma

Page 16, line 20, delete everything after "*modification*" and insert a period

Page 16, delete line 21

Page 16, line 32, after "(2)" insert "; and

*(4) subtract the amount determined under clause (3) and subtract it from the parent's gross income"*

Page 16, line 33, delete "(b)" and insert "(c)"

Renumber the subdivisions in sequence

Page 20, line 28, delete "*petition*" and insert "*motion*"

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. 829: A bill for an act relating to human services; requiring a study of the feasibility of state takeover of the responsibility for child support enforcement and collection.

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

Page 1, line 8, before "*The*" insert "*Subdivision 1. [FEASIBILITY STUDY.]*"

Page 1, line 13, delete "*January*" and insert "*July*"

Page 1, after line 17, insert:

*"Subd. 2. [ADVISORY COMMITTEE.] The commissioner shall undertake the feasibility study and develop recommendations in consultation with an advisory committee representing clients, county attorneys, counties, and other affected persons and groups.*

*Subd. 3. [CRITERIA.] In determining the feasibility and desirability of a state administered system, the commissioner shall consider the extent to which the system would:*

*(1) be cost effective;*

*(2) result in uniform and consistent statewide services that meet all state and federal requirements;*

*(3) create incentives, or eliminate disincentives, for effective and efficient service; and*

*(4) not place undue hardship on clients who receive services."*

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. 910: A bill for an act relating to health; providing clarification of various laws relating to public health issues; providing penalties; amending Minnesota Statutes 1990, sections 115.71, subdivision 9, and by adding a subdivision; 145.43, subdivision 1a; 153A.15, by adding a subdivision; 153A.16; 153A.17; and 268.12, subdivision 12; proposing coding for new law in Minnesota Statutes, chapters 144; 147; and 176; repealing Minnesota Statutes 1990, sections 115.71, subdivision 7; 145.34; and 145.35.

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

Page 2, line 1, delete "176.233" and insert "176.234"

Pages 6 and 7, delete section 8

Page 10, line 34, delete "and" and after "145.35" insert "; and 153A.16"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "153A.16;"

Page 1, line 11, delete "and" and after "145.35" insert "; and 153A.16"

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. 932: A bill for an act relating to human services; clarifying membership requirements for the advisory committee for regional service centers for hearing impaired persons; authorizing fees for interpreter referral services; amending Minnesota Statutes 1990, sections 256C.24, subdivisions 2 and 3; and 256C.25.

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

Page 2, delete section 2

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "membership" and insert "the duties of the commissioner to coordinate statewide interpreter referral;"

Page 1, delete lines 3 and 4

Page 1, line 7, delete "subdivisions 2 and 3" and insert "subdivision 2"

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

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

S.F. No. 383: A bill for an act relating to medical examiners; requiring records and other data relating to deaths to be made available to coroners and medical examiners; amending Minnesota Statutes 1990, sections 383B.225, subdivision 6; 390.11, subdivision 7; and 390.32, subdivision 6.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 13.83, subdivision 8, is amended to read:

Subd. 8. [ACCESS TO NONPUBLIC DATA.] The data made nonpublic by this section are accessible to *the physician who attended the decedent at the time of death*, the legal representative of the decedent's estate, and to the decedent's surviving spouse, parents, children, and siblings and their legal representatives.

Sec. 2. Minnesota Statutes 1990, section 383B.225, subdivision 6, is amended to read:

Subd. 6. [INVESTIGATION PROCEDURE.] (a) Upon notification of the death of any person, as provided in subdivision 5, the county medical examiner or a designee may proceed to the body, take charge of it, and order, when necessary, that there be no interference with the body or the scene of death. Any person violating the order of the examiner is guilty of a misdemeanor. The examiner or the examiner's designee shall make inquiry regarding the cause and manner of death and prepare written findings together with the report of death and its circumstances, which shall be filed in the office of the examiner. When it appears that death may have resulted from a criminal act and that further investigation is advisable, a copy of the report shall be transmitted to the county attorney. The examiner may take possession of all property of the deceased, mark it for identification, and make an inventory. The examiner shall take possession of all articles useful in establishing the cause of death, mark them for identification and retain them securely until they are no longer needed for evidence or investigation. The examiner shall release any property or articles needed for any criminal investigation to law enforcement officers conducting the investigation. When a reasonable basis exists for not releasing property or articles to law enforcement officers, the examiner shall consult with the county attorney. If the county attorney determines that a reasonable basis exists for not releasing the property or articles, the examiner may retain them. The property or articles shall be returned immediately upon completion of

the investigation. When the property or articles are no longer needed for the investigation or as evidence, the examiner shall release the property or articles to the person or persons entitled to them. Notwithstanding any other law to the contrary, when personal property of a decedent has come into the possession of the examiner, and is not used for a criminal investigation or as evidence, and has not been otherwise released as provided in this subdivision, the name of the decedent shall be filed with the probate court, together with a copy of the inventory of the decedent's property. At that time, an examination of the records of the probate court shall be made to determine whether a will has been admitted to probate or an administration has been commenced. Property of a nominal value, including wearing apparel, may be released to the spouse or any blood relative of the decedent or to the person accepting financial responsibility for burial of the decedent. If property has not been released by the examiner and no will has been admitted to probate or administration commenced within six months after death, the examiner shall sell the property at a public auction upon notice and in a manner as the probate court may direct. If the name of the decedent is not known, the examiner shall inventory the property of the decedent and after six months may sell the property at a public auction. The examiner shall be allowed reasonable expenses for the care and sale of the property and shall deposit the net proceeds of the sale with the county administrator, or the administrator's designee, in the name of the decedent, if known. If the decedent is not known, the examiner shall establish a means of identifying the property of the decedent with the unknown decedent and shall deposit the net proceeds of the sale with the county administrator, or a designee, so, that, if the unknown decedent's identity is established within six years, the proceeds can be properly distributed. In either case, duplicate receipts shall be provided to the examiner, one of which shall be filed with the court, the other of which shall be retained in the office of the examiner. If a representative shall qualify within six years from the time of deposit, the county administrator, or a designee, shall pay the amount of the deposit to the representative upon order of the court. If no order is made within six years, the proceeds of the sale shall become a part of the general revenue of the county.

*(b) Notwithstanding any provision of chapter 13, other than section 13.38, or any other law to the contrary, and for the purposes of this section alone, health-related records or data on a decedent whose death is being investigated under this section, whether the records or data are recorded or unrecorded, including but not limited to those concerning medical, surgical, psychiatric, psychological, or any other consultation, diagnosis, or treatment, including medical imaging, shall be made promptly available to the medical examiner, upon the medical examiner's written request, by a person having custody of, possession of, access to, or knowledge of the records or data. The medical examiner shall pay the reasonable costs of copies of records or data provided to the medical examiner under this section. Notwithstanding section 13.83, subdivisions 4 and 8, data collected or created pursuant to this subdivision relating to any psychiatric, psychological, or mental health consultation with, diagnosis of, or treatment of the decedent whose death is being investigated shall remain confidential or protected nonpublic data, except that the medical examiner's report may contain a summary of such data.*

Sec. 3. Minnesota Statutes 1990, section 390.11, subdivision 7, is amended to read:



Subd. 7. [REPORTS.] (a) Deaths of the types described in this section must be promptly reported for investigation to the coroner by the law enforcement officer, attending physician, mortician, person in charge of the public institutions referred to in subdivision 1, or other person with knowledge of the death.

(b) *Notwithstanding any provision of chapter 13, other than section 13.38, or any other law to the contrary, and for the purposes of this section alone, health-related records or data on a decedent whose death is being investigated under this section, whether the records or data are recorded or unrecorded, including but not limited to those concerning medical, surgical, psychiatric, psychological, or any other consultation, diagnosis, or treatment, including medical imaging, shall be made promptly available to the coroner, upon the coroner's written request, by a person having custody of, possession of, access to, or knowledge of the records or data. The coroner shall pay the reasonable costs of copies of records or data provided to the coroner under this section. Notwithstanding section 13.83, subdivisions 4 and 8, data collected or created pursuant to this subdivision relating to any psychiatric, psychological, or mental health consultation with, diagnosis of, or treatment of the decedent whose death is being investigated shall remain confidential or protected nonpublic data, except that the coroner's report may contain a summary of such data.*

Sec. 4. Minnesota Statutes 1990, section 390.32, subdivision 6, is amended to read:

Subd. 6. [REPORT OF DEATHS.] (a) Deaths of the types described in this section must be promptly reported for investigation to the sheriff by the attending physician, mortician, person in charge of the public institutions referred to in subdivision 1, or other person having knowledge of the death.

(b) *Notwithstanding any provision of chapter 13, other than section 13.38, or any other law to the contrary, and for the purposes of this section alone, health-related records or data on a decedent whose death is being investigated under this section, whether the records or data are recorded or unrecorded, including but not limited to those concerning medical, surgical, psychiatric, psychological, or any other consultation, diagnosis, or treatment, including medical imaging, shall be made promptly available to the medical examiner, upon the medical examiner's written request, by a person having custody of, possession of, access to, or knowledge of the records or data. The medical examiner shall pay the reasonable costs of copies of records or data provided to the medical examiner under this section. Notwithstanding section 13.83, subdivisions 4 and 8, data collected or created pursuant to this subdivision relating to any psychiatric, psychological, or mental health consultation with, diagnosis of, or treatment of the decedent whose death is being investigated shall remain confidential or protected nonpublic data, except that the medical examiner's report may contain a summary of such data.*

Sec. 5. [EFFECTIVE DATE.]

Section 2 takes effect the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the board of commissioners of Hennepin county."

Delete the title and insert:

"A bill for an act relating to medical examiners; allowing the attending

physician access to the medical examiner's data; requiring records and other data relating to deaths to be made available to coroners and medical examiners; maintaining certain data as confidential at the conclusion of the medical examiner's investigation; amending Minnesota Statutes 1990, sections 13.83, subdivision 8; 383B.225, subdivision 6; 390.11, subdivision 7; and 390.32, subdivision 6."

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

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

S.F. No. 414: A bill for an act relating to alcohol and drug abuse; establishing statewide and local prevention programs; establishing family resource center pilot projects; requiring plans and studies; requiring children to attend school through age 17; establishing school prevention programs; providing for research and evaluation; expanding the definition of drug free zones to include post-secondary and technical colleges and public housing property; requiring the sentencing guidelines commission to develop a model set of local correctional guidelines; authorizing special levies for local correctional services that do not involve incarceration; changing the name and duties of the drug abuse prevention resource council; providing incentives for judicial districts to adopt local correctional guidelines; requiring reporting of felony convictions; requiring chemical use assessments of persons convicted of felonies; requiring studies; appropriating money; amending Minnesota Statutes 1990, sections 120.101, subdivisions 5 and 9; 120.105; 123.35, subdivision 8; 124.26, subdivision 1b; 126.031, subdivision 1; 145.924; 152.01, subdivision 14a, and by adding a subdivision; 152.022, subdivision 1; 152.023, subdivision 2; 244.095, subdivisions 1 and 2; 254A.16, by adding subdivisions; 254A.17, subdivision 1, and by adding a subdivision; 260.015, subdivision 19; 275.50, subdivision 5; 275.51, subdivision 3f; 299A.30; 299A.31, subdivision 1; 299A.32; 401.14, by adding a subdivision; 485.16; and 609.115, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 144, 244, and 245; repealing Minnesota Statutes 1990, sections 244.095, subdivision 3; 299A.29; and 299A.30.

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

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### ALCOHOL AND DRUG ABUSE PREVENTION PROGRAMS

Section 1. [144.401] [ALCOHOL AND DRUG ABUSE PREVENTION PROGRAMS.]

*The commissioner of health shall:*

*(1) conduct a statewide public information program using mass media to educate targeted high risk populations about the consequences of using and abusing alcohol and other drugs;*

*(2) provide training, technical assistance, and administrative and program support to community health boards and Indian reservations to enable them to develop and administer local alcohol and drug abuse prevention*

programs that are coordinated with the statewide public information program;

(3) conduct evaluations of the statewide public information program and local community prevention programs to determine their impact on attitudes, knowledge, and behaviors related to the use and abuse of alcohol and other drugs, using quantitative and qualitative indicators of the progress and success of the programs developed with the assistance of the office of drug policy, and use the information obtained through the evaluations to improve the programs; and

(4) report to the legislature by November of every even-numbered year with a summary and evaluation of the activities conducted under this section.

Sec. 2. [144.405] [COMMUNITY PREVENTION GRANTS.]

**Subdivision 1. [GRANTS MAY BE AWARDED TO COMMUNITY HEALTH BOARDS AND INDIAN RESERVATIONS.]** Within the limits of funding provided by the legislature, the federal government, or public or private grants, the commissioner shall award grants to community health boards and the federally recognized Indian reservations to plan, develop, and implement community alcohol and drug use and abuse prevention programs. To be considered for a grant, a health board or Indian reservation must submit an application to the commissioner of health that includes a description of the planning process used, a description of community needs and existing resources, a description of the program activities to be implemented with grant money, and a list of the agencies and organizations with whom the board or Indian reservation intends to contract.

**Subd. 2. [LOCAL PLANNING REQUIREMENTS.]** To be eligible for a prevention grant, a community health board or Indian reservation must conduct a communitywide planning process that allows full participation of all agencies, organizations, and individuals interested in alcohol and drug use and abuse issues. This process must include at least an assessment of community needs, an inventory of existing resources, identification of prevention program activities that will be implemented, and a description of how the program will work collaboratively with programs in existence. A health board may comply with the planning requirements of this subdivision by expanding the community needs assessment process used to develop its community health plan under section 145A.10, subdivision 5.

**Subd. 3. [USE OF GRANT MONEY.]** Grant money may be used to plan, develop, and implement communitywide primary prevention programs relating to alcohol and other drug use and abuse. Programs may include specific components to address related health risk behaviors involving use of tobacco, poor nutrition, limited exercise or physical activity, and behaviors that create a risk of serious injury. Grantees may contract with other agencies and organizations to implement the program activities identified in the grant application. Special consideration for contracts must be given to local agencies and organizations with previous experience conducting alcohol and other drug prevention programs. Grant money must not be used for alcohol and other drug testing, treatment, or law enforcement activities. Grant money must not be used to supplant or replace funding provided from other sources.

**Subd. 4. [LOCAL MATCH.]** Prevention grant money provided by the commissioner must not exceed 75 percent of the estimated cost of the eligible prevention program activities for the fiscal year for which the grant is

awarded. Local funding of the remainder of the costs may be provided from the sources specified in section 145A.13, subdivision 2, paragraph (a).

*Subd. 5. [FORMULA FOR DISTRIBUTING GRANTS.] The commissioner of health shall set aside that portion of the available prevention program grant money that is identified by the legislature for distribution to Indian reservations. The remaining grant money must be allocated to community health boards as follows:*

*(1) 25 percent must be allocated based on each community health service area's proportion of the total number of counties and individual cities that comprise community health boards in the state;*

*(2) 25 percent must be allocated based on each community health service area's proportion of the total state population;*

*(3) 25 percent must be allocated based on each community health service area's proportion of all persons on medical assistance, using the most recent year for which data is available; and*

*(4) 25 percent must be allocated based on each community health service area's proportion of the total years of potential life lost prior to age 75 from heart disease, cancer, stroke, cirrhosis, and injuries, as determined by averaging the data for the three most recent years for which data is available.*

*Subd. 6. [REALLOCATION OF GRANT MONEY.] If no approvable application is received from a community health board or Indian reservation, the commissioner shall reallocate the grant money to other community health boards and Indian reservations for which approvable applications have been received.*

*Subd. 7. [TRANSFER OF FUNDS.] Federal money provided to the commissioner of education for community prevention grants through the federal Drug Free Schools and Communities Act are transferred to the commissioner of health for prevention grants under this section.*

Sec. 3. Minnesota Statutes 1990, section 145.924, is amended to read:  
145.924 [AIDS PREVENTION GRANTS.]

*Subdivision 1. [PREVENTION GRANTS.] The commissioner may award grants to boards of health as defined in section 145A.02, subdivision 2, state agencies, state councils, or nonprofit corporations to provide evaluation and counseling services to populations at risk for acquiring human immunodeficiency virus infection, including, but not limited to, minorities, adolescents, intravenous drug users, and homosexual men.*

*Subd. 2. [CONTINUATION OF PROGRAMS.] The commissioner may not significantly change departmental efforts or reallocate funding for programs that provide outreach and education programs to reduce the spread of AIDS without first informing the chairs of the health and human services committees of the senate and house of representatives.*

Sec. 4. Minnesota Statutes 1990, section 254A.16, is amended by adding a subdivision to read:

*Subd. 6. [EVALUATION OF PREVENTION PROGRAMS.] The commissioner, with the assistance of the office of drug policy, shall identify and make appropriate use of methods of evaluating and measuring the progress and success of prevention activities that are funded, administered, or supervised by the commissioner. The methods must use both quantitative and*

*qualitative indicators of progress and success.*

Sec. 5. Minnesota Statutes 1990, section 254A. 17, is amended by adding a subdivision to read:

*Subd. 4. [AIDS PREVENTION PROGRAM.] The commissioner shall not reduce or discontinue departmental efforts to provide outreach and education programs for intravenous drug users and other drug users to reduce the spread of AIDS without first obtaining prior legislative authorization.*

Sec. 6. [STATEWIDE PLAN FOR TARGETED PREVENTION.]

*The office of drug policy, in consultation with the commissioners of human services, health, education, corrections, public safety, state planning, jobs and training, and of the housing finance agency, shall develop a statewide plan for targeted prevention strategies for high risk groups. The plan must outline current research in the field, identify current and needed programming, outline needed research and evaluation activities, and develop a multi-year funding plan incorporating federal, state, and potential private support. The office shall report the plan to the legislature by January 1, 1993.*

Sec. 7. [APPROPRIATIONS.]

*Subdivision 1. [STATEWIDE PREVENTION.] § . . . . . is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1993, for statewide public information and prevention programs and evaluation of these programs under section 1.*

*Subd. 2. [TECHNICAL ASSISTANCE AND SUPPORT FOR LOCAL PROGRAMS.] § . . . . . is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1993, to provide training, technical assistance, and program and administrative support to community health boards and Indian reservations under section 1, clause (2).*

*Subd. 3. [COMMUNITY PREVENTION GRANTS.] § . . . . . is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1993, for community prevention grants under section 2.*

ARTICLE 2

TREATMENT AND SOCIAL SERVICES

Section 1. [245.795] [FAMILY RESOURCE CENTER PILOT PROJECTS.]

*The commissioner of human services shall contract with counties to establish pilot projects to demonstrate the effectiveness of family resource centers. Family resource centers are community-based, multi-service programs characterized by community ownership of the service needs and employing community residents for outreach and home visiting services. The centers must emphasize family strengths rather than assuming family deficits, through providing education, prevention, health, financial, and social service programs. The commissioner shall encourage potential grantees to seek private grants and funding to supplement state funding.*

Sec. 2. Minnesota Statutes 1990, section 254A. 16, is amended by adding a subdivision to read:

*Subd. 6. [ADDICTION TREATMENT RESEARCH INFORMATION.]*

*The commissioner shall establish a coordinated means of disseminating addiction treatment research in Minnesota.*

Sec. 3. Minnesota Statutes 1990, section 254A.16, is amended by adding a subdivision to read:

*Subd. 7. [INFORMATION ABOUT REPORTING REQUIREMENTS.] The commissioner shall establish a program to:*

*(1) educate the public about the nature and the purposes of the reporting laws on maternal substance abuse; and*

*(2) conduct training sessions for health professionals on the requirements and sanctions in the law.*

Sec. 4. Minnesota Statutes 1990, section 254A.17, subdivision 1, is amended to read:

Subdivision 1. [MATERNAL AND CHILD SERVICE PROGRAMS.] The commissioner, *with the assistance of the commissioner of education,* shall ~~fund~~ *establish and administer* coordinated maternal and child health and social service *and educational* programs designed to improve the health and functioning of children born to mothers using alcohol and controlled substances. Comprehensive programs shall include:

*(1) immediate and ongoing intervention, treatment, and coordination of medical, educational, and social services through a child's preschool years- Programs shall also include;*

*(2) research and evaluation to identify methods most effective in improving outcomes among this high-risk population; and*

*(3) development of child care facilities and early childhood programs which provide schools that offer predictable, secure, nurturing, and stable environments; provide school curricula that include transition training, play observation, and school-home partnerships; and provide an adult with whom the child can develop an attachment.*

Sec. 5. [HEALTH COVERAGE.]

*The commissioners of health and commerce shall jointly investigate the adequacy of coverage of chemical dependency treatment under private health plans and government health care programs provided through prepaid, managed care delivery systems. The commissioners shall give special attention to the issues of timely access to treatment and access to aftercare services. The commissioners shall consult representatives of the business community, health plans, and treatment providers throughout their investigation. The commissioners shall report to the legislature by January 1, 1992, with the results of their investigation and recommendations concerning the need for further legislative action.*

Sec. 6. [APPROPRIATIONS.]

*Subdivision 1. [FAMILY RESOURCE CENTER PILOT PROJECTS.] \$ . . . . . is appropriated from the general fund to the commissioner of human services to establish family resource center pilot projects under section 1, to be available until June 30, 1993.*

*Subd. 2. [TREATMENT EVALUATION.] \$ . . . . . is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1993, to increase resources and training for staff at treatment centers and programs that are on the drug and alcohol abuse normative*

*evaluation system, and to expand the system to include data from nonparticipating treatment programs, in order to achieve complete follow-up and evaluation on all clients receiving treatment in Minnesota.*

*Subd. 3. [CHEMICAL DEPENDENCY SERVICES FOR PREGNANT WOMEN.] § . . . . . is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1993, to establish new programs to serve chemically dependent pregnant women and their children.*

### ARTICLE 3

#### EDUCATION

Section 1. Minnesota Statutes 1990, section 120.101, subdivision 5, is amended to read:

Subd. 5. [AGES AND TERMS.] ~~For~~ *Through the 1988-1989 1991-1992 school year and the school years thereafter,* every child between seven and 16 years of age shall receive instruction for at least 170 days each year. For ~~the 2000-2001~~ *1992-1993 school year and later school years,* every child between seven and 18 years of age shall receive instruction for at least 170 days each year. Every child under the age of seven who is enrolled in a half-day kindergarten, or a full-day kindergarten program on alternate days, or other kindergarten programs shall receive instruction at least equivalent to 170 half days. Except as provided in subdivision 5a, a parent may withdraw a child under the age of seven from enrollment at any time.

Sec. 2. Minnesota Statutes 1990, section 120.101, subdivision 9, is amended to read:

Subd. 9. [LEGITIMATE EXEMPTIONS.] A parent, guardian, or other person having control of a child may apply to a school district to have the child excused from attendance for the whole or any part of the time school is in session during any school year. Application may be made to any member of the board, a truant officer, a principal, or the superintendent. The school board of the district in which the child resides may approve the application upon the following being demonstrated to the satisfaction of that board:

(1) That the child's bodily or mental condition is such as to prevent attendance at school or application to study for the period required; or

(2) That for the school years 1988-1989 through ~~1999-2000~~ *1991-1992* the child has already completed the studies ordinarily required in the 10th grade and that for the school years beginning with the ~~2000-2001~~ *1992-1993* school year the child has already completed the studies ordinarily required to graduate from high school; or

(3) That it is the wish of the parent, guardian, or other person having control of the child, that the child attend for a period or periods not exceeding in the aggregate three hours in any week, a school for religious instruction conducted and maintained by some church, or association of churches, or any Sunday school association incorporated under the laws of this state, or any auxiliary thereof. This school for religious instruction shall be conducted and maintained in a place other than a public school building, and in no event, in whole or in part, shall be conducted and maintained at public expense. However, a child may be absent from school on such days as the child attends upon instruction according to the ordinances of some church.

Sec. 3. Minnesota Statutes 1990, section 120.105, is amended to read:

## 120.105 [EDUCATION STATEMENT.]

Each year every school, as defined in section 120.101, subdivision 4, ~~offering a kindergarten program~~ must ensure that the school principal, ~~kindergarten~~ teacher, or other professional, discusses and distributes the following statement to every parent, guardian, or other person ~~enrolling in charge of a child enrolled in kindergarten school~~:

“The state of Minnesota requires that, *beginning with the 1992-1993 school year*, every child ~~entering kindergarten this school year~~ must graduate from high school or remain in high school or in an alternative program until age 18. Only those who have been accepted in the military or an institution of higher learning can leave school before they are 18 years old.”

The department of education must make appropriate provisions to accommodate ~~those all~~ children who ~~newly~~ enroll in a public school ~~after kindergarten during the school year~~. All other schools must make similar provisions.

Sec. 4. Minnesota Statutes 1990, section 123.35, subdivision 8, is amended to read:

Subd. 8. The board may establish and maintain public evening schools and adult and continuing education programs and such evening schools and adult and continuing education programs when so maintained shall be available to all persons over 16 years of age through the ~~1999-2000~~ 1991-1992 school year and over 18 years of age beginning with the ~~2000-2001~~ 1992-1993 school year who, from any cause, are unable to attend the full-time elementary or secondary schools of such district.

Sec. 5. Minnesota Statutes 1990, section 124.26, subdivision 1b, is amended to read:

Subd. 1b. [PROGRAM REQUIREMENTS.] An adult basic and continuing education program is a day or evening program offered by a district that is for people over 16 years of age through the ~~1999-2000~~ 1991-1992 school year and over 18 years of age beginning with the ~~2000-2001~~ 1992-1993 school year who do not attend an elementary or secondary school. The program offers academic instruction necessary to earn a high school diploma or equivalency certificate. Tuition and fees may not be charged for instruction subsidized under this section, except for a security deposit to assure return of materials, supplies, and equipment.

Sec. 6. Minnesota Statutes 1990, section 126.031, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTION REQUIRED.] Every public elementary and secondary school shall provide an instructional program *and support services in* ~~chemical alcohol and other drug abuse~~ and the prevention of ~~chemical dependency alcohol and other drug abuse~~. The school districts shall involve parents, students, health care professionals, state department staff, and other members of the community with a particular interest in ~~chemical alcohol and other drug dependency prevention~~ in developing the curriculum. *The department and the school districts, with the assistance of the office of drug policy, shall identify and make appropriate use of methods of evaluating the progress and success of prevention activities using quantitative and qualitative indicators of progress and success. The department shall not endorse or promote a particular curriculum.*

Sec. 7. Minnesota Statutes 1990, section 260.015, subdivision 19, is



amended to read:

Subd. 19. [HABITUAL TRUANT.] "Habitual truant" means a child under the age of 16 years through the ~~1999-2000~~ 1991-1992 school year and under the age of 18 beginning with the ~~2000-2001~~ 1992-1993 school year who is absent from attendance at school without lawful excuse for seven school days if the child is in elementary school or for one or more class periods on seven school days if the child is in middle school, junior high school, or high school.

Sec. 8. [COMPLIANCE REPORT.]

*By January 1, 1992, the commissioner of education shall report to the education committees of the legislature on compliance with the status of federal certification of drug and alcohol prevention programming for kindergarten to grade 12 in all districts."*

Delete the title and insert:

"A bill for an act relating to alcohol and drug abuse; establishing statewide and local prevention programs; establishing family resource center pilot projects; requiring plans; requiring children to attend school through age 17; establishing school prevention programs; providing for research and evaluation; requiring studies; appropriating money; amending Minnesota Statutes 1990, sections 120.101, subdivisions 5 and 9; 120.105; 123.35, subdivision 8; 124.26, subdivision 1b; 126.031, subdivision 1; 145.924; 254A.16, by adding subdivisions; 254A.17, subdivision 1, and by adding a subdivision; and 260.015, subdivision 19; proposing coding for new law in Minnesota Statutes, chapters 144 and 245."

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred the following appointment as reported in the Journal for February 7, 1991:

DEPARTMENT OF NATURAL RESOURCES  
COMMISSIONER

Rodney Sando

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

Mr. Luther moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred the following appointment as reported in the Journal for February 14, 1991:

MINNESOTA POLLUTION CONTROL AGENCY  
COMMISSIONER

Charles W. Williams

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

Mr. Luther moved that the foregoing committee report be laid on the

table. The motion prevailed.

### **SECOND READING OF SENATE BILLS**

S.F. Nos. 729, 302, 499, 395, 177, 482, 354 and 910 were read the second time.

### **SECOND READING OF HOUSE BILLS**

H.F. Nos. 73 and 646 were read the second time.

### **MOTIONS AND RESOLUTIONS**

Mr. Novak moved that his name be stricken as a co-author to S.F. No. 226. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Day be added as a co-author to S.F. No. 226. The motion prevailed.

Mr. Cohen moved that his name be stricken as a co-author to S.F. No. 434. The motion prevailed.

Mr. Lessard moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 561. The motion prevailed.

Mr. Hottinger moved that the name of Ms. Pappas be added as a co-author to S.F. No. 563. The motion prevailed.

Mrs. Pariseau moved that the name of Ms. Johnston be added as a co-author to S.F. No. 657. The motion prevailed.

Mr. McGowan moved that the name of Mr. Merriam be added as a co-author to S.F. No. 858. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Frank be added as a co-author to S.F. No. 863. The motion prevailed.

Ms. Ranum moved that the name of Mr. Frank be added as a co-author to S.F. No. 868. The motion prevailed.

Mr. Storm moved that the name of Mr. Frank be added as a co-author to S.F. No. 872. The motion prevailed.

Ms. Flynn moved that the name of Ms. Berglin be added as a co-author to S.F. No. 886. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Merriam be added as a co-author to S.F. No. 894. The motion prevailed.

Mr. Marty moved that the name of Mr. Kelly be added as a co-author to S.F. No. 896. The motion prevailed.

Ms. Berglin moved that the name of Mr. Finn be added as a co-author to S.F. No. 957. The motion prevailed.

Mr. Dicklich moved that the names of Ms. Berglin and Mr. Frank be added as co-authors to S.F. No. 963. The motion prevailed.

Mr. Dicklich moved that the name of Ms. Piper be added as a co-author to S.F. No. 964. The motion prevailed.

Mr. Johnson, D.J. moved that the names of Mr. Finn and Ms. Piper be added as co-authors to S.F. No. 970. The motion prevailed.

Ms. Pappas moved that the name of Ms. Piper be added as a co-author to S.F. No. 979. The motion prevailed.

Mr. Riveness moved that the name of Mr. Hottinger be added as a co-author to S.F. No. 980. The motion prevailed.

Mr. Dicklich moved that the name of Ms. Pappas be added as a co-author to S.F. No. 995. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Finn be added as a co-author to S.F. No. 1005. The motion prevailed.

Mr. Johnson, D.J. moved that the name of Mr. Finn be added as a co-author to S.F. No. 1009. The motion prevailed.

Ms. Piper moved that the name of Ms. Berglin be added as a co-author to S.F. No. 1010. The motion prevailed.

Mr. Hughes moved that the name of Mr. Frank be added as a co-author to S.F. No. 1011. The motion prevailed.

Ms. Pappas moved that the name of Ms. Berglin be added as a co-author to S.F. No. 1031. The motion prevailed.

Mr. Kroening introduced—

Senate Resolution No. 41: A Senate resolution honoring Mrs. Galena Dahlvang, Minneapolis, Minnesota, as she celebrates her 100th birthday.

Referred to the Committee on Rules and Administration.

Mr. Riveness introduced—

Senate Resolution No. 42: A Senate resolution congratulating the Richfield High School Hockey Team on winning the consolation title in the 1991 State High School Hockey Championships.

Referred to the Committee on Rules and Administration.

Ms. Johnston moved that S.F. No. 714, No. 22 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

## CALENDAR

S.F. No. 231: A bill for an act relating to insurance; accident and health; defining full-time students for purposes of dependent coverage; proposing coding for new law in Minnesota Statutes, chapter 62A.

Was read the third time 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	Day	Johnston	Metzen	Ranum
Beckman	DeCramer	Kelly	Moe, R. D.	Reichgott
Belanger	Dicklich	Knaak	Mondale	Renneke
Benson, D.D.	Finn	Kroening	Morse	Sams
Benson, J.E.	Flynn	Laidig	Neuville	Samuelson
Berglin	Frank	Langseth	Novak	Solon
Bernhagen	Frederickson, D.J.	Larson	Olson	Spear
Bertram	Frederickson, D.R.	Lessard	Pappas	Storm
Brataas	Gustafson	Luther	Pariseau	Stumpf
Chmielewski	Hottinger	McGowan	Piper	Traub
Cohen	Johnson, D.E.	Mehrkens	Pogemiller	Vickerman
Davis	Johnson, D.J.	Merriam	Price	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 611: A bill for an act relating to veterans; clarifying rulemaking authority of the veterans homes board; changing language concerning payment of arrearages by veterans home residents; correcting certain references; amending Minnesota Statutes 1990, sections 198.003; 198.005; 198.03, subdivision 3; and 198.35.

Was read the third time 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	Day	Knaak	Mondale	Sams
Beckman	DeCramer	Kroening	Morse	Samuelson
Belanger	Dicklich	Laidig	Neuville	Solon
Benson, D.D.	Finn	Langseth	Novak	Spear
Benson, J.E.	Flynn	Larson	Olson	Storm
Berglin	Frank	Lessard	Pappas	Stumpf
Bernhagen	Frederickson, D.J.	Luther	Pariseau	Traub
Bertram	Frederickson, D.R.	Marty	Piper	Vickerman
Brataas	Gustafson	McGowan	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Price	
Cohen	Johnson, D.J.	Merriam	Ranum	
Dahl	Johnston	Metzen	Reichgott	
Davis	Kelly	Moe, R. D.	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 162: A bill for an act relating to the city of Nashwauk; authorizing an increase in benefits payable to surviving spouses by the police relief association; amending Laws 1943, chapter 196, 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kelly	Metzen	Ranum
Beckman	DeCramer	Knaak	Moe, R. D.	Reichgott
Belanger	Dicklich	Kroening	Mondale	Renneke
Benson, D.D.	Flynn	Laidig	Morse	Sams
Benson, J.E.	Frank	Langseth	Neuville	Samuelson
Berglin	Frederickson, D.J.	Larson	Novak	Solon
Bernhagen	Frederickson, D.R.	Lessard	Olson	Spear
Bertram	Gustafson	Luther	Pappas	Storm
Chmielewski	Hottinger	Marty	Pariseau	Stumpf
Cohen	Johnson, D.E.	McGowan	Piper	Traub
Dahl	Johnson, D.J.	Mehrkens	Pogemiller	Vickerman
Davis	Johnston	Merriam	Price	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 325: A resolution memorializing the President and Congress to increase funding for the low-income home energy assistance program and to maintain its operation in Minnesota.

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 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kelly	Mondale	Sams
Beckman	DeCramer	Knaak	Morse	Samuelson
Belanger	Dicklich	Kroening	Neuville	Solon
Benson, D.D.	Finn	Laidig	Novak	Spear
Benson, J.E.	Flynn	Langseth	Olson	Storm
Berglin	Frank	Larson	Pappas	Stumpf
Bernhagen	Frederickson, D.J.	Lessard	Pariseau	Traub
Bertram	Frederickson, D.R.	Luther	Piper	Vickerman
Brataas	Gustafson	Marty	Pogemiller	Waldorf
Chmielewski	Hottinger	McGowan	Price	
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Metzen	Reichgott	
Davis	Johnston	Moe, R.D.	Renneke	

So the resolution passed and its title was agreed to.

S.F. No. 583: A bill for an act relating to health; clarifying requirements for vaccination of children for certain illnesses; amending Minnesota Statutes 1990, sections 123.70, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, 10, and by adding a subdivision; and 151.37, by adding a subdivision.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Kelly	Moe, R.D.	Renneke
Beckman	DeCramer	Knaak	Mondale	Sams
Belanger	Dicklich	Kroening	Morse	Samuelson
Benson, D.D.	Finn	Laidig	Neuville	Solon
Benson, J.E.	Flynn	Langseth	Novak	Spear
Berglin	Frank	Larson	Olson	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pappas	Stumpf
Bertram	Frederickson, D.R.	Luther	Pariseau	Traub
Brataas	Gustafson	Marty	Piper	Vickerman
Chmielewski	Hottinger	McGowan	Pogemiller	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Price	
Dahl	Johnson, D.J.	Merriam	Ranum	
Davis	Johnston	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 652: A bill for an act relating to housing; providing for the payment of fees for certain publicly owned facilities; amending Minnesota Statutes 1990, section 327.23, subdivision 3.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Mondale	Sams
Beckman	Dicklich	Kroening	Morse	Samuelson
Belanger	Finn	Laidig	Neuville	Solon
Benson, D.D.	Flynn	Langseth	Novak	Spear
Berglin	Frank	Larson	Olson	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pappas	Stumpf
Bertram	Frederickson, D.R.	Luther	Pariseau	Traub
Brataas	Gustafson	Marty	Piper	Vickerman
Chmielewski	Hottinger	McGowan	Pogemiller	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Price	
Dahl	Johnson, D.J.	Merriam	Ranum	
Davis	Johnston	Metzen	Reichgott	
Day	Kelly	Moe, R.D.	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 846: A resolution memorializing Congress and the President to expedite passage of a law establishing class 1 dairy support prices at the market levels prevailing on August 1, 1990.

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 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ranum
Beckman	Day	Johnston	Merriam	Reichgott
Belanger	DeCramer	Kelly	Metzen	Renneke
Benson, D.D.	Dicklich	Knaak	Moe, R.D.	Sams
Benson, J.E.	Finn	Kroening	Mondale	Samuelson
Berglin	Flynn	Laidig	Morse	Solon
Bernhagen	Frank	Langseth	Neuville	Spear
Bertram	Frederickson, D.J.	Larson	Novak	Storm
Brataas	Frederickson, D.R.	Lessard	Pappas	Stumpf
Chmielewski	Gustafson	Luther	Piper	Vickerman
Cohen	Hottinger	Marty	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McGowan	Price	

So the resolution passed and its title was agreed to.

### 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. 567, 252, 437, 187, 154, 561, 638, 636 and H.F. Nos. 82 and 373, which the committee recommends to pass.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Price, Bertram and Laidig introduced—

S.F. No. 1032: A bill for an act relating to crimes; increasing the penalty for assaulting a correctional officer; amending Minnesota Statutes 1990, section 609.2231, subdivision 3.

Referred to the Committee on Judiciary.

Messrs. Sams, Morse, Berg and Stumpf introduced—

S.F. No. 1033: A bill for an act relating to game and fish; authorizing antlerless deer permits and granting preference to certain landowners and veterans; proposing coding for new law in Minnesota Statutes, chapter 97B.

Referred to the Committee on Environment and Natural Resources.

Mr. Spear, Ms. Ranum, Messrs. Merriam and Knaak introduced—

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

Referred to the Committee on Judiciary.

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

S.F. No. 1035: A bill for an act relating to data privacy; amending certain provisions concerning mineral exploration, exploratory boring, and data acquired by the department of natural resources in connection therewith; amending Minnesota Statutes 1990, sections 13.793, subdivision 2; 1031.601, subdivision 4; and 1031.605, subdivision 4.

Referred to the Committee on Environment and Natural Resources.

Mr. Moe, R.D. introduced—

S.F. No. 1036: A bill for an act relating to education; authorizing the Bagley school district to transfer money from the debt redemption fund to the general fund without a reduction in the general education levy.

Referred to the Committee on Education.

Mr. Metzen introduced—

S.F. No. 1037: A bill for an act relating to economic development; establishing the regional seed capital program; amending Minnesota Statutes 1990, sections 290.06, by adding a subdivision; and 469.101, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116O.

Referred to the Committee on Economic Development and Housing.

Mrs. Pariseau, Ms. Johnston, Messrs. Halberg and Metzen introduced—

S.F. No. 1038: A bill for an act relating to health; chemical dependency; requiring the commissioner of public safety to establish a pilot juvenile

diversion program and a pilot chemical abuse prevention program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299A.

Referred to the Committee on Health and Human Services.

Messrs. Samuelson and Kroening introduced—

S.F. No. 1039: A bill for an act relating to state government; providing for the suspension of multimember agencies from 1991 to 1993.

Referred to the Committee on Governmental Operations.

Mr. Chmielewski introduced—

S.F. No. 1040: A bill for an act relating to local government; allowing Pine county to transfer money from the county welfare fund to the general fund to support a hospital.

Referred to the Committee on Local Government.

Messrs. Hottinger, Luther, Samuelson, Metzen and Solon introduced—

S.F. No. 1041: 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. Price introduced—

S.F. No. 1042: A bill for an act relating to natural resources; modifying the uses of state parks working capital account funds; amending Minnesota Statutes 1990, section 85.22, subdivisions 1 and 2a.

Referred to the Committee on Environment and Natural Resources.

Mr. Sams introduced—

S.F. No. 1043: A bill for an act relating to Grey Eagle school district; authorizing a one time levy.

Referred to the Committee on Education.

Mses. Berglin, Piper, Messrs. Marty, Waldorf and Johnson, D.E. introduced—

S.F. No. 1044: A bill for an act relating to human services; establishing a grant program for living-at-home/block nurse programs to enable senior citizens to remain at home; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 1045: A bill for an act relating to the provision of mental health services and the regulation of unlicensed mental health practitioners; eliminating the office of social work and mental health boards; sunsetting the



board of unlicensed mental health service providers; providing for an autonomous board of social work; providing for an autonomous board of marriage and family therapy; establishing the office of mental health practice; providing additional disciplinary remedies to the board of social work and the board of marriage and family therapy; appropriating money; amending Minnesota Statutes 1990, sections 144.335, subdivision 1; 148B.01, subdivision 7; 148B.03; 148B.04, subdivisions 3 and 4; 148B.05; 148B.06; 148B.07; 148B.08; 148B.09; 148B.11; 148B.12; 148B.13; 148B.15; 148B.17; 148B.18, subdivision 10; 148B.33, subdivision 1; 148B.38, subdivision 3; and 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 148B; repealing Minnesota Statutes 1990, sections 148B.01, subdivisions 2, 5, and 6; 148B.02; 148B.16; 148B.171; 148B.40; 148B.41; 148B.42; 148B.43; 148B.44; 148B.45; 148B.46; 148B.47; and 148B.48.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 1046: A bill for an act relating to human services; allowing medical assistance recipients who are eligible on a one-month spend-down basis to pay the amount of their spend-down to the local agency in order to maintain continuous eligibility; amending Minnesota Statutes 1990, section 256B.056, subdivision 5.

Referred to the Committee on Health and Human Services.

Ms. Berglin, Mr. Spear, Mses. Piper and Traub introduced—

S.F. No. 1047: A bill for an act relating to human services; appropriating money for the New Chance demonstration project.

Referred to the Committee on Health and Human Services.

Messrs. Beckman, Stumpf, Renneke, Dicklich and Knaak introduced—

S.F. No. 1048: A bill for an act relating to education; modifying the PER program to conform with changes in education; appropriating money; amending Minnesota Statutes 1990, sections 124.274, subdivision 1; 124.311, subdivisions 3 and 4; 126.661, subdivision 5; 126.663, subdivision 2; 126.666, subdivisions 1, 2, and by adding subdivisions; and 126.67, subdivision 2b.

Referred to the Committee on Education.

Messrs. Beckman, Vickerman, Dicklich, Sams and Day introduced—

S.F. No. 1049: A bill for an act relating to Martin county; permitting the consolidation of the offices of auditor and treasurer.

Referred to the Committee on Local Government.

Mr. Mehrkens introduced—

S.F. No. 1050: A bill for an act relating to agriculture; eliminating certain requirements for processing of farmstead cheese; amending Minnesota Statutes 1990, section 32.486, subdivision 1a.

Referred to the Committee on Agriculture and Rural Development.

Mr. Samuelson introduced—

S.F. No. 1051: A bill for an act relating to retirement; increasing retirement and survivor benefits for certain retired members of the Brainerd police relief association and surviving spouses and children of deceased members.

Referred to the Committee on Governmental Operations.

Messrs. Hottinger, Luther, Mehrkens, Samuelson and Belanger introduced—

S.F. No. 1052: A bill for an act relating to commerce; prohibiting motor fuel franchises from requiring certain hours of operation; regulating the pricing of petroleum products; amending Minnesota Statutes 1990, section 325D.67, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 80C.

Referred to the Committee on Commerce.

Mr. Finn, Ms. Ranum, Messrs. Cohen and Knaak introduced—

S.F. No. 1053: A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 1990, sections 3C.04, subdivision 3; 14.47, subdivision 5; 15.39, subdivision 2; 15.45, subdivision 1; 16B.06, subdivision 2a; 16B.19, subdivision 2b; 16B.21, subdivision 1; 16B.405, subdivision 2; 18B.05, subdivision 1; 27.138, subdivision 4; 41A.066, subdivision 1; 60A.13, subdivision 3a; 60B.25; 62E.19, subdivision 1; 84B.09; 89.37, subdivision 4; 97A.101, subdivision 2; 103A.405; 103B.211, subdivision 4; 103F.215, subdivision 1; 103G.545, subdivision 2; 115A.06, subdivision 4; 115B.25, subdivision 4; 115B.26, subdivisions 1 and 4; 115B.30, subdivision 1; 115B.31; 115B.32, subdivision 1; 115C.08, subdivision 5; 115D.02; 116.733; 116J.68, subdivision 2; 121.88, subdivision 5; 123.702, subdivision 2; 124.195, subdivision 9; 124.225, subdivision 8l; 124.245, subdivision 6; 124A.036, subdivision 5; 125.032, subdivision 2; 126.036; 126.071, subdivision 1; 127.19; 136.82, subdivision 1; 144.49, subdivision 8; 144.804, subdivision 1; 144.8097, subdivision 2; 144A.29, subdivisions 2 and 3; 147.01, subdivision 1; 148.03; 148.52; 148.90, subdivision 3; 150A.02, subdivision 1; 151.03; 152.022, subdivision 1; 152.023, subdivision 2; 153.02; 154.22; 156.01; 161.17, subdivision 2; 168.325, subdivision 3; 222.63, subdivision 4; 237.161, subdivision 1; 256.035, subdivision 8; 256B.059, subdivision 4; 268.38, subdivision 12; 270.42; 273.1392; 273.1398, subdivision 5a; 275.065, subdivision 1; 275.50, subdivision 5; 290A.04, subdivision 2h; 297A.25, subdivision 8; 298.17; 299A.24, subdivision 1; 299A.41, subdivision 1; 299D.03, subdivision 12; 299F.361, subdivision 1; 299F.451, subdivision 1; 299F.72, subdivision 1; 317A.021, subdivision 7; 325E.045, subdivision 1; 326.04; 341.01; 354A.094, subdivision 7; 356.215, subdivision 4d; 384.14; 386.63, subdivision 1; 400.03, subdivision 1; 423.806, subdivision 1; 446A.10, subdivision 2; 469.129, subdivision 1; 473.844, subdivision 1; 473.845, subdivision 1; 508.36; 529.16; 551.05, subdivision 1; 571.75, subdivision

2; 571.81, subdivision 2; 604.06; 609.531, subdivision 1; 609.892, subdivision 1; Laws 1990, chapter 562, article 8, section 38; chapter 602, article 2, section 10; and chapter 606, article 4, section 1, subdivisions 2 and 6; reenacting Minnesota Statutes 1988, section 169.126, subdivision 2, as amended; repealing Minnesota Statutes 1990, sections 103B.211, subdivision 5; 103I.005, subdivision 18; 117.31; 124.47; 171.015, subdivision 4; 299D.01, subdivision 5; 299F.01, subdivision 3; 299F.362, subdivision 8; 474A.081, subdivisions 1, 2, and 4; 593.40, subdivision 6; and 626A.21.

Referred to the Committee on Judiciary.

Messrs. Cohen, Kelly, Ms. Ranum and Mr. Luther introduced—

S.F. No. 1054: A bill for an act relating to courts; conciliation court; merging court rules and statutes for the second and fourth judicial districts and other judicial districts into one statute; amending Minnesota Statutes 1990, section 549.01, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 484; repealing Minnesota Statutes 1990, sections 357.022; 487.30; 488A.12; 488A.13; 488A.14; 488A.15; 488A.16; 488A.17; 488A.29; 488A.30; 488A.31; 488A.32; 488A.33; and 488A.34.

Referred to the Committee on Judiciary.

Messrs. Sams, Dicklich and Price introduced—

S.F. No. 1055: A bill for an act relating to education; merging the community colleges into the state university system; clarifying governing board powers and duties; transferring responsibilities of the chancellor and the state board for community colleges; amending Minnesota Statutes 1990, sections 15A.081, subdivision 7b; 135A.02; 135A.03, subdivisions 1 and 6; 135A.04; 135A.05; 135A.06, subdivision 1; 135A.08; 135A.09; 135A.10, subdivision 1; 136.017, subdivision 1; 136.02; 136.036, subdivisions 2 and 4; 136.045; 136.065; 136.07; 136.10; 136.11; 136.111, subdivisions 2 and 3; 136.141; 136.142; 136.143; 136.144; 136.145; 136.146; 136.147; 136.17; 136.171; 136.18; 136.19; 136.20; 136.21; 136.22; 136.24; 136.25; 136.31, subdivision 1; 136.311; 136.33; 136.35; 136.37; 136.38; 136.40, subdivisions 1, 3, 4, 8, and 9; 136.42; 136.43; 136.44; 136.45; 136.46; 136.47; 136.48; 136.49; 136.503, subdivision 1; 136.506; 136.55; 136.56; 136.58; 136.80; 136.81, subdivisions 1 and 1a; 136.82, subdivisions 1 and 2; 136.87, subdivision 1; 136.88, subdivision 1; 136A.02, subdivision 6; 136A.041; 136A.81, subdivision 1; 136A.86, subdivision 1; 179A.03, subdivision 14; 179A.10, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 136; repealing Minnesota Statutes 1990, sections 136.03; 136.031; 136.09; 136.111, subdivision 5; 136.12; 136.13; 136.14; 136.60; 136.602; 136.603; 136.61; 136.62; 136.621; 136.622; 136.63; 136.65; 136.651; 136.67; 136.70; 136.71; and 136.72.

Referred to the Committee on Education.

Mr. Frederickson, D.J. introduced—

S.F. No. 1056: A bill for an act relating to taxation; sales; clarifying the exemption for purchases of capital equipment in distressed counties; amending Minnesota Statutes 1990, section 297A.257, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mr. Belanger introduced—

S.F. No. 1057: A bill for an act relating to health; establishing an exception to the moratorium on licensing of nursing home beds; amending Minnesota Statutes 1990, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Larson introduced—

S.F. No. 1058: A bill for an act relating to adoption; clarifying the requirements for consents; amending Minnesota Statutes 1990, section 259.24, subdivision 5.

Referred to the Committee on Judiciary.

Mr. Pogemiller, Meses. Piper, Berglin, Messrs. Knaak and Storm introduced—

S.F. No. 1059: A bill for an act relating to drivers' licenses; changing application procedures relating to making anatomical gifts; establishing an anatomical gift education program; appropriating money; amending Minnesota Statutes 1990, sections 171.06, subdivision 3; and 171.07, subdivision 5, and by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Kroening; Frederickson, D.R.; Samuelson; Solon and Finn introduced—

S.F. No. 1060: A bill for an act relating to state government; providing an early retirement incentive for public employees; amending Minnesota Statutes 1990, sections 275.125, by adding a subdivision; and 275.50, subdivision 5.

Referred to the Committee on Governmental Operations.

Mr. Samuelson introduced—

S.F. No. 1061: A bill for an act relating to human services; allowing general assistance medical care for a person in a correctional or detention facility if the person is eligible at the time of detention; amending Minnesota Statutes 1990, section 256D.03, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Mondale, Ms. Johnson, J.B.; Messrs. Hottinger; Frederickson, D.R. and Ms. Flynn introduced—

S.F. No. 1062: A bill for an act relating to littering; providing that each day of violation is a separate offense; amending Minnesota Statutes 1990, section 609.68.

Referred to the Committee on Judiciary.

Ms. Piper, Messrs. Marty; Moe, R.D.; Pogemiller and Samuelson introduced—

S.F. No. 1063: A bill for an act relating to human services; increasing the AFDC grant standard to the federal poverty guideline; capping the amount of the annual increase in the grant until the federal poverty guideline is reached; amending Minnesota Statutes 1990, section 256.74, subdivision 1, and by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Davis, Merriam, Morse, Berg and Frederickson, D.R. introduced—

S.F. No. 1064: A bill for an act relating to waters; exempting certain proceedings by the board of water and soil resources from the administrative procedure act; authorizing appeals to the court of appeals; amending Minnesota Statutes 1990, sections 103B.345, subdivisions 2 and 4; 103D.105, subdivision 1; and 103D.111.

Referred to the Committee on Environment and Natural Resources.

Messrs. Davis, Merriam, Morse and DeCramer introduced—

S.F. No. 1065: A bill for an act relating to agriculture; providing for protection of certain wildflowers; changing certain penalties; amending Minnesota Statutes 1990, section 17.23, subdivisions 1 and 3.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Bertram, Davis, Renneke, Sams and Vickerman introduced—

S.F. No. 1066: A bill for an act relating to farm safety; authorizing a program for training youth in the safe operation of farm equipment; establishing a farm injuries surveillance system; requiring a farm safety specialist; providing for a pilot project of comprehensive farm safety audits; requiring certain safety equipment on farm tractors at time of sale; establishing a research center for agricultural health and safety; requiring certain studies and reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 17; 137; and 325F.

Referred to the Committee on Agriculture and Rural Development.

Ms. Reichgott and Mr. McGowan introduced—

S.F. No. 1067: A bill for an act relating to crime; providing penalties for criminal gang-related activity; providing enhanced penalties for certain repeat controlled substance offenders and for certain dangerous weapon offenders; authorizing the use of undercover buy fund money for witness protection purposes in certain cases; establishing a pilot program to promote alternative, after school activities; amending Minnesota Statutes 1990, sections 299C.065; 609.11, subdivision 5; and 609.66, subdivisions 1, 1a, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Mr. Riveness, Ms. Ranum and Mr. Hottinger introduced—

S.F. No. 1068: A resolution memorializing the President and Congress to condemn the use of Soviet military force in the Baltic Republics and support the Baltic Republics for their self-determination.

Referred to the Committee on Veterans and General Legislation.

Mr. Cohen, Ms. Reichgott, Messrs. Finn, Davis and Frederickson, D.J. introduced—

S.F. No. 1069: A bill for an act relating to human rights; limiting certain defenses; amending Minnesota Statutes 1990, section 363.02, subdivision 5.

Referred to the Committee on Judiciary.

Ms. Johnson, J.B. introduced—

S.F. No. 1070: A bill for an act relating to education; authorizing a special capital loan; appropriating money.

Referred to the Committee on Education.

Messrs. Moe, R.D.; Benson, D.D.; Stumpf; Dahl and Waldorf introduced—

S.F. No. 1071: A bill for an act relating to higher education; creating the Minnesota board for higher education; merging the state university, community college, and technical college systems; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 136E.

Referred to the Committee on Education.

Ms. Johnson, J.B.; Messrs. Stumpf; DeCramer; Frederickson, D.J. and Langseth introduced—

S.F. No. 1072: A bill for an act relating to education; equalizing a portion of the debt levy; equalizing a portion of the referendum levy; limiting referendum levy amounts; increasing training and experience revenue; providing an equalized training and experience aid and levy; amending Minnesota Statutes 1990, sections 124A.04; 124A.22, subdivisions 4, 8, 9, and by adding subdivisions; 275.125, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 124 and 124A; repealing Minnesota Statutes 1990, section 124A.03.

Referred to the Committee on Education.

Mr. Halberg introduced—

S.F. No. 1073: A bill for an act relating to workers' compensation; regulating benefits, providers, dispute resolution, and insurance; imposing penalties; appropriating money; amending Minnesota Statutes 1990, sections 15A.083, subdivision 7; 79.01, subdivision 1; 79.095; 79.252, subdivision 3; 79.50; 79.59; 175.007; 176.001; 176.011, subdivisions 3, 11a, 18, 27, and by adding a subdivision; 176.021, subdivisions 1 and 3; 176.041, subdivision 1a; 176.061, subdivision 10, and by adding a subdivision; 176.081, subdivisions 1, 2, and 3; 176.101, subdivisions 1, 2, 4, 5, 6, and by adding a subdivision; 176.102, subdivisions 1, 2, 3, 3a, 4, 6, 7, 9, and

11; 176.105, subdivisions 1 and 4; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 18, 20, and 21; 176.131, subdivision 8, and by adding a subdivision; 176.132, subdivisions 1, 2, and 3; 176.135, subdivisions 1, 1a, 5, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.179; 176.183, subdivision 1; 176.215, by adding a subdivision; 176.221, subdivision 6a; 176.305, subdivision 1; 176.351, subdivision 2a; 176.421, subdivision 7; 176.442; 176.461; 176.645, subdivisions 1 and 2; 176.66, subdivision 11; 176.82; 176.83, subdivisions 5, 6, and by adding a subdivision; 268.08, subdivision 3; 353.33, subdivision 5; and 480A.06, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapters 79; and 176; repealing Minnesota Statutes 1990, 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; 79.62; 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07; 175A.08; 175A.09; 175A.10; 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, and 3u; 176.106; 176.111, subdivision 8a; 176.135, subdivision 3; 176.136, subdivision 5; 176.155, subdivision 2; and 176.391, subdivisions 2, 3, and 4.

Referred to the Committee on Employment.

Mr. Hottinger introduced—

S.F. No. 1074: A bill for an act relating to the city of Mankato; authorizing the city to annex uncontiguous territory to the city.

Referred to the Committee on Local Government.

Mr. Spear introduced—

S.F. No. 1075: A bill for an act relating to retirement; public employees retirement association; authorizing the purchase of prior service credit by a city of Minneapolis employee.

Referred to the Committee on Governmental Operations.

Messrs. Vickerman, Langseth, Ms. Pappas and Mr. Mehrkens introduced—

S.F. No. 1076: A bill for an act relating to transportation; requiring a study and report by the commissioner of transportation on the effect of allowing the use of 110-foot, triple-trailer vehicle combinations; appropriating money.

Referred to the Committee on Transportation.

Messrs. Frederickson, D.J.; Chmielewski; Benson, D.D.; Bertram and Renneke introduced—

S.F. No. 1077: A bill for an act relating to taxation; real property; providing for the classification of vacant land; amending Minnesota Statutes 1990, section 273.13, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Frederickson, D.J.; Chmielewski; Benson, D.D.; Bertram and Renneke introduced—

S.F. No. 1078: A bill for an act relating to taxation; property; eliminating the commercial-industrial restriction of one parcel per county receiving preferred treatment except for certain state assessed properties; amending Minnesota Statutes 1990, section 273.13, subdivision 24.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Frederickson, D.J.; Chmielewski; Benson, D.D.; Bertram and Renneke introduced—

S.F. No. 1079: A bill for an act relating to taxation; real property; eliminating the three-year plat restriction on valuing real property; amending Minnesota Statutes 1990, sections 273.11, subdivision 1; and 273.12.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Gustafson, Bernhagen, Metzen, Storm and Kelly introduced—

S.F. No. 1080: A bill for an act relating to economic development; creating Advantage Minnesota, Inc.; requiring a study; appropriating money for matching funds; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Economic Development and Housing.

Messrs. Frederickson, D.J.; DeCramer; Beckman; Larson and Langseth introduced—

S.F. No. 1081: A bill for an act relating to education; limiting the referendum levy; equalizing a portion of the referendum levy; changing the training and experience formula; equalizing training and experience revenue; authorizing equity preservation aid; appropriating money; amending Minnesota Statutes 1990, sections 124A.03, by adding subdivisions; and 124A.22, subdivision 4, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Mr. Benson, D.D.; Ms. Berglin, Mmes. Adkins, Brataas and Mr. Renneke introduced—

S.F. No. 1082: A bill for an act relating to human services; establishing requirements for home care services and preadmission screenings; clarifying requirements for alternative care; providing for alternative care programs; establishing a senior agenda for independent living; amending Minnesota Statutes 1990, sections 144A.31; 144A.45, subdivision 2; 144A.46, subdivision 2; 256B.04, subdivision 16; 256B.0625, subdivision 7, and by adding subdivisions; 256B.0627; 256B.093; 256B.64; 256D.44, by adding a subdivision; and Laws 1988, chapter 689, article 2, section 256, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 256 and 256B; repealing Minnesota Statutes 1990, sections 144A.31, subdivisions 2 and 3; 256B.0625, subdivisions 6 and 19; 256B.0627, subdivision 3; and 256B.71, subdivision 5.

Referred to the Committee on Health and Human Services.



Ms. Johnston, Messrs. Johnson, D.J. and Knaak introduced—

S.F. No. 1083: A bill for an act relating to animals; prohibiting greyhound races using live lures and training of greyhound dogs for racing using live lures; proposing coding for new law in Minnesota Statutes, chapter 343.

Referred to the Committee on Veterans and General Legislation.

Mr. Halberg and Ms. Johnston introduced—

S.F. No. 1084: A bill for an act relating to highways; directing the commissioner of transportation to construct a direct physical connection between interstate highway No. 35E and Ayd Mill Road in St. Paul.

Referred to the Committee on Transportation.

Messrs. Benson, D.D.; Neuville and Mehrkens introduced—

S.F. No. 1085: A bill for an act relating to game and fish; allowing a free deer license under certain circumstances.

Referred to the Committee on Environment and Natural Resources.

Mses. Pappas, Ranum, Messrs. Marty and Waldorf introduced—

S.F. No. 1086: A bill for an act relating to commerce; imposing health regulations for tanning facilities; requiring licenses; providing exemptions; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

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

S.F. No. 1087: A bill for an act relating to the Minnesota public facilities authority; fixing the maximum bonded debt of the authority; amending Minnesota Statutes 1990, section 446A.12, subdivision 1.

Referred to the Committee on Economic Development and Housing.

Mr. Solon, Ms. Piper and Mr. Frederickson, D.J. introduced—

S.F. No. 1088: A bill for an act relating to human services; classifying risk manager salaries as a fringe benefit; establishing a separate operating cost category for workers' compensation insurance costs; appropriating money; amending Minnesota Statutes 1990, sections 256B.421, subdivision 14; and 256B.431, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 1089: A bill for an act relating to public safety; appropriating money to commissioner of public safety for infrared search device.

Referred to the Committee on Transportation.

Mr. Chmielewski introduced—

S.F. No. 1090: A bill for an act relating to workers' compensation; providing an exclusion from coverage for certain disabled employees; amending Minnesota Statutes 1990, section 176.041, subdivision 1.

Referred to the Committee on Employment.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, April 2, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TWENTY-EIGHTH DAY

St. Paul, Minnesota, Tuesday, April 2, 1991

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. Richard Keene Smith.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

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

Adkins	Day	Johnson, J.B.	Merriam	Ranum
Beckman	DeCramer	Johnston	Metzen	Reichgott
Belanger	Dicklich	Kelly	Moe, R. D.	Renneke
Benson, D.D.	Finn	Knaak	Mondale	Riveness
Berg	Flynn	Kroening	Morse	Sams
Berglin	Frank	Laidig	Neuville	Samuelson
Bernhagen	Frederickson, D.J.	Langseth	Novak	Solon
Bertram	Frederickson, D.R.	Larson	Olson	Spear
Brataas	Gustafson	Lessard	Pappas	Storm
Chmielewski	Hottinger	Luther	Pariseau	Stumpf
Cohen	Hughes	Marty	Piper	Traub
Dahl	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Davis	Johnson, D.J.	Mehrkens	Price	Waldorf

The President declared a quorum present.

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

### MEMBERS EXCUSED

Mrs. Benson, J.E. and Mr. Halberg were excused from the Session of today. Ms. Pappas was excused from the Session of today from 12:00 to 12:40 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 26, 1991

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

The Honorable Jerome M. Hughes  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1991 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1991	Date Filed 1991
	104	10	9:37 a.m. March 26	March 26
246		11	9:40 a.m. March 26	March 26

Sincerely,  
Joan Anderson Growe  
Secretary of State

March 27, 1991

The Honorable Jerome M. Hughes  
President of the Senate

Dear Senator Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 141.

Warmest regards,  
Arne H. Carlson, Governor

March 28, 1991

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

The Honorable Jerome M. Hughes  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1991 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1991	Date Filed 1991
	290	9	9:35 a.m. March 26	March 27
141		15	10:53 a.m. March 27	March 27

Sincerely,  
Joan Anderson Growe  
Secretary of State

March 27, 1991

The Honorable Jerome M. Hughes

President of the Senate

Dear Senator Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 7 and 393.

Warmest regards,  
Arne H. Carlson, Governor

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 128, 178, 697, 132, 326, 398 and 633.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 27, 1991

### FIRST READING OF HOUSE BILLS

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

H.F. No. 128: A bill for an act relating to water; mandating requirements on certain development; amending Minnesota Statutes 1990, section 103B.3363, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 103B.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 178: A bill for an act relating to occupations and professions; increasing minimum insurance coverage required for abstracters; abolishing requirement of seals by impression; repealing an obsolete provision; amending Minnesota Statutes 1990, sections 386.66 and 386.67; repealing Minnesota Statutes 1990, section 386.65, subdivision 3.

Referred to the Committee on Commerce.

H.F. No. 697: A bill for an act relating to credit unions; providing that credit unions may be designated as depositories of state funds; providing for the election of a supervisory committee; clarifying investment authority of board of directors; amending Minnesota Statutes 1990, sections 9.031, subdivision 1; 52.04, subdivision 1; 52.08; and 52.09, subdivision 2.

Referred to the Committee on Commerce.

H.F. No. 132: A bill for an act relating to energy; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring amendments to building codes and standards to increase energy efficiency; requiring state agencies to use funds allocated for utility expenditures to buy nonincandescent bulbs; amending Minnesota Statutes 1990, sections 16B.61, subdivision 3; and 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 16B.

Referred to the Committee on Rules and Administration for comparison

with S.F. No. 137, now on General Orders.

H.F. No. 326: A bill for an act relating to elections; providing for time off to vote in primaries; amending Minnesota Statutes 1990, section 204C.04.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 552, now on General Orders.

H.F. No. 398: A bill for an act relating to elections; providing for high school students 16 years old or more to act as election judges; clarifying the right to take time off from work without penalty to serve as an election judge; amending Minnesota Statutes 1990, sections 204B.19, subdivision 1, and by adding a subdivision; and 204B.195.

Referred to the Committee on Elections and Ethics.

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

Referred to the Committee on Environment and Natural Resources.

### REPORTS OF COMMITTEES

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

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

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

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

Page 2, line 24, delete the new language and insert "*at the rate in effect under section 549.09 at the time the extension is granted*"

Amend the title as follows:

Page 1, lines 4 and 5, delete "of six percent"

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. 732: A bill for an act relating to state lands; offering an alternative to bond or deposit requirements on contracts for cutting timber; proposing coding for new law in Minnesota Statutes, chapter 90.

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

Delete everything after the enacting clause and insert:

**“Section 1. [90.162] [ALTERNATIVE TO BOND OR DEPOSIT REQUIREMENTS.]**

*In lieu of the bond or cash deposit required by section 90.161 or 90.173, a purchaser of state timber may, at the time of the bid approval and upon payment by the purchaser to the commissioner of 25 percent of the appraised value under section 90.14, elect in writing on a form prescribed by the attorney general to prepay the purchase price for any designated cutting block identified on the permit before the date the purchaser enters upon the land to begin harvesting the timber.*

Sec. 2. Minnesota Statutes 1990, section 90.173, is amended to read:

**90.173 [PURCHASER'S OR ASSIGNEE'S CASH DEPOSIT IN LIEU OF BOND.]**

*(a) In lieu of filing the bond required by section 90.161 or 90.171, as security for the issuance or assignment of a timber permit the person required to file the bond may deposit with the state treasurer cash, a certified check, a cashier's check, a personal check, a postal, bank, or express money order, assignable bonds or notes of the United States, or an assignment of a bank savings account or investment certificate or an irrevocable bank letter of credit, in the same amount as would be required for a bond. If securities listed in this section are deposited, the par value of the securities shall be not less than the amount required for the timber sale bond, and the person required to file the timber sale bond shall submit an agreement authorizing the commissioner to sell or otherwise take possession of the security in the event of default under the timber sale. All of the conditions of the timber sale bond shall equally apply to the deposit with the state treasurer. In the event of a default the state may take from the deposit the sum of money to which it is entitled; the remainder, if any, shall be returned to the person making the deposit and shall bear interest at the rate determined pursuant to section 549.09 if not returned within 30 days from the date of the default. Sums of money as may be required by the state treasurer to carry out the terms and provisions of this section are appropriated from the general fund to the state treasurer for these purposes. When cash is deposited for a bond, it shall be applied to the amount due when a statement is prepared and transmitted to the permit holder pursuant to section 90.181. Any balance due to the state shall be shown on the statement and shall be paid as provided in section 90.181. Any amount of the deposit in excess of the amount determined to be due pursuant to section 90.181 shall be returned to the permit holder when a final statement is transmitted pursuant to that section. All or part of a cash bond may be withheld from application to an amount due on a nonfinal statement if it appears that the total amount due on the permit will exceed the bid price.*

*(b) If an irrevocable bank letter of credit is provided as security under paragraph (a), at the written request of the permittee the state shall annually allow the amount of the bank letter of credit to be reduced by an amount proportionate to the value of timber that has been harvested and for which the state has received payment under the timber permit. The remaining amount of the bank letter of credit after a reduction under this paragraph must not be less than the value of the timber remaining to be harvested under the timber permit.*

Sec. 3. [EFFECTIVE DATE.]

*This act is effective the day following final enactment. Section 1 applies*

*to timber sale contracts entered into after the effective date of that section."*

Delete the title and insert:

"A bill for an act relating to natural resources; offering an alternative to bond or deposit requirements on contracts for cutting timber; allowing reduction in value of letters of credit given as security for timber permits; amending Minnesota Statutes 1990, section 90.173; proposing coding for new law in Minnesota Statutes, chapter 90."

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. 772: A bill for an act relating to crimes; imposing a duty to investigate and render aid when a person is injured in a shooting accident; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1990, section 97A.051, subdivision 2, is amended to read:

Subd. 2. [SUMMARY OF FISH AND GAME LAWS.] (a) The commissioner shall prepare a summary of the hunting and fishing laws and deliver a sufficient supply to county auditors to furnish one copy to each person obtaining a hunting, fishing, or trapping license.

(b) At the beginning of the summary, under the heading "Trespass," the commissioner shall summarize the trespass provisions under sections 97B.001 to 97B.945, state that conservation officers and peace officers must enforce the trespass laws, and state the penalties for trespassing.

(c) In the summary the commissioner shall, under the heading "Duty to Render Aid," summarize the requirements under section 609.662 and state the penalties for failure to render aid to a person injured by gunshot."

Page 2, delete lines 31 to 34

Page 2, line 36, before "Section" insert "Section 1 is effective August 1, 1991." and delete "1" and insert "2"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the second semicolon, insert "amending Minnesota Statutes 1990, section 97A.051, subdivision 2;"

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

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

S.F. No. 265: A bill for an act relating to family law; requiring persons who contract with the state to submit a statement regarding compliance with



child support orders; authorizing suspension of an occupational license for child support obligors who are in arrears; providing for court approval of certain marriage dissolutions without a hearing; requiring custody investigations; creating a summary dissolution pilot project; adding considerations on motions for modification of maintenance; including persons with an unborn child in common under the domestic abuse act; amending Minnesota Statutes 1990, sections 518.13, by adding a subdivision; 518.167, subdivision 1; 518.551, by adding a subdivision; 518.64, subdivision 2; and 518B.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 16B; 214; and 518.

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

Pages 3 to 6, delete sections 3 to 5

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "providing for"

Page 1, delete lines 7 and 8

Page 1, line 9, delete everything before "adding"

Page 1, line 13, delete everything after "sections"

Page 1, line 14, delete everything before "518.551,"

Page 1, line 17, after "16B;" insert "and" and delete "; and 518"

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 501: A bill for an act relating to insurance; regulating the availability of health insurance to small employers; imposing certain restrictions on the underwriting and rating of small employer groups; establishing a reinsurance pool for small employer business; requiring a review of the social and financial impacts of proposed mandated benefits; transferring regulatory authority over health maintenance organizations from the department of health to the department of commerce; appropriating money; amending Minnesota Statutes 1990, sections 60B.03, subdivision 2; and 62D.02, subdivision 3; proposing coding for new law as Minnesota Statutes, chapter 62K.

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

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

Section 1. [62K.01] [DEFINITIONS.]

*Subdivision 1. [TERMS.] For the purposes of sections 1 to 13, the terms defined in this section have the meanings given them unless the language or the context clearly indicates otherwise.*

*Subd. 2. [ACTUARIAL OPINION.] "Actuarial opinion" means a written statement by a member of the American Academy of Actuaries that a health*

*carrier is in compliance with this chapter, based on the person's examination, including a review of the appropriate records and of the actuarial assumptions and methods utilized by the health carrier in establishing premium rates for health benefit plans.*

*Subd. 3. [APPROPRIATE COMMITTEE CHAIRS.] "Appropriate committee chairs" means the chair of the health and human services committee and the chair of the insurance committee of the house of representatives, the chair of the commerce committee and the chair of the health and human services committee of the senate.*

*Subd. 4. [ASSOCIATION.] "Association" means the small employer reinsurance association.*

*Subd. 5. [AUDITOR.] "Auditor" means the office of the legislative auditor.*

*Subd. 6. [BASE PREMIUM RATE.] "Base premium rate" means for each class of business as to a rating period, the lowest premium rate charged or which could have been charged under a rating system for that class of business by the health carrier to small employers with similar case characteristics for health benefit plans with the same or similar coverage.*

*Subd. 7. [BOARD OF DIRECTORS.] "Board of directors" means the board of directors of the small employer reinsurance association.*

*Subd. 8. [CASE CHARACTERISTICS.] "Case characteristics" means the relevant characteristics of a small employer, as determined by a health carrier, which are considered by the carrier in the determination of premium rates for the small employer. Relevant characteristics include, but are not limited to, geographic area, employer group size, benefit differences, and family composition. Age, sex, claims experience, health status, and industry of the employer and duration of issue are not case characteristics for the purposes of this chapter.*

*Subd. 9. [CLASS OF BUSINESS.] "Class of business" means all of the small employer business of a health carrier as shown on the records of the health carrier except that a health carrier may establish, with the prior written approval of the commissioner, a distinct grouping of small employers:*

- (1) if a class of business was acquired from another health carrier; or*
- (2) if the class of business relies on substantially different managed care requirements, including but not limited to the use of limited provider networks, prior authorization, concurrent review, discharge planning, and case management.*

*The commissioner may approve the establishment of additional classes of business upon application to the commissioner and a finding by the commissioner that the action would enhance the efficiency and fairness of the small employer market.*

*Subd. 10. [COINSURANCE.] "Coinsurance" means an established dollar amount or percentage of health care expenses that an eligible employee or dependent is required to pay directly to a provider of medical services or supplies under the terms of a health benefit plan.*

*Subd. 11. [COMMISSIONER.] "Commissioner" means the commissioner of commerce or the commissioner's designated representative.*

*Subd. 12. [CONTINUOUS COVERAGE.] "Continuous coverage" means*

*the maintenance of continuous and uninterrupted health plan coverage by an eligible employee or dependent. An eligible employee or dependent is considered to have maintained continuous coverage if the individual requests enrollment in a health benefit plan within 30 days of termination of the prior health plan coverage.*

*Subd. 13. [DEDUCTIBLE.] "Deductible" means the amount of health care expenses an eligible employee or dependent is required to incur before benefits are payable under a health benefit plan.*

*Subd. 14. [DEMOGRAPHIC COMPOSITION.] "Demographic composition" means the age and sex characteristics of eligible employees, the family composition of eligible employees, and the standard age categories used by a health carrier to establish premiums.*

*Subd. 15. [DEPARTMENT.] "Department" means the department of commerce.*

*Subd. 16. [DEPENDENT.] "Dependent" means an eligible employee's spouse, unmarried child who is under the age of 19 years, dependent child who is a student under the age of 25 years and financially dependent upon the eligible employee, or dependent child of any age who is disabled, subject to the applicable terms of the health benefit plan issued by the health carrier.*

*Subd. 17. [DURATION OF ISSUE.] "Duration of issue" means a rate factor used to justify higher rates which incorporated the length of time a group is covered by a health carrier, but which does not incorporate claims experience or health status.*

*Subd. 18. [ELIGIBLE CHARGES.] "Eligible charges" means the actual charges submitted to a health carrier by or on behalf of a provider, eligible employee, or dependent for health services covered by the carrier's health benefit plan. Eligible charges do not include charges for health services excluded by the health benefit plan or charges for which an alternate carrier is liable under the coordination of benefit provisions of the health benefit plan.*

*Subd. 19. [ELIGIBLE EMPLOYEE.] "Eligible employee" means an individual employed by a small employer for at least 20 hours per week on a regular basis and who has satisfied all employer participation and eligibility requirements, including but not limited to the satisfactory completion of a probationary period of not less than 30 days. A late entrant is not an eligible employee.*

*Subd. 20. [FINANCIALLY IMPAIRED CONDITION.] "Financially impaired condition" means a health carrier which is not insolvent and (1) is considered by the commissioner to be potentially unable to fulfill its contractual obligations, or (2) is placed under an order of rehabilitation or conservation by a court of competent jurisdiction.*

*Subd. 21. [HEALTH BENEFIT PLAN.] "Health benefit plan" means a policy, contract, or certificate issued by a health carrier to a small employer for the coverage of medical and hospital benefits. Health benefit plan includes a small employer plan. Health benefit plan does not include coverage that is:*

- (1) limited to disability or income protection coverage;*
- (2) automobile medical payment coverage;*
- (3) supplemental to liability insurance;*

(4) designed solely to provide payments of a per diem, fixed indemnity or nonexpense incurred basis;

(5) credit accident and health insurance issued under chapter 62B;

(6) designed solely to provide dental or vision care;

(7) blanket accident and sickness insurance as defined in section 62A.11;

(8) accident only coverage issued by a licensed and tested insurance agent or solicitors that provides reasonable benefits in relation to the cost of covered services;

(9) long-term care insurance as defined in section 62A.46; or

(10) issued as a supplement to Medicare, as defined in sections 62A.31 to 62A.44.

Subd. 22. [HEALTH CARRIER.] "Health carrier" means an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; and a multiple employer welfare arrangement, as defined in section 3 of the Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1103, as amended through December 31, 1990.

Subd. 23. [HEALTH PLAN.] "Health plan" means a health benefit plan issued by a health carrier:

(1) to a small employer;

(2) to an employer who does not satisfy the definition of a small employer under subdivision 32; or

(3) to an individual purchasing an individual or conversion policy of health care coverage issued by a health carrier.

Subd. 24. [INDEX RATE.] "Index rate" means for each class of business as to a rating period for small employers with similar case characteristics, the arithmetic average of the applicable base premium rate and the corresponding highest premium rate.

Subd. 25. [LATE ENTRANT.] "Late entrant" means an eligible employee or dependent who is not enrolled in a small employer's health benefit plan. Late entrants may be subject to a preexisting condition limitation or exclusion from coverage for up to 18 months from the effective date of coverage of the late entrant. An otherwise eligible employee or dependent is not a late entrant if:

(1) the individual was covered by another group health plan at the time the individual was eligible to enroll in a health benefit plan, declined enrollment on that basis, and presents to a health carrier a certificate of termination of the coverage, provided that the individual maintains continuous coverage;

(2) the individual has lost coverage under another group health plan due to the expiration of benefits available under the Consolidated Omnibus Budget Reconciliation Act of 1981 (COBRA), Public Law Number 99-272,

as amended through December 31, 1990, and state continuation laws applicable to the employer or health carrier, provided that the individual maintains continuous coverage;

(3) the individual is a new spouse of an eligible employee, provided that enrollment is requested within 30 days of the date of marriage; or

(4) the individual is a new dependent child of an eligible employee, provided that enrollment is requested within 30 days of the date of birth or adoption.

**Subd. 26. [MANDATED BENEFIT.]** "Mandated benefit" means a health plan benefit required by state law to be included in a health plan offered or issued by a health carrier that requires the coverage of or the offer of coverage of specific diseases, conditions, treatments, or services or the direct reimbursement of services rendered by specific types of health care providers.

**Subd. 27. [MCHA.]** "MCHA" means the Minnesota comprehensive health association established under section 62E.10.

**Subd. 28. [MEDICAL NECESSITY.]** "Medical necessity" means the appropriate and necessary medical and hospital services eligible for payment under a health benefit plan as determined by a health carrier.

**Subd. 29. [MEMBERS.]** "Members" means the health carriers operating in the small employer market who are members of the association.

**Subd. 30. [PREEXISTING CONDITION.]** "Preexisting condition" means a condition manifesting in a manner that causes an ordinarily prudent person to seek medical advice, diagnosis, care, or treatment or for which medical advice, diagnosis, care, or treatment was recommended or received during the six months immediately preceding the effective date of coverage, or as to a pregnancy existing as of the effective date of coverage of a health benefit plan.

**Subd. 31. [RATING PERIOD.]** "Rating period" means the calendar period for which premium rates established by a health carrier are assumed to be in effect, as determined by the health carrier.

**Subd. 32. [SMALL EMPLOYER.]** "Small employer" means a person, firm, corporation, partnership, association, or other entity actively engaged in business who, on at least 50 percent of its working days during the preceding calendar year, employed no less than two nor more than 29 eligible employees. If a small employer has only two eligible employees, one employee must not be the spouse, child, sibling, parent, or grandparent of the other. Entities which are eligible to file a combined tax return for purposes of state tax laws are considered a single employer for purposes of determining the number of eligible employees. Small employer status must be determined on an annual basis as of the renewal date of the health benefit plan. The provisions of this chapter continue to apply to an employer who no longer meets the requirements of this definition until the annual renewal date of the employer's health benefit plan.

**Subd. 33. [SMALL EMPLOYER MARKET.]** "Small employer market" means the market for group health benefit plans for small employers. A health carrier is considered to be participating in the small employer market if the health carrier offers, sells, issues, or renews a health plan to a small employer or the eligible employees of a small employer offering a group health benefit plan.

*Subd. 34. [SMALL EMPLOYER PLAN.] "Small employer plan" means a health benefit plan issued by a health carrier to a small employer for coverage of the medical and hospital benefits described in section 4.*

*Subd. 35. [TRANSITION PERIOD.] "Transition period" means January 1, 1993, through December 31, 1993.*

**Sec. 2. [62K.02] [PARTICIPATION REQUIREMENTS.]**

*Subdivision 1. [CARRIER PARTICIPATION.] Every health carrier shall, as a condition of authority to transact business in this state in the small employer market, offer, sell, issue, and renew a health benefit plan to small employers in accordance with this chapter. Beginning with the transition period, every health carrier participating in the small employer market shall make available a health benefit plan to small employers and shall fully comply with the underwriting and rate restrictions specified in this chapter. A health carrier may cease to transact business in the small employer market as provided under section 8.*

*Subd. 2. [EXCEPTION TO CARRIER PARTICIPATION.] A health carrier transacting business in the small employer market shall not be required to offer a health benefit plan to small employers under this chapter if the commissioner finds that the offer would place the health carrier in a financially impaired condition. A health carrier which does not offer a health benefit plan to small employers under this subdivision shall not offer a health benefit plan to small employers for 180 days following a determination by the commissioner that the health carrier has ceased to be in a financially impaired condition.*

*Subd. 3. [EMPLOYER PARTICIPATION.] Health carriers shall require that:*

*(1) 100 percent of a small employer's eligible employees who have not waived coverage participate in a health benefit plan offered, sold, issued, or renewed by the health carrier; and*

*(2) small employers contribute a minimum of 50 percent of the premium charged by the health carrier for coverage of an eligible employee.*

*Subd. 4. [UNDERWRITING RESTRICTIONS.] Health carriers may apply underwriting restrictions to coverage for health benefit plans for small employers, including any preexisting condition limitations, only as expressly permitted by this chapter. Except as authorized for late entrants, preexisting conditions may be excluded by a health carrier for a period not to exceed 12 months from the effective date of coverage of an eligible employee's or dependent's health benefit plan. When calculating a preexisting condition limitation, a health carrier shall credit the time period an eligible employee or dependent was previously covered by another health benefit plan, provided that the individual maintains continuous coverage. Late entrants may be subject to a preexisting condition limitation not to exceed 18 months from the effective date of coverage of the late entrant. Late entrants may also be excluded from coverage for a period not to exceed 18 months, provided that if a health carrier imposes an exclusion from coverage and a preexisting condition limitation, the combined time period for both the coverage exclusion and preexisting condition limitation shall not exceed 18 months.*

*Subd. 5. [CANCELLATIONS.] No health carrier shall cancel, decline to issue, or fail to renew a health benefit plan as a result of the claim experience or health status of the small employer group. A health carrier*

*may cancel, decline to issue, or fail to renew a health benefit plan:*

*(1) for nonpayment of the required premium or contributions toward premiums by the small employer or eligible employee;*

*(2) for fraud or misrepresentation by the small employer, eligible employee, or dependent with respect to their eligibility for coverage or any other material fact;*

*(3) if eligible employee participation during the preceding calendar year declines to less than 100 percent;*

*(4) for failure of an employer to comply with the health carrier's premium contribution requirements;*

*(5) if a health carrier ceases to do business in the small employer market as provided under section 8;*

*(6) for any other reasons or grounds expressly permitted by the respective licensing laws and regulations governing a health carrier, including but not limited to service area restrictions imposed on health maintenance organizations under section 62D.03, subdivision 4, paragraph (m), and insufficient provider network capacity, as determined by the commissioner, to the extent that these grounds are not expressly inconsistent with this chapter.*

*Subd. 6. [MCHA ENROLLEES.] Health carriers shall offer coverage to an eligible employee or dependent enrolled in MCHA at the time of the health carrier's issuance of a health benefit plan to a small employer. MCHA enrollees shall be enrolled in the small employer's health benefit plan as of the first date of renewal of a health benefit plan occurring after January 1, 1993, or, in the case of a new group, as of the initial effective date of the health benefit plan. Unless otherwise permitted by this chapter, health carriers shall not impose any underwriting restrictions, including any preexisting condition limitations on any eligible employee or dependent previously enrolled in MCHA and transferred to a health benefit plan so long as continuous coverage is maintained.*

### Sec. 3. [62K.03] [TRANSITION PERIOD.]

*Subdivision 1. [APPLICABILITY OF CHAPTER REQUIREMENTS.] Beginning with the transition period, health carriers participating in the small employer market shall offer and make available a health benefit plan to small employers who satisfy the small employer participation requirements specified in section 2, subdivision 3, and shall comply with the underwriting, rating, and other requirements specified in sections 2 to 8. Compliance with these requirements is required as of the first renewal date of any small employer group occurring during the transition period. For new small employer business, compliance is required as of the first date of offering occurring during the transition period.*

*Subd. 2. [NEW CARRIERS.] A health carrier entering the small employer market after the transition period shall begin complying with the requirements of this chapter as of the first date of offering of a health benefit plan to a small employer. A health carrier entering the small employer market after the transition period is considered to be a member of the small employer reinsurance association as of the date of the health carrier's initial offer of a health benefit plan to a small employer.*

### Sec. 4. [62K.04] [SMALL EMPLOYER PLAN BENEFITS.]

*Subdivision 1. [BENEFIT DESIGN.] The minimum benefits of a small*

*employer plan must be equal to 80 percent of the cost of health care services covered under the small employer plan, in excess of an annual deductible which may not exceed \$500 per individual and \$1,000 per family. Coinsurance and deductibles do not apply to prenatal services, as defined by section 62A.047, and medical services and supplies provided to children.*

*Out-of-pocket costs for covered services may not exceed \$3,000 per individual and \$6,000 per family per year. The annual maximum benefit is limited to \$75,000 per person. The maximum lifetime benefit shall not be less than \$500,000.*

*Subd. 2. [MINIMUM BENEFITS.] The medical services and supplies listed in this subdivision are the minimum benefits that must be covered by a small employer plan:*

- (1) inpatient and outpatient hospital services;*
- (2) physician services for the diagnosis or treatment of illnesses, injuries, or conditions;*
- (3) diagnostic X-rays and laboratory tests;*
- (4) ground transportation provided by a licensed ambulance service to the nearest facility qualified to treat the condition;*
- (5) services of a home health agency if the services qualify as reimbursable services under Medicare and are directed by a physician;*
- (6) services of a private duty registered nurse if medically necessary, as determined by the health carrier;*
- (7) the rental or purchase, as appropriate, of durable medical equipment, other than eyeglasses and hearing aids;*
- (8) child health supervision services up to age 18, as defined in section 62A.047;*
- (9) maternity and prenatal care services as defined in section 62A.047;*
- (10) mental or nervous disorder consultation, diagnosis, and treatment services as defined in section 62A.152, subdivision 2, or sections 62D.102 and 62D.103 and the provision by a health maintenance organization of inpatient treatment for mental and emotional conditions of at least 30 days in each contract year;*
- (11) treatment of alcoholism, chemical dependency, or drug addiction as defined in section 62A.149 or 62D.103 and the provision by a health maintenance organization of treatment for alcohol and other chemical dependency in a licensed residential primary treatment program or hospital for up to the greater of 28 days or a number of days equivalent to 20 percent of the other inpatient hospital care coverage;*
- (12) treatment of emotionally handicapped children in a residential treatment facility as defined in section 62A.151;*
- (13) chiropractic services for the diagnosis or treatment of illnesses, injuries, or conditions within the chiropractic scope of practice as defined in section 148.01. Examination by, or referral from, a medical physician shall not be a condition of receipt of chiropractic care under this subdivision;*
- (14) drugs requiring a physician's prescription, subject to a \$5 copayment; and*



*(15) services provided by a registered nurse as defined in section 62A.15, subdivision 3a.*

*Subd. 3. [ADDITIONAL BENEFITS.] Health carriers may offer small employers additional benefits not listed in this section.*

*Subd. 4. [BENEFIT EXCLUSIONS.] No medical, hospital, or other health care benefits, services, supplies, or articles not expressly specified in subdivision 2 are required to be included in a health benefit plan. Nothing in subdivision 2 restricts the right of a health carrier to restrict coverage to those services which are medically necessary. Health carriers may exclude a benefit, service, supply, or article not expressly specified in subdivision 2 from a health benefit plan.*

*Subd. 5. [CONTINUATION COVERAGE.] Health benefit plans must include only the continuation of coverage provisions required by the Consolidated Omnibus Reconciliation Act of 1981 (COBRA), Public Law Number 99-272, as amended through December 31, 1990.*

*Subd. 6. [DEPENDENT COVERAGE.] Other state law and rules applicable to health plan coverage of newborn infants, dependent children who do not reside with the eligible employee, handicapped children, and dependents and adopted children apply to a health benefit plan.*

*Subd. 7. [MEDICAL EXPENSE REIMBURSEMENT.] Health carriers may reimburse or pay for medical services provided under a health benefit plan in accordance with the health carrier provider's contract requirements including but not limited to salaried arrangements, capitation, the payment of usual and customary charges, fee schedules, discounts from fee-for-service, per diems, diagnostic-related groups (DRGs), and other payment arrangements. Nothing in this chapter requires a health carrier to develop, implement, or change its provider contract requirements for a health benefit plan. Coinsurance, deductibles, out-of-pocket maximums, and maximum lifetime benefits must be calculated and determined in accordance with each health carrier's standard business practices.*

*Subd. 8. [PLAN DESIGN.] Notwithstanding any other law, regulation, or administrative interpretation to the contrary, health carriers may offer a health benefit plan through any provider arrangement, including but not limited to the use of open, closed, or limited provider networks. Health carriers shall use professionally recognized provider standards of practice when they are available, and may use utilization management practices otherwise permitted by law, including but not limited to second surgical opinions, prior authorization, concurrent and retrospective review, referral authorizations, case management and discharge planning. A health carrier may contract with groups of providers with respect to health care services or benefits, and may negotiate with providers regarding the level or method of reimbursement provided for services rendered under a health benefit plan.*

**Sec. 5. [62K.05] [DISCLOSURE OF UNDERWRITING RATING PRACTICES.]**

*When offering or renewing a health benefit plan, health carriers shall disclose in all solicitation and sales materials:*

*(1) the case characteristic factors used to determine initial and renewal rates, including demographics, claim experience, health status, benefit design, industry of the small employer, or duration of issue;*

*(2) the extent to which premium rates for a small employer are established*

*or adjusted based upon actual or expected variation in claim experience;*

*(3) provisions concerning the health carrier's right to change premium rates and the factors other than claim experience that affect changes in premium rates;*

*(4) a description of the class of business in which a small employer is or will be included, including the applicable grouping of plan;*

*(5) provisions relating to renewability of coverage; and*

*(6) the use and effect of any preexisting condition provisions, if permitted.*

**Sec. 6. [62K.06] [SMALL EMPLOYER REQUIREMENTS.]**

*Subdivision 1. [VERIFICATION OF ELIGIBILITY.] Small employers purchasing a health benefit plan shall maintain information verifying the continuing eligibility of the employer, its employees, and their dependents, and shall provide the information to health carriers on a quarterly basis or as reasonably requested by the health carrier.*

*Subd. 2. [WAIVERS.] Small employers participating in a health benefit plan shall maintain written documentation of a waiver of coverage by an eligible employee or dependent and shall provide the documentation to the health carrier upon reasonable request.*

**Sec. 7. [62K.07] [RESTRICTIONS RELATING TO PREMIUM RATES.]**

*Subdivision 1. [RATE RESTRICTIONS.] Premium rates for all health benefit plans sold or issued to small employers are subject to the restrictions specified in subdivisions 2 to 4.*

*Subd. 2. [INDEX RATE.] Between classes of business, the index rate for a rating period for any class of business must not exceed the index rate for any other class of business by more than 20 percent, adjusted pro rata for periods less than one year.*

*Subd. 3. [PREMIUM VARIATIONS.] Within a class of business, the premium rates charged during a rating period to small employers with similar case characteristics for the same or similar coverage, or the rates which could be charged to the employers under the rating system for that class of business, are limited to the index rate, plus or minus 30 percent of the index rate, adjusted pro rata for rating periods of less than one year.*

*Subd. 4. [ANNUAL PREMIUM INCREASE.] The percentage increases in the premium rate charged to a small employer for a new rating period may not exceed the sum of the following:*

*(1) the percentage change in the index rate measured from the first day of the prior rating period to the first day of the new rating period;*

*(2) an adjustment, not to exceed 15 percent annually and adjusted pro rata for rating periods of less than one year, due to the claims experience, health status, or duration of issue of the eligible employees or dependents of the small employer as determined from the health carrier's rate manual for the class of business; and*

*(3) any adjustment due to change in coverage, demographic composition, or change in the case characteristics of the small employer as determined from the health carrier's rate manual for the class of business.*

*Subd. 5. [TABLE RATING.] The difference between the highest premium*

rate for all rate tables and the lowest premium rate for all rate tables within a class of business for small employers with similar case characteristics is limited to the average premium rate for all rate tables, plus or minus 30 percent, adjusted pro rata for rating periods of less than one year.

**Subd. 6. [INVOLUNTARY TRANSFERS PROHIBITED.]** A health carrier shall not involuntarily transfer a small employer into or out of a class of business. A health carrier shall not offer to transfer a small employer into or out of a class of business unless the offer is made to transfer all small employers in the class of business without regard to case characteristics, age, sex, claim experience, health status, industry of the employer, or duration of issue.

**Sec. 8. [62K.08] [CESSATION OF SMALL EMPLOYER BUSINESS.]**

**Subdivision 1. [NOTICE TO COMMISSIONER.]** A health carrier electing to cease doing business in the small employer market shall notify the commissioner 180 days prior to the effective date of the cessation. The cessation of business does not include the following activities:

(1) the elimination of a class of business by a health carrier so long as other classes of business are maintained;

(2) the failure of a health carrier to offer or issue new business in the small employer market or continue an existing product line, provided that a health carrier does not terminate, cancel, or fail to renew its current small employer business or other product lines; and

(3) the inability of a health maintenance organization to offer or renew a health benefit plan because it has demonstrated to the satisfaction of the commissioner that it will not have the capacity within its service area to adequately deliver services to the enrollees of health benefit plans because of its obligations to existing large group contract holders and enrollees.

**Subd. 2. [NOTICE TO EMPLOYERS.]** A health carrier electing to cease doing business in the small employer market shall provide 120 days' written notice to each small employer covered by a health benefit plan issued by the health carrier. A health carrier that ceases to write new business in the small employer market shall continue to be governed by this chapter with respect to continuing small employer business conducted by the carrier.

**Subd. 3. [REENTRY PROHIBITION.]** A health carrier that ceases to do business in the small employer market after the effective date of this chapter is prohibited from writing new business in the small employer market in this state for a period of five years from the date of notice to the commissioner. This subdivision applies to any health maintenance organization that ceases to do business in the small employer market in one service area with respect to that service area only.

**Sec. 9. [62K.09] [REINSURANCE ASSOCIATION.]**

**Subdivision 1. [NONPROFIT CORPORATION.]** The small employer reinsurance association is a nonprofit corporation.

**Subd. 2. [PURPOSE.]** The association is established to provide for the fair and equitable transfer of risk associated with participation by a health carrier in the small employer market to a private reinsurance pool created and maintained by the association. The participation by a health carrier in the reinsurance pool is voluntary.

**Subd. 3. [TASK FORCE.]** The commissioner shall establish a five-member

*task force to develop the rules of participation in and operating guidelines for the reinsurance pool. Each member of the task force must be representative of the member's respective share in the small employer market during the preceding year. One member must be representative of an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident or sickness insurance. One member must be representative of a nonprofit health service plan corporation regulated under chapter 62C. One member must be representative of a health maintenance organization regulated under chapter 62D.*

*Subd. 4. [APPOINTMENT.] The commissioner shall appoint the members of the task force no later than June 15, 1991.*

*Subd. 5. [REPORT.] The task force shall report to the appropriate committee chairs on their recommendations for operation of the reinsurance association no later than January 15, 1992. The report must include recommendations regarding the transfer of risk to the association, assessments, board composition, and operation of the association. The report must include recommendations regarding statutory changes necessary for implementation of the reinsurance association by January 1, 1993.*

**Sec. 10. [62K.10] [SUPERVISION BY COMMISSIONER.]**

*Subdivision 1. [REPORTS.] Health carriers doing business in the small employer market shall file by April 1 of each year an annual actuarial opinion with the commissioner certifying that the health carrier is in compliance with the underwriting and rating requirements of this chapter and that the rating methods used by the carrier are actuarially sound. A health carrier shall retain a copy of the opinion at its principal place of business.*

*Subd. 2. [RECORDS.] Health carriers doing business in the small employer market shall maintain at their principal place of business a complete and detailed description of their rating practices, including information and documentation which demonstrate that a health carrier's rating methods and practices are based upon commonly accepted actuarial assumptions and are in accordance with sound actuarial principles.*

*Subd. 3. [SUBMISSIONS TO COMMISSIONER.] The commissioner may request information and documentation from a health carrier describing its rating practices and renewal underwriting practices, including information and documentation that demonstrates that a health carrier's rating methods and practices are in accordance with sound actuarial principles. Information received by the commissioner under this subdivision is nonpublic data as provided under section 13.37.*

**Sec. 11. [62K.11] [PENALTIES AND ENFORCEMENT.]**

*The commissioner may suspend or revoke a health carrier's license or certificate of authority or impose a civil penalty not to exceed \$25,000 for each violation of this chapter. The action must be by order and subject to the notice, hearing, and appeal procedures specified in section 60A.051. The action of the commissioner is subject to judicial review as provided under chapter 14.*

**Sec. 12. [62K.12] [PROHIBITED PRACTICES.]**

*Subdivision 1. [PROHIBITION ON ISSUANCE OF INDIVIDUAL POLICIES.] Health carriers operating in the small employer market shall not offer, issue, or renew an individual policy, subscriber contract, or certificate to an eligible employee or dependent of a small employer who satisfies the*

*employer participation requirements specified in section 2, subdivision 3, except as permitted in subdivision 2.*

*Subd. 2. [EXCEPTIONS.] (a) Health carriers may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage under section 62D.104 as a result of leaving a health maintenance organization's service area.*

*(b) Health carriers may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.*

*Subd. 3. [SALE OF OTHER PRODUCTS.] A health carrier shall not condition the offer, sale, issuance, or renewal of a health benefit plan on the purchase by a small employer of other insurance products offered by the health carrier or a subsidiary or affiliate of the health carrier, including but not limited to life, disability, property, and general liability insurance. This prohibition does not apply to insurance products offered as a supplement to a health maintenance organization plan to provide coverage to enrollees for health care services and supplies received from providers who are not employed by, under contract with, or otherwise affiliated with the health maintenance organization.*

**Sec. 13. [62K.13] [MANDATORY REVIEW OF MANDATED BENEFITS.]**

*Subdivision 1. [APPLICATION.] This section applies to amendments or revisions to the minimum benefits specified in section 4 and to newly enacted, amended, or revised benefits applicable to a health plan.*

*Subd. 2. [EVALUATION PROCESS.] A person, association, or organization seeking consideration of a legislative proposal that would mandate a new, revised, or amended minimum benefit or the offering of a new, revised, or amended minimum benefit by a health carrier in a health plan shall submit to the office of the legislative auditor a report which assesses the social and financial impact of the proposed benefit. The appropriate committee chairs shall also refer all legislative proposals for new health plan benefits or amendments to current health plan benefits to the auditor for review and evaluation.*

*Subd. 3. [EVALUATION CRITERIA.] Upon receipt of a legislative proposal, the auditor shall evaluate the social and financial impact of a proposed change, amendment, revision, or addition to a health plan using the following criteria, to the extent that reliable information is available:*

*(1) the extent to which the treatment or service is utilized by a significant portion of the population;*

*(2) the extent to which health plan coverage is currently generally available without a mandate;*

*(3) if coverage is not generally available, the extent to which lack of coverage results in persons being unable to obtain necessary health care;*

*(4) if coverage is not generally available, the extent to which lack of coverage results in unreasonable financial hardship;*

*(5) the level of public demand for the treatment or for health plan coverage of the treatment;*

*(6) the extent to which health plan coverage would increase or decrease the cost of treatment or service;*

*(7) the extent to which health plan coverage may increase the use of the treatment or service;*

*(8) the extent to which the treatment or service may be a substitute or alternative for a more expensive treatment;*

*(9) the extent to which health plan coverage can reasonably be expected to increase or decrease premiums and the administrative expenses of health carriers; and*

*(10) the impact of the proposed mandate on the total cost of health care.*

*The legislative auditor may request the appropriate committee chairs to prioritize the proposals referenced under this section to enable the legislative auditor to evaluate them in order of importance.*

*Subd. 4. [QUALIFIED EXPERTS.] The legislative auditor may contract with qualified experts in the disciplines of biostatistics, epidemiology, health economics, medicine, underwriting, actuarial science, and health sciences research to review the social and financial impact of proposed mandates. Qualified experts under contract to the auditor shall provide a written report of their analysis. The qualified experts shall evaluate the social and financial impact of the proposed mandate using the criteria stated in subdivision 3.*

*Subd. 5. [PUBLIC COMMENT.] The auditor shall publish in the State Register a description of the proposed change in mandated benefits and a notice soliciting public comment on the proposal. The auditor shall receive written public comments from interested persons for 30 days from the date of publication in the State Register. All data or comments submitted to the auditor are public data, unless the provider of the data requests that it be held as trade secret information and maintained as nonpublic data, as defined by section 13.02, subdivision 9. All public comments submitted to the auditor must, to the extent feasible, address the criteria stated in subdivision 3 and must be forwarded to any qualified experts retained by the auditor.*

*Subd. 6. [AUDITOR'S DUTIES.] The auditor shall review reports received from qualified experts and public comments. The auditor shall issue a recommendation in the form of a written report which incorporates the reports of qualified experts and public comments. The report must be issued no later than 120 days after the date of submission under subdivision 2. The auditor shall forward this recommendation to the appropriate committee chairs, the speaker of the house, and the majority leader of the senate.*

**Sec. 14. [APPROPRIATION.]**

*§ . . . . . is appropriated from the general fund to the office of the legislative auditor for purposes of carrying out the auditor's duties under this chapter.*

**Sec. 15. [EFFECTIVE DATES.]**

*Sections 1 and 9 are effective the day following final enactment. The remaining sections are effective January 1, 1993.*

## ARTICLE 2

## Section 1. [HEALTH PLAN REGULATION.]

*The commissioner of health and the commissioner of commerce shall develop a plan for the functional division of regulatory authority over health plans. This plan must be presented to the appropriate committee chairs by November 1, 1991. The plan must allow each commissioner to exercise independent authority to the greatest extent possible and must minimize jurisdictional overlaps. The plan must provide the commissioner of commerce with primary authority for regulating the financial integrity and corporate structure of health carriers and must provide the commissioner of health with primary authority for regulating health care delivery and health care quality. The functional division of regulatory authority by the departments must begin no later than April 1, 1992."*

Delete the title and insert:

"A bill for an act relating to insurance; regulating the availability of health insurance to small employers; imposing certain restrictions on the underwriting and rating of small employer groups; establishing a reinsurance pool for small employer business; requiring a review of the social and financial impacts of proposed mandated benefits; requiring a plan for dividing regulatory authority over health plans between the departments of commerce and health; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 62K."

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

Mr. Solon from the Committee on Commerce, to which was re-referred

S.F. No. 2: A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; creating a technology and benefits advisory committee; creating a health care expenditures advisory committee; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

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

Page 1, line 24, delete "CARE ACCESS AGENCY" and insert "DEPARTMENT DUTIES"

Pages 1 and 2, delete section 1

Pages 2 and 3, delete section 3 and insert:

"Sec. 2. [62A.301] [UNIFORM POLICY FORMS.]

*The commissioner shall adopt rules prescribing uniform policy forms for all policies of accident and health insurance, health maintenance contracts regulated under chapter 62D, health benefit certificates offered through a fraternal beneficiary association regulated under chapter 64B, and group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C in order to give the insurance purchaser a reasonable opportunity to compare the cost of insuring with various insurers. This section does not apply to policies designed primarily to provide coverage payable on a per diem, fixed indemnity or nonexpense incurred basis, or policies that provide only accident coverage."*

Page 3, line 28, delete "health care"

Page 3, line 29, delete "access," and delete the second comma

Page 4, delete lines 2 to 10 and insert:

"Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 6. [DEPARTMENT.] "Department" means the department of health."

Page 4, line 33, after "practice" insert ", including but not limited to: medical doctors, nurse practitioners, physician assistants, certified nurse midwives, chiropractors, podiatrists, physical therapists, occupational therapists, speech therapists, and audiologists"

Page 6, line 1, delete "care access"

Page 6, line 9, delete "BUREAU OF HEALTH CARE ACCESS" and insert "HEALTH CARE PLAN DESIGN AND IMPLEMENTATION"

Page 6, line 10, delete "bureau of health care access"

Page 6, line 11, delete "in the" and delete "of human services" and delete "initial"

Page 6, line 13, delete "to the commissioner of health" and insert "under this chapter."

Page 6, delete lines 14 to 19

Page 6, line 20, delete "access." and delete "of human services"

Page 6, line 24, delete "bureau" and insert "department"

Page 6, lines 27 and 29, delete "of human services"

Page 6, line 28, after "department" insert "specified under this chapter"

Page 6, delete lines 32 to 36

Page 7, delete lines 1 to 8 and insert:

"Sec. 5. [62J.05] [HEALTH CARE PLAN ADMINISTRATION.]

Subdivision 1. [GENERAL POWERS AND DUTIES.] *The commissioner shall:*"

Page 8, line 22, delete "3" and insert "2"

Page 8, line 26, delete "4" and insert "3"

Page 8, line 29, delete "5" and insert "4"

Page 9, line 8, delete "of health care access"



Page 9, line 13, delete "6" and insert "5"

Page 9, lines 18 and 19, delete "*health care access*" and insert "*commerce*"

Page 9, lines 30 and 31, delete "*of health care access*"

Page 10, line 34, delete "*of health care access*"

Page 11, lines 8 and 9, delete "*of health care access*"

Page 11, line 11, delete "IMPLEMENTATION" and insert "PLANNING AND DEVELOPMENT"

Page 11, line 12, delete "NEW PROGRAM PLANNING AND DEVELOPMENT" and insert "REQUIRED ACTIVITIES"

Page 12, lines 18 and 25, delete "*of health care access*"

Page 12, line 26, delete "*commissioners*" and insert "*commissioner*" and delete "*and health*"

Page 13, lines 15, 26, and 34, delete "*of health care access*"

Page 13, line 27, delete "*commissioners*" and insert "*commissioner*" and delete "*and health*"

Page 14, line 12, delete "*care access*"

Page 15, line 2, delete "6" and insert "5" and delete "2" and insert "1"

Page 15, lines 4 and 14, delete "*of health care access*"

Page 15, line 23, delete "*care access*"

Page 15, line 24, delete "*health,*"

Page 16, line 14, delete "*of health care access*"

Page 16, line 22, delete "HUMAN SERVICES" and insert "HEALTH; ADMINISTRATION"

Page 16, line 23, delete "*human services*" and insert "*health*"

Page 16, line 24, delete "10" and insert "9"

Page 16, delete lines 26 to 29

Page 16, line 30, delete "3" and insert "2"

Page 16, line 32, delete "9" and insert "8" and delete "10" and insert "9"

Page 16, line 34, delete "4" and insert "3"

Page 16, line 36, delete "9" and insert "8"

Page 17, line 2, delete "*Subdivision 1. [CHEPP.]*"

Page 17, delete lines 5 to 18 and insert:

"Sec. 12. [EFFECTIVE DATE.]

*Section 1 is effective July 1, 1992, and applies to contracts entered into or renewed, or goods or services provided, after that date. Sections 4 and 7 are effective July 1, 1991. Section 6 is effective January 1, 1992."*

Re-number the sections of article 1 in sequence

Page 17, line 33, delete “*of health care access*”

Page 19, line 17, delete “*of health care access*”

Page 20, after line 11, insert:

“*Subd. 7. [ASSET LIMITATIONS AND TRANSFER PROHIBITIONS.] The commissioner shall adopt by rule asset limitations and transfer prohibitions to be applied in determining an individual’s or family’s eligibility for a subsidy.*”

Page 20, line 35, delete “2” and insert “1”

Page 22, line 12, after the period, insert “*The commissioner may solicit bids and contract separately for dental care services, which may be provided by the same health plan that provides other services. Health plans may bid and contract to provide only dental care services or to provide only non-dental services.*”

Page 23, line 13, after the period, insert “*Nothing in this section is intended to limit access to chiropractic care under article 3, section 3, subdivision 2, subject to reasonable managed care protocols and criteria for determining appropriate use of chiropractic care.*”

Page 30, line 29, after the period, insert “*The commissioner shall collect premiums from state residents for the amount that would have been required to be paid for the period of time during which the enrollee had failed to maintain sufficient health care coverage.*”

Page 31, line 12, delete “*of health care access*”

Page 32, line 3, after “PRIMARY” insert “MEDICAL” and after the semicolon, insert “CHIROPRACTIC CARE;”

Page 32, line 5, after “PRIMARY” insert “MEDICAL”

Page 32, after line 15, insert:

“*Subd. 2. [CHIROPRACTIC CARE.] The intermediate benefit set covers care provided by doctors of chiropractic. The total number of visits provided by doctors of chiropractic and health professionals is subject to the visit limits in section 4, subdivision 1.*”

Renumber the subdivisions in sequence

Page 33, line 13, after “*professionals*” insert “, including but not limited to: *medical doctors, nurse practitioners, physician assistants, certified nurse midwives, chiropractors, podiatrists, physical therapists, occupational therapists, speech therapists, and audiologists*”

Page 40, line 11, delete “7” and insert “6”

Page 40, after line 28, insert:

“*Subd. 3. [DENTAL AND OTHER LIMITED COVERAGE.] Health plan companies providing dental coverage only may sell the dental care component of the intermediate benefit set and of the universal basic benefit set without being required to offer the non-dental components of the benefit sets.*”

Page 41, lines 16 and 17, delete “*of health care access*”

Page 42, line 15, delete “*of health care access*”

Page 46, line 24, delete “*human services*” and insert “*health*”

Page 46, line 34, delete "*of health care*"

Page 46, line 35, delete "*access will*" and insert "*shall*"

Page 47, line 5, delete "*of health care access*"

Page 47, line 21, after "*commissioner*" insert "*of health*"

Page 47, line 25, delete "*care access*"

Page 47, line 26, delete "*health*" and insert "*commerce*"

Page 47, lines 33 and 34, delete "*health care access*" and insert "*commerce*"

Page 49, line 14, delete "(a)"

Page 49, delete lines 17 to 22

Page 52, line 23, delete "*of health care access*"

Page 53, lines 7 and 21, delete "*of health care access*"

Page 56, lines 2 and 9, delete "*of health care access*"

Page 56, line 12, after the period, insert "*Health plan companies providing only dental care must be charged reinsurance premiums that reflect the expected cost to the reinsurance pool attributable to that category of limited coverage.*"

Page 56, line 21, delete "CARE ACCESS" and insert "; BIASED SELECTION ADJUSTMENT AND REINSURANCE POOL"

Page 56, line 23, delete "*care access*"

Amend the title as follows:

Page 1, lines 5 and 6, delete "creating a department of health care access;"

Page 1, line 6, delete "new"

Page 1, line 7, after "*commissioner*" insert "*of health*"

Page 1, line 17, delete everything after the semicolon

Page 1, delete line 18

Page 1, line 19, delete "1a;"

Page 1, line 20, after "16B;" insert "62A;"

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 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	761				

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, the first engrossment and insert the language after the enacting clause of S.F. No. 761; further, delete the title of H.F. No. 661, the first engrossment and insert the title of S.F. No. 761.

And when so amended H.F. No. 661 will be identical to S.F. No. 761, and further recommends that H.F. No. 661 be given its second reading and substituted for S.F. No. 761, 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. 515 and 732 were read the second time.

### **SECOND READING OF HOUSE BILLS**

H.F. No. 661 was read the second time.

### **MOTIONS AND RESOLUTIONS**

Mr. Finn moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 121. The motion prevailed.

Mr. Lessard moved that the name of Mr. Moe, R.D. be added as a co-author to S.F. No. 561. The motion prevailed.

Mr. McGowan moved that the name of Mr. Renneke be added as a co-author to S.F. No. 671. The motion prevailed.

Mr. Day moved that his name be stricken as a co-author to S.F. No. 685. The motion prevailed.

Mr. Marty moved that his name be stricken as a co-author to S.F. No. 770. The motion prevailed.

Mr. Frank moved that the name of Mr. Marty be added as a co-author to S.F. No. 956. The motion prevailed.

Ms. Berglin moved that the name of Mr. Marty be added as a co-author to S.F. No. 957. The motion prevailed.

Ms. Pappas moved that the name of Mr. McGowan be added as a co-author to S.F. No. 979. The motion prevailed.

Mr. Price moved that the name of Mr. Morse be added as a co-author to S.F. No. 1042. The motion prevailed.

Mr. Mehrkens moved that the names of Messrs. Morse, Sams and Davis be added as co-authors to S.F. No. 1050. The motion prevailed.

Ms. Pappas moved that the name of Mr. Spear be added as a co-author to S.F. No. 1086. The motion prevailed.

Mr. Larson introduced—

Senate Resolution No. 43: A Senate resolution honoring Bertha M. Anderson, Fergus Falls, Minnesota, Department of Minnesota President of the Ladies Auxiliary to the Veterans of Foreign Wars of the United States.

Referred to the Committee on Rules and Administration.

Ms. Berglin moved that her name be stricken as chief author, shown as a co-author and the name of Mr. Hottinger be added as chief author to S.F. No. 198. The motion prevailed.

### CALENDAR

H.F. No. 82: A bill for an act relating to public contracts; modifying the criteria for businesses and firms required to file affirmative action plans; amending Minnesota Statutes 1990, sections 363.073, subdivision 1; and 473.144.

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	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Kroening	Morse	Samuelson
Berg	Flynn	Laidig	Neuville	Solon
Berglin	Frank	Langseth	Novak	Spear
Bernhagen	Frederickson, D.J.	Larson	Olson	Storm
Bertram	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Brataas	Gustafson	Luther	Piper	Traub
Chmielewski	Hottinger	Marty	Pogemiller	Vickerman
Cohen	Hughes	McGowan	Price	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 373: A bill for an act relating to commerce; removing a real estate licensing prohibition; amending Minnesota Statutes 1990, section 82.20, 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Kroening	Morse	Samuelson
Berg	Flynn	Laidig	Neuville	Solon
Berglin	Frank	Langseth	Novak	Spear
Bernhagen	Frederickson, D.J.	Larson	Olson	Storm
Bertram	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Brataas	Gustafson	Luther	Piper	Traub
Chmielewski	Hottinger	Marty	Pogemiller	Vickerman
Cohen	Hughes	McGowan	Price	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 567: A bill for an act relating to retirement; authorizing appointed public officers to purchase public employees retirement association service credit for previous service as an elected official; amending Laws 1990, chapter 570, article 8, section 14, 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	Day	Johnson, J.B.	Moe, R.D.	Sams
Beckman	DeCramer	Johnston	Mondale	Samuelson
Belanger	Dicklich	Kelly	Morse	Solon
Benson, D.D.	Finn	Kroening	Neuville	Spear
Berg	Flynn	Laidig	Novak	Storm
Berglin	Frank	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Piper	Traub
Bertram	Frederickson, D.R.	Lessard	Pogemiller	Vickerman
Brataas	Gustafson	Luther	Price	Waldorf
Chmielewski	Hottinger	Marty	Ranum	
Cohen	Hughes	McGowan	Reichgott	
Dahl	Johnson, D.E.	Mehrkens	Renneke	
Davis	Johnson, D.J.	Metzen	Riveness	

So the bill passed and its title was agreed to.

S.F. No. 252: A bill for an act relating to housing; authorizing a multi-county housing and redevelopment authority to appoint additional commissioners; amending Minnesota Statutes 1990, section 469.006, 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Mondale	Sams
Beckman	DeCramer	Kelly	Morse	Samuelson
Belanger	Dicklich	Kroening	Neuville	Solon
Benson, D.D.	Finn	Laidig	Novak	Spear
Berg	Flynn	Larson	Olson	Storm
Berglin	Frank	Lessard	Pariseau	Stumpf
Bernhagen	Frederickson, D.J.	Luther	Piper	Traub
Bertram	Frederickson, D.R.	Marty	Pogemiller	Vickerman
Brataas	Hottinger	McGowan	Price	Waldorf
Chmielewski	Hughes	Mehrkens	Ranum	
Cohen	Johnson, D.E.	Merriam	Reichgott	
Dahl	Johnson, D.J.	Metzen	Renneke	
Davis	Johnson, J.B.	Moe, R.D.	Riveness	

So the bill passed and its title was agreed to.

S.F. No. 437: A bill for an act relating to agriculture; changing the shade tree disease and wood use programs; amending Minnesota Statutes 1990, sections 18.023, subdivisions 10a and 11; and 18.024, subdivision 1.

Was read the third time 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	Day	Johnson, J.B.	Merriam	Reichgott
Beckman	DeCramer	Johnston	Metzen	Renneke
Belanger	Dicklich	Kelly	Moe, R.D.	Riveness
Benson, D.D.	Finn	Knaak	Mondale	Sams
Berg	Flynn	Kroening	Morse	Samuelson
Berglin	Frank	Laidig	Neuville	Solon
Bernhagen	Frederickson, D.J.	Langseth	Novak	Spear
Bertram	Frederickson, D.R.	Larson	Olson	Storm
Brataas	Gustafson	Lessard	Pariseau	Stumpf
Chmielewski	Hottinger	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 187: A bill for an act relating to mental health; authorizing competent persons to make advance declarations regarding mental health treatment; requiring certain notices to be given to the designated agency; amending Minnesota Statutes 1990, sections 253B.03; 253B.18, subdivisions 4b and 5; and 253B.19, subdivision 2.

Was read the third time 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	Day	Johnson, J.B.	Merriam	Reichgott
Beckman	DeCramer	Johnston	Metzen	Renneke
Belanger	Dicklich	Kelly	Moe, R.D.	Riveness
Benson, D.D.	Finn	Knaak	Mondale	Sams
Berg	Flynn	Kroening	Morse	Samuelson
Berglin	Frank	Laidig	Neuville	Solon
Bernhagen	Frederickson, D.J.	Langseth	Novak	Spear
Bertram	Frederickson, D.R.	Larson	Olson	Storm
Brataas	Gustafson	Lessard	Pariseau	Stumpf
Chmielewski	Hottinger	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 154: 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 1990, section 327C.095, subdivision 1, and 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.J.	Merriam	Ranum
Beckman	DeCramer	Johnson, J.B.	Metzen	Renneke
Belanger	Dicklich	Johnston	Moe, R. D.	Riveness
Benson, D.D.	Finn	Kelly	Mondale	Sams
Berg	Flynn	Knaak	Morse	Samuelson
Berglin	Frank	Laidig	Neuville	Solon
Bernhagen	Frederickson, D.J.	Langseth	Novak	Spear
Bertram	Frederickson, D.R.	Larson	Olson	Storm
Chmielewski	Gustafson	Luther	Pariseau	Stumpf
Cohen	Hottinger	Marty	Piper	Traub
Dahl	Hughes	McGowan	Pogemiller	Vickerman
Davis	Johnson, D.E.	Mehrkens	Price	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 561: A bill for an act relating to natural resources; authorizing certain minors to harvest wild rice without a license; amending Minnesota Statutes 1990, section 84.091, subdivision 2.

Was read the third time 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:

Beckman	DeCramer	Johnston	Metzen	Sams
Belanger	Dicklich	Kelly	Moe, R. D.	Samuelson
Benson, D.D.	Finn	Knaak	Mondale	Solon
Berg	Flynn	Kroening	Morse	Spear
Berglin	Frank	Laidig	Neuville	Storm
Bernhagen	Frederickson, D.J.	Langseth	Olson	Stumpf
Bertram	Frederickson, D.R.	Larson	Piper	Traub
Brataas	Gustafson	Lessard	Pogemiller	Vickerman
Chmielewski	Hottinger	Luther	Price	Waldorf
Cohen	Hughes	Marty	Ranum	
Dahl	Johnson, D.E.	McGowan	Reichgott	
Davis	Johnson, D.J.	Mehrkens	Renneke	
Day	Johnson, J.B.	Merriam	Riveness	

So the bill passed and its title was agreed to.

S.F. No. 638: A bill for an act relating to elections; providing directions for the preparation of ballot instructions; amending Minnesota Statutes 1990, section 204B.36, 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	Day	Johnson, J.B.	Merriam	Reichgott
Beckman	DeCramer	Johnston	Metzen	Renneke
Belanger	Dicklich	Kelly	Moe, R. D.	Riveness
Benson, D.D.	Finn	Knaak	Mondale	Sams
Berg	Flynn	Kroening	Morse	Samuelson
Berglin	Frank	Laidig	Neuville	Solon
Bernhagen	Frederickson, D.J.	Langseth	Novak	Spear
Bertram	Frederickson, D.R.	Larson	Olson	Storm
Brataas	Gustafson	Lessard	Pariseau	Stumpf
Chmielewski	Hottinger	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.



S.F. No. 636: A bill for an act relating to local government; enlarging authority to participate in certain federal loan programs; amending Minnesota Statutes 1990, section 465.73.

Was read the third time 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	DeCramer	Johnston	Moe, R.D.	Riveness
Beckman	Dicklich	Kelly	Mondale	Sams
Belanger	Finn	Knaak	Morse	Samuelson
Benson, D.D.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pariseau	Stumpf
Bertram	Gustafson	Lessard	Piper	Traub
Chmielewski	Hottinger	Luther	Pogemiller	Vickerman
Cohen	Hughes	Marty	Price	Waldorf
Dahl	Johnson, D.E.	McGowan	Ranum	
Davis	Johnson, D.J.	Mehrkens	Reichgott	
Day	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

**GENERAL ORDERS**

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. No. 539, which the committee recommends to pass.

H.F. No. 646, which the committee recommends to pass, subject to the following motion:

Mr. Solon moved that the amendment made to H.F. No. 646 by the Committee on Rules and Administration in the report adopted March 27, 1991, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

**MOTIONS AND RESOLUTIONS**

**RECESS**

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

### APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 196: Mr. Bertram, Ms. Johnson, J.B. and Mr. Laidig.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

Mr. Cohen moved that S.F. No. 28 be withdrawn from the Committee on Elections and Ethics and re-referred to the Committee on Redistricting. 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. Dahl introduced—

S.F. No. 1091: A bill for an act relating to waste; extending the date for incinerator ash to be considered special waste; amending Minnesota Statutes 1990, section 115A.97, subdivision 4.

Referred to the Committee on Environment and Natural Resources.

Mrs. Adkins, Mr. Frederickson, D.J. and Ms. Flynn introduced—

S.F. No. 1092: A bill for an act relating to human services; requiring notice of changes in documentation requirements; increasing the other operating cost limit; adjusting the efficiency incentive; modifying the appeal process; appropriating money; amending Minnesota Statutes 1990, sections 256B.431, subdivision 1, and by adding a subdivision; and 256B.50, subdivision 1d.

Referred to the Committee on Health and Human Services.

Ms. Johnson, J.B. introduced—

S.F. No. 1093: A bill for an act relating to education; changing the definition of a student's attendance area for purposes of authorizing state transportation aid; amending Minnesota Statutes 1990, section 124.223, subdivision 1.

Referred to the Committee on Education.

Messrs. Kelly and Finn introduced—

S.F. No. 1094: A bill for an act relating to corrections; providing for reimbursement for certain sentences; proposing coding for new law in Minnesota Statutes, chapter 401.

Referred to the Committee on Health and Human Services.

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

S.F. No. 1095: A bill for an act relating to taxation; excluding medical expense deductions from alternative minimum taxable income; amending

Minnesota Statutes 1990, section 290.091, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Finn, Solon, Samuelson and Dicklich introduced—

S.F. No. 1096: A bill for an act relating to commerce; restraint of trade; prohibiting the charging of unconscionable prices for motor fuel; providing for investigations, enforcement, and remedies; establishing a volunteer corps to aid in enforcement; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 325D.

Referred to the Committee on Commerce.

Messrs. Dahl and Benson, D.D. introduced—

S.F. No. 1097: A bill for an act relating to taxation; property; extending the open space property tax benefits to equestrian property owned by certain organizations; providing for agricultural classification of certain property; amending Minnesota Statutes 1990, sections 273.112, subdivision 3; and 273.13, subdivision 23.

Referred to the Committee on Taxes and Tax Laws.

Mr. Chmielewski introduced—

S.F. No. 1098: A bill for an act relating to taxation; property; providing a special levy for libraries; amending Minnesota Statutes 1990, section 275.50, subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Beckman, Knaak, Solon, Ms. Piper and Mr. McGowan introduced—

S.F. No. 1099: A bill for an act relating to insurance; regulating claim denial; requiring chemical dependency claim reviewers to meet certain qualifications; requiring insurers to file an annual report on evaluations with the commissioner of commerce; amending Minnesota Statutes 1990, section 72A.201, subdivision 8.

Referred to the Committee on Commerce.

Mses. Pappas, Piper and Mr. Spear introduced—

S.F. No. 1100: A bill for an act relating to occupations and professions; creating a board of massage therapy; providing rulemaking authority; amending Minnesota Statutes 1990, section 214.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Health and Human Services.

Messrs. Beckman, Gustafson and Dicklich introduced—

S.F. No. 1101: A bill for an act relating to utilities; authorizing the public utilities commission to allow recovery of utility operating expenses associated with certain economic or community development activities; amending Minnesota Statutes 1990, sections 216B.02, by adding a subdivision; and 216B.16, subdivision 8, and by adding a subdivision.

Referred to the Committee on Energy and Public Utilities.

Messrs. Johnson, D.E.; Chmielewski; Johnson, D.J.; Benson, D.D. and Riveness introduced—

S.F. No. 1102: A bill for an act relating to state parks; authorizing land acquisition within certain state parks; appropriating money.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 1103: A bill for an act relating to economic development; appropriating money for grants to small businesses between phases of the federal Small Business Innovation Research Program.

Referred to the Committee on Economic Development and Housing.

Mr. Solon introduced—

S.F. No. 1104: A bill for an act relating to taxation; exempting certain printed materials from the sales tax; amending Minnesota Statutes 1990, section 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Solon introduced—

S.F. No. 1105: A bill for an act relating to taxation; exempting certain capital equipment used in the printing industry from the sales and use tax; amending Minnesota Statutes 1990, section 297A.25, subdivision 10, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. McGowan introduced—

S.F. No. 1106: A bill for an act relating to health; asbestos abatement; clarifying standards and licensing requirements for asbestos abatement; amending Minnesota Statutes 1990, sections 326.71, subdivisions 3, 4, 5, 6, 8, and by adding subdivisions; 326.72; 326.73; 326.74; 326.75, subdivisions 1, 2, and 3; 326.76; 326.78; 326.79; 326.80; and 326.81; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Statutes 1990, sections 326.71, subdivision 7; and 326.75, subdivision 4.

Referred to the Committee on Health and Human Services.

Ms. Johnson, J.B.; Messrs. Dicklich, DeCramer, Beckman and Ms. Reichgott introduced—

S.F. No. 1107: A bill for an act relating to education; authorizing pilot outcome-based schools authorized by school boards.

Referred to the Committee on Education.

Messrs. Morse, Gustafson, Mehrkens and Solon introduced—

S.F. No. 1108: A bill for an act relating to occupations and professions; providing for the licensing of maintenance plumbers for hospitals and nursing

homes; providing for rulemaking; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Health and Human Services.

Messrs. Morse, Solon, Hottinger and Mrs. Benson, J.E. introduced—

S.F. No. 1109: A bill for an act relating to commerce; requiring additional license for motor vehicle lessor, wholesaler, or auctioneer when establishing additional place of doing business in a second class city outside of the metropolitan area; amending Minnesota Statutes 1990, section 168.27, subdivision 10.

Referred to the Committee on Commerce.

Messrs. Moe, R.D.; Stumpf; Finn and Lessard introduced—

S.F. No. 1110: A bill for an act relating to agriculture; abolishing refund of checkoff fee paid by paddy wild rice producers; amending Minnesota Statutes 1990, section 17.63.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Dicklich, Knaak and Pogemiller introduced—

S.F. No. 1111: A bill for an act relating to education; permitting school district employees to be reimbursed for the costs of defending against criminal charges; amending Minnesota Statutes 1990, section 123.35, by adding a subdivision.

Referred to the Committee on Education.

Ms. Johnson, J.B.; Messrs. DeCramer; Moe, R.D.; Marty and Johnson, D.J. introduced—

S.F. No. 1112: A bill for an act relating to energy; providing incentives for renewable energy sources of utility power; amending Minnesota Statutes 1990, sections 216B.03; 216B.164, subdivision 3; and 272.02, subdivision 1.

Referred to the Committee on Energy and Public Utilities.

Mr. Stumpf introduced—

S.F. No. 1113: A bill for an act relating to taxation; restoring a payment of certain homestead and agricultural credit aid to the Red Lake watershed district; appropriating money.

Referred to the Committee on Finance.

Ms. Olson introduced—

S.F. No. 1114: A bill for an act relating to taxation; providing for distribution of penalties and interest on property taxes payable to a tax increment financing district; amending Minnesota Statutes 1990, section 276.131.

Referred to the Committee on Economic Development and Housing.

Messrs. Mehrkens, McGowan, Langseth, Beckman and Vickerman introduced—

S.F. No. 1115: A bill for an act relating to drug enforcement; authorizing an additional levy by counties for drug abuse resistance education; authorizing reimbursement of local government units and county law enforcement agencies who assign peace officers to teach drug abuse resistance education in schools; requiring certification of peace officers who teach drug abuse resistance education curricula in schools; amending Minnesota Statutes 1990, section 299A.33, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 299A.

Referred to the Committee on Judiciary.

Messrs. Vickerman and DeCramer introduced—

S.F. No. 1116: A bill for an act relating to counties; permitting counties to spend money for broadcast facilities; amending Minnesota Statutes 1990, section 375.164.

Referred to the Committee on Local Government.

Mr. Luther and Ms. Pappas introduced—

S.F. No. 1117: A bill for an act relating to insurance; accident and health; establishing minimum loss ratios for certain noncomprehensive policies; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce.

Mr. Luther introduced—

S.F. No. 1118: A bill for an act relating to commerce; franchises; regulating assignments, transfers, and sales; amending Minnesota Statutes 1990, section 80C.14, subdivision 5.

Referred to the Committee on Commerce.

Ms. Ranum, Messrs. Solon, Merriam and Luther introduced—

S.F. No. 1119: A bill for an act relating to insurance; the Minnesota comprehensive health insurance plan; regulating meetings and experimental delivery and managed care delivery methods; authorizing preferred provider networks; classifying PPO agreement data; regulating access; amending Minnesota Statutes 1990, sections 62E.10, subdivisions 4 and 9; 62E.12; 62E.13, by adding a subdivision; and 62E.14, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62E.

Referred to the Committee on Commerce.

Mr. Finn, Ms. Reichgott, Messrs. Neuville, Cohen and Luther introduced—

S.F. No. 1120: A bill for an act relating to the secretary of state; changing certain fees, deadlines, and procedures; providing for supplemental filing and information services; providing for removal of documents from the public record; clarifying certain language; amending Minnesota Statutes 1990, sections 5.03; 5.16, subdivision 5; 302A.821, subdivisions 3, 4, and

5; 303.07, subdivision 2; 303.08; 303.13, subdivision 1; 303.17, subdivision 1; 308A.131, subdivision 1; 308A.801, subdivision 6; 317A.821, subdivision 2; 317A.823; 317A.827, subdivision 1; and 331A.02, subdivision 1; Laws 1989, chapter 236, section 12; proposing coding for new law in Minnesota Statutes, chapter 5.

Referred to the Committee on Judiciary.

Messrs. Novak, Price, Chmielewski, Knaak and Ms. Traub introduced—

S.F. No. 1121: A bill for an act relating to taxation; reducing the property tax class rate applied to certain homesteads; conforming income tax provisions with changes in federal income tax laws; amending Minnesota Statutes 1990, sections 273.13, subdivision 22; 290.01, subdivisions 19 and 19a; 290.067, subdivision 1; and 290.92, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Benson, J.E.; Messrs. Day, Neuville, Mrs. Adkins and Mr. Hottinger introduced—

S.F. No. 1122: A bill for an act relating to local government; permitting public officers to rent space in public facilities; amending Minnesota Statutes 1990, section 471.88, by adding a subdivision.

Referred to the Committee on Local Government.

Mr. Cohen, Ms. Pappas, Messrs. Knaak, Price and Kelly introduced—

S.F. No. 1123: A bill for an act relating to transportation; authorizing the commissioner of transportation to construct light rail transit; abolishing the authority of metropolitan regional rail authorities to levy a property tax for light rail transit; imposing a one-half of one percent sales tax in the metropolitan counties; requiring plans; establishing a demonstration light rail transit facility in the central corridor; amending Minnesota Statutes 1990, sections 297A.02, by adding a subdivision; 297A.44, subdivision 1; 398A.04, by adding a subdivision; 473.399, by adding a subdivision; 473.3993, subdivisions 2, 3, and by adding a subdivision; 473.3994; 473.3996; and 473.4051; proposing coding for new law in Minnesota Statutes, chapters 174 and 473; repealing Minnesota Statutes 1990, section 473.3994, subdivision 6; and Laws 1989, chapter 339, section 21.

Referred to the Committee on Transportation.

Messrs. Mondale, Laidig, Cohen, Ms. Flynn and Mr. Frank introduced—

S.F. No. 1124: A bill for an act relating to metropolitan government; providing for an advisory task force on metropolitan planning and development; directing the metropolitan council to conduct a study.

Referred to the Committee on Metropolitan Affairs.

Messrs. Novak, Luther, Dahl, Metzen and Kelly introduced—

S.F. No. 1125: A bill for an act relating to taxation; property; modifying certain definitions in the fiscal disparities program; amending Minnesota Statutes 1990, section 473F.02, subdivisions 12 and 13.

Referred to the Committee on Metropolitan Affairs.

Ms. Johnson, J.B. and Mr. Waldorf introduced—

S.F. No. 1126: A bill for an act relating to local government; providing procedures for storm sewer improvements; amending Minnesota Statutes 1990, section 444.18, by adding a subdivision; repealing Minnesota Statutes 1990, section 444.18, subdivision 2.

Referred to the Committee on Local Government.

Mr. Vickerman introduced—

S.F. No. 1127: A bill for an act relating to human services; exempting intermediate care facilities for persons with mental retardation or related conditions from certain additional state human services rules.

Referred to the Committee on Health and Human Services.

Messrs. Luther, Cohen, Solon, Spear and Hottinger introduced—

S.F. No. 1128: A bill for an act relating to insurance; providing for replacement cost insurance coverage for personal property; prohibiting insurers from requiring more than one residential renter's insurance policy be written to cover a single household; amending Minnesota Statutes 1990, section 65A.10; proposing coding for new law in Minnesota Statutes, chapter 65A.

Referred to the Committee on Commerce.

Mr. Lessard introduced—

S.F. No. 1129: A bill for an act relating to water and wastewater treatment; expanding the authority of municipalities to contract for private design and construction of water and wastewater treatment facilities; amending Minnesota Statutes 1990, section 471.371, subdivisions 2, 4, and 5; repealing Minnesota Statutes 1990, section 471.371, subdivisions 1 and 6.

Referred to the Committee on Local Government.

Mr. Lessard introduced—

S.F. No. 1130: A bill for an act relating to labor; regulating wages paid on Sundays and legal holidays; amending Minnesota Statutes 1990, section 177.25, by adding a subdivision.

Referred to the Committee on Employment.

Messrs. McGowan and Johnson, D.E. introduced—

S.F. No. 1131: A bill for an act relating to traffic regulations; authorizing cities to establish speed zones on local streets; amending Minnesota Statutes 1990, section 169.14, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Riveness and Belanger introduced—

S.F. No. 1132: A bill for an act relating to metropolitan government; providing for the disposition of property at the Bloomington metropolitan



sports facilities site, and the satisfaction of various related interests.

Referred to the Committee on Metropolitan Affairs.

Messrs. Novak and Mondale introduced—

S.F. No. 1133: A bill for an act relating to local government; permitting municipal corporations to acquire a material for water treatment without bond; proposing coding for new law in Minnesota Statutes, chapter 574.

Referred to the Committee on Environment and Natural Resources.

Messrs. Novak, Bertram, Dahl, Lessard and Bernhagen introduced—

S.F. No. 1134: A bill for an act relating to the environment; petrofund; amending Minnesota Statutes 1990, sections 115C.09, subdivisions 1, 2, 3, and 5; 116.46, subdivision 7; 116.491, subdivision 1; and 116.50; proposing coding for new law in Minnesota Statutes, chapter 115C.

Referred to the Committee on Environment and Natural Resources.

Messrs. Dahl, Merriam, Morse and Price introduced—

S.F. No. 1135: A bill for an act relating to the environment; providing for the Minnesota releaf program; creating an advisory task force; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 88.

Referred to the Committee on Environment and Natural Resources.

Mr. Kelly, Ms. Pappas, Messrs. Cohen and Waldorf introduced—

S.F. No. 1136: A bill for an act relating to public safety; providing for Ramsey county police department; appropriating money.

Referred to the Committee on Local Government.

Ms. Pappas, Messrs. Kroening, Solon, Metzen and Mrs. Benson, J.E. introduced—

S.F. No. 1137: A bill for an act relating to housing; redefining eligibility requirement for targeted neighborhoods; appropriating money; amending Minnesota Statutes 1990, sections 466A.01, subdivision 2; 466A.02, subdivision 2; and 466A.05, subdivision 2.

Referred to the Committee on Economic Development and Housing.

Mr. Solon, Ms. Piper, Messrs. Vickerman and Samuelson introduced—

S.F. No. 1138: A bill for an act relating to human services; requiring the commissioner of human services to waive certain state mandates; proposing coding for new law in Minnesota Statutes, chapter 256E.

Referred to the Committee on Health and Human Services.

Mr. Solon introduced—

S.F. No. 1139: A bill for an act relating to retirement; major and statewide retirement plans; crediting service and salary when back pay is awarded in

the event of a wrongful discharge; proposing coding for new law in Minnesota Statutes, chapter 356.

Referred to the Committee on Governmental Operations.

Ms. Traub, Mr. Metzen, Mrs. Pariseau, Messrs. Renneke and McGowan introduced—

S.F. No. 1140: A bill for an act relating to metropolitan transit; providing for financial assistance to and the administration of opt-out transit service programs; amending Minnesota Statutes 1990, sections 473.375, subdivisions 13 and 15; 473.377, subdivision 1; and 473.388.

Referred to the Committee on Transportation.

Mr. Solon introduced—

S.F. No. 1141: A bill for an act relating to legal actions; damages with respect to lost coverage in the event of a wrongful dismissal of a public employee; establishing a measure for damages; proposing coding for new law in Minnesota Statutes, chapters 356 and 548.

Referred to the Committee on Governmental Operations.

Mr. Davis introduced—

S.F. No. 1142: A bill for an act relating to agricultural finance; changing certain provisions of the rural finance authority's beginning farmer program; amending Minnesota Statutes 1990, sections 41B.03, subdivision 3; 41B.036; and 41B.039, subdivision 2.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Dicklich, Pogemiller, Mehrkens, Ms. Olson and Mr. Dahl introduced—

S.F. No. 1143: A bill for an act relating to education; proposing a Minnesota schools of excellence pilot program; appropriating money; amending Minnesota Statutes 1990, section 121.612, subdivision 4.

Referred to the Committee on Education.

Mr. Laidig introduced—

S.F. No. 1144: A bill for an act relating to education; increasing special education teacher salary aid ceilings; amending Minnesota Statutes 1990, sections 124.32, subdivision 1b; and 124.574, subdivision 2b.

Referred to the Committee on Education.

Mr. Kelly introduced—

S.F. No. 1145: A bill for an act relating to evidence; allowing evidence regarding a child passenger restraint system in certain criminal actions; amending Minnesota Statutes 1990, section 169.685, subdivision 4.

Referred to the Committee on Judiciary.

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

S.F. No. 1146: A bill for an act relating to highways; designating state highways within wild, scenic, and recreational river corridors as possessing natural, scenic, historical, and aesthetic characteristics; protecting and maintaining these characteristics; allowing commissioner of transportation to provide state-aid funding; providing for liability; amending Minnesota Statutes 1990, section 86A.05, by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Stumpf introduced—

S.F. No. 1147: A bill for an act relating to education; appropriating money for a telecommunications grant to the Goodridge school district.

Referred to the Committee on Education.

Messrs. Frederickson, D.J.; Johnson, D.E.; Stumpf and Beckman introduced—

S.F. No. 1148: A bill for an act relating to education; establishing a state system of technical colleges; amending Minnesota Statutes 1990, sections 43A.08, subdivision 1; 136C.04, subdivisions 3, 5, 12, 13, 14, 18, and by adding a subdivision; 136C.08, subdivision 1; 136C.15; 136C.31, subdivision 1; 136C.41, by adding a subdivision; 136C.44; 136D.21; 136D.30; 136D.73, subdivisions 2 and 4a; 136D.75; 136D.81, subdivision 1; 179A.10, subdivisions 1 and 2; and 275.125, subdivision 14a; proposing coding for new law in Minnesota Statutes, chapter 136C; repealing Minnesota Statutes 1990, sections 136C.02, subdivisions 6 to 9; 136C.04, subdivision 16; 136C.041; 136C.05; 136C.07, subdivisions 4, 5, and 5a; 136C.36; 136C.60 to 136C.69; 136D.77; 136D.81, subdivision 2; and 136D.91, subdivision 1.

Referred to the Committee on Education.

Messrs. Finn; Frederickson, D.R. and Morse introduced—

S.F. No. 1149: A bill for an act relating to the building code; clarifying the basis of building code review fees; amending Minnesota Statutes 1990, section 16B.61, subdivision 1a.

Referred to the Committee on Governmental Operations.

Messrs. Cohen, Spear, Marty and Kelly introduced—

S.F. No. 1150: A bill for an act relating to crimes; juveniles; making an adult criminally liable for procuring or hiring a juvenile to commit an offense; providing that an offense resulting in an adjudication of delinquency is a criminal act for purposes of the racketeering law; amending Minnesota Statutes 1990, sections 609.05, subdivision 4, and by adding a subdivision; and 609.902, subdivision 4.

Referred to the Committee on Judiciary.

Mr. Pogemiller introduced—

S.F. No. 1151: A bill for an act relating to taxation; expanding eligibility for the child care credit; amending Minnesota Statutes 1990, section

290.067, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. DeCramer; Solon; Mehrkens; Moe, R.D. and Riveness introduced—

S.F. No. 1152: A bill for an act relating to motor vehicles; authorizing the registrar of motor vehicles to prorate the original registration on groups of passenger motor vehicles presented to St. Paul by a lessor; amending Minnesota Statutes 1990, section 168.017, subdivision 3.

Referred to the Committee on Transportation.

Mr. Chmielewski introduced—

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

Referred to the Committee on Employment.

Mr. Kelly introduced—

S.F. No. 1154: A bill for an act relating to stepparents; designating Stepparents Day; proposing coding for new law in Minnesota Statutes, chapter 10.

Referred to the Committee on Veterans and General Legislation.

Mr. Laidig introduced—

S.F. No. 1155: A bill for an act relating to real property; providing for cause of action on an interest in real property of a married person when the property was conveyed by the person's spouse before March 1, 1977; amending Minnesota Statutes 1990, section 519.101.

Referred to the Committee on Judiciary.

Ms. Pappas, Mrs. Benson, J.E. and Mr. Mondale introduced—

S.F. No. 1156: A bill for an act relating to education; assuring that each blind student receives an individualized Braille literacy assessment and appropriate educational services resulting from the assessment; establishing standards of proficiency and instruction for Braille literacy; requiring the licensure of teachers of blind students in accord with Braille literacy standards; proposing coding for new law in Minnesota Statutes, chapter 120.

Referred to the Committee on Education.

Ms. Piper introduced—

S.F. No. 1157: A bill for an act relating to local government; permitting certain cities to make a levy for peace officer costs; amending Minnesota Statutes 1990, section 275.50, subdivision 5a.

Referred to the Committee on Taxes and Tax Laws.

Mr. Frederickson, D.R. introduced—

S.F. No. 1158: A bill for an act relating to public safety; providing for revocation of driver's licenses and permits, motor vehicle registration certificates, and motor vehicle certificates of title when persons pay for issuance of these documents with bad checks; proposing coding for new law in Minnesota Statutes, chapter 299A.

Referred to the Committee on Transportation.

Mr. Bernhagen introduced—

S.F. No. 1159: A bill for an act relating to education; authorizing the Hutchinson school district to levy for payments on a certain lease purchase agreement.

Referred to the Committee on Education.

Messrs. Frederickson, D.J.; Berg; Mrs. Adkins, Messrs. Johnson, D.E. and Chmielewski introduced—

S.F. No. 1160: A bill for an act relating to local government; providing for the organization, administration, and operation of a hospital district in the county of Swift and the city of Benson.

Referred to the Committee on Local Government.

Mr. Kroening introduced—

S.F. No. 1161: A bill for an act relating to retirement; adding a surviving spouse to the board of trustees of the Minneapolis police relief association; amending Laws 1965, chapter 493, section 3, as amended.

Referred to the Committee on Governmental Operations.

Mr. Day introduced—

S.F. No. 1162: A bill for an act relating to game and fish; requiring certain hunters to have completed firearms safety and wildlife identification courses; amending Minnesota Statutes 1990, section 97A.405, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Johnson, D.J. introduced—

S.F. No. 1163: A bill for an act relating to human services; adoption; making local agencies liable for costs relating to a condition of the child that the agency knew about but did not disclose to the adoptive parents; proposing coding for new law in Minnesota Statutes, chapter 259.

Referred to the Committee on Health and Human Services.

Mr. Johnson, D.J. introduced—

S.F. No. 1164: A bill for an act relating to local government; permitting the city of Biwabik and the town of White to establish a joint east range economic development authority.

Referred to the Committee on Economic Development and Housing.

Mr. Kelly introduced—

S.F. No. 1165: A bill for an act relating to animals; changing disposition of certain seized animals; amending Minnesota Statutes 1990, section 35.71, subdivision 3.

Referred to the Committee on Veterans and General Legislation.

Messrs. Stumpf, Morse and Waldorf introduced—

S.F. No. 1166: A bill for an act relating to education; requiring the development of policies for students with disabilities in post-secondary institutions; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

Mr. Cohen, Mses. Flynn, Reichgott, Messrs. Bernhagen and Novak introduced—

S.F. No. 1167: A bill for an act relating to taxation; requiring the metropolitan council to levy a tax for support of nonprofit arts organizations; providing for distribution of the proceeds as determined by the state board of the arts; amending Minnesota Statutes 1990, sections 129D.01; 129D.04, subdivisions 1 and 2; 473.13, subdivisions 1 and 2; and 473.249, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 129D.

Referred to the Committee on Veterans and General Legislation.

Mr. Waldorf, Ms. Flynn, Messrs. Merriam and DeCramer introduced—

S.F. No. 1168: A bill for an act relating to public employment; transferring certain state employees from the unclassified to the classified service; requiring rules for evaluating the performance of arbitrators; establishing deadlines for certain steps in the arbitration process; establishing a procedure for setting the dates for meetings of arbitration panels; amending Minnesota Statutes 1990, sections 11A.07, subdivision 4; 43A.08, subdivisions 1, 1a, and by adding a subdivision; 43A.18, subdivision 4; 43A.37, subdivision 1; 116K.04, subdivision 5; 136A.03; 179A.05, subdivision 6; 179A.16, subdivisions 4, 6, and 7; and 349A.02, subdivision 4; repealing Minnesota Statutes 1990, section 352D.02, subdivision 1b.

Referred to the Committee on Governmental Operations.

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

S.F. No. 1169: A bill for an act relating to elections; establishing additional standards for county and city redistricting plans regarding population equality, protection of minority populations, and preservation of communities of interest; amending Minnesota Statutes 1990, sections 205.84, subdivision 1; and 375.025, subdivision 1.

Referred to the Committee on Redistricting.

Ms. Reichgott and Mr. Gustafson introduced—

S.F. No. 1170: A bill for an act relating to taxation; extending the seasonal residential and recreational property tax refund to taxes payable in 1991; amending Minnesota Statutes 1990, section 290A.04, subdivision 2i.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Luther; Solon; Johnson, D.J.; Ms. Reichgott and Mr. Belanger introduced—

S.F. No. 1171: A bill for an act relating to corporations; requiring the commissioner of commerce to collect and analyze information about non-profit corporations; requiring a report.

Referred to the Committee on Commerce.

Mr. Kelly and Ms. Pappas introduced—

S.F. No. 1172: A bill for an act relating to the city of St. Paul; providing certain economic development authority.

Referred to the Committee on Economic Development and Housing.

Mr. DeCramer introduced—

S.F. No. 1173: A bill for an act relating to motor carriers; allowing motor carrier certificate to be suspended or revoked for certain violations; amending Minnesota Statutes 1990, section 221.021.

Referred to the Committee on Transportation.

Mr. Sams introduced—

S.F. No. 1174: A bill for an act relating to water; setting a minimum water use processing fee for water use permits issued for irrigation; amending Minnesota Statutes 1990, section 103G.271, subdivision 6.

Referred to the Committee on Environment and Natural Resources.

Mr. DeCramer introduced—

S.F. No. 1175: A bill for an act relating to motor carriers; adopting federal out-of-service criteria for motor carriers; amending Minnesota Statutes 1990, sections 221.031, by adding a subdivision; and 221.605, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Benson, D.D.; Merriam; Larson and Neuville introduced—

S.F. No. 1176: A bill for an act relating to health care; promoting the availability of health insurance for small employers; establishing mechanisms for containing health care costs; requiring long-term goals for improving the health of Minnesotans; requiring studies; establishing an office of rural health; establishing requirements to improve access to health services in rural areas; establishing a pilot project for uninsured low-income persons; amending Minnesota Statutes 1990, sections 136A.1355, subdivisions 2 and 3; 144.147, subdivision 4; 144.698, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 136A and 144; proposing coding

for new law as Minnesota Statutes, chapter 62K; repealing Minnesota Statutes 1990, section 144.70.

Referred to the Committee on Health and Human Services.

Mr. Merriam introduced—

S.F. No. 1177: A bill for an act relating to taxation; exempting certain land exchange deeds and conveyances from the state deed tax; amending Minnesota Statutes 1990, section 287.22.

Referred to the Committee on Taxes and Tax Laws.

Mr. Merriam introduced—

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

Referred to the Committee on Elections and Ethics.

Mr. Pogemiller introduced—

S.F. No. 1179: A bill for an act relating to public finance; providing conditions and requirements for the issuance of debt and for the financial obligations of authorities; amending Minnesota Statutes 1990, sections 287.06; 400.101; 429.061, subdivision 3; 447.49; 469.155, subdivision 12; 473.811, subdivision 2; 475.58, subdivision 2; 475.60, subdivision 1; 475.66, subdivision 3; and 475.67, subdivisions 3 and 8; proposing coding for new law in Minnesota Statutes, chapter 469; repealing Minnesota Statutes 1990, section 475.60, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

### **MOTIONS AND RESOLUTIONS**

Mr. Benson moved that the name of Mr. Solon be added as a co-author to S.F. No. 1176. The motion prevailed.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, April 4, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



## TWENTY-NINTH DAY

St. Paul, Minnesota, Thursday, April 4, 1991

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

### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rabbi Howard Siegel.

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

Adkins	Day	Johnson, D.J.	Mehrkens	Ranum
Beckman	DeCramer	Johnson, J.B.	Merriam	Reichgott
Belanger	Dicklich	Johnston	Metzen	Renneke
Benson, D.D.	Finn	Kelly	Moe, R. D.	Riveness
Benson, J.E.	Flynn	Knaak	Mondale	Sams
Berg	Frank	Kroening	Morse	Samuelson
Berglin	Frederickson, D.J.	Laidig	Neuville	Solon
Bernhagen	Frederickson, D.R.	Langseth	Novak	Spear
Bertram	Gustafson	Larson	Olson	Storm
Brataas	Halberg	Lessard	Pariseau	Stumpf
Cohen	Hottinger	Luther	Piper	Traub
Dahl	Hughes	Marty	Pogemiller	Vickerman
Davis	Johnson, D.E.	McGowan	Price	Waldorf

The President declared a quorum present.

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

### MEMBERS EXCUSED

Mr. Chmielewski and Ms. Pappas were excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

March 18, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

The following appointments are hereby respectfully submitted to the Senate for confirmation as requested by law:

**JUDGE, WORKERS' COMPENSATION COURT OF APPEALS**

Debra A. Wilson, 2153 Highland Parkway, St. Paul, Ramsey County, Minnesota, has been appointed by me, effective March 20, 1991, for a term expiring on the first Monday in January, 1997.

**JUDGE, WORKERS' COMPENSATION COURT OF APPEALS**

Steven D. Wheeler, 101 Norman Ridge Drive, Bloomington, Hennepin County, Minnesota, has been appointed by me, effective March 20, 1991, for a term expiring on the first Monday in January, 1997.

(Referred to the Committee on Employment.)

Warmest regards,  
Arne H. Carlson, Governor

March 28, 1991

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

The Honorable Jerome M. Hughes  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1991 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1991	Date Filed 1991
	275	12	3:30 p.m. March 27	March 28
393		13	3:29 p.m. March 27	March 28
7		14	3:27 p.m. March 27	March 28

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. 75 and 468.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 2, 1991

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. 5: A House concurrent resolution adopting Permanent Joint Rules of the House of Representatives and Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 2, 1991

Mr. Moe, R.D. moved that House Concurrent Resolution No. 5 be referred to the Committee on Rules and Administration. 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. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 793: A bill for an act relating to the environment; establishing maximum content levels of mercury in batteries; prohibiting certain batteries; amending Minnesota Statutes 1990, sections 115A.9155, subdivision 2; 325E.125, subdivision 2, and by adding a subdivision; and 325E.1251.

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

Page 1, line 16, after "each" insert "*final*"

Page 2, line 4, delete everything after the comma

Page 2, delete lines 5 to 8 and insert "*a manufacturer shall make reasonable efforts to provide the final consumer of the battery, in a clear and conspicuous manner, a telephone number that the consumer can call to obtain information on*"

Page 2, line 9, delete everything before "*specific*"

Page 2, line 10, delete "*to the manufacturer*" and before the period, insert "*or proper disposal*"

Page 2, after line 10, insert:

*"The manufacturer shall provide the telephone number to the commissioner of the agency."*

Page 2, line 34, strike "*Notwithstanding paragraph (a),*"

Page 2, line 36, strike "*button cell*"

Page 3, line 1, delete the new language

Page 3, line 2, after the period, insert "*On application by a manufacturer, the commissioner of the pollution control agency may extend the deadline for compliance with this requirement until no later than January 1, 1994, for batteries designed to replace batteries subject to paragraph (d)."*

Page 3, delete lines 6 to 10 and insert:

*"(e) After January 1, 1996, a manufacturer may not sell, distribute, or offer for sale in this state an alkaline manganese battery (except an alkaline manganese button cell) that contains mercury, unless the commissioner of the pollution control agency grants an exemption under paragraph (f).*

(f) *On application by a manufacturer, the commissioner of the pollution control agency may exempt a manufacturer from the requirements of paragraph (e) if the manufacturer demonstrates that:*

(1) *the manufacturer has worked in good faith to develop mercury-free alkaline manganese batteries that, with respect to safety, leakage, capacity, rate capability, and shelf life, are comparable to alkaline manganese batteries containing no more than 0.025 percent mercury produced by the manufacturer on February 1, 1992; and*

(2) *if granted the exemption, the manufacturer will continue to work in good faith to achieve the goals described in clause (1).*

*An exemption granted by the commissioner of the pollution control agency under this paragraph must be limited to a maximum of two years and may be renewed."*

Page 3, line 15, after the first comma, insert "zinc carbon,"

Page 3, line 19, after "and" insert "that when disposed of"

Page 3, line 20, delete everything after "hazard" and insert a period

Page 3, delete lines 21 and 22

Page 3, line 25, after "PENALTY" insert a semicolon and after "ENFORCEMENT" insert "COSTS"

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. 687: A bill for an act relating to the environment; requiring recycled CFCs used in refrigerant applications to comply with certain standards; proposing coding for new law in Minnesota Statutes, chapter 239.

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

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

S.F. No. 754: A bill for an act relating to state lands; transferring state land to the city of Moose Lake.

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

Page 1, line 6, delete "any law to the contrary" and insert "Minnesota Statutes, sections 94.09 to 94.16" and delete "of"

Page 1, line 7, delete "Minnesota"

Page 1, line 8, after "Lake" insert "without consideration"

Page 1, line 10, after "general" insert "and must provide that the land reverts to the state if the land ceases to be used for the purpose described in paragraph (d)"

Page 1, delete lines 17 to 21 and insert:

"(d) *The city wishes to use the land for an electrical substation to meet*

*the needs of the Mercy hospital and nursing home."*

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 328: A bill for an act relating to insurance; Medicare supplement; requiring certain foreign travel coverages to be added to the basic plan; amending Minnesota Statutes 1990, section 62A.316.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1990, section 62A.31, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIREMENTS.] No individual or group policy, certificate, subscriber contract or other evidence of accident and health insurance, *the effect or purpose of which is to supplement Medicare coverage*, issued or delivered in this state or offered to a resident of this state shall be sold or issued to an individual age 65 or older covered by Medicare unless the following requirements are met:

(a) The policy must provide a minimum of the coverage set out in subdivision 2;

(b) The policy must cover preexisting conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage;

(c) The policy must contain a provision that the plan will not be canceled or nonrenewed on the grounds of the deterioration of health of the insured;

(d) Before the policy is sold or issued, an offer of both categories of Medicare supplement insurance has been made to the individual, together with an explanation of both coverages; ~~and~~

(e) An outline of coverage as provided in section 62A.39 must be delivered at the time of application and prior to payment of any premium;

*(f)(1) The policy must provide that benefits and premiums under the policy shall be suspended at the request of the policyholder for the period, not to exceed 24 months, in which the policyholder has applied for and is determined to be entitled to medical assistance under title XIX of the Social Security Act, but only if the policyholder notifies the issuer of the policy within 90 days after the date the individual becomes entitled to the assistance.*

*(2) If suspension occurs and if the policyholder or certificate holder loses entitlement to medical assistance, the policy is automatically reinstated (effective as of the date of termination of the entitlement) as of the termination of the entitlement, if the policyholder provides notice of loss of the entitlement within 90 days after the date of the loss.*

*(3) The policy which is reinstated (i) may not provide for any waiting period with respect to treatment of preexisting conditions, (ii) provides for coverage which is substantially equivalent to coverage in effect before the*

date of the termination, and (iii) provides for classification of premiums on which terms are at least as favorable to the policyholder or certificate holder as the premium classification terms that would have applied to the policyholder or certificate holder had coverage never terminated;

(g) The written statement required by an application for Medicare supplement insurance under section 62A.43, subdivision 1, shall be made on a form approved by the commissioner that states that counseling services may be available in the state to provide advice concerning the purchase of Medicare supplement policies and enrollment under the Medicaid program;

(h) The policy guarantees renewability;

(i)(1) No insurer may deny or condition the issuance or effectiveness of a Medicaid supplement policy, or discriminate in the pricing of the policy, because of the health status, claims experience, receipt of health care, or medical condition for which an application is submitted during the six-month period beginning with the first month in which an individual first enrolled for benefits under part B of Medicare.

(2) Subject to clause (3), clause (1) shall not be construed as preventing the exclusion of benefits under a policy, during the first six months, based on a preexisting condition for which the policyholder received treatment or was otherwise diagnosed during the 90 days before it became effective.

(3) If a Medicare supplement policy or certificate replaces another policy or certificate which has been in effect for six months or longer, the replacing policy may not provide any time period applicable to preexisting conditions, waiting periods, elimination periods, and probationary periods in the new policy or certificate for similar benefits;

(j) If a Medicare supplement policy replaces another Medicare supplement policy, the issuer of the replacing policy shall waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, and probationary periods in the new Medicare supplement policy for similar benefits to the extent the time was spent under the original policy; and

(k) The policy has been filed with and approved by the department as meeting all requirements of sections 62A.31 to 62A.44.”

Page 1, line 25, after “incurred” insert “as a result of sudden and accidental illness, accident, or other medical emergency occurring”

Page 2, after line 22, insert:

“Sec. 3. Minnesota Statutes 1990, section 62A.36, subdivision 1a, is amended to read:

Subd. 1a. [SUPPLEMENT TO ANNUAL STATEMENTS.] Each insurer that has Medicare supplement policies in force in this state shall, as a supplement to the annual statement required by section 60A.13, submit, in a form prescribed by the commissioner, data showing its incurred claims experience, its earned premiums, and the aggregate amount of premiums collected and losses incurred for each Medicare policy form in force. If the data submitted does not confirm that the insurer has satisfied the loss ratio requirements of this section, the commissioner shall notify the insurer in writing of the deficiency. The insurer shall have 30 days from the date of the commissioner’s notice to file amended rates that comply with this section. If the insurer fails to file amended rates within the prescribed time, the commissioner shall order that the insurer’s filed rates for the nonconforming

policy be reduced to an amount that would have resulted in a loss ratio that complied with this section had it been in effect for the reporting period of the supplement. The insurer's failure to file amended rates within the specified time or the issuance of the commissioner's order amending the rates does not preclude the insurer from filing an amendment of its rates at a later time. The commissioner shall annually make the submitted data *as to premiums and loss ratios for the previous three years* available to the public at a cost not to exceed the cost of copying. *The commissioner shall provide the public with copies of the policies to which the loss ratios and premiums apply.* The data must be compiled in a form useful for consumers who wish to compare premium charges and loss ratios.

Sec. 4. Minnesota Statutes 1990, section 62A.43, subdivision 1, is amended to read:

Subdivision 1. [DUPLICATE COVERAGE PROHIBITED.] No agent shall sell a Medicare supplement plan, as defined in section 62A.31, to a person who currently has one plan in effect; however, an agent may sell a replacement plan in accordance with section 62A.40, provided that the second plan is not made effective any sooner than necessary to provide continuous benefits for preexisting conditions. Every application for Medicare supplement insurance shall require a *written statement signed by the applicant listing ~~of~~ all health and accident insurance maintained by the applicant as of the date the application is taken and stating if the applicant is entitled to any medical assistance. The written statement must be accompanied by a written acknowledgment, signed by the seller of the policy, of the request for and receipt of the statement.*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the second semicolon, insert "conforming state Medicare supplement policy requirements to federal law;"

Page 1, line 4, delete "section" and insert "sections 62A.31, subdivision 1;"

Page 1, line 5, before the period, insert "; 62A.36, subdivision 1a; and 62A.43, subdivision 1"

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 394: A bill for an act relating to occupations and professions; requiring the licensing of interior designers; defining the practice of interior design; providing for administration of licensing requirements; changing the name of the board of architecture, engineering, land surveying, and landscape architecture; appropriating money; amending Minnesota Statutes 1990, sections 116J.70, subdivision 2a; 319A.02, subdivision 2; 326.02, subdivisions 1, 5, and by adding a subdivision; 326.03, subdivision 1; 326.031; 326.04; 326.05; 326.06; 326.07; 326.08, subdivision 2; 326.09; 326.10, subdivisions 1, 2, and 2a; 326.11, subdivision 1; 326.12; 326.13; and 326.14.

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

Page 5, line 10, delete the colon

Page 5, line 11, delete everything before “*the*”

Page 5, line 19, delete “; *and*” and insert a period

Page 5, delete line 20

Page 14, after line 33, insert:

“Sec. 21. [EXISTING INTERIOR DESIGNERS.]

*Persons who on July 1, 1991, are in the business of interior design as defined by Minnesota Statutes, section 326.02, subdivision 4b, and who have filed a license application with the board of design professions by September 1, 1992, shall be allowed to continue in that business as if licensed under this act until final action is taken by the board on their application.”*

Page 15, line 1, delete “20” and insert “21”

Re-number the sections in sequence

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 249: A bill for an act relating to commerce; requiring the preparation of fiscal notes for proposed health and accident insurance mandates; amending Minnesota Statutes 1990, section 3.982.

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

Page 1, line 9, after “NOTES” insert “*AND COST ANALYSIS*”

Page 2, lines 19, 20, 23, and 25, delete “*fiscal note*” and insert “*cost analysis*”

Page 2, line 20, delete “*of the bill*” and insert “*and a cost-benefit analysis on insurance costs*”

Page 2, line 26, delete “*note*” and insert “*cost analysis*” and delete “*fiscal notes*” and insert “*the cost analysis*”

Page 2, line 27, delete “*are*” and insert “*is*”

Amend the title as follows:

Page 1, line 3, delete “*fiscal notes*” and insert “*a cost analysis*” and after “*for*” insert “*a*”

Page 1, line 4, delete “*mandates*” and insert “*mandate*”

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. 925: A bill for an act relating to insurance; medical expense benefits; including language translation services as medical expense benefits for insurance; amending Minnesota Statutes 1990, section 65B.44, 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 1990, section 65B.44, subdivision 2, is amended to read:

Subd. 2. [MEDICAL EXPENSE BENEFITS.] Medical expense benefits shall reimburse all reasonable expenses for necessary medical, surgical, X-ray, optical, dental, chiropractic, and rehabilitative services, including prosthetic devices, prescription drugs, *foreign language translators, sign language interpreters*, necessary ambulance and all other reasonable transportation expenses incurred in traveling to receive covered medical benefits, hospital, extended care and nursing services. Hospital room and board benefits may be limited, except for intensive care facilities, to the regular daily semiprivate room rates customarily charged by the institution in which the recipient of benefits is confined. Such benefits shall also include necessary remedial treatment and services recognized and permitted under the laws of this state for an injured person who relies upon spiritual means through prayer alone for healing in accordance with that person's religious beliefs. *Language translation and interpretation benefits are limited to expenses incurred by a nonfatally injured person in connection with medical treatment and rehabilitation, if the foreign language translation is obtained from a third party vendor, community organization, or institution, and do not include language translation or interpretation services provided by medical providers or their staff or family members of the insured. Language translation benefits are further limited to a maximum of \$15 per hour. Language translation benefits for any care other than emergency care and diagnostic care are further limited to a maximum of \$60 per week, and for a maximum period not to exceed 13 weeks from the date of first treatment by a medical provider.* Medical expense loss includes medical expenses accrued prior to the death of a person notwithstanding the fact that benefits are paid or payable to the decedent's survivors. Medical expense benefits for rehabilitative services shall be subject to the provisions of section 65B.45."

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 241: A bill for an act relating to commerce; motor vehicle sales and distribution; regulating franchises; proscribing certain acts; providing remedies; amending Minnesota Statutes 1990, sections 80E.03, subdivision 2; 80E.04, subdivision 1; 80E.05; 80E.06, subdivision 2; 80E.07, subdivision 1; 80E.12; 80E.13; and 80E.14, 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 1990, section 80E.04, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] Each new motor vehicle manufacturer shall specify in writing to each of its new motor vehicle dealers licensed in this state the dealer's obligations for preparation, delivery, and warranty service on its products. The manufacturer shall also compensate the new

motor vehicle dealer for warranty service and parts required of the dealer by the manufacturer, and shall provide the dealer the schedule of compensation to be paid the dealer for parts, work, and service in connection with warranty services, and the time allowance for the performance of the work and service. *This section applies to all repair services performed by the dealer for the manufacturer or with the approval of the manufacturer and for which the dealer receives compensation or reimbursement from the manufacturer.*

Sec. 2. Minnesota Statutes 1990, section 80E.04, is amended by adding a subdivision to read:

*Subd. 6. For purposes of this section, the terms "manufacturer" and "dealer" include manufacturers and distributors of motor vehicle engines and their dealers.*

Sec. 3. Minnesota Statutes 1990, section 80E.05, is amended to read:  
80E.05 [INDEMNIFICATION REQUIRED.]

Notwithstanding the terms of any franchise agreement to the contrary, it shall be a violation of sections 80E.01 to 80E.17 for any new motor vehicle manufacturer to fail to indemnify and hold harmless its franchised dealers against any judgment for damages, including, but not limited to, those based on strict liability, negligence, misrepresentation, warranty (express or implied), or revocation of acceptance as is defined in section 336.2-608, where the complaint, claim, or lawsuit relates ~~solely~~ to the alleged defective or negligent manufacture, assembly, or design of new motor vehicles, parts or accessories or other functions by the manufacturer, beyond the control of the dealer. *Indemnification under this section must include court costs, reasonable attorney fees, and expert witness fees incurred by the motor vehicle dealer.*

Sec. 4. Minnesota Statutes 1990, section 80E.06, subdivision 2, is amended to read:

Subd. 2. [CIRCUMSTANCES CONSTITUTING GOOD CAUSE.] Notwithstanding the terms of any franchise agreement or waiver to the contrary, good cause exists for the purposes of a termination, cancellation, or non-renewal, when the new motor vehicle dealer fails to comply with a provision of the franchise which is both reasonable and of material significance to the franchise relationship; provided, that the dealer has been notified in writing of the failure within 180 days after the manufacturer first acquired knowledge of the failure.

If failure by the new motor vehicle dealer relates to the performance of the new motor vehicle dealer in sales or service, then good cause shall be defined as the failure of the new motor vehicle dealer to comply with reasonable performance criteria established by the manufacturer; provided, that the new motor vehicle dealer was apprised by the manufacturer in writing of the failure; the notification stated that notice was provided for failure of performance pursuant to sections 80E.01 to 80E.17; the new motor vehicle dealer was afforded a reasonable opportunity in no event less than six months to comply with the criteria; and the dealer did not demonstrate substantial progress toward compliance with the manufacturer's performance criteria during the period.

*To rebut allegations of good cause for a proposed termination, a dealer may present evidence including, but not limited to, a showing that the*

*grounds for termination resulted from acts or circumstances beyond the control of the dealer and which were communicated to the manufacturer, or that in evaluating the dealer's compliance with reasonable sales criteria, the manufacturer failed to consider the dealer's sales of factory program vehicles. For the purposes of this subdivision, "factory program vehicle" means a vehicle of the current model year offered for sale and resold by the manufacturer directly or at a factory sponsored or authorized auction and purchased by a dealer holding a current franchise from the manufacturer for that same line make.*

Sec. 5. Minnesota Statutes 1990, section 80E.12, is amended to read:

**80E.12 [UNLAWFUL ACTS BY MANUFACTURERS, DISTRIBUTORS, OR FACTORY BRANCHES.]**

It shall be unlawful for any manufacturer, distributor, or factory branch to require a new motor vehicle dealer to do any of the following:

(a) order or accept delivery of any new motor vehicle, part or accessory thereof, equipment, or any other commodity not required by law which has not been voluntarily ordered by the new motor vehicle dealer, *provided that this paragraph does not modify or supersede reasonable provisions of the franchise requiring the dealer to market a representative line of the new motor vehicles the manufacturer or distributor is publicly advertising;*

(b) order or accept delivery of any new motor vehicle, part or accessory thereof, equipment, or any other commodity not required by law in order for the dealer to obtain delivery of any other motor vehicle ordered by the dealer ~~or to qualify for or participate in any rebate, refund, or similar program offered by the manufacturer;~~

(c) order or accept delivery of any new motor vehicle with special features, accessories, or equipment not included in the list price of the motor vehicles as publicly advertised by the manufacturer or distributor;

(d) participate monetarily in an advertising campaign or contest, or to purchase any promotional materials, showroom, or other display decorations or materials at the expense of the new motor vehicle dealer;

(e) enter into any agreement with the manufacturer or to do any other act prejudicial to the new motor vehicle dealer by threatening to cancel a franchise or any contractual agreement existing between the dealer and the manufacturer. Notice in good faith to any dealer of the dealer's violation of any terms of the franchise agreement shall not constitute a violation of sections 80E.01 to 80E.17;

(f) change the capital structure of the new motor vehicle dealer or the means by or through which the dealer finances the operation of the dealership; provided, that the new motor vehicle dealer at all times meets any reasonable capital standards agreed to by the dealer; and also provided, that no change in the capital structure shall cause a change in the principal management or have the effect of a sale of the franchise without the consent of the manufacturer or distributor as provided in section 80E.13, paragraph (j);

(g) prevent or attempt to prevent, by contract or otherwise, any motor vehicle dealer from changing the executive management control of the new motor vehicle dealer unless the franchisor proves that the change of executive management will result in executive management control by a person who is not of good moral character or who does not meet the franchisor's existing

reasonable capital standards and, with consideration given to the volume of sales and services of the new motor vehicle dealer, uniformly applied minimum business experience standards in the market area; provided, that where the manufacturer, distributor, or factory branch rejects a proposed change in executive management control, the manufacturer, distributor, or factory branch shall give written notice of its reasons to the dealer;

(h) refrain from participation in the management of, investment in, or the acquisition of, any other line of new motor vehicle or related products; provided, however, that this clause does not apply unless the new motor vehicle dealer maintains a reasonable line of credit for each make or line of new motor vehicle, and that the new motor vehicle dealer remains in substantial compliance with the terms and conditions of the franchise and with any reasonable facilities requirements of the manufacturer;

(i) during the course of the agreement, change the location of the new motor vehicle dealership or make any substantial alterations to the dealership premises during the course of the agreement, when to do so would be unreasonable; or

(j) prospectively assent to a release, assignment, novation, waiver, or estoppel whereby a dealer relinquishes any rights under sections 80E.01 to 80E.17, or which would relieve any person from liability imposed by sections 80E.01 to 80E.17 or to require any controversy between a new motor vehicle dealer and a manufacturer, distributor, or factory branch to be referred to any person or tribunal other than the duly constituted courts of this state or the United States, if the referral would be binding upon the new motor vehicle dealer.

Sec. 6. Minnesota Statutes 1990, section 80E.13, is amended to read:

**80E.13 [UNFAIR PRACTICES BY MANUFACTURERS, DISTRIBUTORS, FACTORY BRANCHES.]**

It is unlawful and an unfair practice for a manufacturer, distributor, or factory branch to engage in any of the following practices:

(a) To delay, refuse, or fail to deliver new motor vehicles or new motor vehicle parts or accessories in reasonable time and in reasonable quantity relative to the new motor vehicle dealer's facilities and sales potential in the dealer's relevant market area, after having accepted an order from a new motor vehicle dealer having a franchise for the retail sale of any new motor vehicle sold or distributed by the manufacturer or distributor, if the new motor vehicle or new motor vehicle parts or accessories are publicly advertised as being available for delivery or actually being delivered. This clause is not violated, however, if the failure is caused by acts or causes beyond the control of the manufacturer;

(b) To refuse to disclose to any new motor vehicle dealer handling the same line make, the manner and mode of distribution of that line make within the relevant market area;

(c) To obtain money, goods, service, or any other benefit from any other person with whom the dealer does business, on account of, or in relation to, the transaction between the dealer and the other person, other than for compensation for services rendered, unless the benefit is promptly accounted for, and transmitted to, the new motor vehicle dealer;

(d) To increase prices of new motor vehicles which the new motor vehicle dealer had ordered for private retail consumers prior to the dealer's receiving

the written official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order if the vehicle is in fact delivered to that customer. In the event of manufacturer price reductions, the amount of any reduction received by a dealer shall be passed on to the private retail consumer by the dealer if the retail price was negotiated on the basis of the previous higher price to the dealer;

(e) To offer any refunds or other types of inducements to any new motor vehicle dealer for the purchase of new motor vehicles of a certain line make ~~to be sold to the state or any political subdivision thereof~~ without making the same offer to all other new motor vehicle dealers in the same line make within the relevant market area;

(f) To release to any outside party, except under subpoena or in an administrative or judicial proceeding involving the manufacturer or dealer, any business, financial, or personal information which may be provided by the dealer to the manufacturer, without the express written consent of the dealer or unless pertinent to judicial or governmental administrative proceedings or to arbitration proceedings of any kind;

(g) To deny any new motor vehicle dealer the right of free association with any other new motor vehicle dealer for any lawful purpose;

(h) To unfairly discriminate among its new motor vehicle dealers with respect to warranty reimbursement or authority granted its new vehicle dealers to make warranty adjustments with retail customers;

(i) To compete with a new motor vehicle dealer in the same line make operating under an agreement or franchise from the same manufacturer in the relevant market area. A manufacturer shall not, however, be deemed to be competing when operating a dealership, either temporarily *or* for a reasonable period, ~~or in a bona fide retail operation~~ which is for sale to any qualified independent person at a fair and reasonable price, *or when involved in a bona fide relationship in which an independent person has made a significant investment subject to loss in the dealership and can reasonably expect to acquire full ownership of the dealership on reasonable terms and conditions;*

(j) To prevent a new motor vehicle dealer from receiving fair and reasonable compensation for the value of the new motor vehicle dealership. There shall be no transfer, assignment of the franchise, or major change in the executive management of the dealership, except as is otherwise provided in sections 80E.01 to 80E.17, without consent of the manufacturer, which shall not be unreasonably withheld. Denial of the request must be in writing and delivered to the new motor vehicle dealer within 60 days after the manufacturer receives the information necessary to evaluate the proposed transfer. If a denial is not sent within this period, the manufacturer shall be deemed to have given its consent to the proposed transfer or change; ~~or~~

(k) To threaten to modify or replace or modify or replace a franchise with a succeeding franchise that would adversely alter the rights or obligations of a new motor vehicle dealer under an existing franchise or that substantially impairs the sales or service obligations or investments of the motor vehicle dealer;

*(l) To unreasonably deny the right to acquire factory program vehicles to any dealer holding a valid franchise from the manufacturer to sell the same line make of vehicles, provided that the manufacturer may impose reasonable restrictions and limitations on the purchase or resale of program*

*vehicles to be applied equitably to all of its franchised dealers. For the purposes of this paragraph, "factory program vehicle" has the meaning given the term in section 4."*

Delete the title and insert:

"A bill for an act relating to commerce; motor vehicle sales and distribution; regulating franchises; proscribing certain acts; providing remedies; amending Minnesota Statutes 1990, sections 80E.04, subdivision 1, and by adding a subdivision; 80E.05; 80E.06, subdivision 2; 80E.12; and 80E.13."

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

Mr. Dahl from the Committee on Education, to which was re-referred

S.F. No. 444: A bill for an act relating to education; providing a two-year tuition exemption to Minnesota veterans of the Persian Gulf war; proposing coding for new law in Minnesota Statutes, chapter 197.

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

Delete everything after the enacting clause and insert:

"Section 1. [197.753] [EDUCATIONAL ASSISTANCE; PERSIAN GULF WAR.]

*Subdivision 1. [BENEFITS.] The commissioner of veterans affairs shall spend a biennial appropriation for tuition of eligible veterans, and for tuition of the eligible children of veterans at the University of Minnesota, a state university, a community college, a technical college, or any other university of higher learning within the state accredited by the north central association of colleges and secondary schools, a law college approved by the supreme court, a nursing school approved by the state board of nursing, or in a trade, business, or vocational school in the state approved by the state department of education, or in a theological seminary, for any course which such veteran or child may elect. Not more than \$750 shall be expended for the benefit of an eligible veteran or an eligible child under this section, and the need for the benefit shall be established and determined by the commissioner of veterans affairs.*

*Subd. 2. [VETERAN ELIGIBILITY.] A veteran is eligible for assistance under this section if the commissioner finds that the veteran:*

*(1) is a veteran who served in the active military service in any branch of the armed forces of the United States and became eligible for the Southwest Asia Service Medal issued according to presidential order . . . . ;*

*(2) was a Minnesota resident at the time of induction into the armed forces and for the six months immediately preceding induction;*

*(3) has been separated or discharged from active military service under honorable conditions; and*

*(4) has not earned a baccalaureate degree.*

*Subd. 3. [ELIGIBLE CHILD.] A child of a veteran is eligible for assistance if the commissioner finds that the child:*

*(1) had a parent who died or is listed as missing in action or is a prisoner*

*of war as a result of military service in any branch of the armed forces of the United States in the Persian Gulf war theater as determined by the United States Veterans Administration or other instrumentality of the United States;*

*(2) resided in Minnesota for at least two years prior to the date of application for benefits under this section and the child's parent was a resident of Minnesota at the time of the parent's induction into the armed forces;*

*(3) has not earned a baccalaureate degree; and*

*(4) is under 25 years of age.*

*Subd. 4. [RECEIPT OF FEDERAL BENEFITS.] The benefit in subdivision 1 is not available to a veteran who is entitled to the same or similar benefits under a law or regulation of the United States, with the exception that a veteran who has been eligible for and has used up the benefits the veteran is entitled to under the laws of the United States is entitled to the benefits provided for by subdivision 1.*

*Subd. 5. [PROOF OF ELIGIBILITY.] Approval for benefits under this section shall require submission of the following evidence: application, tuition statement, proof of military service, proof of residency, and where applicable, a statement from the United States Veterans Administration that the veteran has exhausted entitlement to federal educational benefits through use thereof or that the veteran died of service connected disabilities. Upon submission of satisfactory proof of eligibility, benefits shall be provided from the date of application and notification of approval shall be sent to the educational institution and applicant. Benefits shall be provided only once.*

*Subd. 6. [REIMBURSEMENT FORM.] Reimbursement to an institution or eligible individual authorized under subdivision 1 shall be on forms prescribed by the commissioner.*

*Subd. 7. [EFFECT ON STATE GRANTS.] Benefits received under this section shall not be considered in determining eligibility for a state grant under sections 136A.095 to 136A.132.*

*Subd. 8. [TIME LIMIT ON USING BENEFIT.] Eligible veterans shall have ten years from the date of last discharge or release from active duty within which to apply for the benefits provided by subdivision 1. Eligible children may apply for benefits until they are 25 years old.*

**Sec. 2. [APPROPRIATION.]**

*\$ . . . . . is appropriated for fiscal year 1992 and \$ . . . . . is appropriated for fiscal year 1993 from the general fund to the commissioner of veterans affairs for any benefits provided under section 1. The unencumbered balance remaining from the first year does not cancel, but is available for the second year."*

Amend the title as follows:

Page 1, line 2, delete "a two-year tuition" and insert "educational assistance to Persian Gulf war veterans and children of certain veterans; appropriating money;"

Page 1, delete line 3

Page 1, line 4, delete "war;"

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. 339: A bill for an act relating to taxation; providing that certain nonprofit organizations that provide athletic programs qualify for a sales tax exemption on their purchases; amending Minnesota Statutes 1990, section 297A.25, subdivision 16.

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

Delete everything after the enacting clause and insert:

“Section 1. [TEMPORARY SALES TAX EXEMPTION FOR NON-PROFIT ATHLETIC ORGANIZATION.]

*The gross receipts from the sale of tangible personal property and the storage, use, or other consumption of such property, and the gross receipts from the sale of meals and lodging, to a nonprofit educational organization that conducts athletic programs for children and adults who are persons with mental retardation or related conditions, are exempt from the taxes imposed under Minnesota Statutes, sections 297A.01 to 297A.44. Sales exempted by this section include sales pursuant to section 297A.01, subdivision 3, paragraphs (d) and (f). The exemption applies only to property, meals, and lodging purchased for use in the performance of the educational function of the organization. To qualify under this section, an organization must meet the organizational and operational tests that apply to nonprofit organizations under Minnesota Statutes, section 297A.25, subdivision 16.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective for sales occurring after May 5, 1989, and before August 15, 1991.”*

Amend the title as follows:

Page 1, line 4, delete “; amending” and insert a period

Page 1, delete lines 5 and 6

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. 783: A bill for an act relating to health; infectious waste control; clarifying that veterinarians are also covered by the act; clarifying requirements for management and generators' plans; amending Minnesota Statutes 1990, sections 116.77; and 116.79, subdivisions 1 and 3.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 116.76, subdivision 5, is amended to read:

Subd. 5. [COMMISSIONER.] “Commissioner” means the commissioner of ~~the pollution control agency~~ health.

Sec. 2. Minnesota Statutes 1990, section 116.77, is amended to read:



## 116.77 [COVERAGE.]

Sections 116.75 to 116.83 and 609.671, subdivision 10, cover any person, *including a veterinarian*, who generates, treats, stores, transports, or disposes of infectious or pathological waste *except but not including* infectious or pathological waste generated by households, farm operations, or agricultural businesses. Except as specifically provided, sections 116.75 to 116.83 do not limit or alter treatment or disposal methods for infectious or pathological waste.

Sec. 3. Minnesota Statutes 1990, section 116.78, subdivision 4, is amended to read:

Subd. 4. [SHARPS.] Sharps, except those generated from a household or from a farm operation or agricultural business:

(1) must be placed in puncture-resistant containers;

(2) may not be compacted or mixed with other waste material whether or not the sharps are decontaminated *unless it is part of an infectious waste decontamination process approved by the commissioner that will prevent exposure during transportation and disposal*; and

(3) may not be disposed of at refuse-derived fuel facilities or at other facilities where waste is hand sorted.

Sec. 4. Minnesota Statutes 1990, section 116.79, subdivision 1, is amended to read:

Subdivision 1. [PREPARATION OF MANAGEMENT PLANS.] (a) To the extent applicable to the facility, a person in charge of a facility that generates, stores, decontaminates, incinerates, or disposes of infectious or pathological waste must prepare a management plan for the infectious or pathological waste handled by the facility. *A person may prepare a common management plan for all generating facilities owned and operated by the person. If a single plan is prepared to cover multiple facilities, the plan must identify common policy and procedures for the facilities and any management procedures that are facility specific. The plan must identify each generating facility covered by the plan. A management plan must list all physicians, dentists, chiropractors, podiatrists, veterinarians, certified nurse practitioners, certified nurse midwives, or physician assistants, employed by, under contract to, or working at the generating facilities. A management plan from a hospital must list the number of licensed beds and from a laboratory must list the number of generating employees.*

(b) The management plan must describe, to the extent the information is applicable to the facility:

(1) the type of infectious waste and pathological waste that the person generates or handles;

(2) the segregation, packaging, labeling, collection, storage, and transportation procedures for the infectious waste or pathological waste that will be followed;

(3) the decontamination or disposal methods for the infectious or pathological waste that will be used;

(4) the transporters and disposal facilities that will be used for the infectious waste;

(5) the steps that will be taken to minimize the exposure of employees

to infectious agents throughout the process of disposing of infectious or pathological wastes; and

(6) the name of the individual responsible for the management of the infectious waste or pathological waste.

(c) The management plan must be kept at the facility.

(d) To the extent applicable to the facility, management plans must be accompanied by a statement of the quantity of infectious and pathological waste generated, decontaminated, stored, incinerated, or disposed of at the facility during the previous two-year period. Quantities ~~may~~ shall be reported by ~~weight, volume, or number and capacity of containers in gallons or pounds~~. The commissioner of health shall prepare a summary of the quantities of infectious and pathological waste generated, by facility type.

(e) A management plan must be updated and resubmitted at least once every two years.

Sec. 5. Minnesota Statutes 1990, section 116.79, subdivision 3, is amended to read:

Subd. 3. [GENERATORS' PLANS.] (a) ~~Management plans prepared by facilities that generate infectious or pathological waste must be submitted to the commissioner of health with a fee of \$225 for facilities with 25 or more employees, or a fee of \$40 for facilities with less than 25 employees. A management plan prepared by a person who generates infectious or pathological waste must be submitted to the commissioner with the appropriate fee. The fee must be deposited in the state treasury and credited to the general fund.~~

(b) *A person shall submit for each generating facility the following fee with the generator's management plan:*

(1) *for a generating facility that is a private practice office with two or fewer physicians, dentists, chiropractors, podiatrists, veterinarians, certified nurse practitioners, certified nurse midwives, or physician assistants, employed by, under contract to, or working at the generating facility, a fee of \$40;*

(2) *for a generating facility that is a private practice office with three or more physicians, dentists, chiropractors, podiatrists, veterinarians, certified nurse practitioners, certified nurse midwives, or physician assistants, employed by, under contract to, or working at the generating facility, in addition to the fee for two practitioners as prescribed under clause (1), a fee of \$20 for each additional practitioner, up to a maximum total fee of \$225;*

(3) *for a generating facility that is a health facility or agency other than a hospital or laboratory described in clause (5) or (6), a fee of \$225. A corporate research and development laboratory with fewer than ten generating employees is also included in this category;*

(4) *for a generating facility that is not a health facility or agency, a fee of \$40. Included in this category are a corporate occupational health clinic; or a college or university campus, including its research laboratories, and student health service, but not including a hospital;*

(5) *for a generating facility that is a laboratory, including a corporate research and development laboratory, with ten to 49 generating employees, or a hospital with 50 to 299 licensed beds, a fee of \$450;*

(6) for a generating facility that is a laboratory, including a corporate research and development laboratory, with 50 or more generating employees or a hospital with 300 or more licensed beds, a fee of \$600;

(7) the following persons shall pay a fee of \$225 to cover the generation at all its facilities:

(i) a community health board; or

(ii) Migrant Health Services, Inc.;

(8) for a generator with a generating satellite facility or mobile facility, that is used for an average of less than five hours per week on an annual basis, no additional fee is required; and

(9) the fees are waived for the Bureau of Indian Affairs, federal facilities, and state agencies.

(b) (c) A person who begins the generation of infectious or pathological waste after January 1, 1990, must submit to the commissioner of health a copy of the person's management plan prior to initiating the handling of the infectious or pathological waste.

(c) (d) If a hospital or nursing home that is a generator also incinerates infectious or pathological waste on site, a separate management plan must be prepared for the incineration activities detail that incineration in the plan.

(d) (e) The commissioner of health must establish a procedure for randomly reviewing the plans.

(e) (f) The commissioner of health may require a management plan of a generator to be modified if the commissioner of health determines that the plan is not consistent with state or federal law or that the plan is not adequate to minimize exposure of persons to the infectious or pathological waste.

Sec. 6. Minnesota Statutes 1990, section 116.79, subdivision 4, is amended to read:

Subd. 4. [PLANS FOR STORAGE, DECONTAMINATION, INCINERATION, AND DISPOSAL FACILITIES.] (a) A person who stores or decontaminates infectious or pathological waste, other than at the facility where the waste was generated, or a person who incinerates or disposes of infectious or pathological waste, must submit a copy of the management plan to the commissioner of the pollution control agency with a fee of \$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. A person who incinerates on site must submit an attachment to the generator's management plan detailing the incineration operation.

(b) The commissioner shall review the plans and may require a plan to be modified within 180 days after the plan is submitted if the commissioner determines that the plan is not consistent with state or federal law or that the plan is not adequate to minimize exposure of persons to the waste.

Sec. 7. Minnesota Statutes 1990, section 116.80, subdivision 2, is amended to read:

Subd. 2. [PREPARATION OF MANAGEMENT PLANS.] (a) A commercial transporter in charge of a business that transports infectious waste must prepare a management plan for the infectious waste handled by the commercial transporter.

(b) The management plan must describe, to the extent the information is applicable to the commercial transporter:

- (1) the type of infectious waste that the commercial transporter handles;
- (2) the transportation procedures for the infectious waste that will be followed;
- (3) the disposal facilities that will be used for the infectious waste;
- (4) the steps that will be taken to minimize the exposure of employees to infectious agents throughout the process of transporting and disposing of infectious waste; and
- (5) the name of the individual responsible for the transportation and management of the infectious waste.

(c) The management plan must be kept at the commercial transporter's principal place of business.

(d) Management plans must be accompanied by a statement of the quantity of infectious waste transported during the previous two-year period. Quantities ~~may shall~~ be reported ~~by weight, volume, or number and capacity of containers in gallons or pounds.~~

(e) A management plan must be updated and resubmitted at least once every two years.

(f) The commissioner shall review the plans and may require a plan to be modified within 180 days after the plan is submitted if the commissioner determines that the plan is not consistent with state or federal law or that the plan is not adequate to minimize exposure of persons to the waste.

Sec. 8. Minnesota Statutes 1990, section 116.80, subdivision 3, is amended to read:

Subd. 3. [REGISTRATION REQUIRED.] (a) A commercial transporter must register with the commissioner.

(b) To register, a commercial transporter must submit a copy of the management plan to the commissioner of the ~~pollution control agency~~ with a fee of \$225. The fee must be deposited in the state treasury and credited to the general fund.

(c) The registration is valid for two years.

(d) The commissioner shall issue a registration card with a unique registration number to a person who has submitted a transporter's management plan unless the commissioner finds that registrant has outstanding unresolved violations of this section or a history of serious violations of chapter 115, 115A, 115B, or 116. The registration card must include the date the card expires.

Sec. 9. Minnesota Statutes 1990, section 116.81, subdivision 1, is amended to read:

Subdivision 1. [~~AGENCY RULES.~~] ~~The agency, in consultation with the commissioner of health, may adopt rules to implement sections 116.76 to 116.82. The agency has primary responsibility for rules relating to transportation of infectious waste and facilities storing, transporting, decontaminating, incinerating, and disposing of infectious waste 116.83. The agency commissioner, before adopting rules affecting animals or research animal waste, must consult the commissioner of agriculture and the board of animal health.~~

*Pursuant to section 15.039, subdivision 3, rules adopted under this subdivision remain effective and shall be enforced until amended or repealed by the commissioner.*

Sec. 10. Minnesota Statutes 1990, section 116.82, subdivision 3, is amended to read:

Subd. 3. [LOCAL ENFORCEMENT.] Sections 116.76 to 116.81 may be enforced by a county by delegation of enforcement authority granted to by the commissioner of health and the agency in section 116.83. Separate enforcement actions may not be brought by a state agency and a county for the same violations. The state or county may not bring an action that is being enforced by the federal Office of Safety and Health Administration.

Sec. 11. Minnesota Statutes 1990, section 116.83, is amended to read:

116.83 [ENFORCEMENT.]

Subdivision 1. [STATE RESPONSIBILITIES.] The agency of the commissioner of health may shall enforce sections 116.76 to 116.81. The commissioner of health is primarily responsible for enforcement involving generators. The agency is primarily responsible for enforcement involving other persons subject to sections 116.76 to 116.81 116.83.

Subd. 2. [ENFORCEMENT AUTHORITY.] The commissioner of health has the authority of the agency to enforce sections 116.76 to 116.81 116.83 under section 115.071.

Subd. 3. [ACCESS TO INFORMATION AND PROPERTY.] Subject to section 144.651, the commissioner of the pollution control agency or the commissioner of health may on presentation of credentials, during regular business hours:

(1) examine and copy any books, records, memoranda, or data that is related to compliance with sections 116.76 to 116.81 116.83; and

(2) enter public or private property regulated by sections 116.76 to 116.81 116.83 for the purpose of taking an action authorized by this section including obtaining information and conducting investigations.

Sec. 12. [REPEALER.]

*Minnesota Statutes 1990, sections 116.76, subdivision 2; and 116.81, subdivision 2, are repealed.*

Sec. 13. [REVISOR INSTRUCTION.]

*The revisor shall renumber Minnesota Statutes, sections 116.75 to 116.83, as part of Minnesota Statutes, chapter 145, and shall make necessary cross-reference changes in Minnesota Statutes.*

Sec. 14. [APPROPRIATION; INCREASED COMPLEMENT.]

*§ . . . . . is appropriated from the general fund to the commissioner of health for the purposes of sections 1 to 11 to be available for the biennium ending June 30, 1993. The complement of the department of health is increased by . . . . . and the complement of the pollution control agency is decreased by . . . . ."*

Delete the title and insert:

"A bill for an act relating to health; infectious waste control; transferring responsibility for infectious waste from the pollution control agency to the

department of health; clarifying that veterinarians are also covered by the act; clarifying requirements for management and generators' plans; allowing certain medical waste to be mixed with other waste under certain conditions; appropriating money; amending Minnesota Statutes 1990, sections 116.76, subdivision 5; 116.77; 116.78, subdivision 4; 116.79, subdivisions 1, 3, and 4; 116.80, subdivisions 2 and 3; 116.81, subdivision 1; 116.82, subdivision 3; and 116.83; repealing Minnesota Statutes 1990, sections 116.76, subdivision 2; and 116.81, subdivision 2."

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. 155: A bill for an act relating to human services; authorizing counties to retain one-half of the nonfederal share of child support recoveries that are directly attributable to county effort; amending Minnesota Statutes 1990, section 256.019.

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

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

S.F. No. 91: A bill for an act relating to human services; requiring increases in rates for salaries of employees of intermediate care facilities for persons with mental retardation, home and community-based waived services, developmental achievement centers, and semi-independent living services programs; amending Minnesota Statutes 1990, sections 245.465; 252.24, by adding a subdivision; 252.275, by adding a subdivision; 252.28, by adding a subdivision; 256B.491, by adding a subdivision; and 268A.06, by adding a subdivision.

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

Page 2, line 12, after "RESIDENTIAL" insert "AND COMMUNITY SUPPORT"

Page 2, line 15, after the comma, insert "*and programs funded under Minnesota Rules, parts 9535.0100 to 9535.1600,*" and delete "*to reflect*"

Page 2, delete lines 16 to 22

Page 2, line 23, delete everything before the second comma and insert "*computed by increasing the total salaries, payroll taxes, and fringe benefits related to personnel below top management by the percentage increase in Standard Industrial Code 805 (average hourly earnings of nursing and personal care workers) forecast by Data Resources, Inc., for the rate year compared to the previous rate year in the forecast published in the second quarter of the calendar year preceding the rate year*"

Page 2, line 35, delete everything after "rates"

Page 2, delete line 36

Page 3, delete lines 1 to 5

Page 3, line 6, delete everything before the second comma and insert

*“computed by increasing the total salaries, payroll taxes, and fringe benefits related to personnel below top management by the percentage increase in Standard Industrial Code 805 (average hourly earnings of nursing and personal care workers) forecast by Data Resources, Inc., for the rate year compared to the previous rate year in the forecast published in the second quarter of the calendar year preceding the rate year”*

Page 3, line 19, delete “to reflect”

Page 3, delete lines 20 to 26

Page 3, line 27, delete everything before the second comma and insert *“computed by increasing the total salaries, payroll taxes, and fringe benefits related to personnel below top management by the percentage increase in Standard Industrial Code 805 (average hourly earnings of nursing and personal care workers) forecast by Data Resources, Inc., for the rate year compared to the previous rate year in the forecast published in the second quarter of the calendar year preceding the rate year”*

Page 4, line 4, delete everything after “adjustment”

Page 4, delete lines 5 to 10

Page 4, line 11, delete everything before the second comma and insert *“computed by increasing the total salaries, payroll taxes, and fringe benefits related to personnel below top management by the percentage increase in Standard Industrial Code 805 (average hourly earnings of nursing and personal care workers) forecast by Data Resources, Inc., for the rate year compared to the previous rate year in the forecast published in the second quarter of the calendar year preceding the rate year”*

Page 4, line 27, delete “to reflect”

Page 4, delete lines 28 to 34

Page 4, line 35, delete everything before the second comma and insert *“computed by increasing the total salaries, payroll taxes, and fringe benefits related to personnel below top management by the percentage increase in Standard Industrial Code 805 (average hourly earnings of nursing and personal care workers) forecast by Data Resources, Inc., for the rate year compared to the previous rate year in the forecast published in the second quarter of the calendar year preceding the rate year”*

Page 5, line 11, delete “figured by”

Page 5, delete lines 12 to 18

Page 5, line 19, delete everything before the comma and insert *“computed by increasing the total salaries, payroll taxes, and fringe benefits related to personnel below top management by the percentage increase in Standard Industrial Code 805 (average hourly earnings of nursing and personal care workers) forecast by Data Resources, Inc., for the rate year compared to the previous rate year in the forecast published in the second quarter of the calendar year preceding the rate year”*

Amend the title as follows:

Page 1, line 5, after the comma, insert “community support services.”

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. 1045: A bill for an act relating to the provision of mental health services and the regulation of unlicensed mental health practitioners; eliminating the office of social work and mental health boards; sunsetting the board of unlicensed mental health service providers; providing for an autonomous board of social work; providing for an autonomous board of marriage and family therapy; establishing the office of mental health practice; providing additional disciplinary remedies to the board of social work and the board of marriage and family therapy; appropriating money; amending Minnesota Statutes 1990, sections 144.335, subdivision 1; 148B.01, subdivision 7; 148B.03; 148B.04, subdivisions 3 and 4; 148B.05; 148B.06; 148B.07; 148B.08; 148B.09; 148B.11; 148B.12; 148B.13; 148B.15; 148B.17; 148B.18, subdivision 10; 148B.33, subdivision 1; 148B.38, subdivision 3; and 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 148B; repealing Minnesota Statutes 1990, sections 148B.01, subdivisions 2, 5, and 6; 148B.02; 148B.16; 148B.171; 148B.40; 148B.41; 148B.42; 148B.43; 148B.44; 148B.45; 148B.46; 148B.47; and 148B.48.

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

Page 2, line 29, strike "ADVERSE" and insert "*DISCIPLINARY*"

Page 2, line 30, strike "adverse" and insert "*disciplinary*"

Page 3, line 8, strike "ADVERSE" and insert "*DISCIPLINARY*"

Page 3, line 10, strike the first comma

Page 4, line 16, strike "or filing"

Page 6, lines 4 and 5, strike "adverse action or"

Page 6, lines 8, 10, 17, 21, and 29, strike "or adverse"

Page 7, lines 15 and 19, strike "to the plaintiff"

Page 7, lines 16 and 17, strike "to the plaintiff"

Page 10, line 25, strike "to the plaintiff or other claimant"

Page 11, lines 6 and 8, strike "adverse"

Page 17, line 35, strike "commissioner" and insert "*commission*" and strike "accreditations" and insert "*accreditation*"

Page 18, lines 26, 28, and 30, delete "1991" and insert "1992"

Page 26, line 18, delete "board" and insert "*office*"

Page 27, line 7, delete "chapter 144" and insert "*section 148B.61*" and delete "1991" and insert "1992"

Page 27, line 9, delete "1991" and insert "1992"

Page 34, after line 3, insert:

"*Subd. 6. [PUBLIC EMPLOYEES.] Notwithstanding subdivision 1, the commissioner must not take disciplinary action against an employee of the state or a political subdivision of the state. If, after an investigation conducted in compliance with and with the authority granted under sections*



*148B.60 to 148B.72, the commissioner determines that the employee violated a provision or provisions of this chapter, the commissioner shall report to the employee's employer the commissioner's findings and the actions the commissioner recommends that the employer take. The commissioner's recommendations are not binding on the employer."*

Page 37, line 21, after "through" insert "surpluses in license and renewal fees collected by the health-related licensing boards, plus"

Page 37, line 24, after the period, insert "At the end of each fiscal year, any surplus remaining of the amounts deposited in the state government special revenue fund by the health-related licensing boards, up to a maximum of \$ . . . . ., is appropriated to the commissioner of health for the office of mental health practice, to be available until June 30 of the following fiscal year. The remaining expenses of the office must be paid for by collections from the health-related licensing boards according to the formula determined by the commissioner. For the transition period from July 1, 1991, to June 30, 1992, the commissioner shall use a portion of the money collected under this section to pay the difference between the costs of the operation of the board of unlicensed mental health service providers and the amount of money collected by the board in fees."

Page 39, line 5, delete "1991" and insert "1992" and after "and" insert "after"

Page 39, line 15, delete everything after the first comma and insert "1992."

Page 39, delete line 16

Page 39, line 17, delete "1991." and delete "1991" and insert "1992"

Page 39, line 26, delete "1991" and insert "1992"

Page 39, lines 18 and 19, delete "as of June 30, 1991, shall transfer" and insert "is transferred"

Page 39, line 23, delete "July 1, 1991" and insert "January 1, 1992"

Page 39, line 34, delete "1991" and insert "1992" and after the period, insert "The commissioner of health and the office of mental health practice shall use the rules adopted by the board of unlicensed mental health service providers until new rules are adopted, unless a rule provision conflicts with a provision of this act, in which case the provision of this act supersedes the rule provision."

Page 40, line 9, after the third semicolon, insert "and" and after "148B.171" delete the semicolon and insert "are repealed effective July 1, 1991. Minnesota Statutes 1990, sections"

Page 40, line 11, delete "1991" and insert "1992"

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. 429: A bill for an act relating to health; amending the clean indoor air act; amending Minnesota Statutes 1990, sections 144.413, subdivision 2, and by adding subdivisions; 144.414, subdivisions 1, 3, and by

adding a subdivision; 144.415; 144.416; and 144.417, 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 1990, section 144.413, is amended by adding a subdivision to read:

*Subd. 1a. [EMPLOYER.] “Employer” means a person, partnership, corporation, or nonprofit entity that employs one or more persons. It includes political subdivisions of the state.*

Sec. 2. Minnesota Statutes 1990, section 144.413, is amended by adding a subdivision to read:

*Subd. 1b. [PLACE OF WORK.] “Place of work” means an indoor area under the control of an employer where services are performed for the employer.*

Sec. 3. Minnesota Statutes 1990, section 144.413, subdivision 2, is amended to read:

*Subd. 2. [PUBLIC PLACE.] “Public place” means any enclosed, indoor area used by the general public or serving as a place of work, including, but is not limited to, restaurants, retail stores, industrial establishments, offices and other commercial establishments, public conveyances, motor carriers as defined in section 221.011, subdivision 15, that carry passengers for hire, educational facilities, hospitals, nursing homes, auditoriums, arenas and meeting rooms, but excluding private, enclosed offices occupied exclusively by smokers even though such offices may be visited by nonsmokers and common areas of apartments and condominiums.*

Sec. 4. Minnesota Statutes 1990, section 144.413, is amended by adding a subdivision to read:

*Subd. 3a. [RESTAURANT.] “Restaurant” has the meaning given in section 157.01.*

Sec. 5. Minnesota Statutes 1990, section 144.414, subdivision 1, is amended to read:

*Subdivision 1. [PUBLIC PLACES.] No person shall smoke in a public place or at a public meeting except in designated smoking areas. This prohibition does not apply in cases in which an entire room or hall is used for a private social function and seating arrangements are under the control of the sponsor of the function and not of the proprietor or person in charge of the place. Furthermore, this prohibition shall not apply to factories, warehouses, and similar places of work not usually frequented by the general public, except that the state commissioner of health shall establish rules to restrict or prohibit smoking in those places of work where the close proximity of workers or the inadequacy of ventilation causes smoke pollution detrimental to the health and comfort of nonsmoking employees.*

Sec. 6. Minnesota Statutes 1990, section 144.414, subdivision 3, is amended to read:

*Subd. 3. [HEALTH CARE FACILITIES AND CLINICS.] (a) Smoking is prohibited in any area of a hospital, health care clinic, doctor’s office, or other health care-related facility, other than a nursing home, boarding care facility, or licensed residential facility, except as allowed in this*

subdivision.

(b) Smoking by patients in a chemical dependency treatment program or mental health program may be allowed in a separated well-ventilated area pursuant to a policy established by the administrator of the program that identifies circumstances in which prohibiting smoking would interfere with the treatment of persons recovering from chemical dependency or mental illness.

~~(c) Smoking by a patient may be allowed if authorized in writing by the patient's attending physician.~~

Sec. 7. Minnesota Statutes 1990, section 144.415, is amended to read:

144.415 [DESIGNATION OF SMOKING AREAS.]

(a) Smoking areas may be designated by proprietors or other persons in charge of public places, except in places in which smoking is prohibited by the fire marshal or by other law, ordinance or rule.

(b) Where smoking areas are designated, ~~existing~~ physical barriers and ventilation systems shall be used to minimize the ~~toxic effect~~ presence of smoke in adjacent nonsmoking areas. In the case of ~~public places~~ a restaurant or an establishment other than a bar with an on-sale license for the sale of intoxicating liquor or nonintoxicating malt liquor consisting of a single room, the provisions of this law shall be considered met if one side of the room is reserved and posted as a no smoking area. No public place other than a bar shall be designated as a smoking area in its entirety. If a bar is designated as a smoking area in its entirety, this designation shall be posted conspicuously on all entrances normally used by the public.

Sec. 8. Minnesota Statutes 1990, section 144.416, is amended to read:

144.416 [RESPONSIBILITIES OF PROPRIETORS.]

The proprietor or other person in charge of a public place shall make reasonable efforts to ~~prevent~~ limit smoking in the public place to designated smoking areas and to protect nonsmokers from exposure to smoke by

- ~~(a)~~ (1) posting appropriate signs;
- ~~(b)~~ (2) arranging seating or other space to provide a smoke-free area that is adequate to accommodate all persons who request a smoke-free area and to protect them from exposure to smoke;
- ~~(c)~~ (3) asking smokers to refrain from smoking when the proprietor becomes aware that the smoker is smoking in a smoke-free area;
- ~~(d)~~ (4) asking smokers to refrain from smoking upon request of a client or employee suffering discomfort from the smoke; ~~or and~~
- ~~(e)~~ (5) any other means which may be appropriate.

Sec. 9. Minnesota Statutes 1990, section 144.417, subdivision 1, is amended to read:

Subdivision 1. [RULES.] The state commissioner of health shall adopt rules necessary and reasonable to implement the provisions of sections 144.411 to 144.417, ~~except as provided for in section 144.414.~~

The state commissioner of health may, upon request, waive the provisions of sections 144.411 to 144.417 if the commissioner determines there are compelling reasons to do so and a waiver will not significantly affect the

health and comfort of nonsmokers.

Sec. 10. Minnesota Statutes 1990, section 144.417, subdivision 2, is amended to read:

Subd. 2. [PENALTIES.] ~~Any~~ A person who violates ~~section~~ sections 144.414 to 144.417 is guilty of a petty misdemeanor.”

Delete the title and insert:

“A bill for an act relating to health; amending the clean indoor air act; amending Minnesota Statutes 1990, sections 144.413, subdivision 2, and by adding subdivisions; 144.414, subdivisions 1 and 3; 144.415; 144.416; and 144.417, subdivisions 1 and 2.”

And when so amended the bill be re-referred to the Committee on Commerce without recommendation. Amendments adopted. Report adopted.

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

S.F. No. 473: A bill for an act relating to health; authorizing an exception to the moratorium on nursing home beds; amending Minnesota Statutes 1990, section 144A.071, subdivision 3.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 144A.071, is amended by adding a subdivision to read:

*Subd. 3a. [FLOATING CERTIFICATION OF BEDS.] Nothing in this section prohibits the commissioner of health from allowing a facility to transfer medical assistance certification among licensed beds, provided the transfer is allowed under federal regulations, the total number of certified beds in the facility does not increase, and the beds meet all certification standards.”*

Delete the title and insert:

“A bill for an act relating to health; allowing nursing homes to transfer medical assistance certification among beds; amending Minnesota Statutes 1990, section 144A.071, by adding a subdivision.”

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

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

S.F. No. 885: A bill for an act relating to health; creating a limited exception to the moratorium on licensure of new nursing home beds; allowing a licensed, but not medical assistance certified, facility to upgrade beds from boarding care beds to nursing home beds; amending Minnesota Statutes 1990, section 144A.071, subdivision 3.

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

Page 5, line 23, delete everything after “*facility*” and insert “*with an*

*addendum to its provider agreement effective beginning July 1, 1983."*

Page 5, line 24, delete everything before "if"

Amend the title as follows:

Page 1, line 4, delete everything after "a"

Page 1, line 5, delete "certified," and after "facility" insert "with an addendum to its provider agreement"

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. 350: A bill for an act relating to the environment; adding a purpose for expenditure from the metropolitan landfill contingency action trust fund; authorizing the city of Hopkins to issue bonds to pay for environmental response costs at a landfill; authorizing the city to impose a solid waste collection surcharge; authorizing a landfill cleanup assessment against property; authorizing a service charge; appropriating money; amending Minnesota Statutes 1990, section 473.845, subdivision 3.

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

Page 2, line 13, delete "*approximately 26 acre*"

Page 3, line 3, after "\$5,000,000" insert ", *subject to the reduction provided in section 7. The proceeds of the bonds may be used*"

Page 4, line 11, delete the second "or" and insert a comma and after "*assessments*" insert ", *or service charges*"

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

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

S.F. No. 598: A bill for an act relating to transportation; establishing state transportation goals and requiring periodic revisions of the state transportation plan; establishing a Minnesota highway board and prescribing its powers and duties; directing a study of rail-highway grade crossings and requiring a report; authorizing the commissioner of transportation to make grants for the improvement of commercial navigation facilities; authorizing local units of government to advance funds for the completion of trunk highway projects; authorizing cities to assess up to 35 percent of a street improvement without regard to benefits conferred; authorizing cities to impose street access charges on building permits; authorizing road authorities to enter into agreements for the construction, maintenance, and operation of toll roads and bridges; creating a transportation services fund and providing for its uses; specifying percentage of unrefunded motor fuel tax revenue that is attributable to use on forest roads; authorizing the commissioner of transportation to plan, acquire, construct and equip light rail transit facilities, and restricting authority of regional rail authorities; directing a study of highway corridors; creating a legislative advisory commission on transportation and directing it to conduct certain studies; amending

Minnesota Statutes 1990, sections 162.02, subdivision 3a; 168.54, subdivisions 5 and 6; 169.09, subdivision 13; 169.86, subdivision 5; 169.862; 170.23; 171.185; 171.26; 171.36; 173.13, subdivision 4; 173.231; 174.01; 174.03, subdivision 2, and by adding a subdivision; 221.036, subdivision 14; 296.16, subdivision 1a; 296.421, subdivision 8; 299D.03, subdivision 5; 398A.04, subdivision 8; 473.399, by adding a subdivision; 473.3993, subdivisions 2, 3, and by adding a subdivision; 473.3994; 473.3996; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 221; 471; and 473; proposing coding for new law as Minnesota Statutes, chapter 457A; repealing Minnesota Statutes 1990, section 473.3994, subdivision 6; and Laws 1989, chapter 339, section 21.

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

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### TRANSPORTATION PLANNING

Section 1. Minnesota Statutes 1990, section 174.01, is amended to read:  
174.01 [CREATION; POLICY.]

*Subdivision 1.* [DEPARTMENT CREATED.] In order to provide a balanced transportation system, which system includes aeronautics, highways, motor carriers, ports, public transit, railroads and pipelines, a department of transportation is created. The department shall be the principal agency of the state for development, implementation, administration, consolidation, and coordination of state transportation policies, plans and programs.

*Subd. 2.* [TRANSPORTATION GOALS.] *The legislature establishes the following goals of the state transportation system:*

- (1) to provide safe transportation for all users throughout the state;*
- (2) to provide multimodal transportation that enhances mobility and economic development and provides access to all persons and businesses in Minnesota;*
- (3) to provide a reasonable travel time for commuters to and from work or school;*
- (4) to provide for the economical, efficient, and safe movement of goods to and from markets by rail, highway, and waterway;*
- (5) to provide convenient interstate and intrastate access to tourism and recreational facilities in Minnesota;*
- (6) to provide transit services throughout the state to meet the mobility needs of transit users;*
- (7) to ensure the highest levels of productivity through system management and the utilization of all available technological advancements;*
- (8) to provide safe and efficient air transportation in Minnesota;*
- (9) to maximize the benefits received for each state transportation investment;*
- (10) to provide funding for transportation that, at a minimum, preserves the transportation infrastructure;*

(11) to ensure that the planning and implementation of all modes of transportation are consistent with the environmental and energy goals of the state; and

(12) to increase transit and high occupancy vehicle use.

Sec. 2. Minnesota Statutes 1990, section 174.03, is amended by adding a subdivision to read:

*Subd. 1a. [REVISION OF STATE TRANSPORTATION PLAN.] The commissioner shall revise the state transportation plan by July 1, 1993, and by July 1 of each odd-numbered year thereafter. Before final adoption of a revised plan, the commissioner shall hold a hearing to receive public comment on the plan. The revised state transportation plan must:*

(1) incorporate the goals of the state transportation system in section 174.01; and

(2) provide objectives, policies, and strategies for achieving those goals.

Sec. 3. Minnesota Statutes 1990, section 174.03, subdivision 2, is amended to read:

*Subd. 2. [IMPLEMENTATION OF PLAN.] After the adoption and each revision of the statewide transportation plan, the commissioner and the transportation regulation board shall take no action inconsistent with that revised plan.*

## ARTICLE 2

### RAILROAD CROSSINGS

Section 1. [RAIL-HIGHWAY CROSSING IMPROVEMENT.]

*Subdivision 1. [STATE RAIL CORRIDOR STUDY.] The commissioner of transportation shall conduct a study of railroad-highway grade crossing safety and improvement in Minnesota.*

*Subd. 2. [CONTENT OF STUDY.] This study must include:*

(1) a method of determining the relative benefits of grade crossing protection and improvement to the railroad, the road authority, and the public and cost-sharing guidelines;

(2) sources of funding for grade crossing protection and improvement;

(3) research needs for grade crossing safety; and

(4) recommendations for statutory changes to improve grade crossing safety.

*Subd. 3. [REPORT.] The commissioner shall report to the governor and legislature not later than February 1, 1992, on the results of the study.*

Sec. 2. Minnesota Statutes 1990, section 169.26, is amended to read:

169.26 [SPECIAL STOPS AT RAILROADS.]

*Subdivision 1. [REQUIREMENTS.] (a) When any person driving a vehicle approaches a railroad grade crossing under any of the circumstances stated in this paragraph, the driver shall stop the vehicle not less than ten feet from the nearest railroad track and shall not proceed until safe to do so. These requirements apply when:*

(1) a clearly visible electric or mechanical signal device warns of the

immediate approach of a railroad train;

(2) a crossing gate is lowered warning of the immediate approach or passage of a railroad train; or

(3) an approaching railroad train is plainly visible and is in hazardous proximity.

(b) The driver of a vehicle shall stop and remain ~~standing~~ *stopped* and not traverse the grade crossing when a human flagger signals the approach or passage of a train. No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals that the way is clear to proceed.

*(c) The fact that a train approaching a railroad grade crossing is visible from the crossing shall be prima facie evidence that it is not safe to proceed.*

*Subd. 1a. [VIOLATION.] (a) A peace officer as defined in section 169.725 may arrest the driver of a motor vehicle if the peace officer has probable cause to believe that the driver has operated the vehicle in violation of subdivision 1 within the past four hours.*

*(b) The owner or, in the case of a leased vehicle, the lessee of a motor vehicle is subject to the penalties in subdivision 2 if a motor vehicle owned or leased by the person is operated in violation of subdivision 1. This subdivision does not apply to a lessor of a motor vehicle if the lessor keeps a record of the name and address of the lessee. This subdivision does not prohibit or limit the prosecution of a motor vehicle operator for violating subdivision 1. A violation of this paragraph does not constitute grounds for revocation or suspension of the owner's driver's license.*

Subd. 2. [PENALTY.] A person who violates this section is guilty of a misdemeanor and subject to the following penalties:

*(1) for the first offense, a fine of \$100 and four hours of community service in an operation life saver program;*

*(2) for the second offense, a fine of \$150 and eight hours of community service in an operation life saver program; and*

*(3) for the third and subsequent offenses, a fine of \$250 and 12 hours of community service in an operation life saver program.*

Subd. 3. [DRIVER TRAINING.] *All driver education courses approved by the commissioner of education and the commissioner of public safety must include instruction on railroad-highway grade crossing safety. The commissioner of education and the commissioner of public safety shall by rule provide minimum standards of course content relating to operation of vehicles at railroad and highway grade crossings.*

Subd. 4. [APPROPRIATION.] *The fines collected for a violation of subdivision 1 must be deposited in the state treasury and appropriated to the rail service improvement account under section 222.49 for public education on railroad grade crossing safety.*

Sec. 3. Minnesota Statutes 1990, section 171.13, subdivision 1, is amended to read:

Subdivision 1. [APPLICANTS.] Except as otherwise provided in this section, the commissioner shall examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include a test of applicant's eyesight; ability to read and understand highway signs



regulating, warning, and directing traffic; knowledge of traffic laws; knowledge of the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally; *knowledge of railroad grade crossing safety*; an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways, provided, further however, no driver's license shall be denied an applicant on the exclusive grounds that the applicant's eyesight is deficient in color perception. Provided, however, that war veterans operating motor vehicles especially equipped for handicapped persons, shall, if otherwise entitled to a license, be granted such license. The commissioner shall make provision for giving these examinations either in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant.

Sec. 4. Minnesota Statutes 1990, section 171.13, is amended by adding a subdivision to read:

*Subd. 1d. [RAILROAD CROSSING SAFETY.] The commissioner shall include in each edition of the driver's manual published by the department a section relating to safe operation of vehicles at railroad grade crossings.*

Sec. 5. Minnesota Statutes 1990, section 219.074, is amended by adding a subdivision to read:

*Subd. 3. [CROSSING INVENTORY.] By December 31, 1993, the commissioner shall complete an inventory of all public and private grade crossings in the state and shall annually revise the inventory to reflect grade crossing changes made under this section.*

Sec. 6. [219.165] [SAFETY RULES AT PRIVATE RAILROAD GRADE CROSSINGS.]

*By December 31, 1992, the commissioner shall adopt rules establishing minimum safety standards at all private railroad grade crossings in the state.*

Sec. 7. [219.384] [REMOVAL OF DANGEROUS OBSTRUCTIONS.]

*Subdivision 1. [REMOVAL ORDERED.] If a railroad company, road authority, or abutting property owner fails to control the growth of trees or vegetation or the placement of structures or other obstructions on its right-of-way or property so as to interfere with the safety of the public traveling on a public or private grade crossing, the local governing body of the town or municipality where the grade crossing is located may, by notice, require the obstruction to be removed as necessary to provide an adequate view of oncoming trains at the crossings. The commissioner shall adopt rules establishing minimum standards for visibility at public and private grade crossings.*

*Subd. 2. [PENALTY.] A railroad company, road authority, or property owner that fails to comply with this section within 30 days after being notified in writing is subject to a fine of \$50 for each day that the condition is uncorrected.*

Sec. 8. Minnesota Statutes 1990, section 219.402, is amended to read:  
219.402 [ADEQUATE CROSSING PROTECTION.]

Crossing safety devices or improvements installed or maintained under this chapter as approved by the board, or the commissioner, whether by

order or otherwise, are adequate and appropriate protection for the crossing.

Sec. 9. Minnesota Statutes 1990, section 222.50, subdivision 7, is amended to read:

Subd. 7. The commissioner may expend money from the rail service improvement account for the following purposes:

(a) To pay interest adjustments on loans guaranteed under the state rail user loan guarantee program;

(b) To pay a portion of the costs of capital improvement projects designed to improve rail service including construction or improvement of short segments of rail line such as side track, team track and connections between existing lines, and construction and improvement of loading, unloading, storage and transfer facilities of a rail user;

(c) To acquire, maintain, manage and dispose of railroad right-of-way pursuant to the state rail bank program;

(d) To provide for aerial photography survey of proposed and abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the in-place track; ~~or~~

(e) To pay a portion of the costs of acquiring a rail line by a regional railroad authority established pursuant to chapter 398A; *or*

(f) *To promote public education in railroad grade crossing safety, in an amount not exceeding one percent of the money in the account in a fiscal year.*

All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the rail service improvement account.

### ARTICLE 3

#### PORT DEVELOPMENT ASSISTANCE

##### Section 1. [457A.01] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] For purposes of sections 1 to 6, the following terms have the meanings given them.*

*Subd. 2. [COMMERCIAL NAVIGATION FACILITY.] "Commercial navigation facility" means (1) terminals and docks used for the transfer of property or passengers between commercial vessels and land, and supporting equipment, structures, and transportation facilities, (2) disposal facilities for dredging material produced by port development projects, and (3) buildings and related structures and facilities used by commercial vessels under construction or repair. "Commercial navigation facility" does not include any commercial navigation facility not on the commercial navigation system or commercial navigation facilities which are the responsibility of the United States Army Corps of Engineers and the United States Coast Guard.*

*Subd. 3. [COMMERCIAL VESSEL.] "Commercial vessel" means a vessel used for the transportation of passengers or property. "Commercial vessel" does not include a vessel used primarily for recreational or sporting purposes.*

*Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of transportation.*

*Subd. 5. [DREDGING.] "Dredging" means excavating harbor sediment or bottom materials, including mobilizing or operating equipment for excavating and transporting dredged material to placing dredged material in a disposal facility.*

*Subd. 6. [NAVIGATION SYSTEM.] "Navigation system" means (1) the commercially navigable waters of the Mississippi River, the Minnesota, and the St. Croix rivers, (2) the commercial harbors on Minnesota's Lake Superior shoreline, and (3) the commercial navigation facilities on those waterways.*

*Subd. 7. [PERSON.] "Person" means an individual, a partnership, a corporation, an association, or other organization or entity that applies for assistance under this chapter.*

**Sec. 2. [457A.02] [PROGRAM ESTABLISHED.]**

*Subdivision 1. [PURPOSE OF PROGRAM.] A port development assistance program is established for the purpose of:*

*(1) expediting the movement of commodities and passengers on the commercial navigation system;*

*(2) enhancing the commercial vessel construction and repair industry in Minnesota; and*

*(3) promoting economic development in and around ports and harbors in the state.*

*Subd. 2. [COMMISSIONER TO ADMINISTER.] The commissioner shall administer the port development assistance program and may make grants and loans to and enter into assistance agreements with eligible recipients under section 3, subdivision 1.*

**Sec. 3. [457A.03] [PORT ASSISTANCE.]**

*Subdivision 1. [ELIGIBLE APPLICANTS.] A person, political subdivision, or port authority that owns a commercial navigation facility may apply to the commissioner for assistance under this chapter.*

*Subd. 2. [TYPES OF ASSISTANCE.] The commissioner may make loans for a project that will serve either or both of the purposes in section 2, subdivision 1, clauses (1) and (2). The commissioner may make grants, or a combination of grants and loans for a project that will serve either or both of the purposes in section 2, subdivision 1, clauses (1) and (2), and that will enhance economic development in and around the commercial navigation facility being assisted.*

*Subd. 3. [STATE PARTICIPATION; LIMITATIONS.] The commissioner shall not provide assistance under this chapter in an amount that exceeds 50 percent of the non-federal share of any project. Assistance provided under this chapter may not be used to match any other state funds. The commissioner shall not assume continuing funding responsibility for any commercial navigation facility project.*

**Sec. 4. [ASSISTANCE AGREEMENTS.]**

*Subdivision 1. [AGREEMENTS REQUIRED.] The commissioner and an eligible recipient shall enter into an assistance agreement that specifies the project costs that will be paid with assistance under this chapter.*

*Subd. 2. [COSTS.] (a) The following costs are eligible for assistance:*

*(1) final engineering costs on a commercial navigation facility project;*

(2) capital improvements to a commercial navigation facility; and  
 (3) costs of dredging necessary to open a new commercial navigation facility project or to dispose of dredged material.

(b) The following costs are ineligible for assistance:

- (1) the applicant's administrative, insurance, and legal costs;
- (2) costs of acquiring permits for a project;
- (3) costs of preparing environmental documents, feasibility studies, or project designs;
- (4) interest on money borrowed by the applicant or interest charged to the applicant for late payment of project costs;
- (5) costs related to the routine maintenance or repair or operation of a commercial navigation facility;
- (6) costs of dredging to maintain an existing channel; and
- (7) costs for a project that consists exclusively of dredging.

*Subd. 3. [INSURANCE; LIABILITY.] The applicant must provide a comprehensive general liability insurance policy, with the minimum amount prescribed by the commissioner in rule, naming the commissioner and officers, employees, and agents of the department of transportation as additional insureds; and must save and hold the commissioner harmless from and against all liability, damage, loss, claims, demands, and actions related to the project.*

*Subd. 4. [PERFORMANCE AND PAYMENT BONDS.] A recipient must provide evidence of performance and payment bonds, satisfying all applicable legal requirements for the full amount of any and all construction contracts let in connection with the project.*

*Subd. 5. [REPAYMENT.] An assistance agreement must require the recipient to repay all or part of any assistance received, in an amount determined by the commissioner, if the project for which the assistance is provided is not completed according to the terms of the assistance agreement, or is converted, during the period of time specified in the assistance agreement, to a use that is inconsistent with the purposes of this chapter, or inconsistent with the terms of the assistance agreement, or not approved in writing by the commissioner.*

#### Sec. 5. [457A.05] [RULES.]

*The commissioner may adopt rules governing applications for assistance under this chapter including:*

- (1) procedures for establishing application deadlines and for notifying potential recipients of those deadlines;
- (2) eligibility criteria for projects;
- (3) information required to be submitted with applications;
- (4) contents of assistance agreements; and
- (5) any other requirement the commissioner deems necessary for the administration of this chapter.

#### Sec. 6. [457A.06] [REVOLVING FUND.]

*Subdivision 1. [FUND ESTABLISHED.] A port development revolving fund is established in the state treasury. The fund consists of (1) all money appropriated to the commissioner for the purposes of this chapter, (2) all money received by the commissioner from repayment of loans made under this chapter, and (3) all interest earned on money deposited in the fund.*

*Subd. 2. [APPROPRIATION.] Money in the port development revolving fund is appropriated to the commissioner for the purposes of this chapter.*

**Sec. 7. [EFFECTIVE DATE.]**

*Sections 1 to 6 are effective July 1, 1991.*

#### ARTICLE 4

#### LOCAL HIGHWAYS

**Section 1. [162.021] [NATURAL PRESERVATION ROUTES.]**

*Subdivision 1. [ESTABLISHMENT.] (a) The commissioner shall establish a natural preservation routes category within the county state-aid highway system.*

*(b) Natural preservation routes include those routes that possess particular scenic, environmental, or historical characteristics, such as routes along lakes or through forests, wetlands, or flood plains, that would be harmed by construction or reconstruction meeting the engineering standards under section 162.07 or the rules adopted under that section.*

*(c) The commissioner shall adopt rules establishing minimum construction and reconstruction standards that recognize public safety and reflect the function, reduced traffic volume, and slower speed on natural preservation routes. The rules may not establish standards for natural preservation routes that are higher than the standards for national forest highways within national forests and state park access roads within state parks. Design standards specifying the width of vehicle recovery areas on forest highways, forest and park roads, and on natural preservation routes must be reduced to minimize environmental impact.*

*Subd. 2. [SIGNS.] Signs must be posted at entry points to and at regular intervals along natural preservation routes. Signs posted must conform to the commissioner's manual of uniform traffic devices. Properly posted signs are prima facie evidence that adequate notice of a natural preservation route has been given to the motoring public.*

*Subd. 3. [LIABILITY.] Where a county state-aid highway has been designated a natural preservation route and signs have been posted under subdivision 2, the state and the county with jurisdiction over the road and their officers and employees are exempt from liability for any tort claim for injury to persons or property arising from travel on the highway and related to its design standards for construction or reconstruction.*

*Subd. 4. [PUBLIC INFORMATION.] A county proposing a project on a county state-aid highway that requires removal of the entire surface of the highway shall send to owners of property abutting the highway a written notice that describes the project and different design and construction alternatives available to the county. The county shall hold a public meeting to discuss design and construction alternatives.*

*Subd. 5. [DESIGNATION OF ROUTE.] A county state-aid highway may be designated as a natural preservation route only by resolution of the*

county board.

Sec. 2. [160.82] [STREETS AND HIGHWAYS WITHIN PARKS.]

*Subdivision 1. [DEFINITION.] "Park road" means that portion of a street or highway located entirely within the park boundaries of or abutting a city, county, regional, or state park.*

*Subd. 2. [RESTRICTIONS.] A road authority may not make any changes in the width, grade, or alignment of a park road, other than a county state-aid highway or municipal state-aid street, that would affect the wildlife habitat or aesthetic characteristics of the park road or its adjacent vegetation or terrain, other than changes required to permit the safe travel of vehicles at the speed lawfully designated for that park road. A road authority may not make any changes in the width, grade, or alignment of a park road that is a county state-aid highway or municipal state-aid street that would affect the wildlife habitat or aesthetic characteristics of the park road or its adjacent vegetation or terrain, other than changes required by the minimum state-aid standard applicable to that road.*

*Subd. 3. [LIABILITY.] A road authority making changes in a park road described in subdivision 1, and its officers and employees, are exempt from liability for any tort claim for injury to persons or property arising from travel on that park road and related to the design of that park road, where the design has been adopted to conform to this section.*

Sec. 3. [160.83] [RUSTIC ROADS PROGRAM.]

*Subdivision 1. [DESIGNATION.] A road authority other than the commissioner may, by resolution, designate a road or highway under its jurisdiction as a rustic road. A rustic road must have the characteristics of outstanding natural features or rustic or scenic beauty; a daily traffic volume of less than 150 vehicles per day; year-round use as a local access road; and maximum allowable speed of 45 miles per hour.*

*Subd. 2. [LOCAL AUTHORITY.] The road authority has the same authority over rustic roads as over other highways and roads under its jurisdiction. The road authority may designate the type and character of vehicles that may be operated on the rustic road; designate a rustic road or portion of the road as a pedestrian way or bicycle way, or both; and establish priority of right-of-way, paint lines, and construct dividers to physically separate vehicular, bicycle, or pedestrian traffic.*

*Subd. 3. [JOINT DESIGNATION.] Two or more road authorities may jointly designate a rustic road along a common boundary or into or through their jurisdictions. The road authorities may enter into agreements to divide the costs and responsibility for maintaining the rustic road.*

*Subd. 4. [COSTS.] A rustic road must be maintained by the road authority having jurisdiction over the road and is not eligible for state-aid funding. State money must not be spent to construct, reconstruct, maintain, or improve a rustic road, except that the commissioner shall pay from the transportation services fund the costs of publishing a map of rustic roads within the state and installing and maintaining signs designating rustic roads.*

Sec. 4. [161.361] [ADVANCE FUNDING FOR TRUNK HIGHWAY PROJECTS.]

*Subdivision 1. [ADVANCE FUNDING.] A road authority other than the commissioner may by agreement with the commissioner make advances from*

any available funds to the commissioner to expedite construction of all or part of a trunk highway. Money may be advanced under this section only for projects already included in the commissioner's highway work program.

*Subd. 2. [REPAYMENT.] Subject to the availability of state money, the commissioner shall repay without interest the amount advanced under subdivision 1, up to the state's share of project costs, at the time the project is scheduled for completion in the highway work program. The total amount of annual repayment to road authorities under this section must never exceed the amount stated in the department's debt management policy or \$10 million, whichever is less.*

Sec. 5. Minnesota Statutes 1990, section 162.02, subdivision 3a, is amended to read:

**Subd. 3a. [VARIANCES, RULES AND ENGINEERING STANDARDS.]** The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.021 or 162.07, subdivision 2. A political subdivision in which a county state-aid highway is located or is proposed to be located may submit a written request to the commissioner for a variance for that highway. The commissioner shall publish notice of the request in the state register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of the request. If a written objection to the request is received within 20 days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing. *For purposes of this subdivision, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.*

Sec. 6. Minnesota Statutes 1990, section 162.09, subdivision 3a, is amended to read:

**Subd. 3a. [VARIANCES, RULES AND ENGINEERING STANDARDS.]** The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.13, subdivision 2. A political subdivision in which a municipal state-aid street is located or is proposed to be located may submit a written request to the commissioner for a variance for that street. The commissioner shall publish notice of the request in the state register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of the request. If a written objection to the request is received within 20 days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing. *For purposes of this subdivision, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.*

Sec. 7. Minnesota Statutes 1990, section 162.14, subdivision 6, is amended to read:

**Subd. 6. [ADVANCES.]** Any such city, except cities of the first class,

may make advances from any funds available to it for the purpose of expediting the construction, reconstruction, improvement, or maintenance of its municipal state-aid street system; provided that such advances shall not exceed ~~40 percent of its last apportionment~~ *the city's total estimated apportionment for the three years following the year the advance is made.* Advances made by any such city shall be repaid out of subsequent apportionments made to such city in accordance with the commissioner's rules.

Sec. 8. Minnesota Statutes 1990, section 169.14, is amended by adding a subdivision to read:

*Subd. 5e. [SPEED LIMIT ON PARK ROADS.] A local authority may establish a speed limit on a park road within the local authority's boundaries except that a speed limit on a park road located entirely within a regional park may only be established by a county. A speed limit established under this subdivision must not be lower than 20 miles per hour, and no speed limit established under this subdivision may reduce existing speed limits by more than 15 miles per hour. A speed limit established under this subdivision is effective on the erection of appropriate signs designating the speed limit and indicating the beginning and end of the reduced speed zone. Any speed in excess of the posted speed is unlawful.*

Sec. 9. [444.30] [TRANSPORTATION SYSTEMS.]

*Subdivision 1. [DEFINITIONS.] For purposes of this section, the term "municipality" means a home rule charter or statutory city or a town. The term "governing body" means the town board with respect to towns.*

*Subd. 2. [AUTHORIZATION.] Any municipality may build, construct, reconstruct, repair, enlarge, improve, maintain, or in any other manner obtain transportation systems, including grading, base construction, surfacing construction, curb and gutter, striping, signing, signalization, lighting, sidewalks, pedestrian pathways, landscaping, boulevard restoration, and other appurtenances and related facilities for the collection, transport, and disbursement of traffic, all hereinafter called facilities, and maintain and operate the facilities inside its corporate limits, and acquire by gift, purchase, lease, condemnation, or otherwise any and all land and easements required for that purpose. The authority hereby granted is in addition to all other powers with reference to the facilities otherwise granted by the laws of this state or by charter of any municipality.*

*Subd. 3. [FINANCING.] For the purpose of paying the cost of building, constructing, reconstructing, repairing, enlarging, improving, maintaining, or in other manner obtaining the facilities or any portion of them, a municipality may issue and sell its general obligations, which may be made payable primarily from taxes or from special assessments to be levied to pay the cost of the facilities or from net revenues derived from transportation charges or from other nontax revenues pledged for their payment under charter or other statutory authority, or from two or more of the sources; or it may issue special obligations, payable solely from taxes or special assessments or from revenues, or from two or more of the sources. Real estate tax revenues should be used only, and then on a temporary basis, to pay general or special obligations when the other revenues are insufficient to meet the obligations. All obligations shall be issued and sold in accordance with chapter 475. When special assessments are pledged for the payment of the obligations, they shall be authorized and issued in accordance with the provisions of chapter 429, or of the city's charter if it authorizes these obligations and the governing body determines to proceed under the charter.*



*When net revenues are pledged to the payment of the obligations, together with or apart from taxes and special assessments, the pledge shall be made in accordance with the provisions of subdivision 4.*

*Subd. 4. [CHARGES; NET REVENUES.] To pay for the construction, reconstruction, repair, enlargement, improvement, or other obtainment and the maintenance, operation, and use of the facilities, the governing body of a municipality may impose just and equitable charges for the use and for the availability of the facilities and for connections with them and make contracts for the charges as provided in this section. Charges shall be as nearly as possible proportionate to the cost of transportation systems and may be fixed on the basis of traffic generated or by reference to a reasonable classification of the types of premises to which service is furnished, or by reference to the quantity, type, and loading of the traffic generated, or on any other equitable basis including, but without limitation, any combination of those referred to above. The governing body may make the charges a charge against the owner, lessee, occupant, or all of them and may provide and covenant for certifying unpaid charges to the county auditor with taxes against the property served for collection as other taxes are collected. In determining the reasonableness of the charges to be imposed, the governing body may give consideration to all costs of the establishment, operation, maintenance, depreciation, and necessary replacements of the system, and of improvements, enlargements, and extensions necessary to serve adequately the territory of the municipality including the principal and interest to become due on obligations issued or to be issued. When net revenues have been appropriated to the payment of the cost of the establishment, or of any specified replacement, improvement, enlargement, or extension, or to pay the principal and interest due on obligations to be issued for such purpose, no charges imposed to produce net revenues adequate for the purpose shall be deemed unreasonable by virtue of the fact that the project to be financed has not been commenced or completed, if proceedings for it are taken with reasonable dispatch and the project, when completed, may be expected to make service available to the premises charged which will have a value reasonably commensurate with the charges. All charges, when collected, and all moneys received from the sale of any facilities or equipment or any by-products, shall be placed in a separate fund, and used first to pay the normal, reasonable, and current costs of operating and maintaining the facilities. The net revenues received in excess of the costs may be pledged by resolutions of the governing body, or may be used though not so pledged, for the payment of principal and interest on obligations issued as provided in subdivision 3, or to pay the portion of the principal and interest as may be directed in the resolutions, and net revenues derived from any facilities whether or not financed by the issuance of the obligations, may be pledged or used to pay obligations issued for other facilities of the same types. In resolutions authorizing the issuance of either general or special obligations and pledging net revenues to them, the governing body may make covenants for the protection of holders of the obligations and taxpayers of the municipality as it deems necessary, including, but without limitation, a covenant that the municipality will impose and collect charges of the nature authorized by this section at the times and in the amounts required to produce, together with any taxes or special assessments designated as a primary source of payment of the obligations, net revenues adequate to pay all principal and interest when due on the obligations and to create and maintain reserves securing the payments as may be provided in the resolutions. When a covenant is made it shall be enforceable by appropriate action on the part of*

any holder of the obligations or any taxpayer of the municipality in a court of competent jurisdiction, and the obligations shall be deemed to be payable wholly from the income of the system whose revenues are so pledged, within the meaning of sections 475.51 and 475.58.

*Subd. 5. [LEVY ASSESSMENTS.] The governing body of a municipality may also levy assessments against property within the municipal limits benefited by the transportation system under the procedure authorized by law or charter with reference to other assessments for benefits of local improvements, may transfer and use for the purposes hereof surplus funds of the municipality not specifically dedicated to another purpose, and may levy taxes on property within the municipal limits for the purposes hereof.*

## ARTICLE 5

### TOLL FACILITIES

#### Section 1. [160.83] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] The terms used in sections 1 to 6 have the meanings given them in this section and section 160.02.*

*Subd. 2. [BOT FACILITY.] "BOT facility" means a build-operate-transfer toll facility constructed, improved, or rehabilitated and operated by a private operator that holds title to the facility subject to a development agreement that provides that title will be transferred to the road authority on expiration of an agreed term.*

*Subd. 3. [BTO FACILITY.] "BTO facility" means a build-transfer-operate toll facility constructed, improved, or rehabilitated by a private operator who: (1) transfers any interest it may have in the toll facility to the road authority before operation begins; and (2) operates the toll facility for an agreed term under a lease, management, or toll-concession agreement.*

*Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of the department of transportation.*

*Subd. 5. [DEVELOPMENT AGREEMENT.] "Development agreement" means a written agreement between a road authority and a private operator that provides for the construction, improvement, rehabilitation, ownership, and operation of a toll facility.*

*Subd. 6. [PRIVATE OPERATOR.] "Private operator" means an individual, a corporation, a partnership, a cooperative or unincorporated association, a joint venture, or a consortium that constructs, improves, rehabilitates, owns, leases, operates, or manages a toll facility subject to sections 1 to 6. The term includes related parties and entities that together perform some or all of these functions for the same toll facility.*

*Subd. 7. [ROAD AUTHORITY.] "Road authority" has the meaning given it in section 160.02, subdivision 9, and also refers to a joint powers authority formed under section 6.*

*Subd. 8. [TOLL FACILITY.] "Toll facility" means a bridge, causeway, or tunnel, and its approaches; a road, street, or highway; an appurtenant building, structure, or other improvement; land lying within applicable rights-of-way; and other appurtenant rights or hereditaments that together comprise a project for which a private operator is authorized to operate and impose tolls under sections 1 to 6.*

#### Sec. 2. [160.84] [AUTHORITY.]

*Subdivision 1. [ROAD AUTHORITY.] A road authority may solicit or accept proposals from and enter into development agreements with private operators for constructing, improving, rehabilitating, operating, and managing toll facilities wholly or partly within the road authority's jurisdiction. A road authority soliciting toll facility proposals must publish a notice of solicitation in the State Register.*

*Subd. 2. [PRIVATE OPERATORS.] Private operators are authorized to construct, improve, rehabilitate, own, lease, manage, and operate toll facilities subject to the terms of sections 1 to 6. Private operators may mortgage, grant security interests in, and pledge their interests in: (1) toll facilities and their components; (2) development, lease, toll concessions, and other related agreements; and (3) income, profits, and proceeds of the toll facility.*

*Subd. 3. [APPROVAL.] No road authority and private operator may enter into a development agreement without the prior approval of the commissioner and the governing body of each county and municipality through which the facility is to pass. A road authority and private operator in the metropolitan area, as defined in section 473.121, subdivision 2, must obtain the council approval required in section 473.167, subdivision 1.*

*Subd. 4. [DEVELOPMENT AGREEMENT.] (a) A development agreement for toll facilities may provide for any mode of ownership or operation approved by the road authority, including ownership by the private operator without reversion of title, operation of the facilities under leases or management contracts, or BOT or BTO facilities.*

*(b) A development agreement may permit the private operator to assemble funds from any available source, including federal, state, and local grants, bond proceeds, contributions, and pledges and to incorporate an existing road or highway, a bridge, and approach structures, and related improvements into the toll facility. The private operator shall pay the road authority the fair market value of any property incorporated into the facility or shall adjust toll charges to the public to reflect the value of the incorporated property.*

*(c) A development agreement may include grants of title, easements, rights-of-way, and leasehold estates necessary to the toll facility.*

*(d) A development agreement may authorize the private operator to charge variable rate tolls based on time of day, vehicle characteristics, or other factors approved by the road authority.*

*(e) A development agreement may include authorization by the road authority to the private operator to exercise powers possessed by the road authority with respect to similar facilities.*

*Subd. 5. [RIGHT-OF-WAY ACQUISITION.] A private operator may acquire right-of-way by donation, lease, or purchase. A road authority may acquire right-of-way by eminent domain and may donate, sell, or lease a right-of-way to a private operator.*

*Subd. 6. [RESTRICTION.] No toll facility may be used for any purpose other than the transportation purposes specified in the development agreement for the term of the agreement.*

*Subd. 7. [TOLL FACILITY ACQUIRED BY ROAD AUTHORITY.] A development agreement that requires transfer or reversion of a toll facility to a road authority must provide that the transfer be at no cost to the road*

*authority. The private operator shall establish an escrow account with sufficient funds to ensure that the facility meets applicable construction and maintenance standards of the road authority upon reversion.*

*Subd. 8. [APPLICATION OF OTHER LAW.] A private operator must obtain all environmental, navigational, design, or safety approvals required if the toll facility were constructed or operated by a road authority.*

**Sec. 3. [DEVELOPMENT AGREEMENTS; MANDATORY PROVISIONS.]**

*A development agreement must include the following provisions:*

*(a) The toll facility must meet the road authority's standards of design and construction for roads and bridges of the same functional classification and must be constructed by contractors on the department's list of eligible contractors.*

*(b) The commissioner must review and approve the location and design of a bridge over navigable waters as if the bridge were constructed by a road authority. This does not diminish the private operator's responsibility for bridge safety.*

*(c) The private operator shall manage and operate the toll facility in cooperation with the applicable road authority and subject to the development agreement and any amendments.*

*(d) The toll facility is subject to regular inspections by the road authority and the commissioner.*

*(e) The road authority shall provide maintenance, snow removal, and police services to the toll facility and the operator shall pay the road authority the cost of services provided.*

**Sec. 4. [COST RECOVERY.]**

*Subdivision 1. [USE OF TOLL REVENUES.] Toll revenues must be applied to repayment of indebtedness incurred for the toll facility; lease or toll concessions payments; costs of operation, administration, rehabilitation, and maintenance necessary to meet applicable standards of the commissioner; and reasonable reserves for future capital outlays. The enumeration of uses in this subdivision does not state priorities for the use of these revenues.*

*Subd. 2. [RESIDUAL TOLL REVENUES.] Residual toll revenues belong to the private operator, except for payments to a road authority under the development agreement or a related toll concession agreement.*

*Subd. 3. [CONTINUATION OF TOLLS.] After expiration of a lease for a BTO facility, or after title has reverted for a BOT facility, the road authority may continue to charge tolls for the facility.*

*Subd. 4. [TOLLS PRESCRIBED.] A road authority may prescribe tolls on a toll facility only if the road authority reasonably determines that no feasible alternative to the toll facility exists to serve the traffic that uses the facility. Tolls prescribed by a road authority for a facility must permit the operator a reasonable return on both investment and capital.*

**Sec. 5. [LAW ENFORCEMENT.]**

*State and local law enforcement authorities have the same powers and authority on a toll facility within their respective jurisdictions as they have*

*on any other highway, road, or street within their jurisdiction. Law enforcement officers have free access to the toll facility at any time to exercise such powers as though it were a public right-of-way. State and local traffic and motor vehicle laws apply to persons driving or occupying motor vehicles on the toll facility.*

Sec. 6. [JOINT AUTHORITY.]

*(a) Two or more road authorities with jurisdiction over a toll facility may enter into a joint powers agreement under Minnesota Statutes, section 471.59, to exercise the powers, duties, and functions of the road authorities related to the toll facility, including negotiation and administration of the development agreement and related lease and toll concession agreements. If all road authorities with jurisdiction over a toll facility concur, title to or authority over the facility may be tendered to the commissioner who may accept the title or authority pursuant to the development agreement and this section.*

*(b) If a facility is located within the jurisdiction of more than one road authority, a road authority may prescribe tolls only under a joint agreement entered into under paragraph (a). Tolls may be prescribed under a joint agreement only if all road authorities with jurisdiction over the facility are parties to the agreement.*

ARTICLE 6

TRANSPORTATION SERVICES FUND

Section 1. [161.041] [TRANSPORTATION SERVICES FUND.]

*Subdivision 1. [FUND CREATED.] A transportation services fund is created in the state treasury. The fund consists of all money required by law to be deposited in the fund, and other money made available to the fund by law.*

*Subd. 2. [USES OF FUND.] Money in the transportation services fund may be expended by appropriation for any transportation purpose.*

Sec. 2. Minnesota Statutes 1990, section 168.54, subdivision 5, is amended to read:

Subd. 5. The proceeds of the fee imposed under the provisions of this section shall be collected by the commissioner of public safety and paid into the ~~general~~ transportation services fund.

Sec. 3. Minnesota Statutes 1990, section 168.54, subdivision 6, is amended to read:

Subd. 6. The unobligated balances in excess of \$4,000 in said revolving fund as of June 30 of each fiscal year shall be canceled into the ~~general~~ transportation services fund.

Sec. 4. Minnesota Statutes 1990, section 169.09, subdivision 13, is amended to read:

Subd. 13. [ACCIDENT REPORTS CONFIDENTIAL.] All written reports and supplemental reports required under this section to be provided to the department of public safety shall be without prejudice to the individual so reporting and shall be for the confidential use of the department of public safety and other appropriate state, federal, county, and municipal governmental agencies for accident analysis purposes, except that the department of public safety or any law enforcement department of any municipality or

county in this state shall, upon written request of any person involved in an accident or upon written request of the representative of the person's estate, surviving spouse, or one or more surviving next of kin, or a trustee appointed pursuant to section 573.02, disclose to the requester, the requester's legal counsel or a representative of the requester's insurer any information contained therein except the parties' version of the accident as set out in the written report filed by the parties or may disclose identity of a person involved in an accident when the identity is not otherwise known or when the person denies presence at the accident. No report shall be used as evidence in any trial, civil or criminal, arising out of an accident, except that the department of public safety shall furnish upon the demand of any person who has, or claims to have, made a report, or, upon demand of any court, a certificate showing that a specified accident report has or has not been made to the department of public safety solely to prove a compliance or a failure to comply with the requirements that the report be made to the department of public safety. Disclosing any information contained in any accident report, except as provided herein, is unlawful and a misdemeanor.

Nothing herein shall be construed to prevent any person who has made a report pursuant to this chapter from providing information to any persons involved in an accident or their representatives or from testifying in any trial, civil or criminal, arising out of an accident, as to facts within the person's knowledge. It is intended by this subdivision to render privileged the reports required but it is not intended to prohibit proof of the facts to which the reports relate. Legally qualified newspaper publications and licensed radio and television stations shall upon request to a law enforcement agency be given an oral statement covering only the time and place of the accident, the names, addresses, and dates of birth of the parties involved, whether a citation was issued, and if so, what it was for, and whether the parties involved were wearing seat belts, and a general statement as to how the accident happened without attempting to fix liability upon anyone, but said legally qualified newspaper publications and licensed radio and television stations shall not be given access to the hereinbefore mentioned confidential reports, nor shall any such statements or information so orally given be used as evidence in any court proceeding, but shall merely be used for the purpose of a proper publication or broadcast of the news.

When these reports are released for accident analysis purposes the identity of any involved person shall not be revealed. Data contained in these reports shall only be used for accident analysis purposes, except as otherwise provided by this subdivision. Accident reports and data contained therein which may be in the possession or control of departments or agencies other than the department of public safety shall not be discoverable under any provision of law or rule of court.

Notwithstanding other provisions of this subdivision to the contrary, the commissioner of public safety shall give to the commissioner of transportation the name and address of a carrier subject to section 221.031 that is named in an accident report filed under subdivision 7 or 8. The commissioner of transportation may not release the name and address to any person. The commissioner shall use this information to enforce accident report requirements under chapter 221. In addition the commissioner of public safety may give to the United States Department of Transportation commercial vehicle accident information in connection with federal grant programs relating to safety.

The ~~department~~ *commissioner of public safety* may charge authorized

persons a \$5 fee for a copy of an accident report. *Proceeds from the fee must be deposited into the transportation services fund.*

Sec. 5. Minnesota Statutes 1990, section 170.23, is amended to read:

170.23 [ABSTRACTS; FEE; ADMISSIBLE IN EVIDENCE.]

The commissioner shall upon request furnish any person a certified abstract of the operating record of any person subject to the provisions of this chapter, and, if there shall be no record of any conviction of such person of violating any law relating to the operation of a motor vehicle or of any injury or damage caused by such person, the commissioner shall so certify. Such abstracts shall not be admissible as evidence in any action for damages or criminal proceedings arising out of a motor vehicle accident. A fee of \$5 shall be paid for each such abstract. The commissioner shall permit a person to inquire into the operating record of any person by means of the inquiring person's own computer facilities for a fee to be determined by the commissioner of at least \$2 for each inquiry. The commissioner shall furnish an abstract that is not certified for a fee to be determined by the commissioner in an amount less than the fee for a certified abstract but more than the fee for an inquiry by computer. Fees collected under this section must be paid into the state treasury with 90 percent of the money credited to the ~~trunk highway~~ *transportation services fund* and ten percent credited to the general fund.

Sec. 6. Minnesota Statutes 1990, section 171.185, is amended to read:

171.185 [COSTS PAID FROM ~~TRUNK HIGHWAY~~ *TRANSPORTATION SERVICES FUND.*]

All costs incurred by the commissioner in carrying out the provisions of sections 171.182 to 171.184 shall be paid from the ~~trunk highway~~ *transportation services fund.*

Sec. 7. Minnesota Statutes 1990, section 171.26, is amended to read:

171.26 [MONEY CREDITED TO ~~TRUNK HIGHWAY~~ *TRANSPORTATION SERVICES FUND AND TO GENERAL FUND.*]

All money received under the provisions of this chapter shall be paid into the state treasury with 90 percent of such money credited to the ~~trunk highway~~ *transportation services fund*, and ten percent credited to the general fund, except as provided in section 171.29, subdivision 2.

Sec. 8. Minnesota Statutes 1990, section 171.36, is amended to read:

171.36 [LICENSE RENEWAL AND FEES.]

All licenses shall expire one year from date of issuance and may be renewed upon application to the commissioner. Each application for an original or renewal school license shall be accompanied by a fee of \$150 and each application for an original or renewal instructor's license shall be accompanied by a fee of \$50. The license fees collected under sections 171.33 to 171.41 shall be paid into the ~~trunk highway~~ *transportation services fund*. No license fee shall be refunded in the event that the license is rejected or revoked.

Sec. 9. Minnesota Statutes 1990, section 173.13, subdivision 4, is amended to read:

Subd. 4. The annual fee for each such permit or renewal thereof shall be as follows:

(1) If the advertising area of the advertising device does not exceed 50 square feet, the fee shall be ~~\$20~~ \$40.

(2) If the advertising area exceeds 50 square feet but does not exceed 300 square feet, the fee shall be ~~\$40~~ \$80.

(3) If the advertising area exceeds 300 square feet, the fee shall be ~~\$80~~ \$160.

(4) No fee shall be charged for a permit for official signs and notices as they are defined in section 173.02, except that a fee may be charged for a star city sign erected under section 173.085.

Sec. 10. Minnesota Statutes 1990, section 173.231, is amended to read:

173.231 [FEES.]

All fees collected under sections 173.07 and 173.13, ~~shall~~ must be paid into the ~~trunk highway~~ transportation services fund.

Sec. 11. Minnesota Statutes 1990, section 221.036, subdivision 14, is amended to read:

Subd. 14. [~~TRUNK HIGHWAY TRANSPORTATION SERVICES FUND.~~] Penalties collected under this section must be deposited in the state treasury and credited to the ~~trunk highway~~ transportation services fund.

Sec. 12. [221.297] [DISPOSITION OF RECEIPTS.]

*All money deposited in the state treasury from fees and penalties under this chapter must be credited to the transportation services fund.*

Sec. 13. Minnesota Statutes 1990, section 296.16, subdivision 1a, is amended to read:

Subd. 1a. [INTENT; FOREST ROADS.] ~~\$675,000~~ *Approximately 0.116 percent of the total annual unrefunded revenue from the gasoline fuel tax on all gasoline and special fuel received in, produced, or brought into this state, except gasoline and special fuel used for aviation purposes, is derived from the operation of motor vehicles on state forest roads and county forest access roads, and, of this sum, \$400,000 amount, 0.0605 percent is annually derived from motor vehicles operated on state forest roads and \$275,000 0.0555 percent is annually derived from motor vehicles operated on county forest access roads in this state.*

Sec. 14. Minnesota Statutes 1990, section 296.421, subdivision 8, is amended to read:

Subd. 8. [COMPUTATION AND DISTRIBUTION OF UNREFUNDED TAXES FOR FOREST ROADS.] The amount of unrefunded tax paid on gasoline and special fuel used to operate motor vehicles on forest roads, except gasoline and special fuel used for aviation purposes, is ~~\$675,000 annually~~ *0.116 percent of the total unrefunded revenue from the tax on all gasoline and special fuel received in, produced, or brought into the state, and this revenue is appropriated from the highway user tax distribution fund and must be transferred and credited in equal installments on July 1 and January 1 to the state forest road account established in section 89.70. \$275,000 of this amount An amount equal to 0.0555 percent of the unrefunded revenue must be annually transferred to counties for management and maintenance of county forest roads.*

Sec. 15. Minnesota Statutes 1990, section 299D.03, subdivision 5, is



amended to read:

Subd. 5. [FINES AND FORFEITED BAIL MONEY.] (a) All fines and forfeited bail money, from traffic and motor vehicle law violations, collected from persons apprehended or arrested by officers of the state patrol, shall be paid by the person or officer collecting the fines, forfeited bail money or installments thereof, on or before the tenth day after the last day of the month in which these moneys were collected, to the county treasurer of the county where the violation occurred. Three-eighths of these receipts shall be credited to the general revenue fund of the county. The other five-eighths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited to the ~~trunk highway~~ *transportation services* fund. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts shall be credited to the general revenue fund of the county, one-third of the receipts shall be paid to the municipality prosecuting the offense, and one-third shall be transmitted to the state treasurer as provided in this subdivision. All costs of participation in a nationwide police communication system chargeable to the state of Minnesota shall be paid from appropriations for that purpose.

(b) Notwithstanding any other provisions of law, all fines and forfeited bail money from violations of statutes governing the maximum weight of motor vehicles, collected from persons apprehended or arrested by employees of the state of Minnesota, by means of stationary or portable scales operated by these employees, shall be paid by the person or officer collecting the fines or forfeited bail money, on or before the tenth day after the last day of the month in which the collections were made, to the county treasurer of the county where the violation occurred. Five-eighths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited to the ~~highway user tax distribution fund~~ *as follows: 62 percent to the transportation services fund; 29 percent to the county state-aid highway fund; and nine percent to the municipal state-aid street fund.* Three-eighths of these receipts shall be credited to the general revenue fund of the county.

Sec. 16. [EFFECTIVE DATE.]

*Sections 1 to 15 are effective July 1, 1991.*

## ARTICLE 7

### METROPOLITAN TRANSPORTATION DEVELOPMENT

Section 1. [174.35] [LIGHT RAIL TRANSIT.]

*The commissioner of transportation may plan, acquire, construct, and equip light rail transit facilities in the metropolitan area as provided in this section, sections 473.399 to 473.3996, and sections 3 to 13 and may exercise the powers granted in chapter 174 as necessary for this purpose.*

Sec. 2. Minnesota Statutes 1990, section 398A.04, subdivision 8, is amended to read:

Subd. 8. [TAXATION.] Before deciding to exercise the power to tax, the authority shall give six weeks published notice in all municipalities in the region. If a number of voters in the region equal to five percent of those who voted for candidates for governor at the last gubernatorial election present a petition within nine weeks of the first published notice to the secretary of state requesting that the matter be submitted to popular vote, it shall be submitted at the next general election. The question prepared

shall be:

“Shall the regional rail authority have the power to impose a property tax?

Yes .....

No .....

If a majority of those voting on the question approve or if no petition is presented within the prescribed time the authority may levy a tax at any annual rate not exceeding ~~0.04835~~ 0.024175 percent of market value of all taxable property situated within the municipality or municipalities named in its organization resolution. Its recording officer shall file in the office of the county auditor of each county in which territory under the jurisdiction of the authority is located a certified copy of the board of commissioners' resolution levying the tax, and each county auditor shall assess and extend upon the tax rolls of each municipality named in the organization resolution the portion of the tax that bears the same ratio to the whole amount that the net tax capacity of taxable property in that municipality bears to the net tax capacity of taxable property in all municipalities named in the organization resolution. Collections of the tax shall be remitted by each county treasurer to the treasurer of the authority.

Sec. 3. Minnesota Statutes 1990, section 473.399, is amended by adding a subdivision to read:

*Subd. 4. [FEDERAL FUNDING.] The regional transit board and the commissioner of transportation shall jointly seek federal assistance for light rail transit facilities in the metropolitan area in accordance with the board's regional transit plan. No political subdivision in the metropolitan area may apply for or be a recipient of federal assistance for light rail transit planning or facilities, except in conjunction with an application for assistance by the board and the commissioner.*

Sec. 4. Minnesota Statutes 1990, section 473.3993, subdivision 2, is amended to read:

Subd. 2. [PRELIMINARY DESIGN PLAN.] “Preliminary design plan” means a light rail transit plan that ~~identifies~~ includes:

(1) preliminary plans for the physical design of facilities, *at approximately the ten percent engineering level*, including location, length, and termini of routes; general dimension, elevation, alignment, and character of routes and crossings; whether the track is elevated, on the surface, or below ground; approximate station locations; and related park and ride, parking, and other transportation facilities; and a plan for handicapped access; and

(2) preliminary plans for intermodal coordination with bus operations and routes; ridership; capital costs; operating costs and revenues; ~~and funding for final design, construction, and operation; and an implementation method.~~

Sec. 5. Minnesota Statutes 1990, section 473.3993, is amended by adding a subdivision to read:

*Subd. 2a. [PRELIMINARY ENGINEERING PLAN.] “Preliminary engineering plan” means a light rail transit engineering plan that includes the items in the preliminary design plan, but with greater detail and specificity including, at a minimum:*

*(1) preliminary engineering plans for the physical design of the facilities, at approximately the 30 percent engineering level, and appropriate performance specifications for the elements required for final design plans under subdivision 3, clause (1); and*

*(2) plans for the physical design of facilities, at approximately the 30 percent level, and appropriate specifications for all elements required for final design plans under subdivision 3, clause (2); a funding plan for final design, construction, and operation; and an implementation method.*

Sec. 6. Minnesota Statutes 1990, section 473.3993, subdivision 3, is amended to read:

Subd. 3. [FINAL DESIGN PLAN.] "Final design plan" means a light rail transit plan that includes the items in the preliminary design *and preliminary engineering* plan for the facilities proposed for construction, but with greater detail and specificity. The final design plan must include, at a minimum:

(1) final plans for the physical design of facilities, including the right-of-way definition; environmental impacts and mitigation measures; intermodal coordination with bus operations and routes; and civil engineering plans for vehicles, track, stations, parking, and access, including handicapped access; and

(2) final plans for civil engineering for electrification, communication, and other similar facilities; operational rules, procedures, and strategies; capital costs; ridership; operating costs and revenues; financing for construction and operation; an implementation method; and other similar matters.

The final design plan must be stated with sufficient particularity and detail to allow the proposer to begin the acquisition and construction of operable facilities. If a turn-key implementation method is proposed, instead of civil engineering plans the final design plan must state detailed design criteria and performance standards for the facilities.

Sec. 7. Minnesota Statutes 1990, section 473.3994, is amended to read:  
473.3994 [LIGHT RAIL TRANSIT; ~~DESIGN FACILITY PLANS.~~]

*Subd. 1a. [PRELIMINARY DESIGN PLANS.] The regional transit board shall establish a procedure for preparing preliminary design plans for light rail transit facilities in the metropolitan area. The procedure must ensure the completion of preliminary design plans necessary to implement the board's regional transit plan, to qualify for federal funds in accordance with the board's plan, and to prepare proposals for engineering and construction projects in a timely and cost-effective manner. The board shall consult the joint light rail transit advisory committee in establishing the procedure.*

Subd. 2. [PRELIMINARY DESIGN PLANS; PUBLIC HEARING.] ~~Before preparing final design plans for a light rail transit facility, the~~ A political subdivision ~~proposing the~~ that has prepared preliminary design plans for a proposed facility must hold a public hearing on the physical design component of the preliminary design plans. The proposer must provide appropriate public notice of the hearing and publicity to ensure that affected parties have an opportunity to present their views at the hearing.

Subd. 3. [PRELIMINARY DESIGN PLANS; LOCAL APPROVAL.] At

least 30 days before the hearing under subdivision 2, the proposer shall submit the physical design component of the preliminary design plans to the governing body of each statutory and home rule charter city, county, and town in which the route is proposed to be located. The city, county, or town shall hold a public hearing, except that a county board need not hold a hearing if the county board membership is identical to the membership of the regional railroad authority submitting the plan for review. Within 45 days after the hearing under subdivision 2, the city, county, or town shall review and approve or disapprove the plans for the route to be located in the city, county, or town. A local unit of government that disapproves the plans shall describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans in writing within 45 days after the hearing is deemed to be approval, unless an extension of time is agreed to by the city, county, or town and the proposer.

Subd. 4. [PRELIMINARY DESIGN PLANS; REGIONAL TRANSIT BOARD REFERRAL.] If the governing body of one or more cities, counties, or towns disapproves the preliminary design plans within the period allowed under subdivision 3, the proposer may refer the plans, along with any comments of local jurisdictions, to the regional transit board. The board shall hold a hearing on the plans, giving the proposer, any disapproving local governmental units, and other persons an opportunity to present their views on the plans. The board may conduct independent study as it deems desirable and may mediate and attempt to resolve disagreements about the plans. Within 90 days after the referral, the board shall review the plans submitted by the proposer and may recommend amended plans to accommodate the objections presented by the disapproving local governmental units.

*Subd. 4a. [PRELIMINARY ENGINEERING PLANS.] (a) Before beginning final design on a proposed facility, the commissioner shall submit the physical design component of preliminary engineering plans to the governing body of each statutory and home rule city, county, and town in which the route is proposed to be located. Within 60 days after the submission of the plans, the city, county, or town shall review and approve or disapprove the plans for the route located in the city, county, or town. A local unit of government that disapproves the plans shall describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans in writing within the time period is considered to be approval, unless an extension is agreed to by the city, county, or town and the commissioner.*

*(b) If the governing body of one or more cities, counties, or towns disapproves the plans within the period allowed under paragraph (a), the commissioner may refer the plans, along with any comments of local jurisdictions, to the regional transit board. The board shall review the preliminary engineering plans under the same procedure and with the same effect as provided in subdivision 4 for preliminary design plans.*

Subd. 5. [FINAL DESIGN PLANS.] (a) Before beginning construction, the ~~proposer~~ commissioner shall submit the physical design component of final design plans to the governing body of each statutory and home rule city, county, and town in which the route is proposed to be located. Within 60 days after the submission of the plans, the city, county, or town shall review and approve or disapprove the plans for the route located in the city, county, or town. A local unit of government that disapproves the plans shall

describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans in writing within the time period is deemed to be approval, unless an extension is agreed to by the city, county, or town and the ~~proposer~~ *commissioner*.

(b) If the governing body of one or more cities, counties, or towns disapproves the plans within the period allowed under paragraph (a), the ~~proposer~~ *commissioner* may refer the plans, along with any comments of local jurisdictions, to the regional transit board. The board shall review the final design plans under the same procedure and with the same effect as provided in subdivision 4 for preliminary design plans.

Subd. 6. [COUNTY APPROVAL.] The proposer of a light rail transit facility in the metropolitan area ~~must~~ *shall* submit the preliminary and final design plans for the facility to the governing board of the county in which the route is proposed to be located for approval or disapproval. The proposer of the facility may not proceed with construction of the facility without the approval of the county.

Subd. 7. [COUNCIL REVIEW.] Before proceeding with construction of a light rail transit facility, ~~a regional rail authority established under chapter 398A~~ *must the proposer of the facility shall* submit preliminary *design plans*, preliminary *engineering plans*, and final design plans to the metropolitan council. The council ~~must~~ *shall* review the plans for consistency with the council's development guide and comment on the plans.

Subd. 8. [METROPOLITAN SIGNIFICANCE.] This section does not diminish or replace the authority of the council under section 473.173.

Sec. 8. Minnesota Statutes 1990, section 473.3996, is amended to read:

473.3996 [LIGHT RAIL TRANSIT FACILITY ~~DESIGN~~ PLANS; ~~REVIEW BY BOARD.~~]

Subdivision 1. [PRELIMINARY DESIGN AND ENGINEERING PLANS; BOARD REVIEW.] Before submitting the physical design component of final design plans of a light rail transit facility for local review under section 473.3994, subdivision 5, the proposer shall submit preliminary design and preliminary engineering plans to the regional transit board for review. The board shall review the ~~preliminary design~~ *plans* to determine the compatibility of the plans with other light rail transit plans and facilities in the metropolitan area, *the adequacy of the plans for operation and maintenance of facilities*, the adequacy of the plans for handicapped accessibility, and the conformity of the plans with the *council's transportation policy plan and the board's regional light rail transit plan* prepared under section 473.399. *The board shall submit the plans to the transit commission for review and recommendations on specifications and other matters affecting operation and maintenance of facilities. The board shall submit the plans to the council for review and recommendations on the conformity of the plans with the council's transportation policy plan.* The board may comment on any aspect of the plans. The board has 90 days to complete its review, unless an extension of time is agreed to by the proposer. If the board determines that the plans do not satisfy the standards stated in this subdivision, the board shall recommend modifications in the plans that are necessary in order to satisfy the board. After adopting or amending the regional plan required by section 473.399, the board may again review any previously reviewed preliminary design plans and recommend modifications

that are necessary to satisfy the board.

Subd. 2. [FINAL DESIGN PLANS; BOARD APPROVAL.] Before acquiring or constructing light rail transit facilities, other than land for right of way, the ~~proposer~~ commissioner shall submit final design plans to the regional transit board for review. The board shall review the final design plans under the same *procedure and* schedule and according to the same standards as provided for its review of preliminary design plans. The board shall either approve the plans, or if it determines that the plans do not satisfy the standards, disapprove the plans, in whole or in part, and recommend modifications in the plans that are necessary to secure approval. A ~~proposer~~ *The commissioner* may not proceed with acquisition or construction of a light rail transit facility, other than land for right of way, unless the final design plans for the facility have been approved by the board. ~~Following approval of final design plans by the board, if a regional railroad authority wishes to select a bid or a response to a request for proposal that is more than ten percent higher than the capital costs indicated in the final design plans for the facility, the authority may not proceed with construction until it has resubmitted the final design plans to the transit board for further review and approval or disapproval. The board has ten working days to review and approve or disapprove and recommend modification, unless an extension of time is agreed to by the authority.~~

Subd. 3. [PRELIMINARY DESIGN PLANS; DEPARTMENT REVIEW.] *Preliminary design plans adopted after the effective date of this subdivision must be submitted to the commissioner of transportation for review. The commissioner shall review the plans for engineering and financial feasibility and may recommend modifications. The commissioner shall complete the review within 90 days, unless the agency submitting the plan agrees to an extension of time.*

Sec. 9. [473.3997] [LIGHT RAIL DESIGN AND CONSTRUCTION; DEPARTMENT OF TRANSPORTATION.]

Subdivision 1. [RESPONSIBILITY.] *All light rail transit facilities in the metropolitan area must be constructed by or under contract with the commissioner of transportation. The commissioner shall prepare all preliminary engineering plans and final design plans for light rail transit facilities in the metropolitan area. The commissioner may authorize a regional railroad authority in the metropolitan area to prepare preliminary engineering plans for light rail transit facilities projects approved by the regional transit board. A regional railroad authority may not prepare final design plans for or construct light rail transit facilities except under a contract with the commissioner.*

Subd. 2. [INTERGOVERNMENTAL COORDINATION.] *The commissioner shall incorporate into the engineering and final design plans appropriate elements of the preliminary design plans of regional railroad authorities. The commissioner shall consult with regional and local agencies of government in preparing the plans. The commissioner may enter into agreements for engineering, design, and construction services with a regional railroad authority, a city, or a regional agency. The commissioner shall include the metropolitan transit commission in planning and engineering decisions, particularly the system components of light rail facilities. The commissioner may by agreement authorize the transit commission to complete project components, including acquisition and testing of vehicles or system components.*

## Sec. 10. [CENTRAL CORRIDOR FACILITIES.]

*Subdivision 1. [PRELIMINARY ENGINEERING PLAN.] The commissioner of transportation shall prepare preliminary engineering plans for light rail transit facilities in the central corridor and the two downtowns and for associated yards, shops, and system support facilities. The commissioner shall submit the plans for review in the manner provided under Minnesota Statutes, sections 473.3994 and 473.3996, by July 1, 1992.*

*Subd. 2. [TUNNEL.] The commissioner may not construct underground light rail transit facilities, except that the commissioner may enter into agreements providing for underground construction if the additional costs of underground construction are paid by the city or the regional railroad authority in which the facility is located.*

*Subd. 3. [OWNERSHIP.] By January 1, 1993, the commissioner shall present to the legislature a plan for transferring or sharing ownership in the land and facilities for light rail transit in the corridor, and providing for maintenance of the facilities. The plan must be prepared in consultation with the regional transit board, the metropolitan transit commission, and affected local government units.*

*Subd. 4. [REPORT TO BOARD.] The commissioner shall report to the transportation study board on the status of the preliminary engineering plans, including cost estimates, for the central corridor by November 15, 1991.*

## Sec. 11. [REPEALER.]

*Laws 1989, chapter 339, section 21, is repealed.*

## Sec. 12. [EFFECTIVE DATE.]

*Section 2 is effective for taxes levied in 1991, payable in 1992, and thereafter.*

## Sec. 13. [APPLICATION.]

*Sections 1 and 3 to 12 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.*

## ARTICLE 8

## TRANSPORTATION STUDIES

## Section 1. [161.53] [RESEARCH ACTIVITIES.]

*The commissioner may set aside for transportation research in each fiscal year an amount up to one percent of the total amount of all funds appropriated to the commissioner other than county state-aid and municipal state-aid highway funds. The commissioner shall expend this money for (1) research to improve the design, construction, maintenance, management, and environmental compatibility of transportation systems; (2) research to improve the development of transportation policies with respect to energy efficiency and economic development; (3) programs for implementing and monitoring research results; and (4) developing transportation education and outreach activities. Of the amount the commissioner shall expend 0.15 percent, but not exceeding \$800,000 in any fiscal year, for research and related activities performed by the center for transportation studies of the University of Minnesota. The center shall establish a technology transfer and training center for Minnesota transportation professionals.*

Sec. 2. [DEPARTMENT OF TRANSPORTATION; CORRIDOR STUDIES.]

*Subdivision 1. [FINDING.] The legislature finds that a system of improved highways between regional centers in greater Minnesota and the Twin Cities metropolitan area is needed to promote economic development and to enhance commercial access, personal mobility, and traffic safety in Minnesota. It is therefore in the public interest to provide financing methods that accelerate construction of trunk highways linking regional centers in greater Minnesota with the Twin Cities metropolitan area.*

*Subd. 2. [STUDY.] The commissioner of transportation shall study and report to the governor and legislature the feasibility and desirability of establishing a comprehensive system of multilane divided highways connecting all regional centers with the Twin Cities metropolitan area. The study must include:*

*(1) existing highways on corridors between regional centers and the metropolitan area;*

*(2) improvements to bring all highways in these corridors to expressway standards;*

*(3) the cost of these improvements;*

*(4) the role of these improvements in the department of transportation's trunk highway programming priorities; and*

*(5) a schedule for completing these improvements.*

*The commissioner shall complete the study and submit the report not later than January 15, 1992.*

Sec. 3. [3.862] [TRANSPORTATION STUDY BOARD.]

*Subdivision 1. [BOARD EXTENDED; MEMBERSHIP.] The transportation study board created under Laws 1988, chapter 603, section 6, is hereby extended. The board shall consist of the following members:*

*(1) five members of the senate from both political parties, appointed by the senate committee on rules and administration subcommittee on committees; and*

*(2) five members of the house of representatives from both political parties, appointed by the speaker of the house. Appointments are for two-year terms beginning July 1 of each odd-numbered year. Vacancies must be filled in the same manner as the original appointments.*

*Subd. 2. [OFFICERS.] The board shall elect a chair and vice-chair from among its members. The chair must alternate biennially between a member of the house of representatives and a member of the senate. The vice-chair must be a house member when the chair is a senate member, and a senate member when the chair is a house member.*

*Subd. 3. [STAFF.] The board may employ professional, technical, consulting, and clerical services. The board may use legislative staff to provide legal counsel, research, secretarial, and clerical assistance.*

*Subd. 4. [EXPENSES AND REIMBURSEMENT.] The members of the board may receive per diem when attending meetings and other commission business. Members, employees, and legislative staff must be reimbursed for expenses actually and necessarily incurred in the performance of their duties*



*under the rules governing legislators and legislative employees.*

**Sec. 4. [3.863] [DUTIES.]**

*The transportation study board shall perform the following duties:*

*(1) review and participate with the house of representatives and senate transportation committees in developing recommendations for state transportation policies;*

*(2) monitor state transportation programs, expenditures, and activities;*

*(3) review and participate in the coordination of legislative initiatives that affect state and local transportation agencies; and*

*(4) propose special studies to the legislature and conduct studies at the direction of the legislature.*

**Sec. 5. [3.864] [SPECIAL STUDIES.]**

*Subdivision 1. [STUDIES.] The board shall conduct the studies in subdivisions 2 to 7 by January 1, 1993. The board may request the commissioner of transportation to conduct any of the studies and report to the board and the legislature.*

*Subd. 2. [HIGHWAY PLANNING PROCESS.] The board shall review the department of transportation's policies and procedures for identifying, evaluating, prioritizing, and implementing trunk highway development projects. The board shall not propose, identify, or otherwise select any specific project or category of projects. The board shall report to the legislature and the commissioner of transportation on the results of the study with recommendations:*

*(1) to the commissioner of transportation with respect to changes in the department's policies and procedures; and*

*(2) to the legislature with respect to changes in law governing those policies and procedures.*

*Subd. 3. [HIGHWAY JURISDICTION.] The board shall conduct a study of the functional classification of all streets and highways in Minnesota. The study shall include:*

*(1) development of a state jurisdiction plan, which must include:*

*(i) criteria for determining the functional class of each street and highway in the state;*

*(ii) identification of the appropriate jurisdiction of each street and highway, based on functional class; and*

*(iii) criteria for determining when jurisdiction should be based on factors other than functional class;*

*(2) recommendations for implementing the jurisdiction plan; and*

*(3) recommendations for changes in law to facilitate future jurisdiction transfers, including establishment of a highway jurisdiction board.*

*The board shall report to the legislature and the commissioner of transportation on the results of the study.*

*Subd. 4. [LIGHT RAIL TRANSIT.] The board shall review and report to the legislature on any preliminary engineering plans for light rail transit adopted by the commissioner of transportation under article 7.*

*Subd. 5. [STATE-AID DISTRIBUTION.] The board shall study all unresolved issues relating to distribution of the county state-aid highway fund and the municipal state-aid street fund. These issues may include, but need not be limited to:*

- (1) formulas for distributing money in these funds;*
- (2) methods of measuring and quantifying factors used in those formulas;*
- (3) the role of screening boards in this distribution;*
- (4) methods of mitigating reductions in state aid that might result to one or more counties from various changes in state aid formulas and distribution procedures; and*
- (5) appropriate levels of state participation in the cost of constructing and maintaining county state-aid highways and municipal state-aid streets.*

*Subd. 6. [LOCAL PARTICIPATION IN TRUNK HIGHWAY PROJECTS.] The board shall study the appropriate role of local units of government in assisting in the cost of projects to construct or reconstruct trunk highways. The study must include a recommendation of guidelines to govern the extent of that participation and the types of projects for which participation is feasible and desirable.*

*Subd. 7. [INCREASED USE OF HIGH-OCCUPANCY VEHICLES.] The board shall study the feasibility and desirability of increasing incentives for the use of high-occupancy vehicles such as carpools, vanpools, and transit. The board shall study and evaluate, among other things, each of the following incentives:*

- (1) tax incentives to employees;*
- (2) tax incentives and other incentives to employers;*
- (3) parking charges designed to discourage single-occupant vehicles and promote high-occupancy vehicles;*
- (4) road pricing on freeways and other commuting routes;*
- (5) staggered work hours;*
- (6) expanded availability and reduced cost of regular-route transit; and*
- (7) increased use of demand-responsive transit to meet the needs of persons otherwise automobile dependent.*

**Sec. 6. [APPROPRIATION.]**

*§ . . . . . is appropriated from the highway user tax distribution fund to the transportation study board.*

**Sec. 7. [REPEALER.]**

*Laws 1988, chapter 603, section 6, is repealed."*

Delete the title and insert:

"A bill for an act relating to transportation; establishing state transportation goals and requiring periodic revisions of the state transportation plan; directing a study of rail-highway grade crossings; establishing penalties for violations of grade crossing safety laws; directing the commissioner to take certain actions relating to grade crossings; authorizing the commissioner of transportation to make grants and loans for the improvement of commercial navigation facilities; establishing special categories of roads and highways;

authorizing local units of government to advance funds for the completion of highway projects; establishing a transportation utility; authorizing road authorities to enter into agreements for the construction, maintenance, and operation of toll facilities; creating a transportation services fund; specifying percentage of unrefunded motor fuel tax revenue that is attributable to use on forest roads; authorizing the commissioner of transportation to plan, acquire, construct, and equip light rail transit facilities, and limiting authority of regional rail authorities; authorizing transportation research; directing a study of highway corridors; extending the transportation study board and specifying duties; appropriating money; amending Minnesota Statutes 1990, sections 162.02, subdivision 3a; 162.09, subdivision 3a; 162.14, subdivision 6; 168.54, subdivisions 5 and 6; 169.09, subdivision 13; 169.14, by adding a subdivision; 169.26; 170.23; 171.13, subdivision 1, and by adding a subdivision; 171.185; 171.26; 171.36; 173.13, subdivision 4; 173.231; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 221.036, subdivision 14; 222.50, subdivision 7; 296.16, subdivision 1a; 296.421, subdivision 8; 299D.03, subdivision 5; 398A.04, subdivision 8; 473.399, by adding a subdivision; 473.3993, subdivisions 2 and 3, and by adding a subdivision; 473.3994; and 473.3996; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; 221; 444; and 473; proposing coding for new law as Minnesota Statutes, chapter 457A; repealing Laws 1988, chapter 603, section 6; and Laws 1989, chapter 339, section 21."

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

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

H.F. No. 331: A bill for an act relating to education; permitting education districts and districts operating under joint powers agreements to conduct meetings via interactive television; amending Minnesota Statutes 1990, sections 122.92, subdivision 1; and 471.59, subdivision 2.

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

Page 2, line 5, after "*may*" insert "*also*" and delete "*public*"

Page 2, lines 20 and 21, delete "*composed of school district members*" and insert "*formed for educational purposes*"

Amend the title as follows:

Page 1, line 2, after "districts" insert a comma

Page 1, line 3, delete "and" and after "agreements" insert ", and joint vocational technical boards"

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. 57: A bill for an act relating to taxation; property; making technical corrections to, and clarifications to, the calculation of certain special levies, the calculation of the levy limit base, the calculation of the amount of market value reductions in certain property tax discrimination

actions, certain special levy referendum provisions, and to the effective dates of certain aid reductions; amending Minnesota Statutes 1990, sections 275.50, subdivision 5; 275.51, subdivision 3f; and 278.05, subdivision 4; Laws 1990, chapter 604, article 3, sections 49, subdivision 3; 50, subdivision 3; 51, subdivision 3; 59, subdivision 2; and 61, subdivision 2; and article 4, section 22.

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

Page 12, line 26, delete "*the court-determined market*"

Page 12, after line 34, insert:

"Sec. 4. Minnesota Statutes 1990, section 282.33, subdivision 1, is amended to read:

Subdivision 1. Whenever an unrecorded deed from the state of Minnesota conveying tax-forfeited lands shall have been lost or destroyed, an application, in form approved by the attorney general, for a new deed may be made by the grantee or the grantee's successor in interest to the commissioner of revenue. If it appears to the commissioner of revenue that the facts stated in the petition are true, the commissioner shall issue a new deed to the original grantee, in form approved by the attorney general, with like effect as the original deed. The commissioner shall send the new deed to the county recorder, who after recording the deed will forward it to the county auditor. The application shall be accompanied by a fee of \$20 \$25, payable to the commissioner of revenue, which shall be deposited with the state treasurer and credited to the general fund."

Page 17, line 13, delete "4" and insert "5"

Page 17, line 17, after the period, insert "*Section 4 is effective June 1, 1990.*"

Page 17, line 18, delete "5" and insert "6"

Page 17, line 19, delete "6" and insert "7"

Page 17, line 20, delete "*7 and 8*" and insert "*8 and 9*"

Page 17, lines 22 and 24, delete "9" and insert "10"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, delete "and" and after "4;" insert "and 282.33, subdivision 1;"

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 132 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
132	137				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 132 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 132 and insert the language after the enacting clause of S.F. No. 137, the first engrossment; further, delete the title of H.F. No. 132 and insert the title of S.F. No. 137, the first engrossment.

And when so amended H.F. No. 132 will be identical to S.F. No. 137, and further recommends that H.F. No. 132 be given its second reading and substituted for S.F. No. 137, 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. 326 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
326	552				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 326 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 326 and insert the language after the enacting clause of S.F. No. 552, the first engrossment; further, delete the title of H.F. No. 326 and insert the title of S.F. No. 552, the first engrossment.

And when so amended H.F. No. 326 will be identical to S.F. No. 552, and further recommends that H.F. No. 326 be given its second reading and substituted for S.F. No. 552, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 707: A bill for an act relating to public safety; modifying exceptions to the requirement of inspection of boilers and pressure vessels; amending Minnesota Statutes 1990, section 183.56.

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 581: A bill for an act relating to companion animals; establishing a low-cost spaying and neutering program; imposing a tax on wholesale sales of dog and cat food; imposing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 346; proposing coding for new law as Minnesota Statutes, chapter 297E.

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 833: A bill for an act relating to commerce; regulating heavy and utility equipment dealership agreements; providing for returns and repurchases under certain circumstances; providing remedies; amending Minnesota Statutes 1990, section 325E.0681, by adding subdivisions.

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 785: A bill for an act relating to financial institutions; permitting interstate banking with additional reciprocating states; amending Minnesota Statutes 1990, section 48.92, subdivision 7.

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

Mr. Chmielewski from the Committee on Employment, to which was referred

H.F. No. 472: A bill for an act relating to occupations and professions; amending the definition of high pressure piping; amending Minnesota Statutes 1990, section 326.461, subdivision 2.

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

Mr. Solon from the Committee on Commerce, to which was referred

H.F. No. 697: A bill for an act relating to credit unions; providing that credit unions may be designated as depositories of state funds; providing for the election of a supervisory committee; clarifying investment authority of board of directors; amending Minnesota Statutes 1990, sections 9.031, subdivision 1; 52.04, subdivision 1; 52.08; and 52.09, subdivision 2.

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

Mr. Solon from the Committee on Commerce, to which was referred

H.F. No. 238: A bill for an act relating to consumer protection; prohibiting the provision of a credit card number as a condition of check cashing or acceptance; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reports the same back with the recommendation that the bill be amended

as follows:

Delete everything after the enacting clause and insert:

"Section 1. [325F.981] [CHECK CASHING PRACTICES.]

*Subdivision 1. [PROVISION OF CREDIT CARD NUMBER.] A person shall not require as a condition of acceptance of a check, or as a means of identification, that the person presenting the check provide a credit card number.*

*Subd. 2. [DISPLAY WITHOUT RECORDATION.] Subdivision 1 does not prohibit a person from requesting the person presenting the check to display a credit card, but the only information concerning a credit card which may be recorded is the type and issuer of the credit card and the expiration date. Subdivision 1 does not require acceptance of a check whether or not a credit card is presented.*

*Subd. 3. [EXCEPTION.] A person may require production of and may record a credit card number as a condition for cashing a check only if: (1) the person requesting the card number has agreed with the issuer to cash or accept checks from the issuer's cardholders; (2) the issuer has agreed to guarantee cardholder checks cashed or accepted by that person; and (3) the cardholder has given actual, apparent, or implied authority for use of the card number in this manner and for this purpose."*

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. 497: A bill for an act relating to game and fish; authorizing the commissioner to establish special seasons for persons with a physical disability to take game with firearms and by archery; proposing coding for new law in Minnesota Statutes, chapter 97B.

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

Page 1, line 10, delete "*Subdivision 1. [SPECIAL SEASONS.]*"

Page 1, line 11, after "*establish*" insert "*criteria,*" and after "*seasons*" insert a comma

Page 1, line 14, delete "*subdivision*" and insert "*section*"

Page 1, line 15, before the period, insert "*and must be participating in a program for physically disabled hunters sponsored by a nonprofit organization*" and after the period, insert "*A license is not required for a person to assist a physically disabled person hunting during a special season under this section.*"

Page 1, delete lines 16 to 19

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

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

S.F. No. 305: A bill for an act relating to Coon Creek watershed district; providing for the establishment of a district water maintenance and repair fund; authorizing a tax levy for water maintenance and repair purposes.

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

Page 1, line 25, after "*dams*," insert "*storm*"

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. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 951: A bill for an act relating to housing; modifying procedures relating to rent escrow actions; modifying procedures relating to the tenant's loss of essential services; modifying provisions relating to tenant remedy actions, retaliatory eviction proceedings, and receivership proceedings; modifying provisions relating to Minnesota housing finance agency low- and moderate-income housing programs; providing for an emergency mortgage and rental assistance pilot project; modifying certain receivership, assignment of rents and profits, and landlord and tenant provisions; modifying provisions relating to housing and redevelopment authorities; providing for the issuance of general obligation bonds for housing by the cities of Minneapolis and St. Paul; authorizing the city of Minneapolis to make small business loans; modifying the property tax classification of certain residential real estate; excluding housing districts from the calculation of local government aid reductions; modifying the interest rate reduction program; changing the definition of mentally ill person; consolidating special needs housing programs; clarifying and amending biennial reporting requirement; authorizing new construction of accessible housing; authorizing off-reservation home improvement program; appropriating money; amending Minnesota Statutes 1990, sections 268.39; 273.124, subdivisions 1 and 11; 273.13, subdivision 25; 273.1399, subdivision 1; 462A.03, subdivisions 10 and 16; 462A.05, subdivision 20, and by adding a subdivision; 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9; 462A.222, subdivision 3; 462C.03, subdivision 10; 469.011, subdivision 4; 469.012, subdivision 1; 469.015, subdivisions 3, 4, and by adding a subdivision; 469.176, subdivision 4f; 474A.048, subdivision 2; 481.02, subdivision 3; 504.02; 504.185, subdivision 2; 504.20, subdivisions 3, 4, 5, and 7; 504.27; 559.17, subdivision 2; 566.03, subdivision 1; 566.17, subdivisions 1, 2, and by adding a subdivision; 566.175, subdivision 6; 566.18, subdivision 9; 566.29, subdivisions 2 and 4; and 576.01, subdivision 2; Laws 1974, chapter 285, section 4, as amended; Laws 1987, chapter 404, section 28, subdivision 1; Laws 1988, chapter 594, section 6; Laws 1989, chapter 335, article 1, section 27, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapters 268 and 609; repealing Minnesota Statutes 1990, section 462A.05, subdivisions 28 and 29.

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

Delete everything after the enacting clause and insert:



"ARTICLE 1  
LANDLORD AND TENANT

Section 1. Minnesota Statutes 1990, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

(1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;

(2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;

(3) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its selection, the insureds in policies issued or to be issued by it, in accordance with the terms of the policies;

(4) a licensed attorney-at-law from acting for several common-carrier corporations or any of its subsidiaries pursuant to arrangement between the corporations;

(5) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment;

(6) any person from conferring or cooperating with a licensed attorney-at-law of another in preparing any legal document, if the attorney is not, directly or indirectly, in the employ of the person or of any person, firm, or corporation represented by the person;

(7) any licensed attorney-at-law of Minnesota, who is an officer or employee of a corporation, from drawing, for or without compensation, any document to which the corporation is a party or in which it is interested personally or in a representative capacity, except wills or testamentary dispositions or instruments of trust serving purposes similar to those of a will, but any charge made for the legal work connected with preparing and drawing the document shall not exceed the amount paid to and received and retained by the attorney, and the attorney shall not, directly or indirectly, rebate the fee to or divide the fee with the corporation;

(8) any person or corporation from drawing, for or without a fee, farm or house leases, notes, mortgages, chattel mortgages, bills of sale, deeds, assignments, satisfactions, or any other conveyances except testamentary dispositions and instruments of trust;

(9) a licensed attorney-at-law of Minnesota from rendering to a corporation legal services to itself at the expense of one or more of its bona fide principal stockholders by whom the attorney is employed and by whom no compensation is, directly or indirectly, received for the services;

(10) any person or corporation engaged in the business of making collections from engaging or turning over to an attorney-at-law for the purpose of instituting and conducting suit or making proof of claim of a creditor in any case in which the attorney-at-law receives the entire compensation for

the work;

(11) any regularly established farm journal or newspaper, devoted to general news, from publishing a department of legal questions and answers to them, made by a licensed attorney-at-law, if no answer is accompanied or at any time preceded or followed by any charge for it, any disclosure of any name of the maker of any answer, any recommendation of or reference to any one to furnish legal advice or services, or by any legal advice or service for the periodical or any one connected with it or suggested by it, directly or indirectly;

(12) any authorized management agent of an owner of rental property used for residential purposes, whether the management agent is a natural person, corporation, partnership, limited partnership, or any other business entity, from commencing, maintaining, conducting, or defending in its own behalf any action in any court in this state to recover or retain possession of the property, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal; and

(13) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state pursuant to the provisions of section 566.175 or sections 566.18 to ~~566.33~~ 566.35 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state for the recovery of rental property used for residential purposes pursuant to the provisions of section 566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal, and provided that, except for a nonprofit corporation, a person who is not a licensed attorney-at-law shall not charge or collect a separate fee for services rendered pursuant to this clause.

Sec. 2. Minnesota Statutes 1990, section 504.02, is amended to read:

504.02 [CANCELLATION OF LEASES IN CERTAIN CASES; ABANDONMENT OR SURRENDER OF POSSESSION.]

*Subdivision 1. [ACTION TO RECOVER.] (a)* In case of a lease of real property, when the landlord has a subsisting right of reentry for the failure of the tenant to pay rent the landlord may bring an action to recover possession of the property and such action is equivalent to a demand for the rent and a reentry upon the property; but if, at any time before possession has been delivered to the plaintiff on recovery in the action, the lessee or a successor in interest as to the whole or any part of the property pays to the plaintiff or brings into court the amount of the rent then in arrears, with interest and costs of the action, and an attorney's fee not exceeding \$5, and performs the other covenants on the part of the lessee, the lessee or successor may be restored to the possession and hold the property according to the terms of the original lease.

*(b) If the lessee or successor in interest brings into court the amount of the rent in arrears and the court finds:*

*(1) that for reasons beyond the defendant's reasonable control the defendant could not pay the rent in arrears prior to the bringing of the action; and*

(2) that the defendant meets the financial eligibility criteria in section 563.01, subdivision 3;

*the court shall order the court administrator to refund to the plaintiff the filing fee in the action and order the defendant to pay the remainder of the costs of the action to the plaintiff.*

*Subd. 2. [LEASE GREATER THAN 20 YEARS.] (a) If the lease under which the right of reentry is claimed is a lease for a term of more than 20 years, reentry cannot be made into the land or such action commenced by the landlord unless, after default, the landlord shall serve upon the tenant, also upon all creditors having a lien of record legal or equitable upon the leased premises or any part thereof, a written notice that the lease will be canceled and terminated unless the payment or payments in default shall be made and the covenants in default shall be performed within 30 days after the service of such notice, or within such greater period as the lessor shall specify in the notice, and if such default shall not be removed within the period specified within the notice, then the right of reentry shall be complete at the expiration of the period and may be exercised as provided by law. If any such lease shall provide that the landlord, after default, shall give more than 30 days' notice in writing to the tenant of the landlord intention to terminate the tenancy by reason of default in terms thereof, then the length of the notice to terminate shall be the same as provided for and required by the lease.*

*(b) As to such leases for a term of more than 20 years, if at any time before the expiration of six months after possession obtained by the plaintiff by abandonment or surrender of possession by the tenant or on recovery in the action, the lessee or a successor in interest as to the whole or part of the property, or any creditor having a lien legal or equitable upon the leased premises or any part thereof, pays to the plaintiff, or brings into court, the amount of rent then in arrears, with interest and the costs of the action, and performs the other covenants on the part of the lessee, the lessee or successor may be restored to the possession and hold the property according to the terms of the original lease. The provisions of this section shall not apply to any action or proceeding now pending in any of the courts of this state.*

*Subd. 3. [JUDGMENT TO BE RECORDED.] Upon recovery of possession by the landlord in the action a certified copy of the judgment shall be recorded in the office of the county recorder of the county where the land is situated if unregistered land or in the office of the registrar of titles of such county if registered land and upon recovery of possession by the landlord by abandonment or surrender by the tenant an affidavit by the landlord or the landlord's attorney setting forth such fact shall be recorded in a like manner and such recorded certified copy of such judgment or such recorded affidavit shall be prima facie evidence of the facts stated therein in reference to the recovery of possession by such landlord.*

Sec. 3. Minnesota Statutes 1990, section 504.18, subdivision 1, is amended to read:

Subdivision 1. In every lease or license of residential premises, whether in writing or parol, the lessor or licensor covenants:

(a) That the premises and all common areas are fit for the use intended by the parties.

(b) To keep the premises in reasonable repair during the term of the lease or license, except when the disrepair has been caused by the willful, malicious, or irresponsible conduct of the lessee or licensee or a person under the direction or control of the lessee or licensee.

(c) To maintain the premises in compliance with the applicable health and safety laws of the state, *including the weatherstripping, caulking, storm window, and storm door energy efficiency standards for renter-occupied residences prescribed by section 216C.27, subdivisions 1 and 3*, and of the local units of government where the premises are located during the term of the lease or license, except when violation of the health and safety laws has been caused by the willful, malicious, or irresponsible conduct of the lessee or licensee or a person under the direction or control of the lessee or licensee.

The parties to a lease or license of residential premises may not waive or modify the covenants imposed by this section.

Sec. 4. Minnesota Statutes 1990, section 504.185, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] When a municipality, utility company, or other company supplying home heating oil, propane, natural gas, electricity, or water to a building has *issued a final notice or has posted the building proposing to disconnect or discontinued the service to the building because an owner who has contracted for the service has failed to pay for it or because an owner is required by law or contract to pay for the service and fails to do so*, a tenant or group of tenants may pay to have the service *continued or reconnected* as provided under this section. Before paying for the service, the tenant or group of tenants shall give oral or written notice to the owner of the tenant's intention to pay after 48 hours, or a shorter period that is reasonable under the circumstances, if the owner has not already paid for the service. In the case of oral notification, written notice shall be mailed or delivered to the owner within 24 hours after oral notice is given.

(a) In the case of natural gas, electricity, or water, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may pay the outstanding bill for the most recent billing period, if the utility company or municipality will restore the service for at least one billing period.

(b) In the case of home heating oil or propane, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may order and pay for one month's supply of the proper grade and quality of oil or propane.

After submitting receipts for the payment to the owner, a tenant may deduct the amount of the tenant's payment from the rental payment next paid to the owner. Any amount paid to the municipality, utility company, or other company by a tenant under this subdivision is considered payment of rent to the owner for purposes of section 504.02.

Sec. 5. Minnesota Statutes 1990, section 504.20, subdivision 3, is amended to read:

Subd. 3. Every landlord shall, within three weeks after termination of the tenancy *or within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in*

*which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant, and after receipt of the tenant's mailing address or delivery instructions, return the deposit to the tenant, with interest thereon as above provided, or furnish to the tenant a written statement showing the specific reason for the withholding of the deposit or any portion thereof. It shall be sufficient compliance with the time requirement of this subdivision if the deposit or written statement required by this subdivision is placed in the United States mail as first class mail, postage prepaid, in an envelope with a proper return address, correctly addressed according to the mailing address or delivery instructions furnished by the tenant, within the time required by this subdivision. The landlord may withhold from the deposit only amounts reasonably necessary:*

(a) To remedy tenant defaults in the payment of rent or of other funds due to the landlord pursuant to an agreement; or

(b) To restore the premises to their condition at the commencement of the tenancy, ordinary wear and tear excepted.

In any action concerning the deposit, the burden of proving, by a fair preponderance of the evidence, the reason for withholding all or any portion of the deposit shall be on the landlord.

Sec. 6. Minnesota Statutes 1990, section 504.20, subdivision 4, is amended to read:

Subd. 4. Any landlord who fails to provide a written statement within three weeks of termination of the tenancy *or within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant, and after receipt of the tenant's mailing address or delivery instructions, as required in subdivision 3, shall be liable to the tenant for damages in an amount equal to the portion of the deposit withheld by the landlord and interest thereon as provided in subdivision 2, as a penalty, in addition to the portion of the deposit wrongfully withheld by the landlord and interest thereon.*

Sec. 7. Minnesota Statutes 1990, section 504.27, is amended to read:

504.27 [REMEDIES ARE ADDITIONAL.]

The remedies provided in sections 504.24 to 504.26 are in addition to and shall not limit other rights or remedies available to landlords and tenants. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of sections 504.24 to 504.27 is waived by a tenant is contrary to public policy and void. The provisions of sections 504.24 to 504.27 shall apply only to tenants as that term is defined in section 566.18, subdivision 2, and buildings as that term is defined in section 566.18, subdivision 7. *The provisions of sections 504.24, 504.25, 504.255, and 504.26 apply to occupants and owners of residential real property which is the subject of a mortgage foreclosure or contract for deed cancellation and as to which the period for redemption or reinstatement of the contract has expired.*

## ARTICLE 2

### UNLAWFUL DETAINER

Section 1. Minnesota Statutes 1990, section 566.03, subdivision 1, is amended to read:

Subdivision 1. *The person entitled to the premises may recover possession in the manner provided in this section when:*

(1) any person holds over lands or tenements after a sale thereof on an execution or judgment, or on foreclosure of a mortgage, and expiration of the time for redemption, or after termination of contract to convey the same, provided that if the person holding such lands or tenements after the sale, ~~foreclosure~~ *expiration of the time for redemption, or termination is a tenant, the person has received:*

(i) ~~at least one month's written notice of the termination of tenancy as a result of~~ *to vacate no sooner than one month after the sale, foreclosure expiration of the time for redemption, or termination; or when*

(ii) *at least one month's written notice to vacate no later than the date of the sale, expiration of the time for redemption, or termination which notice shall also state that the sender will hold the tenant harmless from any damages caused to the tenant if no sale occurs, the mortgage is redeemed, or the contract is reinstated;*

(2) any person holds over lands or tenements after termination of the time for which they are demised or let to that person or to the persons under whom that person holds possession, or contrary to the conditions or covenants of the lease or agreement under which that person holds, or after any rent becomes due according to the terms of such lease or agreement; ~~or when~~

(3) any tenant at will holds over after the determination of ~~any such~~ *the estate by notice to quit; in all such cases the person entitled to the premises may recover possession thereof in the manner hereinafter provided.*

Sec. 2. Minnesota Statutes 1990, section 566.17, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] (a) *"Dwelling," for purposes of this section, means all or that lesser part of the premises which is occupied by the defendant as a residence and includes a manufactured home as defined in section 327C.01, subdivision 4. "Manufactured home lot" or "lot," for purposes of this section, means an area within a manufactured home park, designed or used for the accommodation of a manufactured home. "Premises," for purposes of this section, means the building in which the defendant resides and any other building connected to it or which is one of two or more adjacent buildings used by the plaintiff for rental residential purposes. Premises includes a manufactured home park as defined in section 327C.01, subdivision 5. "Personal property" or "property," for purposes of this section, means the household goods and furnishings, clothing, personal items, tools, and motor and recreational vehicles used or stored in or near a dwelling.*

(b) *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~~ dwelling or manufactured home lot, or other person in charge thereof, for the possession of the same, and that the defendant leave, taking family and all personal property and manufactured home from ~~such premises~~ the dwelling or lot 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 *and manufactured home* from ~~said premises~~ *the dwelling or lot* detained, immediately and place the plaintiff in the possession thereof. In case the defendant cannot be found in the county, and there is no person in charge of the ~~premises~~ *dwelling or lot* detained, so that no demand can be made upon the defendant, then the officer shall enter into the possession of the ~~premises~~ *dwelling or lot*, breaking in if necessary, and the property *and manufactured home* of the defendant shall be removed and stored at a place designated by the plaintiff as provided under subdivision 2.

Sec. 3. Minnesota Statutes 1990, section 566.17, subdivision 2, is amended to read:

Subd. 2. [REMOVAL AND STORAGE OF PROPERTY.] (a) In cases where the defendant's personal property *or manufactured home* is to be stored in a place other than the premises, the officer shall remove all property *and the manufactured home* of the defendant at the expense of the plaintiff.

The plaintiff shall have a lien upon all of the ~~goods upon the premises~~ *defendant's property in the dwelling and the manufactured home* for the reasonable costs and expenses incurred for removing ~~the personal property~~ *and for the proper, properly caring for,* 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~~ *the* removal from the ~~premises~~ *dwelling or lot* 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.

(b) In cases where the defendant's property *or manufactured home* is to be stored on the premises, the officer shall enter the ~~premises~~ *dwelling or lot*, breaking in if necessary, and the plaintiff may remove the defendant's personal property *or manufactured home*. *The plaintiff shall have no lien on property other than a manufactured home stored on the premises. In the case of a manufactured home, the plaintiff shall have a lien for rent and other related expenses incurred in the storage and care of the manufactured home for the period of time prior to sale pursuant to sections 514.18 to 514.22.* The provisions of section 504.24 apply to property removed under this paragraph. The plaintiff must prepare an inventory and mail a copy of the inventory to the defendant's last known address or, if the defendant has provided a different address, to the address provided by the defendant. The inventory must be prepared, signed, and dated in the presence of the peace officer. The inventory must include the following:

(1) a listing of the items of personal property and a description of the condition of the property;

(2) the date, the signature of the plaintiff or the plaintiff's agent, and the name and telephone number of a person authorized to release the personal property; and

(3) the name and badge number of the peace officer.

The peace officer shall retain a copy of the inventory. The plaintiff is responsible for the proper removal, storage, and care of the defendant's personal property and is liable for damages for loss of or injury to the defendant's personal property caused by the plaintiff's failure to exercise care in regard to it as a reasonably careful person would exercise under like

circumstances.

(c) The plaintiff shall notify the defendant of the date and approximate time the officer is scheduled to remove the defendant, family, and the defendant's personal property from the premises dwelling or lot. The notice must be sent by first-class mail. In addition, the plaintiff must make a good faith effort to notify the defendant by telephone. The notice must be mailed as soon as the information regarding the date and approximate time the officer is scheduled to enforce the writ is known to the plaintiff, except that the scheduling of the peace officer to enforce the writ need not be delayed because of the notice requirement. The notice must inform the defendant that the defendant and the defendant's property will be removed from the premises dwelling or lot if the defendant has not vacated the premises dwelling or lot by the time specified in the notice.

Sec. 4. Minnesota Statutes 1990, section 566.17, is amended by adding a subdivision to read:

*Subd. 2a. In the second and fourth judicial districts, the housing calendar consolidation project shall retain jurisdiction in matters relating to removal of property or a manufactured home under this section. If the plaintiff refuses to return the property or manufactured home after proper demand is made as provided in section 504.24, the court shall enter an order requiring the plaintiff to return the property or manufactured home to the defendant and awarding reasonable expenses including attorney fees to the defendant.*

Sec. 5. Minnesota Statutes 1990, section 566.175, subdivision 6, is amended to read:

Subd. 6. ~~The provisions of This section shall apply only~~ applies to:

(1) tenants as ~~that term~~ is defined in section 566.18, subdivision 2, and including occupants and owners of residential real property which is the subject of a mortgage foreclosure or contract for deed cancellation and as to which the period for redemption or reinstatement of the contract has expired;

(2) buildings as that term is defined in section 566.18, subdivision 7; and

(3) landlords as the term "owner" is defined in section 566.18, subdivision 3, but also including mortgagees and contract for deed vendors.

Sec. 6. Minnesota Statutes 1990, section 566.18, subdivision 9, is amended to read:

Subd. 9. [NEIGHBORHOOD ORGANIZATION.] "Neighborhood organization" means a nonprofit corporation incorporated under chapter 317A that satisfies clauses (1) and (2).

The corporation shall:

(1) designate in its articles of incorporation or bylaws a specific geographic community to which its activities are limited; and

(2) be formed for the purposes of promoting community safety, crime prevention, and housing quality in a nondiscriminatory manner.

For purposes of this chapter, an action taken by a neighborhood organization with the written permission of a tenant means, with respect to a building with multiple dwelling units, an action taken by the neighborhood organization with the written permission of the tenants of a majority of the



*occupied* units.

Sec. 7. Minnesota Statutes 1990, section 566.29, subdivision 2, is amended to read:

Subd. 2. Such person or *neighborhood organization* shall post bond to the extent of the rents expected by the court to be necessary to be collected to correct the violation or violations. Administrators appointed from the governmental agencies shall not be required to give bond.

Sec. 8. Minnesota Statutes 1990, section 566.29, subdivision 4, is amended to read:

Subd. 4. [POWERS.] The administrator is authorized to:

(a) Collect rents from tenants and commercial tenants, evict tenants and commercial tenants for nonpayment of rent or other cause, enter into leases for vacant dwelling units, rent vacant commercial units with the consent of the owner and exercise all other powers necessary and appropriate to carry out the purposes of Laws 1973, chapter 611;

(b) Contract for the reasonable cost of materials, labor and services necessary to remedy the violation or violations found by the court to exist and for the rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and make disbursements for payment therefor from funds available for the purpose;

(c) Provide any services to the tenants which the owner is obligated to provide but refuses or fails to provide, and pay for them from funds available for the purpose;

(d) Petition the court, after notice to the parties, for an order allowing the administrator to encumber the ~~premise~~ *premises* to secure funds to the extent necessary to cover the cost of materials, labor, and services, including reasonable fees for the administrator's services, necessary to remedy the violation or violations found by the court to exist and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and to pay for them from funds derived from the encumbrance; and

(e) Petition the court, after notice to the parties, for an order allowing the administrator to receive funds made available for this purpose by the *federal or state governing body or the municipality* to the extent necessary to cover the cost of materials, labor, and services necessary to remedy the violation or violations found by the court to exist and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and pay for them from funds derived from ~~the municipal sources~~ *this source*. The municipality shall recover disbursements by special assessment on the real estate affected, bearing interest at the rate determined by the municipality, not exceeding the rate established for finance charges for open-end credit sales under section 334.16, subdivision 1, clause (b), with the assessment, interest and any penalties to be collected the same as special assessments made for other purposes under state statute or municipal charter.

Sec. 9. [609.606] [UNLAWFUL OUSTER OR EXCLUSION.]

*A landlord, agent of the landlord, or person acting under the landlord's direction or control who unlawfully and intentionally removes or excludes a tenant from lands or tenements or intentionally interrupts or causes the*

*interruption of electrical, heat, gas, or water services to the tenant with intent to unlawfully remove or exclude the tenant from lands or tenements is guilty of a misdemeanor.*

### ARTICLE 3

#### STATE HOUSING PROGRAMS

Section 1. Minnesota Statutes 1990, section 47.58, is amended by adding a subdivision to read:

*Subd. 8. [COUNSELING; REQUIREMENT; PENALTY.] Any lender or any mortgage banking company or any other mortgage lender not related to the mortgagor must keep a certificate on file documenting that the borrower, prior to entering into the reverse mortgage loan, received counseling as defined in this subdivision from an organization that meets the requirements of section 462A.28, subdivision 1, and is a housing counseling agency approved by the United States Department of Housing and Urban Development. The certificate must be signed by the mortgagor and the counselor and include the date of the counseling, the name, address, and telephone number of both the mortgagor and the organization providing counseling. Lenders must provide to the mortgagor a copy of the certificate of counseling upon request. A failure by a lender to provide certification results in a loss of any future interest due on the loan. For the purposes of this subdivision, "counseling" means the following services are provided to the borrower:*

- (1) a review of the advantages and disadvantages of reverse mortgage programs;*
- (2) an explanation of how the reverse mortgage affects the borrower's estate and public benefits;*
- (3) an explanation of the lending process;*
- (4) a discussion of the borrower's supplemental income needs; and*
- (5) an opportunity to ask questions of the counselor.*

Sec. 2. [268.44] [EMERGENCY MORTGAGE AND RENTAL ASSISTANCE PILOT PROJECT.]

*Subdivision 1. [ADMINISTRATION.] The commissioner of jobs and training shall administer an emergency mortgage and rental assistance pilot project for individuals who are in danger of losing their housing as a result of having insufficient income to allow payment of their rental or mortgage costs. "Eligible project participants" are individuals ineligible for emergency assistance or general assistance for housing whose income does not exceed 80 percent of the area median income at the time of application to the project. No individual or family may receive more than six months of rental or mortgage assistance or \$2,000, whichever is less. The commissioner of jobs and training may establish eligibility priorities for emergency rental or mortgage assistance among the categories of persons needing assistance, including persons subject to eviction for nonpayment of rent or foreclosure for nonpayment of mortgage installments or property taxes, when nonpayment is attributable to illness, 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 case management services, referral services relating to housing, and other resources and programs that may be available to them.*

*Subd. 3. [MORTGAGE ASSISTANCE.] Eligible homeowners at risk of losing their housing as a result of a short-term disruption or decrease in income may receive monthly mortgage or mortgage arrears assistance interest-free loans. To qualify for assistance, a homeowner must be at least two months delinquent on home mortgage payments. The local distributing agency must determine repayment schedules on a case-by-case basis. If the homeowner sells the house within one year of receiving assistance, net proceeds from the sale must be applied to the mortgage assistance loan.*

*Subd. 4. [RENTAL ASSISTANCE.] Eligible applicants who are in danger of losing their housing may receive monthly rental or rental arrears assistance payments. Monthly rental assistance payments may not exceed the fair market value of the rental housing unit. Persons may be required to repay the rental assistance based on their financial ability to pay, as determined by the local distributing agency.*

Sec. 3. Minnesota Statutes 1990, section 462A.03, subdivision 10, is amended to read:

Subd. 10. "Persons and families of low and moderate income" means persons and families, irrespective of race, creed, national origin or sex, or status with respect to guardianship or conservatorship, determined by the agency to require such assistance as is made available by sections 462A.01 to 462A.24 on account of personal or family income not sufficient to afford adequate housing. In making such determination the agency shall take into account the following: (a) The amount of the total income of such persons and families available for housing needs, (b) the size of the family, (c) the cost and condition of housing facilities available, (d) the eligibility of such persons and families to compete successfully in the normal housing market and to pay the amounts at which private enterprise is providing sanitary, decent and safe housing. In the case of federally subsidized mortgages with respect to which income limits have been established by any agency of the federal government having jurisdiction thereover for the purpose of defining eligibility of low and moderate income families, the limits so established shall govern under the provision of sections 462A.01 to 462A.24. In all other cases income limits for the purpose of defining low or moderate income persons shall be established by the agency by emergency or permanent rules.

Sec. 4. Minnesota Statutes 1990, section 462A.03, subdivision 13, is amended to read:

Subd. 13. "Eligible mortgagor" means a nonprofit or cooperative housing corporation, the department of human services for the purpose of developing community-based programs as defined in sections 252.50 and 253.28, limited profit entity or a builder as defined by the agency in its rules, which sponsors or constructs residential housing as defined in subdivision 7, or a natural person of low or moderate income, except that the return to a limited dividend entity shall not exceed ten percent of the capital contribution of the investors or such lesser percentage as the agency shall establish in its rules; provided that residual receipts funds of a limited dividend entity may be used for agency-approved, housing-related investments owned by the limited dividend entity without regard to the limitation on returns.

Owners of existing residential housing occupied by renters shall be eligible for rehabilitation loans, only if, as a condition to the issuance of the loan, the owner agrees to conditions established by the agency in its rules relating to rental or other matters that will insure that the housing will be occupied by persons and families of low or moderate income. The agency shall require by rules that the owner give preference to those persons of low or moderate income who occupied the residential housing at the time of application for the loan.

Sec. 5. Minnesota Statutes 1990, section 462A.05, is amended by adding a subdivision to read:

*Subd. 14d. [ACCESSIBILITY LOAN PROGRAM.] Rehabilitation loans authorized under subdivision 14 may be made to eligible persons and families whose income does not exceed the maximum income limits authorized under section 143(f) of the Internal Revenue Code of 1986, as amended through December 31, 1990. Notwithstanding section 462A.05, subdivision 14, loans may be made under this subdivision which cause the amount of total indebtedness secured by the property to exceed the market value of the property, as determined by the agency.*

*A person or family is eligible to receive an accessibility loan under the following conditions:*

*(1) the borrower or a member of the borrower's family requires a level of care provided in a hospital, skilled nursing facility, or intermediate care facility for persons with mental retardation or related conditions;*

*(2) home care is appropriate; and*

*(3) the improvement will enable the borrower or a member of the borrower's family to reside in the housing.*

Sec. 6. Minnesota Statutes 1990, section 462A.222, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION PROCEDURE.] (a) Projects will be awarded tax credits in three competitive rounds on an annual basis. The date for applications for each round must be determined by the agency. No allocating agency may award tax credits prior to the application dates established by the agency.

(b) Each allocating agency must meet the requirements of section 42(m) of the Internal Revenue Code of 1986, as amended through December 31, 1989, for the allocation of tax credits and the selection of projects.

(c) For applications submitted for the first round, an allocating agency may allocate tax credits only to the following types of projects:

(1) single-room occupancy projects which are affordable by households whose income does not exceed 30 percent of the median income;

(2) family housing projects in which at least 75 percent of the units contain two or more bedrooms and at least one-third of the 75 percent contain three or more bedrooms;

(3) projects in which ~~at least 50 percent~~ *a percentage* of the units are ~~for mentally ill, mentally retarded, drug dependent, developmentally disabled, or physically handicapped~~ *set aside and rented to persons:*

*(i) with a serious and persistent mental illness as defined in section 245.462, subdivision 20, paragraph (c);*

(ii) with a developmental disability as defined in United States Code, title 42, section 6001, paragraph (7), as amended through December 31, 1990;

(iii) with a brain injury as defined in section 256B.093, subdivision 4, paragraph (a);

(iv) who have been assessed as drug dependent persons as defined in section 254A.02, subdivision 5, and are receiving or will receive care and treatment services provided by an approved treatment program as defined in section 254A.02, subdivision 2; or

(v) with physical disabilities if at least 50 percent of the units are accessible as provided under Minnesota Rules, chapter 1340;

(4) projects which preserve existing subsidized housing which is subject to prepayment if the use of tax credits is necessary to prevent conversion to market rate use; or

(5) projects financed by the Farmers Home Administration which meet statewide distribution goals.

(d) Before the date for applications for the second round, the allocating agencies other than the agency shall return all uncommitted and unallocated tax credits to the pool from which they were allocated, along with copies of any allocation or commitment. In the second round, the agency shall allocate the remaining credits from the regional pools to projects from the respective regions.

(e) In the third round, all unallocated tax credits must be transferred to a unified pool for allocation by the agency on a statewide basis.

(f) Unused portions of the state ceiling for low-income housing tax credits reserved to cities and counties for allocation may be returned at any time to the agency for allocation.

Sec. 7. [APPROPRIATION; DEPARTMENT OF JOBS AND TRAINING.]

*\$ . . . . . is appropriated from the general fund to the commissioner of jobs and training for the emergency mortgage and rental assistance pilot project to be available for the biennium ending June 30, 1993.*

Sec. 8. [APPROPRIATION; HOUSING TRUST FUND ACCOUNT.]

*\$ . . . . . is appropriated and transferred from the general fund to the housing trust fund account in the housing development fund for the purposes specified in Minnesota Statutes, section 462A.201.*

#### ARTICLE 4

#### ASSIGNMENT OF RENTS AND RECEIVERSHIP

Section 1. Minnesota Statutes 1990, section 504.20, subdivision 4, is amended to read:

Subd. 4. Any landlord who fails to provide a written statement within three weeks of termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, as required in subdivision 3, ~~shall be~~ or fails to transfer or return a deposit as required under subdivision 5, is liable to the tenant or the successor in interest for damages in an amount equal to the portion of the deposit withheld by the landlord and interest thereon as provided in subdivision 2, as a penalty, in addition to the portion of the deposit wrongfully withheld by the landlord and interest thereon.

Sec. 2. Minnesota Statutes 1990, section 504.20, subdivision 5, is amended to read:

Subd. 5. Upon termination of the landlord's interest in the premises, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or the landlord's agent shall, within a ~~reasonable time~~ **60 days of termination of the interest or when the successor in interest is required to return or otherwise account for the deposit to the tenant, whichever occurs first**, do one of the following acts, either of which shall relieve the landlord or agent of further liability with respect to such deposit:

(a) Transfer such deposit, or any remainder after any lawful deductions made under subdivision 3, with interest thereon as provided in subdivision 2, to the landlord's successor in interest and thereafter notify the tenant of such transfer and of the transferee's name and address; or

(b) Return such deposit, or any remainder after any lawful deductions made under subdivision 3, with interest thereon as provided in subdivision 2, to the tenant.

Sec. 3. Minnesota Statutes 1990, section 504.20, subdivision 7, is amended to read:

Subd. 7. The bad faith retention by a landlord of ~~the a~~ deposit, the interest thereon, or any portion thereof, in violation of this section shall subject the landlord to punitive damages not to exceed \$200 *for each deposit* in addition to the damages provided in subdivision 4. If the landlord has failed to comply with the provisions of subdivision 3 *or 5*, retention of ~~the a~~ deposit shall be presumed to be in bad faith unless the landlord returns the deposit within two weeks after the commencement of any action for the recovery of the deposit.

Sec. 4. Minnesota Statutes 1990, section 559.17, subdivision 2, is amended to read:

Subd. 2. A mortgagor may assign, as additional security for the debt secured by the mortgage, the rents and profits from the mortgaged real property, if the mortgage:

(1) Was executed, modified or amended subsequent to August 1, 1977;

(2) Secured an original principal amount of ~~\$500,000~~ **\$100,000** or more *or is a lien upon residential real estate containing more than four dwelling units*; and

(3) Is not a lien upon property which was entirely homesteaded ~~as~~, *residential real estate containing four or less dwelling units where at least one of the units is homesteaded, or agricultural property*. The assignment may be enforced as follows:

(a) If, by the terms of an assignment, a receiver is to be appointed upon the occurrence of some specified event, and a showing is made that the event has occurred, the court shall, without regard to waste, adequacy of the security, or solvency of the mortgagor, appoint a receiver who shall, with respect to the excess cash remaining after application as provided in section 576.01, subdivision 2, apply it as prescribed by the assignment. If the assignment so provides, the receiver shall apply the excess cash in the manner set out herein from the date of appointment through the entire redemption period from any foreclosure sale. Subject to the terms of the assignment, the receiver shall have the powers and duties as set forth in

section 576.01, subdivision 2-; or

(b) If no provision is made for the appointment of a receiver in the assignment or if by the terms of the assignment a receiver may be appointed, the assignment shall be binding upon the assignor unless or until a receiver is appointed without regard to waste, adequacy of the security or solvency of the mortgagor, but only in the event of default in the terms and conditions of the mortgage, and only in the event the assignment requires the holder thereof to first apply the rents and profits received as provided in section 576.01, subdivision 2, in which case the same shall operate against and be binding upon the occupiers of the premises from the date of filing by the holder of the assignment in the office of the county recorder or the office of the registrar of titles for the county in which the property is located of a notice of default in the terms and conditions of the mortgage and service of a copy of the notice upon the occupiers of the premises. The holder of the assignment shall apply the rents and profits received in accordance with the terms of the assignment, and, if the assignment so provides, for the entire redemption period from any foreclosure sale. A holder of an assignment who enforces it in accordance with this clause shall not be deemed to be a mortgagee in possession with attendant liability.

Nothing contained herein shall prohibit the right to reinstate the mortgage debt granted pursuant to section 580.30, nor the right to redeem granted pursuant to sections 580.23 and 581.10, and any excess cash, as that term is used herein, collected by the receiver under clause (a), or any rents and profits taken by the holder of the assignment under clause (b), shall be credited to the amount required to be paid to effect a reinstatement or redemption.

Sec. 5. Minnesota Statutes 1990, section 576.01, subdivision 2, is amended to read:

Subd. 2. A receiver shall be appointed in the following case:

After the first publication of notice of sale for the foreclosure of a mortgage pursuant to chapter 580, or with the commencement of an action to foreclose a mortgage pursuant to chapter 581, and during the period of redemption, if the mortgage being foreclosed secured an original principal amount of ~~\$500,000~~ \$100,000 or more or is a lien upon residential real estate containing more than four dwelling units and was not a lien upon property which was entirely homesteaded, residential real estate containing four or less dwelling units where at least one unit is homesteaded, or agricultural property, the foreclosing mortgagee or the purchaser at foreclosure sale may at any time bring an action in the district court of the county in which the mortgaged premises or any part thereof is located for the appointment of a receiver; provided, however, if the foreclosure is by action under chapter 581, a separate action need not be filed. Pending trial of the action on the merits, the court may make a temporary appointment of a receiver following the procedures applicable to temporary injunctions under the rules of civil procedure. If the motion for temporary appointment of a receiver is denied, the trial of the action on the merits shall be held as early as practicable, but not to exceed 30 days after the motion for temporary appointment of a receiver is heard. The court shall appoint a receiver upon a showing that the mortgagor has breached a covenant contained in the mortgage relating to any of the following:

(1) Application of tenant security deposits as required by section 504.20;

(2) Payment when due of prior or current real estate taxes or special assessments with respect to the mortgaged premises, or the periodic escrow for the payment of the taxes or special assessments;

(3) Payment when due of premiums for insurance of the type required by the mortgage, or the periodic escrow for the payment of the premiums;

(4) Keeping of the covenants required of a lessor or licensor pursuant to section 504.18, subdivision 1.

The receiver shall be an experienced property manager. The court shall determine the amount of the bond to be posted by the receiver.

The receiver shall collect the rents, profits and all other income of any kind, manage the mortgaged premises so to prevent waste, execute leases within or beyond the period of the receivership if approved by the court, pay the expenses listed in clauses (1), (2), and (3) in the priority as numbered, pay all expenses for normal maintenance of the mortgaged premises and perform the terms of any assignment of rents which complies with section 559.17, subdivision 2. Reasonable fees to the receiver shall be paid prior thereto. The receiver shall file periodic accountings as the court determines are necessary and a final accounting at the time of discharge.

The purchaser at foreclosure sale shall have the right, at any time and without limitation as provided in section 582.03, to advance money to the receiver to pay any or all of the expenses which the receiver should otherwise pay if cash were available from the mortgaged premises. Sums so advanced, with interest, shall be a part of the sum required to be paid to redeem from the sale. The sums shall be proved by the affidavit of the purchaser, an agent or attorney, stating the expenses and describing the mortgaged premises. The affidavit must be filed for record with the county recorder or the registrar of titles, and a copy thereof shall be furnished to the sheriff and the receiver at least ten days before the expiration of the period of redemption.

Any sums collected which remain in the possession of the receiver at termination of the receivership shall, in the event the termination of the receivership is due to the reinstatement of the mortgage debt or redemption of the mortgaged premises by the mortgagor, be paid to the mortgagor; and in the event termination of the receivership occurs at the end of the period of redemption without redemption by the mortgagor or any other party entitled to redeem, interest accrued upon the sale price pursuant to section 580.23 or section 581.10 shall be paid to the purchaser at foreclosure sale. Any net sum remaining shall be paid to the mortgagor, except if the receiver was enforcing an assignment of rents which complies with section 559.17, subdivision 2, in which case any net sum remaining shall be paid pursuant to the terms of the assignment.

This subdivision shall apply to all mortgages executed on or after August 1, 1977, and to amendments or modifications of such mortgages, and to amendments or modifications made on or after August 1, 1977, to mortgages executed before August 1, 1977, if the amendment or modification is duly recorded and is for the principal purpose of curing a default.

## ARTICLE 5

### HOUSING AND REDEVELOPMENT AUTHORITIES

Section 1, Minnesota Statutes 1990, section 469.011, subdivision 4, is amended to read:



Subd. 4. [EXPENSES; COMPENSATION.] Each commissioner may receive necessary expenses, including traveling expenses, incurred in the performance of duties. Each commissioner may be paid ~~\$35~~ \$55 for attending each regular and special meeting of the authority. ~~The aggregate of all payments to each commissioner for any one year shall not exceed \$2,500.~~ *Commissioners who, as a result of time spent attending board meetings, incur child care expenses that would not otherwise have been incurred, may be reimbursed for those expenses upon board authorization. Commissioners who are full-time state employees or full-time employees of the political subdivisions of the state may not receive the daily payment, but they may suffer no loss in compensation or benefits from the state or a political subdivision as a result of their service on the board. Commissioners who are full-time state employees or full-time employees of the political subdivisions of the state may receive the expenses provided for in this subdivision unless the expenses are reimbursed by another source. Commissioners who are state employees or employees of political subdivisions of the state may be reimbursed for child care expenses only for time spent on board activities that are outside their normal working hours.*

Sec. 2. Minnesota Statutes 1990, section 469.012, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE OF POWERS.] An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 469.001 to 469.047, except that the power to levy and collect taxes or special assessments is limited to the power provided in sections 469.027 to 469.033. Its powers include the following powers in addition to others granted in sections 469.001 to 469.047:

(1) to sue and be sued; to have a seal, which shall be judicially noticed, and to alter it; to have perpetual succession; and to make, amend, and repeal rules consistent with sections 469.001 to 469.047;

(2) to employ an executive director, technical experts, and officers, agents, and employees, permanent and temporary, that it requires, and determine their qualifications, duties, and compensation; for legal services it requires, to call upon the chief law officer of the city or to employ its own counsel and legal staff; so far as practicable, to use the services of local public bodies in its area of operation, provided that those local public bodies, if requested, shall make the services available;

(3) to delegate to one or more of its agents or employees the powers or duties it deems proper;

(4) within its area of operation, to undertake, prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;

(5) subject to the provisions of section 469.026, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take action that is necessary or convenient to carry out the purposes of these sections;

(6) within its area of operation, to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by chapter 117, to acquire real property

which it may deem necessary for its purposes, after the adoption by it of a resolution declaring that the acquisition of the real property is necessary to eliminate one or more of the conditions found to exist in the resolution adopted pursuant to section 469.003 or to provide decent, safe, and sanitary housing for persons of low and moderate income, or is necessary to carry out a redevelopment project. Real property needed or convenient for a project may be acquired by the authority for the project by condemnation pursuant to this section. This includes any property devoted to a public use, whether or not held in trust, notwithstanding that the property may have been previously acquired by condemnation or is owned by a public utility corporation, because the public use in conformity with the provisions of sections 469.001 to 469.047 shall be deemed a superior public use. Property devoted to a public use may be so acquired only if the governing body of the municipality has approved its acquisition by the authority. An award of compensation shall not be increased by reason of any increase in the value of the real property caused by the assembly, clearance or reconstruction, or proposed assembly, clearance or reconstruction for the purposes of sections 469.001 to 469.047 of the real property in an area:

(7) within its area of operation, and without the adoption of an urban renewal plan, to acquire, by all means as set forth in clause (6) but without the adoption of a resolution provided for in clause (6), real property, and to demolish, remove, rehabilitate, or reconstruct the buildings and improvements or construct new buildings and improvements thereon, or to so provide through other means as set forth in Laws 1974, chapter 228, or to grade, fill, and construct foundations or otherwise prepare the site for improvements. The authority may dispose of the property pursuant to section 469.029, provided that the provisions of section 469.029 requiring conformance to an urban renewal plan shall not apply. The authority may finance these activities by means of the redevelopment project fund or by means of tax increments or tax increment bonds or by the methods of financing provided for in section 469.033 or by means of contributions from the municipality provided for in section 469.041, clause (9), or by any combination of those means. Real property with buildings or improvements thereon shall only be acquired under this clause when the buildings or improvements are substandard. The exercise of the power of eminent domain under this clause shall be limited to real property which contains, *or has contained within the three years immediately preceding the exercise of the power of eminent domain and is currently vacant*, buildings and improvements which are vacated and substandard. For the purpose of this clause, substandard buildings or improvements mean hazardous buildings as defined in section 463.15, subdivision 3, or buildings or improvements that are dilapidated or obsolescent, faultily designed, lack adequate ventilation, light, or sanitary facilities, or any combination of these or other factors that are detrimental to the safety or health of the community:

(8) within its area of operation, to determine the level of income constituting low or moderate family income. The authority may establish various income levels for various family sizes. In making its determination, the authority may consider income levels that may be established by the Department of Housing and Urban Development or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for persons of low or moderate income. The authority may use that determination as a basis for the maximum amount of income for admissions to housing development projects or housing projects owned or operated by it:

(9) to provide in federally assisted projects any relocation payments and assistance necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto;

(10) to make an agreement with the governing body or bodies creating the authority which provides exemption from all real and personal property taxes levied or imposed by the state, city, county, or other political subdivisions, for which the authority shall make payments in lieu of taxes to the state, city, county, or other political subdivisions as provided in section 469.040. The governing body shall agree on behalf of all the applicable governing bodies affected that local cooperation as required by the federal government shall be provided by the local governing body or bodies in whose jurisdiction the project is to be located, at no cost or at no greater cost than the same public services and facilities furnished to other residents;

(11) to cooperate with or act as agent for the federal government, the state or any state public body, or any agency or instrumentality of the foregoing, in carrying out any of the provisions of sections 469.001 to 469.047 or of any other related federal, state, or local legislation; and upon the consent of the governing body of the city to purchase, lease, manage, or otherwise take over any housing project already owned and operated by the federal government;

(12) to make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, and plans for the enforcement of laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements. The authority may develop, test, and report methods and techniques, and carry out demonstrations and other activities for the prevention and elimination of slums and blight;

(13) to borrow money or other property and accept contributions, grants, gifts, services, or other assistance from the federal government, the state government, state public bodies, or from any other public or private sources;

(14) to include in any contract for financial assistance with the federal government any conditions that the federal government may attach to its financial aid of a project, not inconsistent with purposes of sections 469.001 to 469.047, including obligating itself (which obligation shall be specifically enforceable and not constitute a mortgage, notwithstanding any other laws) to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default with respect to the covenants or conditions to which the authority is subject; to provide in the contract that, in case of such conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the project until the defaults are cured if the federal government agrees in the contract to reconvey to the authority the project as then constituted when the defaults have been cured;

(15) to issue bonds for any of its corporate purposes and to secure the bonds by mortgages upon property held or to be held by it or by pledge of its revenues, including grants or contributions;

(16) to invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control or in the

manner and subject to the conditions provided in section 475.66 for the deposit and investment of debt service funds;

(17) within its area of operation, to determine where blight exists or where there is unsafe, unsanitary, or overcrowded housing;

(18) to carry out studies of the housing and redevelopment needs within its area of operation and of the meeting of those needs. This includes study of data on population and family groups and their distribution according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages, desirable patterns for land use and community growth, and other factors affecting the local housing and redevelopment needs and the meeting of those needs; to make the results of those studies and analyses available to the public and to building, housing, and supply industries;

(19) if a local public body does not have a planning agency or the planning agency has not produced a comprehensive or general community development plan, to make or cause to be made a plan to be used as a guide in the more detailed planning of housing and redevelopment areas;

(20) to lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities included in any project and, subject to the limitations contained in sections 469.001 to 469.047 with respect to the rental of dwellings in housing projects, to establish and revise the rents or charges therefor;

(21) to own, hold, and improve real or personal property and to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;

(22) to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards;

(23) to procure or agree to the procurement of government insurance or guarantees of the payment of any bonds or parts thereof issued by an authority and to pay premiums on the insurance;

(24) to make expenditures necessary to carry out the purposes of sections 469.001 to 469.047;

(25) to enter into an agreement or agreements with any state public body to provide informational service and relocation assistance to families, individuals, business concerns, and nonprofit organizations displaced or to be displaced by the activities of any state public body;

(26) to compile and maintain a catalog of all vacant, open and undeveloped land, or land which contains substandard buildings and improvements as that term is defined in clause (7), that is owned or controlled by the authority or by the governing body within its area of operation and to compile and maintain a catalog of all authority owned real property that is in excess of the foreseeable needs of the authority, in order to determine and recommend if the real property compiled in either catalog is appropriate for disposal pursuant to the provisions of section 469.029, subdivisions 9 and 10;

(27) to recommend to the city concerning the enforcement of the applicable health, housing, building, fire prevention, and housing maintenance code requirements as they relate to residential dwelling structures that are being rehabilitated by low- or moderate-income persons pursuant to section 469.029, subdivision 9, for the period of time necessary to complete the

rehabilitation, as determined by the authority;

(28) to recommend to the city the initiation of municipal powers, against certain real properties, relating to repair, closing, condemnation, or demolition of unsafe, unsanitary, hazardous, and unfit buildings, as provided in section 469.041, clause (5);

(29) to sell, at private or public sale, at the price or prices determined by the authority, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual;

(30) within its area of operation, to acquire and sell real property that is benefited by federal housing assistance payments, other rental subsidies, interest reduction payments, or interest reduction contracts for the purpose of preserving the affordability of low- and moderate-income multifamily housing; ~~and~~

(31) to apply for, enter into contracts with the federal government, administer, and carry out a section 8 program. Authorization by the governing body creating the authority to administer the program at the authority's initial application is sufficient to authorize operation of the program in its area of operation for which it was created without additional local governing body approval. Approval by the governing body or bodies creating the authority constitutes approval of a housing program for purposes of any special or general law requiring local approval of section 8 programs undertaken by city, county, or multicounty authorities; *and*

*(32) to secure a mortgage or loan for a rental housing project by obtaining the appointment of receivers or assignments of rents and profits under sections 559.17 and 576.01, except that the limitation relating to the minimum amounts of the original principal balances of mortgages specified in sections 559.17, subdivision 2, clause (2); and 576.01, subdivision 2, does not apply.*

Sec. 3. Minnesota Statutes 1990, section 469.015, subdivision 3, is amended to read:

Subd. 3. [PERFORMANCE BONDS.] Performance bonds shall be required from contractors for any works of construction as provided in and subject to all the provisions of sections 574.26 to 574.31 except for contracts entered into by an authority for an expenditure of less than ~~\$15,000~~ \$25,000.

Sec. 4. Minnesota Statutes 1990, section 469.015, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] (a) An authority need not require competitive bidding in the following circumstances:

(1) in the case of a contract for the acquisition of a low-rent housing project:

(i) for which financial assistance is provided by the federal government;

(ii) which does not require any direct loan or grant of money from the municipality as a condition of the federal financial assistance; and

(iii) for which the contract provides for the construction of the project upon land not owned by the authority at the time of the contract, or owned

by the authority for redevelopment purposes, and provides for the conveyance or lease to the authority of the project or improvements upon completion of construction:

(2) with respect to a structured parking facility:

(i) constructed in conjunction with, and directly above or below, a development; and

(ii) financed with the proceeds of tax increment or parking ramp revenue bonds; and

(3) in the case of a housing development project if:

(i) the project is financed with the proceeds of bonds issued under section 469.034;

(ii) the project is located on land that is not owned by the authority at the time the contract is entered into, or is owned by the authority only for development purposes, and provides for conveyance or lease to the authority of the project or improvements upon completion of construction; and

(iii) the authority finds and determines that elimination of the public bidding requirements is necessary in order for the housing development project to be economical and feasible.

(b) An authority need not require a performance bond ~~in the case of~~ for the following projects:

(1) a contract described in paragraph (a), clause (1);

(2) a construction change order for a housing project in which 30 percent of the construction has been completed;

(3) a construction contract for a single-family housing project in which the authority acts as the general construction contractor; or

(4) a services or materials contract for a housing project.

For purposes of this paragraph, "services or materials contract" does not include construction contracts.

Sec. 5. Minnesota Statutes 1990, section 469.015, is amended by adding a subdivision to read:

*Subd. 5. [SECURITY IN LIEU OF BOND.] The authority may accept a certified check or cashier's check in the same amount as required for a bond in lieu of a performance bond for contracts entered into by an authority for an expenditure of less than \$25,000. The check must be held by the authority for 90 days after the contract has been completed. If no suit is brought within the 90 days, the authority must return the amount of the check to the person making it. If a suit is brought within the 90-day period, the authority must disburse the amount of the check pursuant to the order of the court.*

## ARTICLE 6

### LOCAL HOUSING AND ECONOMIC DEVELOPMENT PROGRAMS

Section 1. Minnesota Statutes 1990, section 462C.03, subdivision 10, is amended to read:

Subd. 10. Notwithstanding any provision of this chapter, not more than 20 percent of the aggregate dollar amount of *tax-exempt* bond proceeds and

any other funds appropriated by any city within any calendar year to make or purchase loans providing single family housing or dwelling units for sale within multifamily housing developments described in section 462C.05, subdivision 3, shall be appropriated to provide single family housing for persons or families, including renters of the single family housing, whose gross income exceeds the limit in section 462C.03, subdivision 2. If 20 percent of the total amount of funds so appropriated by the city in any calendar year is expended for housing not within the limit, no additional funds may be expended pursuant to any other similar appropriation until the remaining 80 percent is expended for housing within the limit. *Notwithstanding subdivision 2, the city may use taxable bond proceeds for the rehabilitation of single family housing for persons and families with adjusted gross incomes of up to 175 percent of the median family income as estimated by the United States Department of Housing and Urban Development for the nonmetropolitan county or standard metropolitan statistical area, as the case may be.*

Sec. 2. Laws 1974, chapter 285, section 4, as amended by Laws 1989, chapter 328, article 4, section 6, is amended to read:

Sec. 6. 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 may by resolution authorize, issue, and sell general obligation bonds of the city ~~in accordance with the provisions of Minnesota Statutes, Chapter 475 without submission of the question to the electors of the city, notwithstanding any provision of the city charter or local ordinance. Minnesota Statutes, chapter 475, applies to the issuance of the bonds.~~ The total amount of all bonds outstanding for the programs shall not exceed \$25,000,000. The amount of all bonds issued shall be ~~included in~~ *excluded from* the net indebtedness of the city for the purpose of any charter or statutory debt limitation.

Sec. 3. Laws 1988, chapter 594, section 6, is amended to read:

Sec. 6. [SMALL BUSINESS LOANS.]

The city council or the agency may make or guarantee working capital loans in an aggregate principal amount not exceeding ~~\$450,000~~ *\$2,000,000* outstanding at any time, subject to such terms and conditions as established by ordinance by the city, to expanding small businesses which are located in the city for the purpose of increasing the tax base and providing employment opportunities within the city. As used in this subdivision, the term "small business" has the meaning given it in Minnesota Statutes, section 645.445, subdivision 2. ~~This section expires June 30, 1991.~~

Sec. 4. [ST. PAUL ECONOMIC DEVELOPMENT PROGRAM.]

*Subdivision 1. [AUTHORIZATION.] The city of St. Paul and the housing and redevelopment authority of the city of St. Paul may implement a citywide economic development program. The program may:*

*(1) provide working capital financing for any for-profit or nonprofit enterprise, except from the proceeds of bonds or other obligations which may be issued only to provide the capital costs of a project;*

*(2) acquire an equity interest in a for-profit business entity through investment in a partnership or corporation;*

*(3) apply funds of the city or housing and redevelopment authority within*

*or without the boundaries of a presently existing or future redevelopment project area, housing development project, housing project, municipal development district, economic development district, development district, mined underground space development, industrial development district, or tax increment district, except that tax increments shall only be applied in accordance with Minnesota Statutes, sections 469.174 to 469.179;*

*(4) exercise the powers of an economic development authority under Minnesota Statutes, sections 469.090 to 469.108, and the powers granted to a city by Minnesota Statutes, sections 469.090 to 469.108, or sections 469.048 to 469.068, or other law, provided that: (i) only the city shall have the power under Minnesota Statutes, section 469.084, subdivision 11, to approve the issuance of revenue bonds by the port authority; and (ii) the housing and redevelopment authority shall not exercise the other powers of the city under sections 469.090 to 469.108 or sections 469.048 to 469.068 until and unless the city, by resolution, delegates the exercise of all or some of those powers to the housing and redevelopment authority; and*

*(5) apply funds as permitted by clauses (1) to (4) for the financing of a public or private parking facility, child care facility, or a project as defined by Minnesota Statutes, section 469.153, subdivision 2.*

*Subd. 2. [SUPPLEMENTAL POWERS.] The powers authorized under this section are in addition and supplemental to any other provisions of general or special law or charter.*

**Sec. 5. [EFFECTIVE DATE.]**

*Section 3 is effective on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Minneapolis. Section 4 is effective on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of St. Paul.*

**ARTICLE 7**

**TAXES**

Section 1. Minnesota Statutes 1990, 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 property is owned in joint tenancy or tenancy in common by parents and children who occupy the property for purposes of a homestead, the assessor must not deny homestead treatment in whole or in part because a parent or a child ceases to occupy the property. For purposes of this paragraph, "parents" and "children" include relationships by marriage.*

If an individual is purchasing property with the intent of claiming it as a homestead, and is required by the terms of the financing agreement to have ~~one or both parents~~ a relative shown on the deed as ~~coowner~~ a coowner, the assessor shall allow a full homestead classification and ~~extend full homestead credit. This provision only applies to first time purchasers, whether married or single, or to a person who had previously been married and is purchasing as a single individual for the first time.~~ For purposes of this paragraph, "relative" means a parent, stepparent, child, stepchild, grandparent, sibling, uncle, or aunt. The relationship may be by blood or marriage. 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. 2. Minnesota Statutes 1990, section 273.124, subdivision 11, is amended to read:

Subd. 11. [LIMITATION ON HOMESTEAD CLASSIFICATION.] If the assessor has classified a property as both homestead and nonhomestead, the greater of the value attributable to the portion of the property classified as class 1 or class 2a or the value of the first tier of net class rates provided under section 273.13, subdivision 22, or 23, paragraph (a), is entitled to assessment as a homestead under section 273.13, subdivision 22 or 23. The limitation in this subdivision does not apply to buildings containing fewer than ~~four~~ five residential units or to a single rented or leased dwelling unit located within or attached to a private garage or similar structure owned by the owner of a homestead and located on the premises of that homestead.

If the assessor has classified a property as both homestead and nonhomestead, the homestead credit provided in section 273.13, subdivisions 22 and 23, and the reductions in tax provided under sections 273.135 and 273.1391 apply to the value of both the homestead and the nonhomestead portions of the property.

Sec. 3. Minnesota Statutes 1990, section 273.13, subdivision 25, is amended to read:

Subd. 25. [CLASS 4.] (a) Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more. Class 4a also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt under section 272.02, and contiguous property

used for hospital purposes, without regard to whether the property has been platted or subdivided. Class 4a property has a class rate of 3.6 percent of market value.

(b) Class 4b includes:

(1) residential real estate containing less than four units, other than seasonal residential, and recreational;

(2) manufactured homes not classified under any other provision;

(3) a dwelling, garage, and surrounding one acre of property on a non-homestead farm classified under subdivision 23, paragraph (b).

Class 4b property has a class rate of 3.0 percent of market value.

(c) Class 4c property includes:

~~(1) a structure that is situated on real property that is used for housing for the elderly or for low and moderate income families as defined by Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant thereto and financed by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency pursuant to the provisions of either of those acts and acts amendatory thereof. This clause applies only to property of a nonprofit or limited dividend entity. Property is classified as class 4c under this clause for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan;~~

*(i) situated on real property that is used for housing for the elderly or for low- and moderate-income families as defined in Title II, as amended through December 31, 1990, of the National Housing Act and financed by a direct federal loan or federally insured loan made pursuant to Title II of the act; or*

*(ii) situated on real property that is used for housing the elderly or for low- and moderate-income families as defined by the Minnesota housing finance agency law of 1971, as amended, or rules promulgated by the agency pursuant thereto and financed by a loan made by the Minnesota housing finance agency pursuant to the provisions of the act.*

*This clause applies only to property of a nonprofit or limited dividend entity. Property is classified as class 4c under this clause for 15 years from the date of the completion of the original construction or substantial rehabilitation, or from 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, 1988; or (ii) meets the requirements of that section. Classification pursuant to this clause is limited to a term of 15 years.

For all properties described in clauses (1), *item (i); and (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. *For all properties described in clauses (1), item (ii); and (3), the market value determined by the assessor must be based on the actual restricted rents.* The land on which these structures are situated has the class rate given in paragraph (b) if the structure contains fewer than four units, and the class rate given in paragraph (a) if the structure contains four or more units.

(4) a parcel of land, not to exceed one acre, and its improvements or a parcel of unimproved land, not to exceed one acre, if it is owned by a neighborhood real estate trust and at least 60 percent of the dwelling units, if any, on all land owned by the trust are leased to or occupied by lower income families or individuals. This clause does not apply to any portion of the land or improvements used for nonresidential purposes. For purposes of this clause, a lower income family is a family with an income that does not exceed 65 percent of the median family income for the area, and a lower income individual is an individual whose income does not exceed 65 percent of the median individual income for the area, as determined by the United States Secretary of Housing and Urban Development. For purposes of this clause, "neighborhood real estate trust" means an entity which is certified by the governing body of the municipality in which it is located to have the following characteristics: (a) it is a nonprofit corporation organized under chapter 317A; (b) it has as its principal purpose providing housing for lower income families in a specific geographic community designated in its articles or bylaws; (c) it limits membership with voting rights to residents of the designated community; and (d) it has a board of directors consisting of at least seven directors, 60 percent of whom are members with voting rights and, to the extent feasible, 25 percent of whom are elected by resident members of buildings owned by the trust; and

(5) except as provided in subdivision 22, paragraph (c), real property devoted to temporary and seasonal residential occupancy for recreation purposes, including real property devoted to temporary and seasonal residential occupancy for recreation purposes and not devoted to commercial purposes for more than 225 days in the year preceding the year of assessment. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property is used, or available for use for residential occupancy, and a fee is charged for residential occupancy. Class 4c also includes commercial use real property used exclusively for recreational purposes in conjunction with class 4c property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 225 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property classified in this clause also includes the remainder of class 1c resorts;

(6) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization; provided that the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment and the property is not used for residential purposes on either a temporary or permanent basis. For

purposes of this clause, a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (10), or (19) of the Internal Revenue Code of 1986, as amended through December 31, 1988. 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;

(7) post-secondary student housing of not more than one acre of land that is owned by a nonprofit corporation organized under chapter 317A and is used exclusively by a student cooperative, sorority, or fraternity for on-campus housing or housing located within two miles of the border of a college campus; and

(8) manufactured home parks as defined in section 327.14, subdivision 3.

Class 4c property has a class rate of 2.3 percent of market value, except that manufactured home park property under clause (8) has a class rate of 3 percent of market value for taxes payable in 1991 and 2.3 percent of market value for taxes payable in 1992, and thereafter.

(d) Class 4d property includes any structure:

(i) situated on real property that is used for housing for the elderly or for low and moderate income families as defined by the Farmers Home Administration;

(ii) located in a municipality of less than 10,000 population; and

(iii) financed by a direct loan or insured loan from the Farmers Home Administration. Property is classified under this clause for 15 years from the date of the completion of the original construction or for the original term of the loan.

The class rates in paragraph (c), clauses (1), (2), and (3) and this clause apply to the properties described in them, only in proportion to occupancy of the structure by elderly or handicapped persons or low and moderate income families as defined in the applicable laws unless construction of the structure had been commenced prior to January 1, 1984; or the project had been approved by the governing body of the municipality in which it is located prior to June 30, 1983; or financing of the project had been approved by a federal or state agency prior to June 30, 1983. Classification under this clause is only available to property of a nonprofit or limited dividend entity.

Class 4d property has a class rate of 1.7 percent of market value for taxes

payable in 1990, and two percent of market value for taxes payable thereafter.

(c) Residential rental property that would otherwise be assessed as class 4 property under paragraph (a); paragraph (b), clauses (1) and (2); paragraph (c), clause (1), (2), (3), or (4), is assessed at the class rate applicable to it under Minnesota Statutes 1988, section 273.13, if it is found to be a substandard building under section 273.1316. Residential rental property that would otherwise be assessed as class 4 property under paragraph (d) is assessed at 2.3 percent of market value if it is found to be a substandard building under section 273.1316.

Sec. 4. Minnesota Statutes 1990, section 273.1399, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.

(a) "Qualifying captured tax capacity" means the following amounts:

(1) the captured tax capacity of an economic development or soils condition tax increment financing district for which certification was requested after April 30, 1990; and

(2) the captured tax capacity of a tax increment financing district, other than a *housing district* or an economic development or soils condition district, for which certification was requested after April 30, 1990, multiplied by the following percentage based on the number of years that have elapsed since the district was first certified (measured from January 2 immediately preceding certification of the original tax capacity). In no case may the final amounts be less than zero or greater than the total captured tax capacity of the district.

Number of years	Renewal and Renovation Districts	All other Districts
0 to 5	0	0
6	12.5	6.25
7	25	12.5
8	37.5	18.75
9	50	25
10	62.5	31.25
11	75	37.5
12	87.5	43.75
13	100	50
14	100	56.25
15	100	62.5
16	100	68.75
17	100	75
18	100	81.25
19	100	87.5
20	100	93.75
21 or more	100	100

In the case of a hazardous substance subdistrict, the number of years must be measured from the date of certification of the subdistrict for purposes of the additional captured tax capacity resulting from the reduction in the subdistrict's or site's original tax capacity.

(b) The terms defined in section 469.174 have the meanings given in that section.

Sec. 5. Minnesota Statutes 1990, section 469.176, subdivision 4f, is amended to read:

Subd. 4f. [INTEREST REDUCTION.] Revenues derived from tax increment may be used to finance the costs of an interest reduction program operated pursuant to section 469.012, subdivisions 7 to 10, or pursuant to other law granting interest reduction authority and power by reference to those subdivisions only under the following conditions: (1) tax increments may not be collected for a program for a period in excess of ~~42~~ 15 years after the date of the first interest rate reduction payment for the program, and (2) tax increments may not be used for an interest reduction program, if the proceeds of bonds issued pursuant to section 469.178 after December 31, 1985, have been or will be used to provide financial assistance to the specific project which would receive the benefit of the interest reduction program; ~~and (3) tax increments may not be used to finance an interest reduction program for owner-occupied single-family dwellings.~~

Sec. 6. [EFFECTIVE DATE.]

*Sections 1 to 3 are effective for property taxes payable in 1992 and thereafter. Section 4 is effective for school year 1991-1992 and for homestead and agricultural credit aid and local government aids for taxes payable in 1991. Section 4 is effective for districts certified after April 30, 1990. Section 5 is effective the day following final enactment.*

Delete the title and insert:

"A bill for an act relating to housing and economic development; modifying procedures relating to rent escrow actions; modifying procedures relating to the tenant's loss of essential services; modifying provisions relating to tenant remedy actions, retaliatory eviction proceedings, and receivership proceedings; modifying provisions relating to Minnesota housing finance agency low- and moderate-income housing programs; providing for an emergency mortgage and rental assistance pilot project; requiring counseling for reverse mortgage loans; modifying certain receivership, assignment of rents and profits, and landlord and tenant provisions; modifying provisions relating to housing and redevelopment authorities; providing for the issuance of general obligation bonds for housing by the cities of Minneapolis and St. Paul; authorizing the city of Minneapolis to make small business loans; authorizing certain economic development activities within the city of St. Paul; modifying the property tax classification of certain residential real estate; excluding housing districts from the calculation of local government aid reductions; modifying the interest rate reduction program; appropriating money; amending Minnesota Statutes 1990, sections 47.58, by adding a subdivision; 273.124, subdivisions 1 and 11; 273.13, subdivision 25; 273.1399, subdivision 1; 462A.03, subdivisions 10 and 13; 462A.05, by adding a subdivision; 462A.222, subdivision 3; 462C.03, subdivision 10; 469.011, subdivision 4; 469.012, subdivision 1; 469.015, subdivisions 3, 4, and by adding a subdivision; 469.176, subdivision 4f; 481.02, subdivision 3; 504.02; 504.18, subdivision 1; 504.185, subdivision 2; 504.20, subdivisions 3, 4, 5, and 7; 504.27; 559.17, subdivision 2; 566.03, subdivision 1; 566.17, subdivisions 1, 2, and by adding a subdivision; 566.175, subdivision 6; 566.18, subdivision 9; 566.29, subdivisions 2 and 4; and 576.01, subdivision 2; Laws 1974, chapter 285, section 4, as amended; Laws 1988, chapter 594, section 6; proposing coding for new

law in Minnesota Statutes, chapters 268 and 609.”

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 779: A bill for an act relating to counties; removing certain restrictions on county morgues; amending Minnesota Statutes 1990, sections 390.06 and 390.07.

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 973: A bill for an act relating to Ramsey county; providing for additional civil service certification of underrepresented groups; amending Minnesota Statutes 1990, section 383A.291, subdivision 2.

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 943: A bill for an act relating to Ramsey county; changing Ramsey county special laws to make them consistent with the county home rule charter; amending Minnesota Statutes 1990, sections 383A.06, subdivision 2; 383A.16, subdivision 4; 383A.20, subdivision 10; 383A.32, subdivision 1; and 383A.50, subdivision 4; repealing Minnesota Statutes 1990, sections 383A.04; 383A.06, subdivision 3; 383A.07, subdivisions 6, 15, and 20; 383A.16, subdivision 5; 383A.20, subdivisions 1, 6 to 9, and 11; 383A.23, subdivision 1; 383A.24; 383A.25; 383A.45; 383A.46; 383A.48; 383A.49; and 383A.50, subdivisions 1 and 3.

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 984: A bill for an act relating to the city of Rochester; permitting the imposition of certain taxes within the city; permitting the issuance of general obligation bonds for fire station, city hall, and public library facilities.

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 705: A bill for an act relating to local government; permitting certain local options for unfunded costs mandated by the state; proposing coding for new law in Minnesota Statutes, chapter 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 28, after "a" insert "*cumulative unfunded*"

Page 2, line 29, after "to" insert "*all*"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 860: A bill for an act relating to the city of Minneapolis; providing that certain special service districts may provide parking facilities; amending Laws 1988, chapter 719, article 16, section 1, subdivision 3.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 859: A bill for an act relating to local improvements; providing authority for review of assessments for improvements; defining improvements; validating certain actions of the city of Minneapolis; amending Minnesota Statutes 1990, section 430.102, subdivisions 3 and 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, delete section 3

Page 3, line 18, delete everything after the period

Page 3, delete lines 19 and 20

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "validating certain actions of the city"

Page 1, line 5, delete "of Minneapolis;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1074: A bill for an act relating to the city of Mankato; authorizing the city to annex uncontiguous territory to the city.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, after the period, insert "*Property abutting the airport shall not be deemed contiguous to the city of Mankato for the purposes of further annexation proceedings under Minnesota Statutes, chapter 414, without the consent of the city, town, and all the affected property owners.*"

And when so amended the bill do pass. Amendments adopted. Report



adopted.

### **SECOND READING OF SENATE BILLS**

S.F. Nos. 793, 687, 754, 328, 925, 241, 339, 473, 885, 707, 833, 785, 497, 779, 973, 943, 859 and 1074 were read the second time.

### **SECOND READING OF HOUSE BILLS**

H.F. Nos. 331, 57, 132, 326, 472, 697 and 238 were read the second time.

### **MOTIONS AND RESOLUTIONS**

Mr. Solon moved that the name of Mr. Hottinger be added as a co-author to S.F. No. 89. The motion prevailed.

Ms. Berglin moved that the name of Mr. Renneke be added as a co-author to S.F. No. 376. The motion prevailed.

Mr. Hottinger moved that his name be stricken as a co-author to S.F. No. 610. The motion prevailed.

Mr. Hottinger moved that the name of Ms. Johnston be added as a co-author to S.F. No. 610. The motion prevailed.

Mr. Morse moved that the name of Mr. Belanger be added as a co-author to S.F. No. 798. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Frederickson, D.R. be added as a co-author to S.F. No. 962. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Mr. Laidig be added as a co-author to S.F. No. 966. The motion prevailed.

Ms. Reichgott moved that the name of Ms. Berglin be added as a co-author to S.F. No. 1067. The motion prevailed.

Mr. Riveness moved that the name of Mr. Mondale be added as a co-author to S.F. No. 1068. The motion prevailed.

Mr. Finn moved that the name of Mr. Sams be added as a co-author to S.F. No. 1096. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Sams be added as a co-author to S.F. No. 1127. The motion prevailed.

Mr. Solon moved that the name of Mr. Sams be added as a co-author to S.F. No. 1138. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1146. The motion prevailed.

Mr. Luther moved that the name of Mr. Benson, D.D. be added as a co-author to S.F. No. 1169. The motion prevailed.

Ms. Berglin moved that S.F. No. 120 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Finance. The motion prevailed.

Ms. Berglin moved that S.F. No. 829 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Finance. The motion prevailed.

Mr. Stumpf moved that S.F. No. 1113 be withdrawn from the Committee on Finance and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Bertram moved that S.F. No. 664 be withdrawn from the Committee on Health and Human Services, given a second reading, and placed on General Orders. The motion prevailed.

Messrs. Johnson, D.E.; Benson, D.D. and Moe, R.D. introduced—

Senate Resolution No. 44: A Senate resolution commending Tom Taylor on his act of bravery and for receiving the Boy Scouts of America Heroism Award.

Referred to the Committee on Rules and Administration.

Mr. Johnson, D.E. introduced—

Senate Resolution No. 45: A Senate resolution congratulating the New London-Spicer Girls Basketball Team for winning Second Place in the 1991 State Class A Girls Basketball Tournament.

Referred to the Committee on Rules and Administration.

Mr. Vickerman introduced—

Senate Resolution No. 46: A Senate resolution congratulating the Westbrook-Walnut Grove Chargers for winning Second Place in the 1991 State High School Class A Boys Basketball Tournament.

Referred to the Committee on Rules and Administration.

Mr. Vickerman introduced—

Senate Resolution No. 47: A Senate resolution congratulating Stephanie Kjorness of Westbrook-Walnut Grove High School for receiving the Region 2 Triple "A" Achiever award.

Referred to the Committee on Rules and Administration.

Mr. Chmielewski moved that the name of Mr. Finn be added as a co-author to S.F. No. 379. The motion prevailed.

Mr. Hottinger moved that the name of Mr. Laidig be added as a co-author to S.F. No. 1025. The motion prevailed.

Mr. Sams moved that S.F. No. 1174 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Agriculture and Rural Development. The motion prevailed.

Without objection, the Senate reverted to the Order of Business of Second Reading of Senate Bills.

## SECOND READING OF SENATE BILLS

S.F. No. 664 was read the second time.

## CALENDAR

H.F. No. 646: A bill for an act relating to state government; purchases; amending the definition of "manufactured in the United States"; amending

Minnesota Statutes 1990, section 16B.101, 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	Day	Johnson, J.B.	Merriam	Reichgott
Beckman	DeCramer	Johnston	Metzen	Renneke
Belanger	Finn	Kelly	Moe, R. D.	Riveness
Benson, D.D.	Flynn	Knaak	Mondale	Sams
Benson, J.E.	Frank	Kroening	Morse	Samuelson
Berg	Frederickson, D.J.	Laidig	Neuville	Solon
Berglin	Frederickson, D.R.	Langseth	Novak	Spear
Bernhagen	Gustafson	Larson	Olson	Storm
Bertram	Halberg	Lessard	Pariseau	Stumpf
Brataas	Hottinger	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 539: A bill for an act relating to commerce; restraint of trade; providing an evidentiary presumption in resale price maintenance cases; proposing coding for new law in Minnesota Statutes, chapter 325D.

Was read the third time 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 5, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ranum
Beckman	DeCramer	Johnson, J.B.	Merriam	Reichgott
Belanger	Finn	Johnston	Metzen	Renneke
Benson, D.D.	Flynn	Kelly	Moe, R. D.	Riveness
Benson, J.E.	Frank	Kroening	Mondale	Solon
Berg	Frederickson, D.J.	Laidig	Morse	Spear
Berglin	Frederickson, D.R.	Langseth	Novak	Storm
Bernhagen	Gustafson	Larson	Olson	Stumpf
Bertram	Halberg	Lessard	Pariseau	Traub
Brataas	Hottinger	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McGowan	Price	

Those who voted in the negative were:

Day	Knaak	Neuville	Sams	Samuelson
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So the bill passed and its title was agreed to.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 391, 734, 774, 254, 713, 729 and H.F. No. 131, which the committee recommends to pass.

H.F. No. 661, which the committee recommends to pass, subject to the

following motion:

Mr. Lessard moved that the amendment made to H.F. No. 661 by the Committee on Rules and Administration in the report adopted April 2, 1991, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

### **INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time and referred to the committees indicated.

Messrs. Finn, Marty and Luther introduced—

S.F. No. 1180: A bill for an act relating to utilities; authorizing public utilities commission to levy fines, impose costs, and issue cease and desist orders against public utility or telephone company for fraud, false promise, misrepresentation, misleading statement, or deceptive practice related to providing or discontinuing services; amending Minnesota Statutes 1990, section 216A.05, by adding a subdivision.

Referred to the Committee on Energy and Public Utilities.

Messrs. Riveness; Morse; Pogemiller; Moe, R.D. and Luther introduced—

S.F. No. 1181: A bill for an act relating to state government; abolishing the state planning agency; transferring certain of its powers and duties; amending Minnesota Statutes 1990, sections 3.885, subdivisions 3 and 6; 15A.081, subdivision 1; 17.49, subdivision 1; 62D.122; 62J.02, subdivisions 2 and 3; 103B.311, subdivision 7; 103B.315, subdivision 5; 103F.761, subdivision 1; 103H.101, subdivision 4; 103H.175, subdivisions 1 and 2; 115A.072, subdivision 1; 116C.03, subdivisions 2, 4, and 5; 116C.712, subdivisions 3 and 5; 124C.03, subdivisions 2, 3, 8, 9, 10, 12, 14, 15, and 16; 126A.02, subdivisions 1 and 2; 126A.03; 144.70, subdivision 2; 144A.071, subdivision 5; 145.926, subdivisions 1, 4, 5, 7, and 8; 145A.02, subdivision 16; 145A.09, subdivision 6; 214.141; 256H.25, subdivision 1; 268.361, subdivision 3; 275.14; 275.51, subdivision 6; 275.54, subdivision 3; 299A.30, subdivision 2; 299A.31, subdivision 1; 299A.40, subdivision 4; 368.01, subdivision 1a; 373.40, subdivision 1; 402.045; 462.384, subdivision 7; 462.396, subdivision 2; 466A.05, subdivision 1; 469.203, subdivision 4; 469.207, subdivisions 1 and 2; 473.156, subdivision 1; 477A.011, subdivisions 3 and 3a; 477A.014, subdivision 4; 504.34, subdivisions 5 and 6; proposing coding for new law in Minnesota Statutes, chapters 4 and 16B; repealing Minnesota Statutes 1990, sections 40A.02, subdivision 2; 40A.08; 116K.01 to 116K.14; 144.861; and 144.874.

Referred to the Committee on Governmental Operations.

Messrs. Merriam, Renneke, Storm and Waldorf introduced—

S.F. No. 1182: A bill for an act relating to state buildings; requiring the commissioner of finance to prepare a debt capacity forecast covering the next six fiscal years and all types of debt instruments; requiring capital facilities notes; requiring the commissioner of administration to review

capital budget requests for state buildings; requiring a report; amending Minnesota Statutes 1990, section 16A.11, subdivisions 1 and 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 16A and 16B.

Referred to the Committee on Governmental Operations.

Mr. Benson, D.D. introduced—

S.F. No. 1183: A bill for an act relating to human services; long-term care; allowing for cost-effective alternatives for metro transportation support grants; establishing limits for certain long-term care costs; providing for the establishment of certain rates for long-term care and for community residential treatment centers; amending Minnesota Statutes 1990, sections 252.46, subdivisions 6 and 14; 252.478, subdivisions 1 and 3; 256B.19, subdivision 1, and by adding a subdivision; 256B.431, subdivision 3i, and by adding subdivisions; 256B.50, subdivision 1d; and 256B.501, subdivision 8, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 256B.

Referred to the Committee on Health and Human Services.

Messrs. Morse, Riveness, Finn, Knaak and Ms. Johnson, J.B. introduced—

S.F. No. 1184: A bill for an act relating to the environment; conforming permit fee requirements to the federal Clean Air Act; amending Minnesota Statutes 1990, section 116.07, subdivision 4d.

Referred to the Committee on Environment and Natural Resources.

Mr. Knaak, Mrs. Adkins, Messrs. Lessard, Chmielewski and Laidig introduced—

S.F. No. 1185: A bill for an act relating to marriage dissolution; regulating child support, maintenance, and property settlements; providing for mediation; amending Minnesota Statutes 1990, sections 518.175, subdivision 3, and by adding subdivisions; 518.18; 518.55, by adding a subdivision; 518.551, subdivisions 5 and 6; 518.57, by adding a subdivision; 518.619, by adding a subdivision; 518.64, by adding a subdivision; repealing Minnesota Statutes 1990, section 518.552, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Lessard introduced—

S.F. No. 1186: A bill for an act relating to taxation; adjusting the computation of the tax rate applied to certain transmission and distribution lines; amending Minnesota Statutes 1990, section 273.42, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Riveness, Ms. Flynn, Messrs. McGowan, DeCramer and Vickerman introduced—

S.F. No. 1187: A bill for an act relating to motor vehicles; authorizing registrar of motor vehicles to suspend vehicle registration for failure to transfer title to and registration for a vehicle within ten days of vehicle transfer; amending Minnesota Statutes 1990, sections 168.101, subdivision

2; and 168.15; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation.

Messrs. Knaak, Kelly, McGowan, Merriam and Ms. Ranum introduced—

S.F. No. 1188: A bill for an act relating to corrections; requiring the court to impose local correctional fees on offenders committed to local correctional agencies; authorizing local correctional agencies to establish a fee schedule for local correctional services to defray costs of correctional services; proposing coding for new law in Minnesota Statutes, chapters 244 and 609.

Referred to the Committee on Judiciary.

Mr. Knaak, Ms. Piper, Mr. Price, Mrs. Pariseau and Ms. Olson introduced—

S.F. No. 1189: A bill for an act relating to crimes; authorizing the juvenile court to find a child in need of protection or services if the child resides in a home where controlled substances are present; making it a crime for a parent to endanger a child's person or health by using, selling, or manufacturing controlled substances in the child's presence; prescribing penalties; amending Minnesota Statutes 1990, sections 260.015, subdivision 2a; and 609.378, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Morse, Hughes, Waldorf, Ms. Piper and Mrs. Brataas introduced—

S.F. No. 1190: A bill for an act relating to local government; permitting police and fire civil service commissions to expand certified lists in certain circumstances; amending Minnesota Statutes 1990, sections 419.06; and 420.07.

Referred to the Committee on Governmental Operations.

Mses. Ranum, Reichgott, Messrs. Knaak, Cohen and Pogemiller introduced—

S.F. No. 1191: A bill for an act relating to domestic abuse; creating a domestic abuse data system; requiring the collection of data relating to domestic assaults and orders for protection; appropriating money; amending Minnesota Statutes 1990, sections 299C.09; 299C.10; 299C.11; and 299C.12; proposing coding for new law in Minnesota Statutes, chapter 299C.

Referred to the Committee on Judiciary.

Messrs. Merriam and Lessard introduced—

S.F. No. 1192: A bill for an act relating to game and fish; requiring stamps of fishing tournament entrants; dedicating revenue; amending Minnesota Statutes 1990, sections 97A.075, by adding a subdivision; and 97A.475, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97C.

Referred to the Committee on Environment and Natural Resources.

Messrs. Merriam and Lessard introduced—

S.F. No. 1193: A bill for an act relating to natural resources; exotic species management; establishing an interagency committee on exotic species management; requiring a plan; providing for emergency rulemaking; amending Minnesota Statutes 1990, section 86B.415, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Environment and Natural Resources.

Messrs. Davis, Renneke, Morse and Merriam introduced—

S.F. No. 1194: A bill for an act relating to agriculture; regulating genetically engineered plants, pesticides, fertilizers, soil amendments, and plant amendments; imposing a penalty; amending Minnesota Statutes 1990, sections 18B.01, by adding subdivisions; 18C.005, by adding subdivisions; 18C.421; 18C.425, subdivision 6, and by adding a subdivision; 18D.01, subdivisions 1 and 9; 18D.301, subdivisions 1 and 2; 18D.325, subdivisions 1 and 2; 18D.331, subdivisions 1, 2, and 3; proposing coding for new law in Minnesota Statutes, chapters 18B and 18C; proposing coding for new law as Minnesota Statutes, chapter 18F.

Referred to the Committee on Agriculture and Rural Development.

Mr. Novak introduced—

S.F. No. 1195: A bill for an act relating to Ramsey county; removing the levy limit on library levies.

Referred to the Committee on Local Government.

Mr. DeCramer introduced—

S.F. No. 1196: A bill for an act relating to animal health; abolishing mandatory anaplasmosis testing; repealing Minnesota Statutes 1990, section 35.251.

Referred to the Committee on Agriculture and Rural Development.

Ms. Johnson, J.B. introduced—

S.F. No. 1197: A bill for an act relating to education; authorizing a fund transfer by the Chisago Lakes school district.

Referred to the Committee on Education.

Mr. Metzen, Ms. Reichgott, Mr. Hottinger, Ms. Pappas and Mr. Solon introduced—

S.F. No. 1198: A bill for an act relating to insurance; accident and health; requiring coverage for mental or nervous disorders treatment provided by licensed mental health professionals; amending Minnesota Statutes 1990, section 62A.152, subdivisions 2 and 3.

Referred to the Committee on Commerce.

Mr. Langseth introduced—

S.F. No. 1199: A bill for an act relating to taxation; restoring a payment of certain homestead and agricultural credit aid to the Buffalo-Red River watershed district; appropriating money.

Referred to the Committee on Taxes and Tax Laws.

Mr. Knaak introduced—

S.F. No. 1200: A bill for an act relating to marriage dissolution; regulating child custody; providing for shared care of children; regulating support and other obligations of marriage after dissolution; amending Minnesota Statutes 1990, sections 144.244; 518.003, subdivision 3; 518.005, subdivision 2; 518.03; 518.10; 518.131, subdivisions 1, 2, 3, 6, and 7; 518.155; 518.156; 518.165, subdivisions 1 and 2; 518.166; 518.167, subdivisions 1 and 2; 518.168; 518.17, subdivisions 1, 3, and by adding a subdivision; 518.171, subdivision 6; 518.175; 518.176; 518.177; 518.179, subdivision 1; 518.18; 518.185; 518.552, subdivisions 1 and 2; 518.612; 518.619, subdivisions 1, 3, and 4; 518.63; and 631.52; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 1990, section 518.17, subdivisions 2 and 6.

Referred to the Committee on Health and Human Services.

Ms. Pappas introduced—

S.F. No. 1201: A bill for an act relating to state government; clarifying employee interchange program; amending Minnesota Statutes 1990, section 15.53, subdivision 2.

Referred to the Committee on Governmental Operations.

Ms. Pappas introduced—

S.F. No. 1202: A bill for an act relating to civil actions; providing special procedures when a cause of action is alleged to arise from any act involving the exercise of constitutional rights of free speech; proposing coding for new law in Minnesota Statutes, chapter 540.

Referred to the Committee on Judiciary.

Mr. Hottinger introduced—

S.F. No. 1203: A bill for an act relating to human services; changing the effective date for separate billing by certified registered nurse anesthetists; appropriating money; amending Minnesota Statutes 1990, section 256.969, subdivision 6a.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 1204: A bill for an act relating to economic development; providing a preference for certain areas for grants-in-aid for recreational betterment; amending Minnesota Statutes 1990, section 116J.406, by adding a subdivision.

Referred to the Committee on Economic Development and Housing.



Mr. Kelly, Ms. Johnson, J.B.; Messrs. Luther and McGowan introduced—

S.F. No. 1205: A bill for an act relating to state employees; providing payment of the difference between state and military salaries for certain state employees called to active duty in the United States armed forces; appropriating money.

Referred to the Committee on Veterans and General Legislation.

Ms. Ranum, Messrs. Marty, Spear and McGowan introduced—

S.F. No. 1206: A bill for an act relating to crimes; creating the gross misdemeanor offense of assaulting a public employee who is engaged in mandated duties; amending Minnesota Statutes 1990, section 609.2231, by adding a subdivision.

Referred to the Committee on Judiciary.

Mrs. Adkins and Mr. Larson introduced—

S.F. No. 1207: A bill for an act relating to education; providing for pilot programs for alcohol and drug prevention and for transition programming for special education students; appropriating money.

Referred to the Committee on Education.

Messrs. Luther, Cohen, Belanger, Ms. Reichgott and Mr. Finn introduced—

S.F. No. 1208: A bill for an act relating to arbitration; providing for interest on arbitration awards; allowing an arbitrator or the court to modify an award based on an error of law; amending Minnesota Statutes 1990, sections 549.09; 572.15; 572.16; and 572.20, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Lessard, Berg, Ms. Olson, Mrs. Pariseau and Mr. Dahl introduced—

S.F. No. 1209: A bill for an act relating to solid waste; regulating packaging and toxic materials in packaging; defining packaging; preempting local regulations relating to packaging; establishing a packaging advisory council; requiring reduction of the use of toxic materials in packaging; requiring various reports and research; authorizing rulemaking; providing penalties; amending Minnesota Statutes 1990, sections 115A.02; 115A.03, by adding a subdivision; 115A.12, subdivision 1, and by adding a subdivision; 115A.557, by adding a subdivision; and 400.08, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 115A.

Referred to the Committee on Environment and Natural Resources.

Mr. Vickerman introduced—

S.F. No. 1210: A bill for an act relating to state parks; regulating the use of metal detectors in state parks; proposing coding for new law in Minnesota Statutes, chapter 85.

Referred to the Committee on Environment and Natural Resources.

Messrs. Samuelson; Metzen; Benson, D.D. and Solon introduced—

S.F. No. 1211: A bill for an act relating to human services; Minnesota comprehensive health association; clarifying the calculation of contributing members' share of expenses; excluding medical assistance and general assistance medical care payments from the calculation; amending Minnesota Statutes 1990, section 62E.11, subdivision 5.

Referred to the Committee on Commerce.

Mr. Waldorf introduced—

S.F. No. 1212: A bill for an act relating to retirement; authorizing investment related postretirement adjustments for eligible members of the St. Paul police and firefighters relief associations; amending Minnesota Statutes 1990, sections 69.031, subdivision 5; 69.77, subdivision 2b; 356.216; and 423A.01, subdivision 2; and Laws 1989, chapter 319, article 19, sections 6 and 7, subdivisions 1, and 4, as amended.

Referred to the Committee on Governmental Operations.

Mr. Metzen introduced—

S.F. No. 1213: A bill for an act relating to Dakota county; permitting the combination of the offices of treasurer and auditor; permitting appointment of the county recorder; authorizing the reorganization of county offices; proposing coding for new law in Minnesota Statutes, chapter 383D.

Referred to the Committee on Local Government.

Messrs. Beckman; Frederickson, D.J.; Davis; Vickerman and Frederickson, D.R. introduced—

S.F. No. 1214: A bill for an act relating to workers' compensation; regulating coverage for family farm employees; amending Minnesota Statutes 1990, section 176.011, subdivision 11a.

Referred to the Committee on Employment.

Messrs. Beckman; Riveness; Kroening; Frederickson, D.J. and Dahl introduced—

S.F. No. 1215: A bill for an act relating to education; establishing a task force on programs for education and employment transitions; appropriating money.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S.F. No. 1216: A bill for an act relating to state lands; transferring state land by private sale to the town board of the town of Lake in Roscau county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Samuelson, Frank and Novak introduced—

S.F. No. 1217: A bill for an act relating to taxation; providing that certain income earned for service in the armed forces is exempt from taxation; amending Minnesota Statutes 1990, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Mr. Metzen introduced—

S.F. No. 1218: A bill for an act relating to higher education; creating a prepaid tuition program for post-secondary institutions; proposing coding for new law in Minnesota Statutes, chapter 136A.

Referred to the Committee on Education.

Messrs. Larson; Moe, R.D.; Merriam; Morse and Laidig introduced—

S.F. No. 1219: A bill for an act relating to state parks; creating an adopt-a-park program under commissioner of natural resources; proposing coding for new law in Minnesota Statutes, chapter 85.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 1220: A bill for an act relating to education; eliminating the requirement under cooperation and combination that districts be contiguous; amending Minnesota Statutes 1990, section 122.241, subdivision 3.

Referred to the Committee on Education.

Ms. Johnson, J.B.; Messrs. Dicklich, Marty, Ms. Piper and Mr. Finn introduced—

S.F. No. 1221: A bill for an act relating to utilities; providing for incentive plans for energy conservation improvements; requiring showing when applying for certificate to construct a large energy facility that demand for electricity cannot be met more cost effectively through energy conservation or load-management measures; amending Minnesota Statutes 1990, sections 216B.16, subdivision 6b, and by adding a subdivision; and 216B.243, subdivision 3.

Referred to the Committee on Energy and Public Utilities.

Ms. Johnson, J.B.; Messrs. Marty, Finn and Ms. Piper introduced—

S.F. No. 1222: A bill for an act relating to commercial buildings; providing for a program to encourage energy-efficient commercial buildings; proposing coding for new law in Minnesota Statutes, chapter 16B.

Referred to the Committee on Governmental Operations.

Ms. Johnson, J.B. and Mr. Marty introduced—

S.F. No. 1223: A bill for an act relating to energy; requiring public utilities commission to establish categories for efficient and inefficient applications and end uses of electric power; requiring reports of these uses by electric utilities; amending Minnesota Statutes 1990, section 216B.241, by adding a subdivision.

Referred to the Committee on Energy and Public Utilities.

Mr. Waldorf introduced—

S.F. No. 1224: A bill for an act relating to retirement; state unclassified employees retirement program; permitting plan participants who move to unclassified positions not covered by the plan to elect to participate in the plan; amending Minnesota Statutes 1990, section 352D.02, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Ms. Pappas, Messrs. Dicklich, Chmielewski, Pogemiller and DeCramer introduced—

S.F. No. 1225: A bill for an act relating to libraries; modifying regional library basic support grants; appropriating money; amending Minnesota Statutes 1990, section 134.35.

Referred to the Committee on Education.

Mr. Spear introduced—

S.F. No. 1226: A bill for an act relating to intoxicating liquor; providing for sale of intoxicating liquor at a sports arena in Minneapolis; amending Minnesota Statutes 1990, section 340A.404, subdivision 2, and by adding a subdivision.

Referred to the Committee on Commerce.

Mr. Kroening introduced—

S.F. No. 1227: A bill for an act relating to crimes; regulating the display of firearms ammunition for sale to the public; providing criminal penalties; amending Minnesota Statutes 1990, section 609.66, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Morse, Mrs. Adkins, Messrs. Solon and Gustafson introduced—

S.F. No. 1228: A bill for an act relating to occupations and professions; providing certain exceptions for the licensing of maintenance electricians; amending Minnesota Statutes 1990, section 326.242, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Luther, Cohen and Spear introduced—

S.F. No. 1229: A bill for an act relating to courts; providing for the adoption of rules governing the right of access to court records; providing for rules prohibiting certain activities that restrict attorneys from representing claimants; proposing coding for new law in Minnesota Statutes, chapters 480 and 481.

Referred to the Committee on Judiciary.

Messrs. Stumpf, Renneke and Bertram introduced—

S.F. No. 1230: A bill for an act relating to retirement; volunteer firefighters; qualifying service; computation and proration of service pensions; amending Minnesota Statutes 1990, sections 424A.001, subdivision 4; and

424A.02, subdivisions 1, 3, 6, and 7.

Referred to the Committee on Governmental Operations.

Messrs. Sams, Samuelson and Finn introduced—

S.F. No. 1231: A bill for an act relating to human services; authorizing the commissioner of human services to waive the requirement that emergency mental health services be provided by a provider other than the provider of fire and public safety emergency services; establishing conditions for a waiver; amending Minnesota Statutes 1990, sections 245.469, subdivision 2; and 245.4879, subdivision 2.

Referred to the Committee on Health and Human Services.

Mr. Knaak, Ms. Olson, Mrs. Pariseau, Messrs. Price and Laidig introduced—

S.F. No. 1232: A bill for an act relating to taxation; property; exempting certain wetlands; amending Minnesota Statutes 1990, section 272.02, subdivision 1.

Referred to the Committee on Taxes and Tax Laws. Mr. Lessard questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Knaak introduced—

S.F. No. 1233: A bill for an act relating to taxation; providing a property tax exemption for certain property leased by a municipality; amending Minnesota Statutes 1990, section 272.02, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Pariseau, Mr. Storm, Ms. Berglin, Mrs. Adkins and Mr. Day introduced—

S.F. No. 1234: A bill for an act relating to traffic regulations; authorizing one-day handicapped certificates for use by vehicles transporting nursing home residents; amending Minnesota Statutes 1990, section 169.345, subdivision 3.

Referred to the Committee on Transportation.

Ms. Flynn, Messrs. Pogemiller and McGowan introduced—

S.F. No. 1235: A bill for an act relating to crimes; missing children; repealing restrictions on felony prosecutions for taking, detaining, or failing to return a child; repealing Minnesota Statutes 1990, section 609.26, subdivision 5.

Referred to the Committee on Judiciary.

Messrs. Benson, D.D.; Day and Mrs. Brataas introduced—

S.F. No. 1236: A bill for an act relating to appropriations; appropriating money for a day reporting center pilot program in certain counties; requiring a report to the legislature.

Referred to the Committee on Judiciary.

Mr. Riveness introduced—

S.F. No. 1237: A bill for an act relating to highways; authorizing state payment to construct remote frontage roads; amending Minnesota Statutes 1990, section 161.38, subdivision 3.

Referred to the Committee on Transportation.

Mr. Riveness introduced—

S.F. No. 1238: A bill for an act relating to the city of Richfield; authorizing the city to advance money to the commissioner of transportation to expedite construction of a frontage road within the city; authorizing an agreement between the commissioner and the city; authorizing the city to issue bonds and requiring the commissioner to pay interest on the bonds up to a certain amount.

Referred to the Committee on Transportation.

Messrs. Pogemiller and Dicklich introduced—

S.F. No. 1239: A bill for an act relating to education; establishing a grant program to demonstrate effective mechanisms for coordinating and enhancing social services and education for children experiencing or likely to experience mental health problems; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124C.

Referred to the Committee on Education.

Messrs. Waldorf; Johnson, D.E.; Dicklich and Mrs. Brataas introduced—

S.F. No. 1240: A bill for an act relating to education; providing for student financial aid and the financing of post-secondary education; amending Minnesota Statutes 1990, sections 135A.03, subdivisions 1 and 4; and 136A.121, subdivisions 6 and 10.

Referred to the Committee on Education.

Mr. Benson, D.D. introduced—

S.F. No. 1241: A bill for an act relating to human services; developmental disabilities; designating the use of funds; clarifying the definition of related conditions; clarifying requirements for case management; establishing requirements for services and programs; requiring admission review teams for admissions to intermediate care facilities for persons with mental retardation or related conditions; amending Minnesota Statutes 1990, sections 246.18, subdivision 4, and by adding a subdivision; 252.27, subdivision 1a; 252.275; 252.28, subdivisions 1, 3, and by adding a subdivision; 252.32; and 256B.092; proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 1990, section 252.275, subdivision 2.

Referred to the Committee on Health and Human Services.

Mr. Benson, D.D. introduced—

S.F. No. 1242: A bill for an act relating to human services; clarifying division of costs for state and counties for certain benefits and services; providing for a county share in emergency general assistance, emergency

assistance, and negotiated rate payments; amending reporting requirements for the federal food stamp program; clarifying requirements for child care services; amending Minnesota Statutes 1990, sections 256.01, subdivision 11, and by adding a subdivision; 256.025, subdivisions 1, 3, and 4; 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 256D.03, subdivisions 2 and 2a; 256D.05, subdivisions 1, 2, and 6; 256D.051, subdivisions 1, 1a, 3a, 6, and 8; 256D.052, subdivision 3; 256D.07; 256D.10; 256D.101, subdivisions 1 and 3; 256D.36, subdivision 1; 256H.02; 256H.03; 256H.05; 256H.22, subdivision 2, and by adding a subdivision; and 393.07, subdivisions 10 and 10a; proposing coding for new law in Minnesota Statutes, chapters 256 and 256H; repealing Minnesota Statutes 1990, sections 256D.051, subdivisions 1b, 3c, and 16; 256D.052, subdivision 4; 256D.09, subdivision 4; and 256D.101, subdivision 2.

Referred to the Committee on Health and Human Services.

Mr. Cohen introduced—

S.F. No. 1243: A bill for an act relating to commerce; modifying the regulation of interest rate advertising; amending Minnesota Statutes 1990, section 45.025, subdivisions 1 and 2; repealing Minnesota Statutes 1990, section 45.025, subdivision 7.

Referred to the Committee on Commerce.

Mr. Cohen introduced—

S.F. No. 1244: A bill for an act relating to commerce; real estate brokers; clarifying exceptions to licensing requirements; amending Minnesota Statutes 1990, section 82.18.

Referred to the Committee on Commerce.

Messrs. Spear; Moe, R.D.; Pogemiller; Ms. Pappas and Mr. Belanger introduced—

S.F. No. 1245: A bill for an act relating to charitable organizations; changing distribution requirements for charitable organizations; amending Minnesota Statutes 1990, section 309.501, subdivision 1.

Referred to the Committee on Governmental Operations.

Mr. Morse introduced—

S.F. No. 1246: A bill for an act relating to waste; clarifying the requirement that low-level radioactive waste be managed at licensed facilities; exempting certain operations from this requirement; amending Minnesota Statutes 1990, section 116C.852.

Referred to the Committee on Environment and Natural Resources.

Mr. Dahl introduced—

S.F. No. 1247: A bill for an act relating to waste; prohibiting placement of rechargeable batteries and appliances in mixed municipal waste; imposing requirements on retailers and manufacturers of these products; requiring pilot programs for collection and proper management of used rechargeable batteries and appliances; amending Minnesota Statutes 1990, section

325E.125, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 115A.

Referred to the Committee on Environment and Natural Resources.

Messrs. Chmielewski; Moe, R.D.; Waldorf; Solon and Mondale introduced—

S.F. No. 1248: A bill for an act relating to workers' compensation; regulating benefits and insurance; establishing a permanent commission on workers' compensation; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 79.252, by adding a subdivision; 176.011, subdivisions 3, 11a, and 18; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivisions 1, 2, 3, 3a, 4, 6, 9, and 11; 176.111, subdivision 18; 176.135, subdivisions 1, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.645, subdivisions 1 and 2; 176.83, subdivisions 5, 6, and by adding a subdivision; 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 175 and 176; repealing Minnesota Statutes 1990, sections 175.007; and 176.136, subdivision 5.

Referred to the Committee on Employment.

Messrs. Chmielewski and Moe, R.D. introduced—

S.F. No. 1249: A bill for an act relating to employment; increasing civil penalties for occupational safety and health violations; providing penalties; amending Minnesota Statutes 1990, section 182.666.

Referred to the Committee on Employment.

Mr. Storm introduced—

S.F. No. 1250: A bill for an act relating to human services; medical assistance and general assistance medical care; clarifying payment rates for hospitals; clarifying coverage of services and eligibility requirements; clarifying the role of independent actuaries; amending Minnesota Statutes 1990, sections 256.045, subdivision 10; 256.936, by adding a subdivision; 256.9365, subdivisions 1 and 3; 256.9685, subdivision 1; 256.9686, subdivisions 1 and 6; 256.969, subdivisions 1, 2, 2c, 3a, 6a, and by adding a subdivision; 256.9695, subdivisions 1 and 5; 256B.031, subdivision 4; 256B.055, subdivisions 10 and 12; 256B.057, subdivisions 1, 2, 3, 4, and by adding a subdivision; 256B.0575; 256B.0625, subdivisions 4, 9, 12, 13, 17, 24, 25, 28, 30, and by adding subdivisions; 256B.063; 256B.08, by adding a subdivision; 256B.19, by adding a subdivision; 256B.25, subdivision 3; and 256D.03, subdivisions 3 and 4.

Referred to the Committee on Health and Human Services.

Messrs. Dahl and Lessard introduced—

S.F. No. 1251: A bill for an act relating to motor vehicles; clarifying that engines may be replaced under certain conditions; amending Minnesota Statutes 1990, sections 116.63, subdivision 3; and 325E.0951, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Without objection, the Senate reverted to the Order of Business of Motions



and Resolutions.

### **MOTIONS AND RESOLUTIONS**

Mr. Cohen moved that S.F. No. 1123 be withdrawn from the Committee on Transportation and re-referred to the Committee on Metropolitan Affairs. The motion prevailed.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, April 8, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## THIRTIETH DAY

St. Paul, Minnesota, Monday, April 8, 1991

The Senate met at 2:00 p.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Frank imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Thomas H. Brioschi.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators answered to their names:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Rivness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

### MEMBERS EXCUSED

Mr. Davis was excused from the Session of today from 2:00 to 2:45 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

February 18, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

The following appointments are hereby respectfully submitted to the Senate for confirmation as requested by law:

**CHAIR, MINNESOTA HOUSING FINANCE AGENCY**

Robert Worthington, 10326 Colorado Road, Bloomington, Hennepin County, Minnesota, has been appointed by me, effective February 18, 1991, for a term expiring on the first Monday in January, 1995.

**MEMBER, MINNESOTA HOUSING FINANCE AGENCY**

Demetrius G. Jelatis, 1161 Oak Street, Red Wing, Goodhue County, Minnesota, has been appointed by me, effective February 18, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Economic Development and Housing.)

March 19, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

The following appointment is hereby respectfully submitted to the Senate for confirmation as requested by law:

**COMMISSIONER, BUREAU OF MEDIATION SERVICES**

Peter E. Obermeyer, 5913 Hansen Road, Edina, Hennepin County, Minnesota, has been appointed by me, effective March 4, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Employment.)

Warmest regards,  
Arne H. Carlson, Governor

April 4, 1991

The Honorable Jerome M. Hughes  
President of the Senate

Dear Senator Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 443.

Warmest regards,  
Arne H. Carlson, Governor

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce the adoption by the House of the following House Concurrent Resolution, herewith transmitted:

House Concurrent Resolution No. 1: A House concurrent resolution relating to congressional redistricting; establishing standards for redistricting plans.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 4, 1991

Referred to the Committee on Redistricting.

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 relating to legislative redistricting; establishing standards for redistricting plans.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 4, 1991

Referred to the Committee on Redistricting.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 179, 479, 623, 671, 743, 795, 809 and 894.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 4, 1991

### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 179: A bill for an act relating to animals; prohibiting greyhound races using live lures and training of greyhound dogs for racing using live lures; proposing coding for new law in Minnesota Statutes, chapter 343.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1083.

H.F. No. 479: A bill for an act relating to towns; providing for the appointment of town officers under certain circumstances; amending Minnesota Statutes 1990, section 367.03, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 532.

H.F. No. 623: A bill for an act relating to Martin county; permitting the consolidation of the offices of auditor and treasurer.

Referred to the Committee on Local Government.

H.F. No. 671: A bill for an act relating to human services; child care

providers; allowing an extension for installing interior vertical access in child care facilities in churches; amending Minnesota Statutes 1990, section 16B.61, subdivision 3.

Referred to the Committee on Health and Human Services.

H.F. No. 743: A bill for an act relating to the Red River watershed management board; changing the description of the area subject to special authority of watershed districts; requiring the board to adopt criteria for funding applications; clarifying the uses of levy proceeds; expanding the board's authority to cooperate with other entities; amending Laws 1976, chapter 162, sections 1 and 2, as amended, and 3.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 795: A bill for an act relating to counties; removing certain restrictions on county morgues; amending Minnesota Statutes 1990, sections 390.06 and 390.07.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 779, now on the Consent Calendar.

H.F. No. 809: A bill for an act relating to counties; fixing various fees for documents; amending Minnesota Statutes 1990, sections 357.18, subdivision 1; 508.82; and 508A.82.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 717, now on General Orders.

H.F. No. 894: A bill for an act relating to local government; permitting officers to contract for certain services; amending Minnesota Statutes 1990, section 471.88, by adding subdivisions.

Referred to the Committee on Local Government.

## REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 1083: A bill for an act relating to animals; prohibiting greyhound races using live lures and training of greyhound dogs for racing using live lures; proposing coding for new law in Minnesota Statutes, chapter 343.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 9 and 10, delete "dog"

Amend the title as follows:

Page 1, line 3, delete "greyhound dogs" and insert "greyhounds"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Veterans and General Legislation, to which was re-referred

S.F. No. 373: A bill for an act relating to the military; creating an emergency assistance fund for families of military personnel who are called to active service; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 197.

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 1990, section 196.05, is amended to read:  
196.05 [DUTIES OF COMMISSIONER.]

The commissioner shall:

(1) act as the agent of a resident of the state having a claim against the United States for benefits arising out of or by reason of service in the armed forces and prosecute the claim without charge;

(2) act as custodian of veterans' bonus records;

(3) administer the laws relating to the providing of bronze flag holders at veterans' graves for memorial purposes;

(4) administer the laws relating to recreational or rest camps for veterans so far as applicable to state agencies;

(5) administer the state soldiers' welfare fund and veterans' relief fund and other funds appropriated for the payment of bonuses or other benefits to veterans or for the rehabilitation of veterans;

(6) cooperate with national, state, county, municipal, and private social agencies in securing to veterans and their dependents the benefits provided by national, state, and county laws, municipal ordinances, or public and private social agencies;

(7) provide necessary assistance where other adequate aid is not available to the dependent family of a veteran while the veteran is hospitalized and after the veteran is released for as long a period as is necessary as determined by the commissioner;

(8) act as the guardian of the estate for a minor or an incompetent person receiving money from the United States government when requested to do so by an agency of the United States of America provided sufficient personnel are available;

(9) cooperate with United States governmental agencies providing compensation, pensions, insurance, or other benefits provided by federal law, by supplementing the benefits prescribed therein, when conditions in an individual case make it necessary;

(10) assist in implementing state laws, rights, and privileges relating to the reemployment of veterans upon their separation from the armed forces;

(11) contact, at times as the commissioner deems proper, war veterans, as defined in section 197.447, who are confined in a public institution; investigate the treatment accorded those veterans and report annually to the governor the results of the investigations; and the heads of the public

institutions shall permit the commissioner, or the commissioner's representative, to visit any veteran; and, if the commissioner, or the commissioner's representative requests any information relative to any veteran and the veteran's affairs, the head of the institution shall furnish it; ~~and~~

(12) *assist dependent family members of military personnel who are called from reserve status to extended federal active duty during a time of war or national emergency through the state soldiers' assistance fund provided by section 197.03; and*

(13) exercise other powers as may be authorized and necessary to carry out the provisions of this chapter and chapters 197 and 198, consistent with those chapters.

Sec. 2. Minnesota Statutes 1990, section 197.03, is amended to read:

197.03 [STATE SOLDIERS' ~~WELFARE~~ ASSISTANCE FUND CREATED.]

There is created a state soldiers' ~~welfare~~ *assistance* fund to aid and assist any citizen of Minnesota or resident alien residing in Minnesota who served in the military or naval forces of the United States, in securing compensation, hospitalization, medical treatment, insurance or other relief or benefits to which the server may be entitled from the United States or any other government or state and for the emergency relief, hospitalization, treatment and maintenance of all such persons who were bona fide residents of the state at the time their need arose and their dependents as ~~hereinafter~~ provided by sections 196.05 and 197.04 to 197.07.

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 the military; authorizing the commissioner of veterans affairs to assist certain dependents of military personnel who are called to active service; amending Minnesota Statutes 1990, sections 196.05; and 197.03."

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. 891: A bill for an act relating to the environment; prescribing who must prevent, prepare for, and respond to worst case discharges of oil and hazardous substances; describing response plans; authorizing the commissioners of the pollution control agency and departments of agriculture and public safety to order compliance; providing for good samaritan assistance; authorizing cooperation between public and private responders; requiring the establishment of a single answering point system; providing penalties; amending Minnesota Statutes 1990, section 116.072, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 115E.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 13, delete "574" and insert "575"

- Page 2, line 17, delete the semicolon and insert a comma
- Page 3, lines 15 and 16, delete "AND RELEASES"
- Page 3, lines 19 and 20, delete "*such materials*" and insert "*hazardous substances or oil*"
- Page 3, line 29, delete "*such materials*" and insert "*hazardous substances or oil*"
- Page 3, line 31, delete "*which had been*" and insert "*that were*"
- Page 3, line 36, delete "*to*" and insert "*and 4*"
- Page 4, line 1, delete "5"
- Page 4, lines 2, 5, 9, 13, 16, and 20, delete "*those owning or operating*" and insert "*persons who own or operate*"
- Page 4, lines 6 and 17, after "*an*" insert "*average monthly*"
- Page 4, lines 8 and 19, delete "*in any calendar month*"
- Page 4, line 23, delete "*those*" and insert "*persons*" and after "*required*" insert "*to demonstrate preparedness*"
- Page 4, line 25, delete everything after "*safety*"
- Page 4, line 26, delete "*preparedness*" and insert "*under section 5*"
- Page 4, line 27, delete "*The level of*"
- Page 4, delete line 28 and insert "*A person described in subdivision 2 shall maintain a level of preparedness that ensures*"
- Page 4, line 32, delete "*Persons*" and insert "*A person*"
- Page 5, line 2, delete "*persons*" and insert "*person*"
- Page 5, line 15, delete "*financial*"
- Page 5, line 16, delete everything before "*for*" and insert "*evidence of financial responsibility required under section 1016 of the Oil Pollution Act of 1990*"
- Page 5, line 17, delete everything after "*sanctions*" and insert "*in that section.*"
- Page 5, delete line 18
- Page 5, line 23, delete "*shall*" and insert "*must*"
- Page 5, line 30, delete "*which*" and insert "*that*"
- Page 5, line 34, delete "*title*" and insert "*titles*"
- Page 5, line 36, delete "*those*" and insert "*the*"
- Page 6, line 5, delete "*the*"
- Page 6, line 14, delete "*the*" and insert "*a*" and delete "*discharges*" and insert "*discharge*"
- Page 6, line 17, delete "*the*" and insert "*a*"
- Page 6, line 18, delete "*discharges*" and insert "*discharge*"
- Page 6, line 27, delete "*pursuant to*" and insert "*under*"
- Page 6, line 33, delete "*September 1, 1992*" and insert "*March 1, 1993*"



- Page 6, line 35, delete "*has ordered*" and insert "*orders*"
- Page 7, line 1, delete "*shall*" in both places and insert "*must*"
- Page 7, line 2, delete "*any*" and insert "*a*"
- Page 7, line 6, delete "*any of the persons*" and insert "*a person*"
- Page 7, line 7, delete "*have*" and insert "*has*"
- Page 7, lines 11 and 19, delete "*shall*" and insert "*must*"
- Page 7, line 14, before "*exemptions*" insert "*granting of*" and delete "*granted*"
- Page 7, line 18, after "*OF*" insert "*PREVENTION AND*" and after "*the*" insert "*prevention and*"
- Page 7, line 28, after the second "*of*" insert "*prevention and*"
- Page 7, line 29, delete "*preventive or*" and delete "*through*" and insert "*by*"
- Page 7, line 31, after "*a*" insert "*prevention and*"
- Page 8, line 2, before "*response*" insert "*prevention and*"
- Page 8, line 3, delete "*preventive or*" and delete "*any*" and insert "*a*"
- Page 8, line 9, delete "*not*"
- Page 8, line 10, delete "*otherwise required to comply with*" and insert "*identified in*"
- Page 8, line 13, delete "*preparedness*" and insert "*prevention*"
- Page 8, line 19, before "*The*" insert "*In addition to the authority of*"
- Page 8, line 20, after "*agency*" insert "*under other law, the commissioner*"
- Page 8, lines 22 and 23, delete "*section or sections 115.061 and 116.07*" and insert "*chapter and violations of rules adopted by the pollution control agency under sections 115.03, subdivision 1, paragraph (e), clause (3), and 116.49*"
- Page 8, line 29, delete "*any*" and insert "*a*" and delete "*substances*" and insert "*substance*"
- Page 8, line 32, delete "*shall*" and insert "*must*"
- Page 9, line 2, delete "*any of*" and delete "*or*" and insert "*and*"
- Page 9, line 3, delete "*chapter*" and insert "*chapters*" and delete "*or*" and insert "*and*" and before the period, insert "*and the commissioner of the department of agriculture may exercise the regulatory and enforcement powers in chapters 18B, 18C, and 18D*"
- Page 9, line 5, delete "*below*" and insert "*in this paragraph*"
- Page 9, line 8, delete "*omitted*" and insert "*failed*" and delete "*such*" and insert "*the*"
- Page 10, line 1, delete "*COORDINATOR*" and insert "*COORDINATION*"
- Page 10, line 3, delete everything after "*of*"

Page 10, line 4, delete everything before the second "the"

Page 10, line 7, delete "designated" and after "commissioner" insert "of the department of public safety"

Page 10, lines 10 and 11, delete "such department" and insert "agency"

Page 10, lines 11, 14, 17, and 21, delete "designated"

Page 10, line 19, after "departments" insert "and agencies"

Page 10, line 29, delete "any of the"

Page 10, lines 30 and 35, delete "shall" and insert "must"

Page 10, line 33, delete "the" and insert "an"

Page 11, lines 13 and 15, delete "They" and insert "The commissioners"

Page 11, delete section 11 and insert:

"Sec. 11. [FUNDS; TRAINING.]

*The commissioners of the department of public safety, the pollution control agency, the department of natural resources, the department of agriculture, and the department of transportation, shall seek federal funding for activities undertaken under this act. A portion of any funds received under this section must be used by the agencies to train state agency and political subdivision personnel in proper recognition of and response to discharges and releases.*

*The commissioner of the department of public safety may accept gifts for the purpose of ensuring adequate training of state agency and political subdivision personnel."*

Page 11, line 34, delete the second "or" and insert a comma and after "before" insert ", or after"

Amend the title as follows:

Page 1, line 11, delete "amending Minnesota"

Page 1, delete line 12

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 726: A bill for an act relating to certain state employees; establishing eligibility for state-paid insurance after retirement in certain circumstances.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, delete "department" and insert "departments" and after the second "of" insert "corrections or"

Page 1, line 18, delete "the effective date of this section" and insert "May 5, 1990,"

Page 2, line 20, delete everything after "effective" and insert "retroactively to May 5, 1990."

And when so amended the bill do pass. Amendments adopted. Report

adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 173: A bill for an act relating to public employees; defining the term "employee" for the purpose of the public employees labor relations act; amending Minnesota Statutes 1990, section 179A.03, subdivision 14.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 18 to 23, reinstate the stricken language

Page 2, lines 6, 11, 13, 17, 20, and 24, reinstate the stricken language and delete the new language

Page 2, line 25, before "An" insert "(1)"

Page 2, line 29, strike "(1)" and insert "(i)"

Page 2, line 32, strike "(2)" and insert "(ii)"

Page 2, line 35, before the period, insert "; and

*(2) An employee hired for a position under clause (f) if that position or a substantially similar position has already been filled under clause (f) in the same calendar year"*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 735: A bill for an act relating to public safety; authorizing certain departmental employees to donate vacation time to bargaining representatives; proposing coding for new law in Minnesota Statutes, chapter 299A.

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 1990, section 43A.04, subdivision 8, is amended to read:

Subd. 8. [DONATION OF TIME.] Notwithstanding any law to the contrary, the commissioner shall authorize the appointing authority to permit the donation of up to ~~three~~ *eight* hours of accumulated vacation time in each year by each employee who is a member of law enforcement unit number 1 *and lieutenants, captains, and majors in the state patrol to their the employee's union representative for the purpose of carrying out the duties of office.*"

Delete the title and insert:

"A bill for an act relating to state government; increasing the amount of vacation time that certain state employees can donate to bargaining representatives; amending Minnesota Statutes 1990, section 43A.04, subdivision 8."

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. 971: A bill for an act relating to agriculture; extending the ban on the use of biosynthetic bovine somatotropin by one year; amending Minnesota Statutes 1990, sections 151.01, subdivision 28; 151.15, subdivision 3; and 151.25; and Laws 1990, chapter 526, section 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete line 33 and insert:

*“Sections 1 to 4 are effective 30 days after the commissioner of agriculture publishes notice in the State Register that (a) the states of Minnesota and Wisconsin, or (b) states having 40 percent or more of milk production as determined by the United States Department of Agriculture statistics for the most recent available calendar year, including Minnesota, have adopted provisions that restrict general use of biosynthetic bovine somatotropin (BST) and remain in effect only so long as restrictions are effective in the state of Wisconsin or in states having 40 percent or more of milk production, including Minnesota. On the date that restrictions on the general use of biosynthetic bovine somatotropin are no longer in effect in the state of Wisconsin and in states having 40 percent or more of milk production, including Minnesota, sections 1 to 4 have no effect and biosynthetic bovine somatotropin may be sold for general use.”*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 632: A bill for an act relating to economic development; establishing a small business innovation research marketing and technical assistance program; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 23, delete “\$1,360,000” and insert “\$ . . . . .”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 554: A bill for an act relating to trade and economic development; appropriating money for a history center at Traverse des Sioux.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 17, after “war” insert “of historical record”

Page 1, line 23, delete “\$200,000” and insert “\$ . . . . .”

And when so amended the bill do pass and be re-referred to the Committee

on Finance. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 542: A bill for an act relating to traffic regulations; increasing the fine for violating seat belt requirements; removing citation and recording restrictions; amending Minnesota Statutes 1990, section 169.686, 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 1990, section 169.686, subdivision 1, is amended to read:

Subdivision 1. [SEAT BELT REQUIREMENT.] A properly adjusted and fastened seat belt shall be worn by:

- (1) the driver of a passenger vehicle;
- (2) a passenger riding in the front seat of a passenger vehicle; and
- (3) a passenger riding in any seat of a passenger vehicle who is older than three but younger than 11 years of age.

A person who is 15 years of age or older and who violates clause (1) or (2) is subject to a fine of \$40 \$25. The driver of the passenger vehicle in which the violation occurred is subject to a \$40 \$25 fine for a violation of clause (2) or (3) by a child of the driver under the age of 15 or any child under the age of 11. ~~A peace officer may not issue a citation for a violation of this section unless the officer lawfully stopped or detained the driver of the motor vehicle for a moving violation other than a violation involving motor vehicle equipment.~~ The department of public safety shall not record a violation of this subdivision on a person's driving record.

Sec. 2. Minnesota Statutes 1990, section 169.686, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATION; SPECIAL ACCOUNT.] The fines collected for a violation of subdivision 1 must be deposited in the state treasury and credited to a special account to be known as the emergency medical services relief account. *Ninety percent of the money in the account shall be distributed to the eight regional emergency medical services systems designated by the commissioner under section 144.8093, for personnel education and training, equipment and vehicle purchases, and operational expenses of emergency life support transportation services. The board of directors of each emergency medical services region shall establish criteria for funding. Ten percent of the money in the account shall be distributed to the commissioner of public safety for the expenses of traffic safety educational programs conducted by state patrol troopers.*

Sec. 3. [EFFECTIVE DATE.]

*Section 1 is effective for violations that occur on or after August 1, 1991."*

Delete the title and insert:

"A bill for an act relating to traffic regulations; increasing the fine for violating seat belt requirements; removing citation restrictions; reallocating

fine receipts; amending Minnesota Statutes 1990, section 169.686, subdivisions 1 and 3.”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 814: A bill for an act relating to public safety; authorizing the department of public safety to develop a pilot program to require an ignition interlock device as a condition of a limited license for a driver whose license has been canceled and denied; requiring the department of public safety to certify interlock devices; providing penalties for misuse or tampering, and for failure to use the device; proposing coding for new law in Minnesota Statutes, chapter 171.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [171.305] [IGNITION INTERLOCK DEVICE; PILOT PROGRAM; LICENSE CONDITION.]

*Subdivision 1. [DEFINITION.] “Ignition interlock device” or “device” means breath alcohol ignition equipment designed to prevent a motor vehicle’s ignition from being started by a person whose alcohol concentration exceeds the calibrated setting on the device.*

*Subd. 2. [PILOT PROGRAM.] The commissioner shall establish a one-year statewide pilot program for the use of an ignition interlock device by a person whose driver’s license or driving privilege has been canceled and denied by the commissioner for an alcohol or controlled substance related incident. After one year the commissioner shall evaluate the program and shall recommend to the legislature whether changes in the program are necessary and whether the program should be permanent. No limited license shall be issued under this program after August 1, 1992.*

*Subd. 3. [PERFORMANCE STANDARDS.] The commissioner shall specify performance standards for ignition interlock devices, including standards relating to accuracy, safe operation of the vehicle, and degree of difficulty rendering the device inoperative.*

*Subd. 4. [CERTIFICATION.] The commissioner shall certify ignition interlock devices that meet the performance standards and may charge the manufacturer of the ignition interlock device a certification fee.*

*Subd. 5. [ISSUANCE OF LIMITED LICENSE.] The commissioner may issue a limited license to a person whose driver’s license has been canceled and denied due to an alcohol or controlled substance related incident under section 171.04, subdivision 1, clause (8), under the following conditions:*

- (1) at least one-half of the person’s required abstinence period has expired;*
- (2) the person has completed all rehabilitation requirements; and*
- (3) the person agrees to drive only a motor vehicle equipped with a functioning and certified ignition interlock device.*

*Subd. 6. [MONITORING.] The ignition interlock device must be monitored for proper use and accuracy by an entity approved by the commissioner.*

*Subd. 7. [PAYMENT.] The commissioner shall require that the person issued a limited license under subdivision 5 pay all costs associated with use of the device.*

*Subd. 8. [PROOF OF INSTALLATION.] A person approved for a limited license must provide proof of installation prior to issuance of the limited license.*

*Subd. 9. [PENALTIES.] (a) A person who knowingly lends, rents, or leases a motor vehicle that is not equipped with a functioning ignition interlock device to a person with a limited license issued under subdivision 5 is guilty of a misdemeanor.*

*(b) A person who tampers with, circumvents, or bypasses the ignition interlock device, or assists another to tamper, circumvent, or bypass the device, is guilty of a misdemeanor.*

*(c) The penalties of this subdivision do not apply if the action was taken for emergency purposes or for mechanical repair, and the person limited to the use of an ignition interlock device does not operate the motor vehicle while the device is disengaged.*

*Subd. 10. [CANCELLATION OF LIMITED LICENSE.] The commissioner shall cancel a limited license if the device registers a positive reading for use of alcohol or the person violates any conditions of the limited license.*

*Subd. 11. [ADMINISTRATIVE PROCEDURE ACT INAPPLICABLE.] The standards and procedures developed under this section are not subject to chapter 14.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective August 1, 1991."*

Delete the title and insert:

"A bill for an act relating to public safety; authorizing the commissioner of public safety to develop a pilot program to require an ignition interlock device as a condition of a limited license for a driver whose license has been canceled and denied; requiring the commissioner to certify interlock devices; providing penalties for misuse or tampering and for failure to use the device; proposing coding for new law in Minnesota Statutes, chapter 171."

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. 609: A bill for an act relating to controlled substances; medical care; allowing physicians to prescribe marijuana and Tetrahydrocannabinols for the treatment of cancer or glaucoma; amending Minnesota Statutes 1990, sections 152.02, subdivisions 2 and 3; and 152.21, subdivision 6; repealing Minnesota Statutes 1990, section 152.21, subdivisions 1 to 5 and 7.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 5, lines 17 and 27, delete "*cancer or glaucoma*" and insert "*a medical condition, if the physician has documented in the patient's medical record that it is being used to reduce pain or reduce or prevent the recurrence of symptoms or adverse effects of a serious illness, injury, or medical condition, and that other available drugs have not proven to be effective*"

Amend the title as follows:

Page 1, lines 4 and 5, delete "cancer or glaucoma" and insert "medical conditions under certain circumstances"

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. 258: A bill for an act relating to health; modifying the physician loan forgiveness program; providing an increase in medical assistance reimbursement to physicians; requiring a study of obstetrical access; appropriating money; amending Minnesota Statutes 1990, section 136A.1355, subdivisions 2 and 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete section 3

Page 3, delete lines 5 to 8

Page 3, line 9, delete "(c)" and insert "(b)"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, line 4, delete everything before "requiring"

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. 874: A bill for an act relating to human services; establishing a children's mental health services consolidated fund; proposing coding for new law in Minnesota Statutes, chapter 245.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [PROTOCOLS FOR COORDINATION OF CHILDREN'S MENTAL HEALTH SERVICES.]

*Subdivision 1. [DEVELOPMENT OF PROTOCOLS AND PROCEDURES.] Each local children's mental health coordinating council established under Minnesota Statutes, section 245.4875, subdivision 6, shall establish a task force to develop recommended protocols and procedures*



*that will ensure that the planning, case management, and delivery of services for children with severe emotional disturbance are coordinated and make the most efficient and cost-effective use of available funding. The task force must include, at a minimum, representatives of local school districts and county medical assistance and mental health staff. The protocols and procedures must be designed to:*

*(1) ensure that services to children are driven by the children's needs, rather than by the availability or source of funding for services;*

*(2) ensure that planning for services, case management, service delivery, and payment for services involves coordination of all affected agencies, providers, and funding sources; and*

*(3) maximize available funding by making full use of all available funding, including medical assistance.*

*Subd. 2. [REPORT.] By October 1, 1991, each local coordinating council shall report to the commissioner of human services the council's findings and the recommended protocols and procedures. Each council shall also make recommendations regarding the feasibility and desirability of methods of consolidating or pooling funding sources to ensure that services are tailored to the specific needs of each child and to allow greater flexibility in paying for services. The council shall also recommend legislative changes or rule changes that will improve local coordination and further maximize available funding. By January 1, 1992, the commissioner of human services shall provide a report to the legislature that describes the reports of local coordinating councils and provides the commissioner's recommendations for legislation or other needed changes."*

Delete the title and insert:

"A bill for an act relating to human services; requiring local children's mental health coordinating councils to develop protocols and procedures to ensure that services are coordinated and maximize available funding; requiring a report."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 694: A bill for an act relating to traffic regulations; establishing maximum height for rear bumpers of certain semitrailers; allowing certain equipment to be excluded from computing the maximum allowable length of a semitrailer or trailer used in a three-vehicle combination; providing an exception to the length limitation on certain vehicle combinations; limiting maximum weight allowed on certain vehicle tires; conforming state highway weight limitations to federal requirements; imposing a cost-per-mile fee on certain overweight vehicles; amending Minnesota Statutes 1990, sections 169.73, subdivision 4a; 169.81, subdivisions 2 and 3; 169.825, subdivisions 8 and 10; and 169.86, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, line 9, after "the" insert "foremost and rearmost" and delete "axle" and insert "axles"

Page 6, after line 13, insert:

*“Clause (2) applies to new vehicles manufactured after August 1, 1991, and after August 1, 1996, to all vehicles.”*

Page 7, lines 27 and 29, after the stricken language, insert “.39,000”

Page 9, after line 5, insert:

*“The maximum gross weight on a group of three consecutive axles where the distance between centers of foremost and rearmost axles is listed as seven feet or eight feet applies only to vehicles manufactured before August 1, 1991.”*

Page 11, line 11, reinstate the stricken “(d)”

Page 11, line 16, after the stricken “(e)”, reinstate the stricken language

Page 11, lines 17 to 22, reinstate the stricken language

Page 14, after line 6, insert:

“Sec. 7. Minnesota Statutes 1990, section 221.025, is amended to read:  
221.025 [EXEMPTIONS.]

Except as provided in sections 221.031 and 221.033, the provisions of this chapter do not apply to the intrastate transportation described below:

(a) the transportation of students to or from school or school activities in a school bus inspected and certified under section 169.451;

(b) the transportation of rubbish as defined in section 443.27;

(c) a commuter van as defined in section 221.011, subdivision 27;

(d) authorized emergency vehicles as defined in section 169.01, subdivision 5, including ambulances, and tow trucks when picking up and transporting disabled or wrecked motor vehicles and when carrying proper and legal warning devices;

(e) the transportation of grain samples under conditions prescribed by the board;

(f) the delivery of agricultural lime;

(g) the transportation of dirt and sod within an area having a 50-mile radius from the home post office of the person performing the transportation;

(h) a person while exclusively engaged in the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix, concrete blocks or tile and the mortar mix to be used with the concrete blocks or tile, or crushed rock to or from the point of loading or a place of gathering within an area having a 50-mile radius from that person's home post office or a 50-mile radius from the site of construction or maintenance of public roads and streets;

(i) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator evergreens, wood chips, sawdust, shavings, and bark from the place where the products are produced to the point where they are to be used or shipped;

(j) a person while engaged exclusively in transporting fresh vegetables from farms to canneries or viner stations, from viner stations to canneries, or from canneries to canneries during the harvesting, canning, or packing

season, or transporting potatoes, sugar beets, wild rice, or rutabagas from the field of production to the first place of delivery or unloading, including a processing plant, warehouse, or railroad siding;

(k) a person engaged in transporting property or freight, other than household goods and petroleum products in bulk, entirely within the corporate limits of a city or between contiguous cities except as provided in section 221.296;

(l) the transportation of unprocessed dairy products in bulk within an area having a 100-mile radius from the home post office of the person providing the transportation;

(m) a person engaged in transporting agricultural, horticultural, dairy, livestock, or other farm products within an area having a 25-mile radius from the person's home post office and the carrier may transport other commodities within the 25-mile radius if the destination of each haul is a farm;

(n) a person providing limousine service that is not regular route service in a passenger automobile that is not a van, and that has a seating capacity, excluding the driver, of not more than 12 persons;

(o) passenger transportation service that is not charter service and that is under contract to and with operating assistance from the department or the regional transit board.

Sec. 8. Minnesota Statutes 1990, section 221.033, is amended by adding a subdivision to read:

*Subd. 4. [VARIANCE.] The commissioner may adopt rules to provide a procedure to grant variances from regulations adopted under subdivision 1, and contained in Code of Federal Regulations, title 49, part 180. The variances must apply only to cargo tanks with a capacity of 3,000 gallons or less that transport gasoline in intrastate commerce in Minnesota and were first used in transportation before August 1, 1991. The commissioner shall establish inspection, testing, and registration requirements to ensure the safety of cargo tanks operated under a variance granted under this subdivision.*

Sec. 9. [221.124] [INITIAL MOTOR CARRIER CONTACT PROGRAM.]

*Subdivision 1. [INITIAL MOTOR CARRIER CONTACT.] The initial motor carrier contact program consists of an initial contact, for educational purposes, between a motor carrier required to participate and representatives of the department of transportation. The initial contact may be through an educational seminar or at the discretion of the department through a personal meeting with a representative of the department. The initial contact must consist of a discussion of the statutes, rules, and regulations that apply to motor carriers. Topics discussed must include: carrier authority; the leasing of drivers and vehicles; insurance requirements; tariffs; annual reports; accident reporting; identification of vehicles; driver qualifications; maximum hours of service of drivers; the safe operation of vehicles; equipment, parts, and accessories; and inspection, repair, and maintenance. The department shall provide written documentation of proof of compliance with the requirements of subdivision 2 and shall give a copy of the document to the motor carrier.*

*Subd. 2. [PARTICIPATION REQUIRED.] A motor carrier that receives*

*a certificate or permit from the board for new authority on or after September 1, 1991, shall participate in the initial motor carrier contact program. A motor carrier required to participate in the program must have in attendance at least one motor carrier official having a substantial interest or control, directly or indirectly, in or over the operations conducted or to be conducted under the certificate or permit.*

*Subd. 3. [TIME FOR COMPLIANCE.] A motor carrier required by subdivision 2 to participate in the program must do so within 90 days of the service date of the order granting the certificate or permit. Failure to comply with the requirement of subdivision 2 makes the order granting the certificate or permit void upon expiration of the time for compliance.*

Sec. 10. [EFFECTIVE DATE.]

*Section 1 is effective July 1, 1992. Sections 2 to 9 are effective August 1, 1991."*

Amend the title as follows:

Page 1, line 12, after the semicolon, insert "adding an exemption to the motor carrier act; authorizing a variance for small cargo tanks; establishing the initial motor carrier contact program;"

Page 1, line 14, delete the third "and"

Page 1, line 15, before the period, insert "; 221.025; and 221.033, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 724: A bill for an act relating to housing; modifying certain annual housing impact reporting and replacement housing requirements; amending Minnesota Statutes 1990, sections 504.33, subdivision 2; 504.34, subdivision 1; and 504.35.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [REPEALER.]

*Minnesota Statutes 1990, sections 504.33, 504.34, and 504.35, are repealed."*

Delete the title and insert:

"A bill for an act relating to housing; repealing annual housing impact reporting and replacement housing requirements; repealing Minnesota Statutes 1990, sections 504.33; 504.34; and 504.35."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 669: A bill for an act relating to the Brooklyn Center housing and redevelopment authority; providing for authority to increase levy.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 15 to 17 and insert:

*"Section 1 is effective on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Brooklyn Center."*

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Metropolitan Affairs, to which was referred

S.F. No. 1124: A bill for an act relating to metropolitan government; providing for an advisory task force on metropolitan planning and development; directing the metropolitan council to conduct a study.

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 1990, 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 the orderly and ~~economic~~ *economic* development and redevelopment, public and private, of the metropolitan area. The ~~comprehensive development~~ guide shall recognize and encompass *the changing* physical, social, ~~or~~ and economic needs of the metropolitan area and ~~these~~ *the redevelopment and future developments* development 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. [FULLY DEVELOPED AREA; STUDY.]

*The metropolitan council must conduct a study of the development patterns and needs in the council-defined fully developed area. The council must direct its staff to:*

*(1) examine both the development patterns and the migration patterns in the fully developed area that have occurred in the last 20 years with special attention to household composition;*

*(2) compare the relative public costs of redevelopment in the fully developed area with the costs of development within the council-defined developing area. This work should include, but is not limited to, transportation and transit, wastewater treatment, public safety services, and education;*

*(3) examine the changing demographics of the fully developed area and other areas within the metropolitan region, and make projections regarding the economic and social condition of the fully developed area; and*

*(4) recommend changes that would encourage the economic and social strengthening of the fully developed area.*

*In conducting its study, the council must use, along with other information, any available data from the 1990 census. The council must present its findings to the legislature by February 15, 1994. The council must also present interim briefings to the legislature on work in progress at least annually between the effective date of this act and the completion of the study.*

### Sec. 3. [APPLICATION.]

*This act applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."*

Delete the title and insert:

"A bill for an act relating to metropolitan government; making modifications to the development guide of the metropolitan council; directing the metropolitan council to conduct a study; amending Minnesota Statutes 1990, section 473.145."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Metropolitan Affairs, to which was referred

S.F. No. 385: A bill for an act relating to metropolitan government; providing for senate confirmation of the chair of the metropolitan airports commission; removing certain members from the commission; amending Minnesota Statutes 1990, section 473.604, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, lines 3 to 22, reinstate the stricken language

Page 2, line 23, reinstate the stricken "(4)" and delete "(3)"

Amend the title as follows:

Page 1, lines 4 and 5, delete "removing certain members from the commission;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was re-referred

S.F. No. 644: A bill for an act relating to elections; limiting certain special elections; setting times and procedures for certain boundary changes; changing requirements for polling places; amending Minnesota Statutes 1990, sections 204B.135, by adding a subdivision; 204B.14, subdivisions 3, 4, and 6; 204B.16, subdivisions 1 and 2; 205.84, subdivision 2; and 205A.12, subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 9, insert:

“ARTICLE 1  
REDISTRICTING AMENDMENTS”

Page 4, line 12, delete “437.121” and insert “473.121”

Page 6, after line 6, insert:

“ARTICLE 2  
LOCAL GOVERNMENT ELECTION

Section 1. [LEGISLATIVE INTENT.]

*It is the intent of this act:*

*(1) to increase public interest and participation in local elections and to draw the attention of the public and the news media to local government issues by requiring local elections for elective office, except in towns, to be held on the Tuesday after the first Monday in November;*

*(2) to encourage more individuals to vote at local elections by permitting voters to cast their ballots in all local election contests, including school district, city, and county elections at a single, convenient polling place;*

*(3) to encourage more individuals to seek local elective offices by establishing a uniform time for filing for office; and*

*(4) to lower the administrative costs of local elections by reducing the frequency and increasing the uniformity of procedures for the election of local officers.*

Sec. 2. [205.001] [LOCAL GOVERNMENT ELECTION DATES.]

*Subdivision 1. [ESTABLISHMENT.] Except as otherwise provided by this section, the general election for elective officers in the political subdivisions specified in subdivision 2 must be conducted on the first Tuesday after the first Monday in November of either the odd-numbered or even-numbered year. The governing body of each political subdivision specified in subdivision 2 shall designate by ordinance or resolution whether the general election for elective officers of that political subdivision must be held in the odd-numbered year, the even-numbered year, or annually. The clerk of the governing body of each political subdivision shall file with the county auditor of the county where the political subdivision is located, a notice of the year designated for the local government election in that political subdivision.*

*Subd. 2. [OFFICERS ELECTED.] The general election of the elective officers of every county, city, and school district, and the elective officers of every other political subdivision of the state, except towns, must be held at the local government election for the political subdivision next preceding the expiration of the officers' terms.*

*Subd. 3. [BOND ISSUE QUESTIONS.] A referendum authorizing the issuance of bonds must be held the first Tuesday after the first Monday in November, but a political subdivision may hold a bond issue referendum on another date if the political subdivision certifies that an emergency exists because the capital improvement for which the bond proceeds will be used*

*was rendered unusable through natural disaster or vandalism. If the capital improvement is an educational facility, the political subdivision shall certify this emergency finding to the commissioner of education before scheduling the emergency bond issue election. For other capital improvements, the political subdivision shall certify the emergency finding to the secretary of state before scheduling the emergency bond issue election. In addition, a school district may hold an emergency bond issue election on another date if the school district requests and receives certification of the commissioner of education that rapidly expanding enrollment in the district constitutes an emergency that warrants an election on another date.*

*Subd. 4. [PRIMARY.] A primary election must be held by each political subdivision specified in subdivision 2 on the first Tuesday after the second Monday in September of the year in which the political subdivision holds its local government election, to select the nominees for the offices to be filled at the local government election, except for municipal offices in municipalities of less than 2,500 inhabitants.*

*No primary may be held to select candidates for a nonpartisan office if only two persons file for nomination for that office, or if not more than twice the number of persons to be elected file for nomination for that office.*

*Subd. 5. [PLACE OF ELECTION.] The election precincts and polling places for elections held at the local government election must be those established according to sections 204B.14 to 204B.17. Ballots must be distributed and available so that no voter is required to vote in more than one polling place in order to vote in every election in which the voter is eligible to vote at the local government election.*

*Subd. 6. [HOURS FOR VOTING.] The hours for voting in a precinct in which an election is held under this section must be as provided in section 204C.05 for the state general election and the state primary.*

*Subd. 7. [TIME FOR FILING.] If a primary is required for nomination of candidates for an office to be filled at the local government election, the time for filing an affidavit, application, petition, or other document required to place an individual's name on the ballot at the local government election must begin ten weeks before the primary election day and conclude eight weeks before that day. If no primary is required, the time for filing must commence ten weeks before the local government election and conclude eight weeks before that day.*

*Subd. 8. [WITHDRAWAL OF CANDIDACY.] A candidate for an office to be filled at the local government election may withdraw the candidacy for that office not later than 5:00 p.m. on the day after the close of the filing period. Affidavits of withdrawal must be filed with the officer who receives affidavits of candidacy for that office.*

*Subd. 9. [INTENT; OTHER LAWS AND CHARTERS SUPERSEDED.] It is the intent of this section to establish that the election of all officers described in subdivision 2 must occur at the times and in the manner provided in this section. To the extent inconsistent with this intent, general and special laws and municipal charter provisions providing otherwise are superseded. In all other respects, those laws and charter provisions continue in force and effect.*

*No general or special law enacted after August 1, 1991, may be construed to authorize or require that the election of officers described in subdivision 2 be held at a time or in a manner different from that required by this*



*section, unless that law expressly provides for an exception by specific reference to this section.*

### ARTICLE 3

#### ELECTION LAWS; LOCAL GOVERNMENT ELECTIONS

##### Section 1. [205.003] [NOTICE OF OFFICES TO BE FILLED; COUNTIES, CITIES, AND SCHOOL DISTRICTS.]

*No later than 15 days before the first day for filing affidavits of candidacy for offices to be filled at a local government election, each county auditor and each school district, hospital district, and soil and water conservation district clerk, and each municipal clerk of a municipality subject to article 2, section 2, shall prepare, post in each respective office, and publish a notice specifying the officers whose certificates of election were issued by the office of that auditor or clerk and who are to be voted on at the next local government election for the respective political subdivision. The notice must also state the opening and closing dates for filing affidavits and the place for filing. Immediately upon preparation, the county auditor and school district, hospital district, and soil and water conservation district clerks shall deliver copies of the notice to the clerk of each municipality in the county or district. The clerk of each municipality shall post in the clerk's office copies of the notices delivered to the clerk under this section.*

##### Sec. 2. [205.005] [COORDINATION OF LOCAL ELECTIONS; DUTIES OF LOCAL ELECTION OFFICIALS AND THE SECRETARY OF STATE.]

*Subdivision 1. [DUTIES OF OFFICIALS.] In order to effectively coordinate the various elections held at a local government election, all local election officials of political subdivisions subject to article 2, section 2, including county auditors, municipal clerks, and clerks of school, hospital, and other special purpose districts shall cooperate with one another and with the secretary of state in the manner required by the rules of the secretary of state adopted under subdivision 2.*

*Subd. 2. [ADOPTION OF RULES.] By January 1, 1993, the secretary of state shall adopt rules to facilitate the coordination of the various elections held at the local government election each year. The rules must provide:*

*(1) standards and guidelines to aid those municipalities, counties, school districts, and other political subdivisions that are subject to article 2, section 2, in allocating election costs, designating boundaries for election purposes, and administering elections in precincts split by an election district boundary;*

*(2) requirements and procedures for preparation by county auditors and municipal clerks of precinct maps or precinct finders that indicate the boundary and district number of each school district and each school district election district in the precinct and that enable the judges in a precinct with more than one district to determine the district in which a voter residing in the precinct is entitled to vote;*

*(3) a procedure to be followed by local elections officials to ensure that the number of the school district in which the voter resides is placed on every voter registration card in the manner and by the time required in article 4, sections 2 and 4;*

*(4) procedures for efficient distribution of sample and official school district ballots to the polling places; and*

*(5) procedures for resolving disputes regarding the conduct of elections between municipalities, counties, school districts, and other political subdivisions subject to article 2, section 2.*

*Subd. 3. [PREPARATION OF LOCAL ELECTION BOOKLET.] By January 1, 1993, and every two years after that date, the secretary of state shall prepare a booklet for distribution to local election officials containing election laws that are applicable to elections held at a local government election.*

Sec. 3. Minnesota Statutes 1990, section 205.02, subdivision 2, is amended to read:

*Subd. 2. [CITY ELECTIONS.] In all statutory and home rule charter cities, the primary, general and special elections held for choosing city officials and deciding public questions relating to the city shall be held as according to the statutes governing the state general election and the primary preceding the state general election as far as practicable, except as otherwise provided in this chapter, ~~except that this section and sections 205.065, subdivisions 2 to 7; 205.07 to 205.121; and 205.175 and 205.185 do not apply to a city whose charter provides the manner of holding its primary, general or special elections.~~*

Sec. 4. [205.125] [OPTIONAL PRIMARY.]

*The governing body of a municipality subject to article 2, section 2, that has less than 2,500 inhabitants may elect by ordinance or resolution to hold a municipal primary on the date designated by the governing body under article 2, section 2. An ordinance or resolution under this section must be adopted at least 16 weeks before the primary day and must be effective for all ensuing elections until revoked. The governing body of the municipality shall file a copy of the ordinance or resolution with the secretary of state.*

Sec. 5. [205.165] [SAMPLE BALLOTS AT EACH POLLING PLACE.]

*For every election held within a municipality, the municipal clerk shall cause to be posted in each polling place a sample of every ballot to be voted upon at that polling place, including a sample of the state, county, city, school district, or other ballot that may be voted upon.*

Sec. 6. Minnesota Statutes 1990, section 205.185, subdivision 2, is amended to read:

*Subd. 2. [ELECTION, CONDUCT.] A municipal primary and general election shall be by secret ballot and shall be held and the returns made in the manner provided for the state general election and the primary election preceding the state general election, so far as practicable.*

Sec. 7. Minnesota Statutes 1990, section 205.185, is amended by adding a subdivision to read:

*Subd. 2a. [PRIMARY ELECTION RESULTS.] Within two days after the municipal primary election, the governing body of the municipality shall canvass the returns of the election, and the two candidates for each office who receive the highest number of votes, or a number of candidates equal to twice the number of persons to be elected to the office and who receive the highest number of votes, are the nominees for the office named. If a tie vote causes more candidates than may be nominated to an office to receive the highest number of votes, the governing body shall determine the result by lot. The names of the nominees must be certified to the municipal clerk*

*who shall place them on the municipal general election ballot without payment of an additional fee.*

Sec. 8. Minnesota Statutes 1990, section 205.185, subdivision 3, is amended to read:

Subd. 3. [CANVASS OF RETURNS, CERTIFICATE OF ELECTION, BALLOTS, DISPOSITION.] Within two days after ~~an~~ *the municipal general election*, the governing body shall canvass the returns and declare the results of the election. After the time for contesting elections has passed, the municipal clerk shall issue a certificate of election to each successful candidate. In case of a contest, the certificate shall not be issued until the outcome of the contest has been determined by the proper court. In case of a tie vote, the governing body shall determine the result by lot. The 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.

Sec. 9. [205.201] [COUNTY ELECTIONS.]

*Except as otherwise provided in this chapter, the statutes governing the state general election and the primary preceding the state general election govern the primary and general election for county officers.*

Sec. 10. [205.208] [HOSPITAL DISTRICT ELECTIONS.]

*Subdivision 1. [APPLICABLE STATUTES.] Except as otherwise provided in this chapter, the statutes governing the general election and the primary preceding the general election govern hospital district elections as far as practicable.*

*Subd. 2. [APPLICATION FOR CANDIDACY.] Any person desiring to be a candidate for member of a hospital board shall file with the clerk of the town or city in which the person resides an affidavit of candidacy as a member at large or member representing the town or city. Affidavits must be substantially in the same form as required for municipal elections and be filed during the time for filing prescribed by article 2, section 2, subdivision 7. The clerk of the town or city shall transmit all affidavits of candidacy for member at large or member representing the town or city to the clerk of the district.*

*Subd. 3. [PREPARATION OF BALLOTS.] The district clerk shall certify to the municipal clerk the names of the candidates for nomination and election as members representing the town or city and members at large. The municipal clerk shall place the names of the candidates for nomination or election as members representing the town or city or members at large on the town or city light green ballot. The hospital district shall reimburse the town or city for its pro rata share of the cost of preparing the light green ballot, as provided in the rules of the secretary of state.*

*Subd. 4. [ELECTION RETURNS.] For the primary and the general election, each clerk of the district shall supply to the clerk of each town and city in the district a number of blank summary statements sufficient for recording the results of the hospital district election in each precinct. Summary statements must be prepared in the manner required by the secretary of state. After counting the votes, the election judges in each precinct shall complete a summary statement supplied by the district and shall submit the completed statement to the clerk of the town or city in which the precinct is located. The clerk of each town and city shall transmit the hospital district election summary statements to the clerk of the district within 48 hours after*

*the closing of the polls.*

*Subd. 5. [CANVASSING OF RESULTS.] Upon receiving the completed summary statements containing the primary election results, the hospital board shall immediately canvass the results of the primary election and certify the names of the candidates to appear on the hospital district general election ballot. If a tie vote causes more candidates than may be nominated to an office to receive the highest number of votes, the board shall determine the result by lot. Upon receiving the summary statements containing the general election results, the board shall immediately canvass the results and issue certificates of election to the candidates receiving the highest number of votes for each office. The clerk shall deliver a certificate to the person entitled to it in person or by registered mail, and each certified person shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. In a hospital district created under section 447.31, the board may fill an office under section 447.32, subdivision 1, if the person elected to the office fails to qualify within the 30-day period, but the qualification of the person elected is effective if made at any time before action to fill the vacancy has been taken.*

*Subd. 6. [APPLICATION.] The election procedures in this section apply to hospital districts created under section 397.05 or 447.31.*

ARTICLE 4

ELECTION LAWS; GENERAL PROVISIONS

Section 1. Minnesota Statutes 1990, section 200.02, is amended by adding a subdivision to read:

*Subd. 2a. [LOCAL GOVERNMENT ELECTION.] "Local government election" means the general election of elective officers of every county, city, and school district and the elective officers of every other political subdivision of the state, except for towns, that is held on the first Tuesday after the first Monday in November, as designated under article 2, section 2, subdivision 1.*

Sec. 2. Minnesota Statutes 1990, section 201.071, subdivision 1, is amended to read:

Subdivision 1. [FORM.] Registration cards shall be of suitable size and weight for mailing, and shall contain the following information in substantially the following form:

VOTER REGISTRATION CARD

(Please print or type)

- Date: ..... School District No. ....
- 1. Name: .....
  - Last First Middle Initial
- 2. Address: .....
  - Street or Route No.
  - .....
  - City (or Township) County Zip
- 3. Telephone Number:
- 4. Date of birth:

Month: ..... Day: ..... Year: .....

5. Last registration if any .....  
Street or Route Number  
..... None .....  
City (or Township) Zip

6. I certify that I will be at least 18 years old on election day and am a citizen of the United States, that I reside at the address shown and will have resided in Minnesota for 20 days immediately preceding election day, and that I am not under guardianship of the person, have not been found by a court to be legally incompetent to vote, and have not been convicted of a felony without having my civil rights restored. I understand that giving false information to procure a registration is a felony punishable by not more than five years imprisonment and a fine of not more than \$10,000, or both.

.....  
Signature of Voter

Sec. 3. Minnesota Statutes 1990, section 201.071, subdivision 3, is amended to read:

Subd. 3. [DEFICIENT REGISTRATION.] No registration is deficient if it contains the voter's name, address, date of birth, prior registration if any and signature. The absence of a zip code number or school district number does not cause the registration to be deficient. The election judges shall request an individual to correct a registration card if it is deficient or illegible or if the name or number of the voter's school district is missing or obviously incorrect. No eligible voter may be prevented from voting unless the voter's registration card is deficient or the voter is duly and successfully challenged in accordance with section 201.195 or 204C.12.

A registration card accepted prior to August 1, 1983, is not deficient for lack of date of birth. The county or municipality may attempt to obtain the date of birth for a registration card accepted prior to August 1, 1983, by a request to the voter at any time except at the polling place. Failure by the voter to comply with this request does not make the registration deficient.

Sec. 4. Minnesota Statutes 1990, section 201.071, subdivision 8, is amended to read:

Subd. 8. [SCHOOL DISTRICT ASSISTANCE.] School districts shall assist county auditors in determining the school district in which a voter resides. *Voter registration cards on file on and after January 1, 1991, must have the number of the school district in which the voter resides recorded on the card and in the data base of the central registration system.*

Sec. 5. Minnesota Statutes 1990, section 203B.06, subdivision 3, is amended to read:

Subd. 3. [DELIVERY OF BALLOTS.] If an application for absentee ballots is accepted at a time when absentee ballots are not yet available for distribution, the county auditor, or municipal clerk accepting the application shall file it and as soon as absentee ballots are available for distribution shall mail them to the address specified in the application. If an application for absentee ballots is accepted when absentee ballots are available for distribution, the county auditor or municipal clerk accepting the application shall promptly:

(a) Mail the ballots to the voter whose signature appears on the application if the application is submitted by mail; or

(b) Deliver the absentee ballots directly to the voter if the application is submitted in person.

If an application does not indicate the election for which absentee ballots are sought, the county auditor or municipal clerk shall mail or deliver only the ballots for the next election occurring after receipt of the application. Only one set of ballots may be mailed to an applicant for any election.

This subdivision does not apply to applications for absentee ballots received pursuant to sections 203B.04, subdivision 2, and 203B.11. *The auditor or municipal clerk is not required to mail or deliver a school district ballot to an applicant if the auditor or clerk cannot determine the school district in which the applicant resides.*

Sec. 6. Minnesota Statutes 1990, section 204B.14, is amended by adding a subdivision to read:

*Subd. 1a. [COORDINATION WITH SCHOOL DISTRICTS.] In the course of developing precinct boundaries, the governing body shall take into account the boundaries of each school district and the boundaries of election districts, if any, within each school district located within the municipality, and shall consult with the board of each of those school districts and each municipality which includes territory of those school districts before taking final action on designating the precinct boundaries.*

Sec. 7. Minnesota Statutes 1990, section 204B.18, is amended by adding a subdivision to read:

*Subd. 3. [SAMPLE BALLOTS.] Each polling place must be provided with a sample ballot for every ballot to be voted upon at that polling place. The sample ballots must be posted in a prominent place in the polling place and be open to inspection by the voters during the time that the polling place is open.*

Sec. 8. Minnesota Statutes 1990, section 204D.02, subdivision 1, is amended to read:

Subdivision 1. [OFFICERS.] All elective state and county officers, justices of the supreme court, judges of the court of appeals, district, county and county municipal courts, state senators and state representatives, and senators and representatives in congress shall be elected at the state general election held in the year before their terms of office expire. Presidential electors shall be chosen at the state general election held in the year before the expiration of a term of a president of the United States. *County officers must be elected at the local government election for their respective counties; but, except as otherwise provided in chapter 205, the statutes governing the state general election and the primary preceding the state general election govern the primary and general election of county officers.*

Sec. 9. Minnesota Statutes 1990, section 204D.02, subdivision 2, is amended to read:

Subd. 2. [TERM OF OFFICE.] The term of office of all elective state ~~and~~, county, city, and school district officers *and of every officer of any political subdivision of the state, except towns,* shall begin on the first Monday in January of the ~~odd-numbered~~ year following their election.

Sec. 10. Minnesota Statutes 1990, section 204D.11, subdivision 5, is

amended to read:

Subd. 5. [BALLOT HEADINGS.] The white, pink and special federal white ballot shall be headed with the words "State General Election Ballot." The canary ballot shall be headed with the words "County and ~~Judicial District~~ Nonpartisan General Election Ballot."

Sec. 11. Minnesota Statutes 1990, section 204D.16, is amended to read:

204D.16 [SAMPLE GENERAL ELECTION BALLOTS; POSTING; PUBLICATION.]

Two weeks before ~~the state general~~ *an election at which the white, pink, or canary ballots are to be cast*, the county auditor shall prepare sample copies of ~~the white and canary ballots each ballot to be cast~~ and shall post copies of these sample ballots and a sample of the pink ballot in the auditor's office for public inspection. No earlier than 15 days and no later than two days before ~~the state general~~ *an election* the county auditor shall cause ~~the sample white and canary ballots each ballot to be published~~ in at least one newspaper of general circulation in the county. *The auditor shall also supply each municipal clerk in the county with a sufficient number of samples of the white ballot and, before the local government election, the canary ballot, so that one copy of each sample ballot may be posted at each polling place in every municipality in the county. The county auditor shall cause to be posted in each polling place in an unorganized territory in the county a sample ballot of every ballot to be voted upon at that polling place, including a sample school district ballot.*

Sec. 12. Minnesota Statutes 1990, section 205.13, subdivision 6, is amended to read:

Subd. 6. [WITHDRAWAL.] A candidate for a municipal elective office may withdraw from the election by filing an affidavit of withdrawal with the municipal clerk by ~~42 o'clock noon~~ *5:00 p.m.* of the day after the last day for filing affidavits of candidacy. Thereafter, no candidate may file an affidavit of withdrawal.

Sec. 13. Minnesota Statutes 1990, section 205A.02, is amended to read:

205A.02 [ELECTION LAW APPLICABLE.]

Except as provided in this chapter, the Minnesota election law applies to school district elections, as far as practicable. ~~Elections in common school districts shall be governed by section 423.44.~~

Sec. 14. Minnesota Statutes 1990, section 205A.06, subdivision 5, is amended to read:

Subd. 5. [WITHDRAWAL.] A candidate for a school district elective office may withdraw from the election by filing an affidavit of withdrawal with the school district clerk by ~~42:00 noon~~ *5:00 p.m.* of the day after the last day for filing affidavits of candidacy. After that date, no candidate may file an affidavit of withdrawal.

ARTICLE 5

ORGANIC LAWS; SOIL AND WATER CONSERVATION DISTRICTS, SCHOOL DISTRICTS, PARK DISTRICTS, HOSPITAL DISTRICTS, COUNTIES, COUNTY AND MUNICIPAL COURTS, HOME RULE CHARTER CITIES

Section 1. Minnesota Statutes 1990, section 122.23, subdivision 12, is amended to read:

Subd. 12. The school board shall determine the date of the election, the number of boundaries of voting precincts, and the location of the polling places where voting shall be conducted, and the hours the polls will be open. The school board shall also provide official ballots which shall be used exclusively and shall be in the following form:

For consolidation . . . . .

Against consolidation . . . . .

The school board shall appoint three election judges for each polling place who shall act as clerks of election. ~~The school board may pay these election judges not to exceed \$1 per hour. The election judges must be compensated as provided in section 204B.31.~~ The ballots and results shall be certified to the school board who shall canvass and tabulate the total vote cast for and against the proposal.

Sec. 2. Minnesota Statutes 1990, section 122.23, subdivision 17, is amended to read:

Subd. 17. If all of the territory of one and only one independent district maintaining a secondary school is included in the new independent district, the board of that previously existing independent district shall assume the duties and responsibilities of the board of the newly organized district for the balance of the term to which the members were elected. At the next ~~annual~~ school district general election the successors to the members whose terms then expire shall be elected by the legally qualified voters of the newly organized district. Thereafter, board members shall be elected according to the election procedure established for the election of board members in independent districts.

Sec. 3. Minnesota Statutes 1990, section 122.23, subdivision 18, is amended to read:

Subd. 18. (a) If no board is provided for under the foregoing provision, upon receipt of the assigned identification number, the county auditor shall determine a date, not less than 20 nor more than 60 days from the date of the receipt of the assigned identification number, upon which date shall be held a special election in the district for the purpose of electing a board of six members for terms as follows: ~~two~~

*(1) for school districts that designated biennial elections under article 2, section 2, three until the July 1 one year after the effective date of the consolidation; two until the expiration of one year from said July 1; and two until the expiration of two years from said July 1; to hold first Monday in January following the next school district general election and three until the first Monday in January following the second succeeding school district general election; and*



(2) for school districts that designated annual elections under article 2, section 2, three until the first Monday in January following the second succeeding annual school district election, and three until the first Monday in January following the third succeeding annual school district election. A member holds office until a successor is elected and qualifies according to provisions of law governing the election of board members in independent districts. If the resolution or petition for consolidation pursuant to subdivision 2 proposed that the board of the newly created district consists of seven members, then seven members shall be elected at this election for the terms provided in this clause except that ~~three~~ four members shall hold office until the expiration of two years from ~~said July~~ + the first Monday in January following the next school district general election for school districts with biennial elections. For school districts of seven members with annual elections, two members shall hold office until the expiration of two years from the first Monday in January following the next annual election, and two members shall hold office until the expiration of three years from the first Monday in January following the second succeeding annual election. If the resolution or petition for consolidation pursuant to subdivision 2 proposed the establishment of separate election districts, these members shall be elected from separate election districts according to the provisions of that resolution or petition and of chapter 205A.

(b) The county auditor shall give ten days' posted notice of election in the area in which the election is to be held and also if there be a newspaper published in the proposed new district, one weeks' published notice shall be given. The notice shall specify the time, place, and purpose of the election.

(c) ~~The county may pay the election judges not to exceed \$1 per hour for their services. Election judges must be compensated in the manner provided in section 204B.31.~~

(d) Any person desiring to be a candidate for a school election shall file an ~~application~~ affidavit of candidacy with the county auditor to have the applicant's name placed on the ballot for such office, specifying the term for which the ~~application~~ affidavit is made. The ~~application~~ affidavit shall be filed ~~not less than 12 days before the election during the period specified in article 2, section 2, subdivision 7.~~

(e) The county auditor shall prepare, at the expense of the county, necessary ballots for the election of officers, placing thereon the names of the proposed candidates for each office. The ballots shall be marked and signed as official ballots and shall be used exclusively at the election. The county auditor shall determine the number of voting precincts and the boundaries of each. The county auditor shall determine the location of polling places and the hours the polls shall be open and shall appoint three election judges for each polling place who shall act as clerks of election. Election judges shall certify ballots and results to the county auditor for tabulation and canvass.

(f) After making a canvass and tabulation, the county auditor shall issue a certificate of election to the candidate for each office who received the largest number of votes cast for the office. The county auditor shall deliver such certificate to the person entitled thereto by certified mail, and each person so certified shall file an acceptance and oath of office with the county auditor within 30 days of the date of mailing of the certificate. A person who fails to qualify prior to the time specified shall be deemed to have refused to serve, but such filing may be made at any time before action to fill vacancy has been taken.

(g) The board of each district included in the new enlarged district shall continue to maintain school therein until the effective date of the consolidation. Such boards shall have power and authority only to make such contracts, to do such things as are necessary to maintain properly the schools for the period prior to that date, and to certify to the county auditor according to levy limitations applicable to the component districts the taxes collectible in the calendar year when the consolidation becomes effective.

(h) It shall be the immediate duty of the newly elected board of the new enlarged district, when the members thereof have qualified and the board has been organized, to plan for the maintenance of the school or schools of the new district for the next school year, to enter into the necessary negotiations and contracts for the employment of personnel, purchase of equipment and supplies, and other acquisition and betterment purposes, when authorized by the voters to issue bonds under the provisions of chapter 475; and on the effective date of the consolidation to assume the full duties of the care, management and control of the new enlarged district. The board of the new enlarged district shall give due consideration to the feasibility of maintaining such existing attendance centers and of establishing such other attendance centers, especially in rural areas, as will afford equitable and efficient school administration and assure the convenience and welfare of the pupils residing in the enlarged district. The obligations of the new board to teachers employed by component districts shall be governed by the provisions of section 122.532.

Sec. 4. Minnesota Statutes 1990, section 122.25, subdivision 2, is amended to read:

Subd. 2. At the annual meeting, if a majority of the votes cast on the question favors the conversion to an independent district, a board of six members shall be elected. Nominations may be made from the floor of the meeting and election shall be by secret ballot. All board members elected at this meeting shall serve for terms expiring on the ~~third Tuesday in May next~~ *first Monday in January* following the *next biennial school district general election* ~~on which date a regular annual election shall be held in the manner provided by law or following the second succeeding annual school district general election.~~ At this ~~first annual~~ *next school district general election for independent districts*, six directors shall be elected, ~~two three~~ *two* to hold office until ~~July 4 the first Monday in January~~ following the ~~next annual~~ *next school district general election*, two to hold office ~~until the expiration of one year from said July 4 and two to hold office until the expiration of two years from said July 4 for a term of two years and three for a term of four years;~~ the time which each director shall hold office being designated on the ballot.

Sec. 5. Minnesota Statutes 1990, section 123.34, subdivision 1, is amended to read:

Subdivision 1. Within ten days after the election of the first board in independent districts and annually thereafter on ~~July 4 the first Monday in January~~, or as soon thereafter as practicable, the board shall meet and organize by selecting a chair, clerk, and a treasurer, who shall hold their offices for one year and until their successors are selected and qualify. The persons who perform the duties of the clerk and treasurer need not be members of the board and the board by resolution may combine the duties of the offices of clerk and treasurer in a single person in the office of business affairs. They may appoint a superintendent who shall be ex officio a member of the board, but not entitled to vote therein. ~~In districts in which~~

board members are elected at the general election in November, the annual meeting of the board shall be held on the first Monday of January or as soon thereafter as practicable.

Sec. 6. Minnesota Statutes 1990, section 123.351, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] Two or more independent school districts may enter into an agreement to establish a cooperative center to provide for vocational education and other educational services upon the vote of a majority of the full membership of each of the boards of the districts entering into the agreement. When a resolution approving this action has been adopted by the board of a district, the resolution shall be published once in a newspaper of general circulation in the district. If a petition for referendum on the question of the district entering into the agreement, containing signatures of qualified voters of the district equal to five percent of the number of voters at the last school district general election, is filed with the clerk of the board within 60 days after publication of the resolution, the board shall not enter into the agreement until the question has been submitted to the voters of the district at a ~~special~~ *the next school district general* election. This election shall be conducted and canvassed in the same manner as school district general elections. If a majority of the total number of votes cast on the question within the district is in favor of the proposition, the board may enter into an agreement to establish the center for purposes described in this section.

Sec. 7. Minnesota Statutes 1990, section 123.351, subdivision 3, is amended to read:

Subd. 3. [GOVERNING BOARD.] (a) The center shall be operated by a center board of not less than five members which shall consist of members from school boards of each of the participating school districts within the center, appointed by their respective school boards. Each participating school district shall have at least one member on the board. The board shall choose an administrative officer to administer board policy and directives who shall serve as an ex officio member of the board but shall not have a vote.

(b) The terms of office of the first members of the board shall be determined by lot as follows: one-third of the members for one year, one-third for two years, and the remainder for three years, all terms to expire on ~~June 30~~ *the first Monday in January* of the appropriate year; provided that if the number of members is not evenly divisible by ~~three~~ *two*, the membership will be as evenly distributed as possible among one, two and three year terms with the remaining members serving the three year term. Thereafter the terms shall be for three years commencing on ~~July 1~~ *the first Monday in January* of ~~each~~ *the appropriate* year. If a vacancy occurs on the center board, it shall be filled by the appropriate school board within 90 days. A person appointed to the center board shall qualify as a board member by filing with the chair a written certificate of appointment from the appointing school board.

(c) The first meeting of a center board shall be at a time mutually agreed upon by board members. At this meeting, the center board shall choose its officers and conduct any other necessary organizational business. Thereafter the center board shall meet on the first of ~~July~~ *Monday in January* of each year or as soon thereafter as practicable pursuant to notice sent to all center board members by the chief executive officer of the center.

(d) The officers of the center board shall be a chair, vice-chair, clerk and treasurer, no two of whom when possible shall be from the same school district. The chair shall preside at all meetings of the center board except in the chair's absence the vice-chair shall preside. The clerk shall keep a complete record of the minutes of each meeting and the treasurer shall be the custodian of the funds of the center. Insofar as applicable, sections 123.33 and 123.34, shall apply to the board and officers of the center.

(e) Each participating school district shall have equal voting power with at least one vote. A majority of the center board shall be a quorum. Any motion other than adjournment shall pass only upon receiving a majority of the votes of the entire center board.

Sec. 8. Minnesota Statutes 1990, section 128.01, subdivision 3, is amended to read:

Subd. 3. [STAGGERED ELECTIONS.] Three school board members are elected at one ~~state school district~~ general election and two are elected at the next ~~state school district~~ general election.

Sec. 9. Minnesota Statutes 1990, section 375.03, is amended to read:

375.03 [TERM OF COMMISSIONERS.]

In each new county, and in each county that has an increase of the number of commissioners, a commissioner shall be elected *at the next county general election* from each odd-numbered district for a term of two years, and from each even-numbered district for a term of four years. Thereafter all commissioners shall be elected for a term of four years, except that elections to fill vacancies shall be for the unexpired term only. In counties having a population of more than 150,000, every commissioner, before beginning duties, shall give bond to the state in the sum of \$10,000, with a legally authorized surety company as surety, conditioned for the faithful performance of official duties. The bond shall be approved by a judge of the district court, and together with the oath of office and certificate of election, be filed with the county recorder. The premium on the bond shall not exceed that prescribed by law for county treasurers, and shall be paid by the county.

Sec. 10. Minnesota Statutes 1990, section 375.101, is amended by adding a subdivision to read:

*Subd. 1a. [MANNER OF FILING.] A vacancy must be filled by the board of commissioners. If the vacancy occurs before the first day to file affidavits of candidacy for the next county general election and more than two years remain in the unexpired term, a special election must be held at the next county general election and the appointed person shall serve until the qualification of the successor elected at that special election to fill the unexpired portion of the term. If the vacancy occurs on or after the first day to file affidavits of candidacy for the county general election or when less than two years remain in the unexpired term, there must be no special election to fill the vacancy and the appointed person shall serve until the qualification of a successor elected at the next county general election.*

Sec. 11. Minnesota Statutes 1990, section 382.01, is amended to read:

382.01 [OFFICERS ELECTED; TERMS.]

~~In every county in this state there shall be elected at the general election in 1918 a~~ The election of the county auditor, a county treasurer, sheriff, county recorder, county attorney, ~~and~~ coroner, ~~and~~ surveyor, if elected, must

*be held at the local government election designated under article 2, section 2.*

The terms of office of these officers shall be four years and shall begin on the first Monday in January next succeeding their election. They shall hold office until their successors are elected and qualified. ~~These offices shall be filled by election every four years thereafter.~~

Sec. 12. Minnesota Statutes 1990, section 397.06, is amended to read:

**397.06 [DISTRICT HOSPITAL BOARDS.]**

The board or boards of county commissioners may also authorize and direct the construction and equipment of a district hospital in any such district, to be constructed, equipped and operated under the supervision of a district hospital board comprising one member from each city and town in the district elected by the voters at the ~~respective regular local elections thereof~~ *election held at the local government election designated under article 2, section 2*, for a term of ~~three~~ *four* years or until a successor has been elected and has qualified, commencing on the first ~~day of April next Monday in January~~ *day of April next Monday in January* following the election. When the district is first created, the governing body of each ~~such~~ city and town shall appoint a member of the board to serve until the commencement of the term of a successor. Thereafter whenever a vacancy occurs, the governing body of the city or town affected shall appoint a member to serve until ~~April + the first Monday in January~~ *the first Monday in January* following the next ~~regular municipal or town local government election day~~, when a successor shall be elected for a full ~~three-year~~ *four-year* term. *Procedures for election of board members must be as provided in article 3, section 10.*

Sec. 13. Minnesota Statutes 1990, section 397.07, is amended to read:

**397.07 [ANNUAL MEETINGS OF BOARDS.]**

The annual meetings of the hospital board shall be in ~~April~~ *January* of each year, at which time the members shall elect from among themselves a chair and a clerk for a term of one year.

Sec. 14. Minnesota Statutes 1990, section 398.04, is amended to read:

**398.04 [ELECTION OF COMMISSIONERS.]**

Except in the case of the first boards and when vacancies occur before the expiration of a term, park district commissioners shall be elected without party designation at the same time and in the same manner as county commissioners. In single county park districts the three commissioners at large shall be elected by all the qualified voters in the park district while the successors in office to the four commissioners representing the four election districts, whether appointed, candidates for election or elected, must reside when appointed or elected and while serving, in the election district which they represent and shall be elected by the qualified voters residing in such district. Park district commissioners shall be elected for terms of four years or until their respective successors are elected and qualify, except where a commissioner is being elected to finish out an unexpired term when election shall be for the balance of such term. Vacancies resulting from the death, resignation or removal of a commissioner shall be filled by appointment by the board of county commissioners, such appointment to be effective only until the first Monday in January following the next *county* general election or until a successor has been elected and

qualifies for office. The four commissioners representing the election districts shall be elected at the first *county* primary and general elections after the activation of the district and each four years thereafter and the commissioners elected at large shall be elected at the second *county* primary and general election after such activation and each four years thereafter. The terms of elected commissioners shall commence on the first Monday in January following their election.

Sec. 15. Minnesota Statutes 1990, section 410.21, is amended to read:  
410.21 [APPLICATION OF GENERAL ELECTION LAWS.]

*Except as otherwise provided in article 2, section 2, the provisions of any charter of any such city adopted pursuant to this chapter shall be valid and shall control as to nominations, primary elections, and elections for municipal offices, notwithstanding that such charter provisions may be inconsistent with any general law relating thereto, and such general laws shall apply only in so far as consistent with such charter.*

Sec. 16. Minnesota Statutes 1990, section 412.02, subdivision 2, is amended to read:

Subd. 2. Terms of elective officers shall commence on the first ~~business day~~ *Monday* of January following the election at which the officer is chosen. All officers chosen and qualified as such shall hold office until their successors qualify.

Sec. 17. Minnesota Statutes 1990, section 412.021, subdivision 2, is amended to read:

Subd. 2. [OFFICERS TO BE ELECTED.] There shall be elected at the election a mayor for a term expiring the first ~~business day~~ *Monday* of January ~~of following the next odd-numbered year~~ *first local government election for the city* and four or six council members, for terms so arranged that half expire the first ~~business day~~ *Monday* of January ~~of following the next odd-numbered year~~ *first local government election for the city* and half the first ~~business day~~ *Monday* of January ~~of following the second odd-numbered year~~ *local government election for the city*. No candidate for council member shall run for a particular term but the number of years in the term of each successful candidate shall be determined by the relative standing among the candidates for office, the longest terms going to the half of the elected candidates who received the highest number of votes. ~~If the election occurs in the last four months of the even-numbered year, no election shall be held in the city on the annual city election day that year, and the next following year shall be disregarded in fixing the expiration of terms of officers chosen under this subdivision at the initial election.~~

Sec. 18. Minnesota Statutes 1990, section 412.571, subdivision 5, is amended to read:

Subd. 5. [ABANDONMENT; INCUMBENT CLERK AND TREASURER TRANSITION.] When any optional plan is abandoned and the standard form of city government is resumed, the office of clerk, or clerk-treasurer shall remain appointive until the first ~~business day~~ *Monday* in January following the next ~~regular city~~ *municipal general* election and the office of treasurer, if there is no clerk-treasurer, shall remain appointive until the first ~~business day~~ *Monday* in January following the first subsequent ~~city~~ *municipal general* election at which the clerk is not elected; and the successor to the incumbent clerk, clerk-treasurer, and treasurer shall

be chosen at the ~~regular~~ *city municipal general* election immediately preceding the January in which the office becomes elective.

Sec. 19. Minnesota Statutes 1990, section 447.32, subdivision 1, is amended to read:

Subdivision 1. [TERMS OF OFFICE.] Each hospital district shall be governed by a hospital board composed of one member elected from each city and town in the district and one member elected at large. A member's term of office is four years and until a successor qualifies. At the first election, however, members must be elected for terms set by the governing body calling the election, so that half the terms, as nearly as may be, expire on ~~December 31~~ *the first Monday in January* of the next even-numbered year and the remaining terms expire two years from that date. After that, before a member's term expires, a new member shall be elected for a term of four years from the expiration date.

If a member dies, resigns, fails to qualify, or moves from the hospital district, a successor may be appointed by a majority of the remaining members of the board. The successor shall hold office until ~~December 31~~ *the first Monday in January* after the next ~~regular~~ *hospital district general* election. At the election a successor must be elected to fill the unexpired term.

When an additional city or town is annexed to the district, in accordance with section 447.36, its governing body shall by resolution appoint a member to the board. The member shall hold office until ~~December 31~~ *the first Monday in January* after the next ~~regular~~ *hospital district general* election. At the election a successor must be elected for a term of either two or four years, to be set by the hospital board so that the number of members of the board whose terms expire in any later year will not exceed one-half of the members plus one.

Sec. 20. Minnesota Statutes 1990, section 447.32, subdivision 2, is amended to read:

Subd. 2. [ELECTIONS.] ~~Regular elections~~ *A general election* must be held in each hospital district at the ~~same time~~ *local government election day designated by the hospital board*, in the same election precincts, and at the same polling places as general elections of state and county officers. ~~Alternatively, the hospital board may by resolution fix a date for an election, not later than December 7 just before the expiration of board members' terms. It~~ *The hospital board may establish the whole district as a single election precinct or establish two or more different election precincts and polling places for the elections. If there is more than one precinct, the boundaries of the election precincts and the locations of the polling places must be defined in the notice of election, either in full or by reference to a description or map on file in the office of the clerk.*

Special elections may be called by the hospital board at any time, *except as otherwise provided by article 2, section 2, subdivision 3, or other law*, to vote on any matter required by law to be submitted to the voters. Special elections must be held within the election precinct or precincts and at the polling place or places designated by the board. In the case of the first election of officers of a new district, precincts and polling places must be set by the governing body of the most populous city or town included in the district.

Advisory ballots may be submitted by the hospital board on any question

it wishes, concerning the affairs of the district, but only at a ~~regular~~ *hospital district general election* or at a special election required for another purpose.

## ARTICLE 6

### OTHER PROVISIONS

#### Section 1. [205.012] [LOCAL GOVERNMENT ELECTION; IMPLEMENTATION.]

*Subdivision 1. [ELECTION PROHIBITED ON OTHER DAYS; FIRST LOCAL GOVERNMENT ELECTION.] No general election of any of the officers described in article 2, section 2, subdivision 2, may be held after August 1, 1992, unless it is held at the local government election designated by the governing body of the respective political subdivision and in accordance with the provisions of this act. For a political subdivision that designates the even-numbered year for its local government election or designates annual elections, the first election must be held November 6, 1992, and the first primary to select nominees for the offices to be filled at that election must be held September 14, 1992. For a political subdivision that designates the odd-numbered year for its local government election, the first election must be held November 5, 1993, and the first primary to select nominees for the offices to be filled at that election must be held September 13, 1993.*

*The governing body of each political subdivision subject to article 2, section 2, subdivisions 2 and 3, shall designate in ordinance or resolution adopted by December 1, 1991, either the odd-numbered year, the even-numbered year, or annually, for its local government election.*

*Subd. 2. [TERMS ALTERED; ODD-NUMBERED YEAR ELECTION.] (a) In a political subdivision that designates the odd-numbered year for its local government election, pursuant to article 2, section 2, the terms of elected officers must be altered as provided by this subdivision.*

*(b) The terms of all county officers that would otherwise expire on the first Monday of January in 1993 and 1995 are extended until the first Monday of January in 1994 and 1996 respectively, effective July 1, 1993.*

*(c) The terms of all elective statutory city officers that would otherwise expire on the first business day of January in 1994, expire instead on the first Monday of January in 1994. The terms of statutory city officers that would otherwise expire on the first business day of January in 1993, expire instead on the first Monday of January in 1994.*

*(d) The terms of all independent school district board members that would otherwise expire on July 1, 1993, expire instead on the first Monday of January of 1994; terms of members that otherwise expire on July 1, 1994, expire instead on the first Monday of January in 1994; and the terms of members that otherwise would expire on July 1, 1995, expire instead on the first Monday of January in 1996.*

*(e) The governing body of a home rule charter city by ordinance adopted before December 1, 1991, may extend or reduce the term of an elective city officer whose term ends on a different date to the first Monday of January of an even-numbered year. The governing body shall, in that ordinance, designate a new term of an even number of years for an officer who would otherwise be elected to a term of an odd number of years and may designate a new term of four years for an officer who would otherwise be elected for a term of two years.*



*For a home rule charter city that does not adopt an ordinance as provided in this subdivision before December 1, 1991, the terms of elective city officers must be extended or shortened automatically, effective December 1, 1991, as follows:*

*(1) the term of an officer that ends on a date other than the first Monday in January of an even-numbered year must be extended to the first Monday in January of the even-numbered year first following the date the term would otherwise expire unless this extension would be more than 13 months. If the extension would be more than 13 months, the term must be shortened to the first Monday in January of the even-numbered year first preceding the date the term would otherwise expire; and*

*(2) every term of an odd number of years to which any officer would otherwise be elected must be changed to a term of an even number of years, one year longer than the term otherwise provided.*

*(f) The term of an elective officer of a political subdivision required to hold the general election of its officers at the local government election, which term is not extended or reduced under paragraphs (b) to (e), and which ends on a date different from the first Monday in January of an even-numbered year, is extended or reduced under paragraph (e), clause (1), effective August 1, 1992. Every term of an odd number of years to which any officer of one of those political subdivisions may otherwise be elected, which term is not changed under paragraphs (b) to (e), is changed to a term of an even number of years, one year longer than would otherwise be provided.*

*Subd. 3. [TERMS ALTERED; EVEN-NUMBERED YEAR ELECTION.] (a) In a political subdivision that designates the even-numbered year for its local government election and that did not hold the general election of its elected officers on the first Tuesday after the first Monday in November of even-numbered years prior to the effective date of this article, the terms of elected officials must be altered as provided by this subdivision.*

*(b) The terms of all elective statutory city officers that would otherwise expire on the first business day of January in 1992, expire instead on the first Monday of January in 1993.*

*(c) The terms of all independent school district board members that would otherwise expire on July 1, 1993, expire instead on the first Monday of January in 1993; terms of members that otherwise expire on July 1, 1994, expire instead on the first Monday of January in 1993; and the terms of members that otherwise would expire on July 1, 1995, expire instead on the first Monday of January in 1995.*

*(d) The governing body of a home rule charter city by ordinance adopted before December 1, 1991, may extend or reduce the term of an elective city officer whose term ends on a different date to the first Monday of January of an odd-numbered year. The governing body shall, in that ordinance, designate a new term of an even number of years for an officer who would otherwise be elected to a term of an odd number of years and may designate a new term of four years for an officer who would otherwise be elected for a term of two years.*

*For a home rule charter city that does not adopt an ordinance as provided in this subdivision before December 1, 1991, the terms of elective city officers must be extended or shortened automatically, effective December 1, 1991, as follows:*

*(1) the term of an officer that ends on a date other than the first Monday in January of an odd-numbered year must be extended to the first Monday in January of the odd-numbered year first following the date the term would otherwise expire, unless this extension would be more than 13 months. If the extension would be more than 13 months, the term must be shortened to the first Monday in January of the odd-numbered year first preceding the date the term would otherwise expire; and*

*(2) every term of an odd number of years to which any officer would otherwise be elected must be changed to a term of an even number of years, one year longer than the term otherwise provided.*

*(e) The term of an elective officer of a political subdivision required to hold the general election of its officers at the local government election, which term is not extended or reduced under paragraphs (b) to (d), and which ends on a date different from the first Monday in January of an odd-numbered year, is extended or reduced under paragraph (d), clause (1), effective August 1, 1992. Every term of an odd number of years to which any officer of one of those political subdivisions may otherwise be elected, which term is not changed under paragraphs (b) to (d), is changed to a term of an even number of years, one year longer than would otherwise be provided.*

**Subd. 4. [TERMS UNCHANGED; EVEN-NUMBERED YEAR ELECTION.]** *There must be no change in the length of terms of elected officials in any political subdivision required to hold the general election of its elected officials at a local government election under article 2, section 2, if the political subdivision:*

*(1) held the general election of its elected officials on the first Tuesday after the first Monday in November of even-numbered years before the effective date of this article; and*

*(2) designates the even-numbered year for the general election of its elected officials after August 1, 1992.*

**Subd. 5. [MODIFICATIONS PERMITTED FOR STAGGERED TERMS.]** *The governing body of a political subdivision required to hold its general election at the local government election, except a county, may provide, by ordinance or resolution adopted at least 30 days before the opening of filings for any affected office, that members of an elected body or other officers of the subdivision may be elected for a different term than is otherwise provided, to achieve staggered terms for the members of that body or other officers. With respect to the members of an elected body, an ordinance or resolution adopted under this subdivision must require that, to the extent mathematically possible, the same number of persons is chosen at each election, exclusive of those chosen to fill vacancies for the unexpired terms. This subdivision is repealed August 1, 1995.*

**Subd. 6. [PURPOSE.]** *It is the purpose of this section to implement article 2, section 2, by requiring the adjustment of terms, postponement of certain elections, and other procedures. To the extent inconsistent with this purpose, all general and special laws and municipal charter provisions providing otherwise are superseded. In all other respects, those laws and charter provisions continue in full force and effect.*

**Sec. 2. [REVISOR'S INSTRUCTION.]**

*The revisor of statutes shall examine Minnesota Statutes to determine*

*whether any coded sections of law have been superseded by this act and prepare appropriate amendments of coded sections in revisor's bills submitted in 1992 and thereafter.*

Sec. 3. [APPROPRIATION.]

*§ . . . . . is appropriated from the general fund to the secretary of state to carry out the duties prescribed by article 3, section 2. This appropriation does not lapse but is available for expenditure until June 30, 1993.*

Sec. 4. [REPEALER.]

*Minnesota Statutes 1990, sections 123.11, subdivisions 2, 3, 4, 5, and 6; 200.015; 204D.28, subdivision 5; 205.065, subdivisions 1, 2, 3, 4, 5, 6, and 7; 205.07; 205.10; 205.121; 205.175; 205.18, subdivisions 1 and 2; 205.20; 206.76; 375.101, subdivisions 1 and 2; 447.32, subdivisions 3 and 4, are repealed. Article 6, section 1, subdivision 5, is repealed effective August 1, 1995.*

Sec. 5. [EFFECTIVE DATE.]

*Article 3, section 2; and article 4, sections 2, 3, 4, and 6, are effective August 1, 1991. All other sections of this act are effective August 1, 1993."*

Delete the title and insert:

"A bill for an act relating to elections; limiting certain special elections; setting times and procedures for certain boundary changes; changing requirements for polling places; requiring the designation of a local government election for election of county, municipal, and school district officers, and officers of all other political subdivisions except towns; requiring that certain questions be voted on only at the local government election for the political subdivision; requiring uniform and coordinated election precincts and polling places for municipalities and school districts; superseding certain inconsistent general and special laws and home rule charter provisions; appropriating money; amending Minnesota Statutes 1990, sections 122.23, subdivisions 12, 17, and 18; 122.25, subdivision 2; 123.34, subdivision 1; 123.351, subdivisions 1 and 3; 128.01, subdivision 3; 200.02, by adding a subdivision; 201.071, subdivisions 1, 3, and 8; 203B.06, subdivision 3; 204B.135, by adding a subdivision; 204B.14, subdivisions 3, 4, 6, and by adding a subdivision; 204B.16, subdivisions 1 and 2; 204B.18, by adding a subdivision; 204D.02, subdivisions 1 and 2; 204D.11, subdivision 5; 204D.16; 205.02, subdivision 2; 205.13, subdivision 6; 205.185, subdivisions 2, 3, and by adding a subdivision; 205.84, subdivision 2; 205A.02; 205A.06, subdivision 5; 205A.12, subdivision 6; 375.03; 375.101, by adding a subdivision; 382.01; 397.06; 397.07; 398.04; 410.21; 412.02, subdivision 2; 412.021, subdivision 2; 412.571, subdivision 5; and 447.32, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 205; repealing Minnesota Statutes 1990, sections 123.11, subdivisions 2, 3, 4, 5, and 6; 200.015; 204D.28, subdivision 5; 205.065, subdivisions 1, 2, 3, 4, 5, 6, and 7; 205.07; 205.10; 205.121; 205.175; 205.18, subdivisions 1 and 2; 205.20; 206.76; 375.101, subdivisions 1 and 2; and 447.32, subdivisions 3 and 4."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1119: A bill for an act relating to insurance; the Minnesota comprehensive health insurance plan; regulating meetings and experimental delivery and managed care delivery methods; authorizing preferred provider networks; classifying PPO agreement data; regulating access; amending Minnesota Statutes 1990, sections 62E.10, subdivisions 4 and 9; 62E.12; 62E.13, by adding a subdivision; and 62E.14, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62E.

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 1990, section 13.71, is amended by adding a subdivision to read:

*Subd. 7. [CLASSIFICATION OF PPO AGREEMENT DATA.] Data described in section 62E.13, subdivision 11, is nonpublic data.*

Sec. 2. Minnesota Statutes 1990, section 62E.08, is amended by adding a subdivision to read:

*Subd. 3. [DETERMINATION OF RATES.] Premium rates under this section must be determined annually. These rates are effective July 1 of each year and must be based on a survey of approved rates of insurers in effect, or to be in effect, on April 1 of the same calendar year.*

Sec. 3. Minnesota Statutes 1990, section 62E.10, subdivision 4, is amended to read:

*Subd. 4. [OPEN MEETINGS.] All meetings of the association, its board, and any committees of the association shall comply with the provisions of section 471.705, except that during any portion of a meeting during which an enrollee's appeal of an action of the writing carrier is being heard, that portion of the meeting must be closed at the enrollee's request.*

Sec. 4. Minnesota Statutes 1990, section 62E.10, subdivision 9, is amended to read:

*Subd. 9. [EXPERIMENTAL DELIVERY METHOD.] 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, ~~1994~~ 1992.

Sec. 5. [62E.101] [MANAGED CARE DELIVERY METHOD.]

*The association may form a preferred provider network or contract with an existing provider network to deliver the services and benefits provided for in the plans of health coverage offered. If the association does not contract with an existing provider network, the association may adopt a provider payment schedule and negotiate provider payment rates subject to the approval of the commissioner.*

Sec. 6. Minnesota Statutes 1990, 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~~ *qualified basic and extended basic medicare supplement plan plans*. *The requirement that a policy issued by the association must be a qualified plan is satisfied if the association contracts with a preferred provider network and the level of benefits for services provided within the network satisfies the requirements of a qualified plan. If the association uses a preferred provider network, payments to nonparticipating providers must meet the minimum requirements of section 72A.20, subdivision 15.* 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 services of a private duty nurse other than on an inpatient basis and 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.

Sec. 7. Minnesota Statutes 1990, section 62E.13, is amended by adding a subdivision to read:

*Subd. 11. [CLASSIFICATION OF PPO AGREEMENT DATA.] If the writing carrier utilizes its own provider agreements for the association's preferred provider network in lieu of agreements exclusively between the association and the providers, then the terms and conditions of those agreements shall be nonpublic data pursuant to chapter 13.*

Sec. 8. Minnesota Statutes 1990, section 62E.14, is amended by adding a subdivision to read:

*Subd. 4c. [WAIVER OF PREEXISTING CONDITIONS FOR PERSONS WHOSE COVERAGE IS TERMINATED OR WHO EXCEED THE MAXIMUM LIFETIME BENEFIT.] A Minnesota resident may enroll in the comprehensive health plan with a waiver of the preexisting condition limitation described in subdivision 3 if that person applies for coverage within 90 days of termination of prior coverage and if the termination is for reasons other than fraud or nonpayment of premiums.*

*For purposes of this subdivision, termination of prior coverage includes exceeding the maximum lifetime benefit of existing coverage.*

*Coverage in the comprehensive health plan is effective on the date of termination of prior coverage. The availability of conversion rights does not affect a person's rights under this subdivision.*

*This section does not apply to prior coverage provided under policies designed primarily to provide coverage payable on a per diem, fixed indemnity, or nonexpense incurred basis, or policies providing only accident coverage.*

Sec. 9. [EFFECTIVE DATE.]

*Sections 3 to 8 are effective the day following final enactment."*

Delete the title and insert:

“A bill for an act relating to insurance; the Minnesota comprehensive health insurance plan; regulating premium determinations, meetings, and experimental delivery and managed care delivery methods; authorizing preferred provider networks; classifying PPO agreement data; regulating access; amending Minnesota Statutes 1990, sections 13.71, by adding a subdivision; 62E.08, by adding a subdivision; 62E.10, subdivisions 4 and 9; 62E.12; 62E.13, by adding a subdivision; and 62E.14, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62E.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1211: A bill for an act relating to human services; Minnesota comprehensive health association; clarifying the calculation of contributing members' share of expenses; excluding medical assistance and general assistance medical care payments from the calculation; amending Minnesota Statutes 1990, section 62E.11, subdivision 5.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 366: A bill for an act relating to insurance; changing the makeup of the board of the Minnesota comprehensive health insurance association; requiring notice and a public hearing for rate increases or benefit changes to the Minnesota comprehensive health insurance plan; providing for waiver of the preexisting condition rule applicable to the Minnesota comprehensive health insurance plan under certain circumstances; amending Minnesota Statutes 1990, sections 62E.10, subdivision 2, and by adding a subdivision; 62E.11, by adding a subdivision; and 62E.14, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 62E.10, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS; ORGANIZATION.] The board of directors of the association shall be made up of nine members as follows: ~~five~~ *three* insurer directors selected by participating members, subject to approval by the commissioner; ~~four~~ *three* plan enrollee directors elected as provided in section 3; and *three* public directors selected by the commissioner. ~~Public members may include licensed insurance agents. In determining voting rights at members' meetings, each member shall be entitled to vote in person or proxy. The vote shall be a weighted vote based upon the member's cost of self-insurance, accident and health insurance premium, subscriber contract charges, or health maintenance contract payment derived from or on behalf of Minnesota residents in the previous calendar year, as determined by the commissioner. In approving directors of the board, the commissioner shall consider, among other things, whether all types of members are fairly represented. Insurer directors may be reimbursed from the money of the~~

~~association for expenses incurred by them as directors, but shall not otherwise be compensated by the association for their services. The costs of conducting meetings of the association and its board of directors shall be borne by members of the association.~~

Sec. 2. Minnesota Statutes 1990, section 62E.10, is amended by adding a subdivision to read:

*Subd. 2b. [PUBLIC DIRECTORS' TERMS.] Two of the public directors of the board must be medical care providers. One of the public directors must not be a member of or represent the interests of the insurers, insurance agents, plan enrollees, or medical care providers. The term of a public director is two years. The compensation, removal, and filling of vacancies of public directors are as provided in section 15.0575.*

Sec. 3. Minnesota Statutes 1990, section 62E.10, is amended by adding a subdivision to read:

*Subd. 2c. [ASSOCIATION MEMBERS' MEETINGS; INSURER DIRECTORS.] 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. 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 must be paid by members of the association.*

Sec. 4. Minnesota Statutes 1990, section 62E.10, is amended by adding a subdivision to read:

*Subd. 2d. [PLAN ENROLLEE DIRECTOR TERMS.] The term of a plan enrollee director is two years. Compensation of plan enrollee directors is as provided in section 15.0575, subdivision 3. The commissioner may remove a plan enrollee director as provided in section 15.0575, subdivision 4. The commissioner shall fill a vacancy of a plan enrollee director by appointment for the rest of the unexpired term.*

Sec. 5. Minnesota Statutes 1990, section 62E.10, is amended by adding a subdivision to read:

*Subd. 2e. [PLAN ENROLLEE DIRECTOR ELECTION PROCEDURE.] The election for plan enrollee directors must be held on the first Tuesday after the third Monday in April. The association must mail notice of the plan enrollee director election and the mail procedure to plan enrollees at least six weeks before the election. No earlier than 20 days or later than 14 days before the election, the association shall mail ballots by nonforwardable mail to all plan enrollees who are eligible to vote. All plan enrollees who are 18 years of age or older are eligible to vote. An enrollee who may vote in the election and submits a written request to be included on the ballot to the association at least four weeks before the election is an eligible candidate. The association shall include with the ballot a brief informational statement prepared by each candidate, if the candidate submits the statement to the association at least four weeks before the election. Ballot return envelopes, with return postage provided, must be preaddressed to the association and the enrollee may return the ballot by mail or in person to the*

*association's office. Any ballot received by 8:00 p.m. on the day of the election must be counted. The three candidates who receive the highest number of votes shall be the plan enrollee directors.*

Sec. 6. Minnesota Statutes 1990, section 62E.11, is amended by adding a subdivision to read:

*Subd. 11. [RATE INCREASE OR BENEFIT CHANGE.] The association must hold a public hearing at least two weeks before filing a rate increase or benefit change with the commissioner. Notice of the public hearing must be mailed at least two weeks before the hearing to all plan enrollees.*

Sec. 7. Minnesota Statutes 1990, section 62E.14, is amended by adding a subdivision to read:

*Subd. 4c. [WAIVER OF PREEXISTING CONDITIONS FOR PERSONS WHOSE COVERAGE IS TERMINATED.] A Minnesota resident may enroll in the comprehensive health plan with a waiver of the preexisting condition limitation described in subdivision 3 if that person applies for coverage within 90 days of termination of prior coverage and if the termination is for reasons other than fraud or nonpayment of premiums.*

*Coverage in the comprehensive health plan is effective on the date of termination of prior coverage. The availability of conversion rights does not affect a person's rights under this subdivision.*

Sec. 8. [FIRST ELECTION.]

*Notwithstanding section 5, the first election of plan enrollee directors must be held on September 10, 1991. Notwithstanding section 4, the terms of the plan enrollee directors elected at the September 10, 1991, election are two years and eight months."*

Amend the title as follows:

Page 1, line 11, delete "a subdivision" and insert "subdivisions"

Page 1, line 12, delete "subdivision 3" and insert "by adding a subdivision"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 873: A bill for an act relating to human services; establishing penalty provisions relating to those found to have wrongfully obtained assistance; limiting the availability of general assistance to those disqualified from the aid to families with dependent children program; expanding fraud prevention investigation programs; providing for a federally mandated penalty for intentionally falsifying a public assistance application; clarifying appeal filing times for medical assistance providers; amending Minnesota Statutes 1990, sections 256.98, by adding a subdivision; 256.983; 256B.064, subdivision 2; and 256D.05, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 25, 26, and 27, delete "offense" and insert "conviction"



Page 2, line 5, after the period, insert "*When the disqualified individual is a caretaker relative, the remainder of the aid to families with dependent children grant payable to the other eligible assistance unit members must be provided in the form of protective payments. These payments may be made to the disqualified individual only if, after reasonable efforts, the county agency documents that it cannot locate an appropriate protective payee. Protective payments must continue until the disqualification period ends.*"

Page 3, line 36, after "point" insert ". I understand that a person convicted of perjury may be sentenced to imprisonment of not more than five years or to payment of a fine of not more than \$10,000, or both"

Page 5, after line 2, insert:

"Sec. 6. Minnesota Statutes 1990, section 609.52, is amended by adding a subdivision to read:

*Subd. 4. [WRONGFULLY OBTAINED PUBLIC ASSISTANCE; CONSIDERATION OF DISQUALIFICATION.] When determining the sentence for a person convicted of theft by wrongfully obtaining public assistance, as defined in section 256.98, subdivision 1, the court shall consider the fact that, under section 1, the person will be disqualified from receiving public assistance as a result of the person's conviction."*

Page 5, line 3, delete "6" and insert "7"

Page 5, line 4, before "Sections" insert "*Sections 1 and 6 are effective July 1, 1991, and apply to assistance wrongfully obtained after that date.*" and delete "1;"

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "requiring courts to consider that a person will be disqualified from receiving public assistance, when determining the sentence for a person convicted of theft by wrongfully obtaining public assistance;"

Page 1, line 13, delete "and" and after the second semicolon, insert "609.52, by adding a subdivision;"

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. 849: A bill for an act relating to health; clarifying licensing requirements and other standards for installation and servicing of water conditioning equipment; providing penalties; amending Minnesota Statutes 1990, sections 326.01, subdivision 9; 326.37; 326.38; 326.39; 326.40; 326.401, subdivisions 2, 3, and by adding a subdivision; 326.405; 326.41; 326.42; 326.44; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Statutes, sections 326.43; 326.45; and 326.57 to 326.65.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, line 24, delete "county attorney" and insert "appropriate prosecuting authority"

Page 7, line 25, delete "county" and insert "jurisdiction"

Page 7, line 26, delete "in that county" and insert "within that jurisdiction"

Page 11, line 31, delete "credits" and insert "contact hours"

Page 17, line 3, delete everything after "(a)" and insert "On or after July 1, 1993."

Page 17, line 4, delete "have"

Page 17, line 5, after "license" insert "is required for an individual"

Page 17, line 6, delete everything after "apply" and insert a period

Page 17, delete lines 7 and 8

Page 17, line 12, delete everything after "apply" and insert a period

Page 17, delete line 13

Page 19, line 29, delete "credits" and insert "contact hours"

Page 23, line 19, delete "county attorney in the county" and insert "appropriate prosecuting authority in the jurisdiction"

Page 23, line 21, delete "in that county" and insert "within that jurisdiction"

Page 24, after line 4, insert:

"Sec. 25. [APPROPRIATION; INCREASED COMPLEMENT.]

*\$803,000 is appropriated from the general fund to the commissioner of health for the purposes of sections 1 to 24, to be available for the biennium ending June 30, 1993. The complement of the department of health is increased by ten positions."*

Page 24, line 5, delete "25" and insert "26"

Amend the title as follows:

Page 1, line 4, after the second semicolon, insert "appropriating money;"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 350: A bill for an act relating to the environment; adding a purpose for expenditure from the metropolitan landfill contingency action trust fund; authorizing the city of Hopkins to issue bonds to pay for environmental response costs at a landfill; authorizing the city to impose a solid waste collection surcharge; authorizing a landfill cleanup assessment against property; authorizing a service charge; appropriating money; amending Minnesota Statutes 1990, section 473.845, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 1, delete from "amount" through page 3, line 2, to "exceed" and insert "aggregate amount up to"

Page 5, line 34, delete "generation" and insert "generated"

Page 6, line 29, delete “, on a pro rata basis,”

Page 6, line 33, before the period, insert “, divided between the two in proportion to the amount paid by each”

Page 6, line 33, delete from “The” through page 7, line 1, to “relief.” and insert “After the trust fund has been completely reimbursed, the city must use the remaining amount recovered to pay principal and interest on the bonds issued under section 3. If any excess remains after the bonds have been retired, the city must use it to reduce property taxes.”

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. 475: A bill for an act relating to child care; establishing the Minnesota early childhood care and education council; specifying duties and membership; specifying new duties for regional resource and referral agencies; appropriating money; amending Minnesota Statutes 1990, sections 256H.10, subdivision 2; 256H.15, subdivision 1; 256H.20; 256H.21, subdivisions 6 and 10; 256H.22, subdivisions 1, 2, 4, 5, and 6; proposing coding for new law in Minnesota Statutes, chapter 256H; repealing Minnesota Statutes 1990, sections 256H.22, subdivisions 3, 10 and 11; and 256H.25.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 256H.02, is amended to read:

**256H.02 [DUTIES OF COMMISSIONER.]**

The commissioner shall develop standards for county and human services boards to provide child care services to enable eligible families to participate in employment, training, or education programs. Within the limits of available appropriations, the commissioner shall distribute money to counties to reduce the costs of child care for eligible families. The commissioner shall adopt rules to govern the program in accordance with this section. The rules must establish a sliding schedule of fees for parents receiving child care services. In the rules adopted under this section, county and human services boards shall be authorized to establish policies for payment of child care spaces for absent children, when the payment is required by the child’s regular provider. The rules shall not set a maximum number of days for which absence payments can be made, but instead shall direct the county agency to set limits and pay for absences according to the prevailing market practice in the county. County policies for payment of absences shall be subject to the approval of the commissioner. The commissioner shall maximize the use of federal money under the AFDC employment special needs program in section 256.736, subdivision 8, and other programs that provide federal reimbursement for child care services for recipients of aid to families with dependent children who are in education, training, job search, or other activities allowed under those programs. Money appropriated under this section must be coordinated with the AFDC employment

special needs program and other programs that provide federal reimbursement for child care services to accomplish this purpose. Federal reimbursement obtained must be allocated to the county that spent money for child care that is federally reimbursable under the AFDC employment special needs program or other programs that provide federal reimbursement for child care services. The counties shall use the federal money to expand child care services to AFDC recipients. *The commissioner may adopt rules under chapter 14 to implement and coordinate federal program requirements.*

Sec. 2. Minnesota Statutes 1990, section 256H.03, is amended to read:  
256H.03 [BASIC SLIDING FEE PROGRAM.]

Subdivision 1. [COUNTIES ALLOCATION PERIOD; NOTICE OF ALLOCATION.] *Effective January 1, 1992, the commissioner shall allocate the funds available to the counties for the basic sliding fee program on a calendar year basis. When the commissioner notifies county and human service boards of the forms and instructions they are to follow in the development of their biennial community social services plans required under section 256E.08, the commissioner shall also notify county and human services boards of their estimated child care fund program allocation for the two years covered by the plan. By June September 1 of each the preceding year, the commissioner shall notify all counties of their final initial child care fund program allocation.*

Subd. 1a. [WAITING LIST.] Each county that receives funds under this section and section 256H.05 must keep a written record and report to the commissioner the number of eligible families who have applied for a child care subsidy or have requested child care assistance. Counties shall perform a cursory determination of eligibility when a family requests information about child care assistance. A family that appears to be eligible must be put on a waiting list if funds are not immediately available. The waiting list must identify students in need of child care. When money is available counties shall expedite the processing of student applications during key enrollment periods.

Subd. 2. [ALLOCATION; LIMITATIONS.] *From July 1, 1991, through December 31, 1992, the commissioner shall allocate the money appropriated under the child care fund for the basic sliding fee program and shall allocate those funds between the metropolitan area, comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the area outside the metropolitan area as follows:*

(1) 50 percent of the money shall be allocated among the counties on the basis of the number of families below the poverty level, as determined from the most recent census or special census; and

(2) 50 percent of the money shall be allocated among the counties on the basis of the counties' portion of the AFDC caseload for the preceding state fiscal year.

If, under the preceding formula, either the seven-county metropolitan area consisting of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties or the area consisting of counties outside the seven-county metropolitan area is allocated more than 55 percent of the basic sliding fee funds, each county's allocation in that area shall be proportionally reduced until the total for the area is no more than 55 percent of the basic sliding fee funds. The amount of the allocations proportionally reduced

shall be used to proportionally increase each county's allocation in the other area.

Subd. 2a. [ELIGIBLE RECIPIENTS.] Families that meet the eligibility requirements under sections 256H.10, except AFDC recipients and transition year families, and 256H.11 are eligible for child care assistance under the basic sliding fee program. From July 1, 1990, to June 30, 1991, a county may not accept new applications for the basic sliding fee program unless the county can demonstrate that its state money expenditures for the basic sliding fee program for this period will not exceed 95 percent of the county's allocation of state money for the fiscal year ending June 30, 1990. As basic sliding fee program money becomes available to serve new families, eligible families whose benefits were terminated during the fiscal year ending June 30, 1990, for reasons other than loss of eligibility shall be reinstated. Families enrolled in the basic sliding fee program as of July 1, 1990, shall be continued until they are no longer eligible. Counties shall make vendor payments to the child care provider or pay the parent directly for eligible child care expenses on a reimbursement basis.

Subd. 2b. [FUNDING PRIORITY.] (a) First priority for child care assistance under the basic sliding fee program must be given to eligible non-AFDC families who do not have a high school or general equivalency diploma or who need remedial and basic skill courses in order to pursue employment or to pursue education leading to employment. Within this priority, the following subpriorities must be used:

- (1) child care needs of minor parents;
- (2) child care needs of parents under 21 years of age; and
- (3) child care needs of other parents within the priority group described in this paragraph.

(b) Second priority must be given to all other parents who are eligible for the basic sliding fee program.

Subd. 3. [REVIEW OF USE OF FUNDS; REALLOCATION.] After each quarter, the commissioner shall review the use of basic sliding fee program and AFDC child care program allocations by county. The commissioner may reallocate unexpended or unencumbered money among those counties who have expended their full allocation. Any unexpended money from the first year of the biennium may be carried forward to the second year of the biennium.

Subd. 4. [ALLOCATION FORMULA.] *For calendar year 1993 and subsequent calendar years, the basic sliding fee funds shall be allocated according to the following formula:*

(a) *One-half of the funds shall be allocated in proportion to each county's total expenditures for the basic sliding fee child care program reported during the 12-month period ending on June 30 of the preceding calendar year.*

(b) *One-fourth of the funds shall be allocated based on the average unduplicated number of persons who receive AFDC, general assistance, and medical assistance per month during the second preceding calendar year as reported in the average monthly caseload reports required under sections 256.01, 256B.04, and 256D.04, and certified by the commissioner of human services.*

(c) *One-fourth of the funds shall be allocated based on the number of persons residing in the county as determined by the most recent data of the state demographer.*

*Subd. 5. [FORMULA LIMITATION.] The amounts computed under subdivision 4 shall be subject to the following limitation. No county shall be allocated an amount less than its guaranteed floor as provided in subdivision 6. If the amount allocated to a county under subdivision 4 would be less than its guaranteed floor, the shortage shall be recovered proportionally from all counties which would be allocated more than their guaranteed floor.*

*Subd. 6. [GUARANTEED FLOOR.] (a) Each county's guaranteed floor shall equal the lesser of:*

- (1) the county's original allocation in the preceding calendar year; or*
- (2) 110 percent of the county's basic sliding fee child care program state earnings for the 12-month period ending on June 30 of the preceding calendar year. For purposes of this clause, "state earnings" means the reported nonfederal share of direct child care expenditures adjusted for the 15 percent required county match and seven percent administration limit.*

*(b) When the amount of funds available for allocation is less than the amount available in the previous year, each county's previous year allocation shall be reduced in proportion to the reduction in the statewide funding, for the purpose of establishing the guaranteed floor.*

*Subd. 7. [FUND FOR TRANSITION-YEAR FAMILIES.] The commissioner shall establish a separate fund to be used for child care services for transition year families, as defined in section 256H.01, who have completed their transition year and who remain eligible for services under section 256H.10, but for whom no funds are available in the basic sliding fee program. Counties shall use the separate fund to provide funding for child care services for these families while maintaining them on the waiting list for funding under section 256H.03, and shall transfer them to basic sliding fee funding when space is available. Counties are not obligated to spend money for this purpose if the separate fund is not available.*

**Sec. 3. [256H.035] [FEDERAL AT-RISK CHILD CARE PROGRAM.]**

*Subdivision 1. [COMMISSIONER TO ADMINISTER PROGRAM.] The commissioner of human services is authorized and directed to receive, administer, and expend funds available under the at-risk child care program under Public Law Number 101-508 (1).*

*Subd. 2. [RULEMAKING AUTHORITY.] The commissioner may adopt rules under chapter 14 to administer the at-risk child care program.*

**Sec. 4. Minnesota Statutes 1990, section 256H.05, is amended to read: 256H.05 [AFDC CHILD CARE PROGRAM.]**

*Subd. 1b. [ELIGIBLE RECIPIENTS.] Families eligible for guaranteed child care assistance under the AFDC child care program are:*

- (1) persons receiving services under section 256.736;*
- (2) AFDC recipients who are employed; and*
- (3) persons who are members of transition year families under section 256H.01, subdivision 16; and*
- (4) members of the control group for the STRIDE evaluation conducted*

*by the Manpower Demonstration Research Corporation.*

Subd. 1c. [FUNDING WAITING LIST PRIORITY.] AFDC recipients must be put on a waiting list for the basic sliding fee program when they leave AFDC due to their earned income.

Subd. 2. [COOPERATION WITH OTHER PROGRAMS.] The county shall develop cooperative agreements with the employment and training service provider for coordination of child care funding with employment, training, and education programs for all AFDC recipients who receive services under section 256.736. The cooperative agreement shall specify that individuals receiving employment, training, and education services under an employability plan from the employment and training service provider shall be guaranteed child care assistance from the county responsible for the current employability development plan.

Subd. 3. [CONTRACTS; OTHER USES ALLOWED.] Counties may contract for administration of the program or may arrange for or contract for child care funds to be used by other appropriate programs, in accordance with this section and as permitted by federal law and regulations.

Subd. 5. [FEDERAL REIMBURSEMENT.] Counties shall maximize their federal reimbursement under Public Law Number 100-485 or other federal reimbursement programs for money spent for persons ~~listed in this section~~ *eligible under this chapter*. The commissioner shall allocate any federal earnings to the county to be used to expand child care services under ~~these sections~~ *this chapter*.

Sec. 5. [256H.055] [FEDERAL CHILD CARE AND DEVELOPMENT BLOCK GRANT.]

*Subdivision 1. [COMMISSIONER TO ADMINISTER BLOCK GRANT.] The commissioner of human services is authorized and directed to receive, administer, and expend child care funds available under the child care and development block grant authorized under Public Law Number 101-508 (2).*

*Subd. 2. [RULEMAKING AUTHORITY.] The commissioner may adopt rules under chapter 14 to administer the child care development block grant program.*

Sec. 6. Minnesota Statutes 1990, section 256H.09, is amended by adding a subdivision to read:

*Subd. 5. [CARRY FORWARD.] Funds appropriated for the AFDC child care program under section 256H.05 and for the basic sliding fee program under section 256H.03 do not cancel to the general fund and are available for the next fiscal year for child care subsidies to eligible families.*

Sec. 7. Minnesota Statutes 1990, section 256H.15, subdivision 1, is amended to read:

Subdivision 1. [SUBSIDY RESTRICTIONS.] (a) Until June 30, 1991, the maximum child care rate is determined under this paragraph. The county board may limit the subsidy allowed by setting a maximum on the provider child care rate that the county shall subsidize. The maximum rate set by any county shall not be lower than 110 percent or higher than 125 percent of the median rate in that county for like care arrangements for all types of care, including special needs and handicapped care, as determined by the commissioner. If the county sets a maximum rate, it must pay the provider's rate for each child receiving a subsidy, up to the maximum rate

set by the county. If a county does not set a maximum provider rate, it shall pay the provider's rate for every child in care. The maximum state payment is 125 percent of the median provider rate. If the county has not set a maximum provider rate and the provider rate is greater than 125 percent of the median provider rate in the county, the county shall pay the amount in excess of 125 percent of the median provider rate from county funding sources. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care, including special needs and handicapped care.

(b) Effective July 1, 1991, the maximum rate paid for child care assistance under the child care fund is the maximum rate eligible for federal reimbursement except ~~as that a provider receiving reimbursement under paragraph (a) as of January 1, 1991, shall be paid at a rate no less than the rate of reimbursement received under that paragraph.~~ A rate which includes a provider bonus paid under subdivision 2 or a special needs rate paid under subdivision 3 may be in excess of the maximum rate allowed under this subdivision 2. The department of human services shall monitor the effect of this paragraph on provider rates. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care, including special needs and handicapped care.

(c) When the provider charge is greater than the maximum provider rate allowed, the parent is responsible for payment of the difference in the rates in addition to any family copayment fee.

**Sec. 8. [256H.195] [MINNESOTA EARLY CHILDHOOD CARE AND EDUCATION COUNCIL.]**

*Subdivision 1. [ESTABLISHMENT; MEMBERS.] The Minnesota early childhood care and education council shall consist of 24 members appointed by the governor. Members must represent the following groups and organizations: parents, family child care providers, child care center providers, private foundations, corporate executives, small business owners, and public school districts. The council membership also includes the commissioners of human services, jobs and training, education, and health; a representative of the higher education coordinating board; a representative of the Minnesota headstart association; representatives of two Minnesota counties; three members from child care resource and referral programs, one of whom shall be from a county operated resource and referral, one of whom shall be from a rural location, and one of whom shall be from the metropolitan area; and a community group representative. The governor shall consult with the councils established under sections 3.922, 3.9223, 3.9225, and 3.9226, representing the communities of color, to ensure that membership of the council is representative of all racial minority groups. In addition to the 24 members appointed by the governor, two members of the senate shall be appointed by the president of the senate and two members of the house of representatives shall be appointed by the speaker of the house to serve as ex officio members of the council. Membership terms, compensation, and removal of members are governed by section 15.059, except that the council shall not expire as required by that section.*

*Subd. 2. [EXECUTIVE DIRECTOR; STAFF.] The council shall select an executive director of the council by a vote of a majority of all council members. The executive director is in the unclassified service and shall*



*provide administrative support for the council and provide administrative leadership to implement council mandates, policies, and objectives. The executive director shall employ and direct other staff.*

*Subd. 3. [DUTIES AND POWERS.] The council has the following duties and powers:*

- (1) develop a biennial plan for early childhood care and education in the state;*
- (2) take a leadership role in developing its recommendations and the recommendations of other state agencies on the state budget for early childhood care and education;*
- (3) apply for and receive state money and public and private grant money;*
- (4) administer state money appropriated for the service development grants under section 256H.22 and the resource and referral grants under section 256H.20 and make recommendations to the commissioner regarding the use of federal money for these purposes;*
- (5) participate in and facilitate the development of interagency agreements;*
- (6) coordinate state agency policies so that they do not conflict on early childhood care and education issues;*
- (7) advocate for an effective early childhood care and education system with state agencies and programs, including those for school-age children and head start;*
- (8) study the need for child care funding for special populations whose needs are not being met by current programs;*
- (9) be responsible for advocating policies and funding for early childhood care and education; and*
- (10) assure that the early childhood care and education system reflects community diversity.*

**Sec. 9. [256H.196] [REGIONAL CHILD CARE RESOURCE AND REFERRAL PROGRAMS.]**

*Subdivision 1. [ESTABLISHMENT.] Existing child care resource and referral programs shall become the regional child care resource and referral programs provided they are in compliance with other provisions of this chapter.*

*Subd. 2. [DUTIES.] The regional resource and referral program shall have the duties specified in section 256H.20. In addition, the regional program shall be responsible for establishing new or collaborating with existing community-based committees such as interagency early intervention committees or neighborhood groups to advocate for child care needs in the community as well as serve as important local resources for children and their families.*

Sec. 10. Minnesota Statutes 1990, section 256H.20, is amended to read:

**256H.20 [GRANTS FOR SCHOOL-AGE CHILD CARE PROGRAMS AND CHILD CARE RESOURCE AND REFERRAL PROGRAMS.]**

*Subdivision 1. [AUTHORITY.] The commissioner of human services early childhood care and education council may make grants to regional programs*

for public or private nonprofit agencies for the planning, establishment, expansion, improvement, or operation of child care resource and referral programs and child care services according to the provisions of this section and may make grants to county boards to carry out the purposes of section 245.84.

Subd. 2. [FEDERAL DEPENDENT CARE GRANTS PROGRAM.] The ~~commissioner~~ council shall submit an application annually to the United States Secretary of Health and Human Services for the purpose of obtaining the state's allotment of funds authorized under chapter 8 of Title VI of the Omnibus Budget Reconciliation Act, United States Code, title 42, sections 9871 to 9877. Federal funds received under this allotment for the planning, development, establishment, expansion, or improvement of local resource and referral systems and school age child care services which are awarded as grants under subdivision 1 must be used in conformance with the federal requirements.

Subd. 3. [~~PROGRAM SERVICES GRANTS TO RESOURCE AND REFERRAL PROGRAMS.~~] The ~~commissioner~~ council may make grants to ~~public or private nonprofit entities to fund~~ child care resource and referral programs. Child care resource and referral programs must serve a defined geographic area.

Subd. 3a. [GRANT REQUIREMENTS AND PRIORITY.] Priority for awarding resource and referral grants shall be given in the following order:

- (1) start up resource and referral programs in areas of the state where they do not exist; and
- (2) improve resource and referral programs.

Resource and referral programs shall meet the following requirements:

(a) Each program shall identify all existing child care services through information provided by all relevant public and private agencies in the areas of service, and shall develop a resource file of the services which shall be maintained and updated at least quarterly. These services must include family day care homes; public and private day care programs; full-time and part-time programs; infant, preschool, and extended care programs; and programs for school age children.

The resource file must include: the type of program, hours of program service, ages of children served, fees, location of the program, eligibility requirements for enrollment, special needs services, and transportation available to the program. The file may also include program information and special program features.

(b) Each *resource and referral* program shall establish a referral process which responds to parental need for information and which fully recognizes confidentiality rights of parents. The referral process must afford parents maximum access to all referral information. This access must include telephone referral available for no less than 20 hours per week.

Each child care resource and referral agency shall publicize its services through popular media sources, agencies, employers, and other appropriate methods.

(c) Each *resource and referral* program shall maintain ongoing documentation of requests for service. All child care resource and referral agencies must maintain documentation of the number of calls and contacts to

the child care information and referral agency or component. A *resource and referral* program shall collect and maintain the following information:

- (1) ages of children served;
- (2) time category of child care request for each child;
- (3) special time category, such as nights, weekends, and swing shift; and
- (4) reason that the child care is needed.

(d) Each *resource and referral* program shall make available the following information as an educational aid to parents:

(1) information on aspects of evaluating the quality and suitability of child care services, including licensing regulation, financial assistance available, child abuse reporting procedures, appropriate child development information;

(2) information on available parent, early childhood, and family education programs in the community.

(e) On or after one year of operation a *resource and referral* program shall provide technical assistance to employers and existing and potential providers of all types of child care services. This assistance shall include:

(1) information on all aspects of initiating new child care services including licensing, zoning, program and budget development, and assistance in finding information from other sources;

(2) information and resources which help existing child care providers to maximize their ability to serve the children and parents of their community;

(3) dissemination of information on current public issues affecting the local and state delivery of child care services;

(4) facilitation of communication between existing child care providers and child-related services in the community served;

(5) recruitment of licensed providers; and

(6) options, and the benefits available to employers utilizing the various options, to expand child care services to employees.

Services prescribed by this section must be designed to maximize parental choice in the selection of child care and to facilitate the maintenance and development of child care services and resources.

(f) Child care resource and referral information must be provided to all persons requesting services and to all types of child care providers and employers.

(g) Public or private entities may apply to the ~~commissioner~~ *council* for funding. The maximum amount of money which may be awarded to any entity for the provision of service under this subdivision is \$60,000 per year. A local match of up to 25 percent is required.

Subd. 4. [APPLICATION; RULES.] Applicants for grants under subdivision 1 shall apply on a form provided by the ~~commissioner~~ *council*. Applications for grants using funds received by the state pursuant to subdivision 2 shall include assurances that federal requirements have been met. The ~~commissioner~~ *council* may adopt ~~emergency rules and shall adopt permanent rules as necessary~~ to implement this section.

Sec. 11. Minnesota Statutes 1990, section 256H.21, subdivision 6, is amended to read:

Subd. 6. ~~[COMMISSIONER COUNCIL.]~~ ~~“Commissioner”~~ ~~“Council”~~ means the ~~commissioner of human services~~ *Minnesota early childhood care and education council established under section 256H.195.*

Sec. 12. Minnesota Statutes 1990, section 256H.21, subdivision 10, is amended to read:

Subd. 10. ~~[RESOURCE AND REFERRAL PROGRAM.]~~ ~~“Resource and referral program”~~ means a program that provides information to parents, including referrals and coordination of community child care resources for parents and public or private providers of care. *It also means the agency with the duties specified in sections 256H.196 and 256H.20.* Services may include parent education, technical assistance for providers, staff development programs, and referrals to social services.

Sec. 13. Minnesota Statutes 1990, section 256H.22, subdivision 1, is amended to read:

Subdivision 1. ~~[GRANTS ESTABLISHED.]~~ ~~The commissioner~~ *Minnesota early childhood care and education council* shall award grants to *resource and referral programs* to develop ~~child~~ *early childhood care and education* services, including facility improvement expenses, interim financing, resource and referral programs, and staff training expenses. Child care services grants may include mini-grants up to \$1,000. ~~The commissioner~~ *council* shall develop a grant application form, inform county social service agencies about the availability of ~~child~~ *early childhood care and education* services grants, and set a date by which applications must be received by the ~~commissioner~~ *council.*

The ~~commissioner~~ *council* may renew grants to existing resource and referral ~~agencies~~ *programs* that have met state standards and have been designated as the child care resource and referral service for a particular geographical area. The recipients of renewal grants are exempt from the proposal review process.

Sec. 14. Minnesota Statutes 1990, section 256H.22, subdivision 2, is amended to read:

Subd. 2. ~~[DISTRIBUTION OF FUNDS.]~~ (a) The ~~commissioner~~ *council* shall allocate grant money appropriated for child care service development among the development regions designated by the governor under section 462.385, as follows:

(1) 50 percent of the child care service development grant appropriation shall be allocated to the metropolitan economic development region; and

(2) 50 percent of the child care service development grant appropriation shall be allocated to economic development regions other than the metropolitan economic development region.

(b) The following formulas shall be used to allocate grant appropriations among the economic development regions:

(1) 50 percent of the funds shall be allocated in proportion to the ratio of children under 12 years of age in each economic development region to the total number of children under 12 years of age in all economic development regions; and

(2) 50 percent of the funds shall be allocated in proportion to the ratio of children under 12 years of age in each economic development region to the number of licensed child care spaces currently available in each economic development region.

(c) Out of the amount allocated for each economic development region, the ~~commissioner~~ council shall award grants based on the ~~recommendation of the grant review advisory task force~~. In addition, the ~~commissioner~~ council shall award no more than 75 percent of the money either to child care facilities for the purpose of facility improvement or interim financing or to child care workers for staff training expenses.

(d) Any funds unobligated may be used by the ~~commissioner~~ council to award grants to proposals that ~~received funding recommendations by the advisory task force~~ the council approved but that were not awarded due to insufficient funds.

Sec. 15. Minnesota Statutes 1990, section 256H.22, subdivision 3, is amended to read:

Subd. 3. [CHILD CARE REGIONAL ADVISORY COMMITTEES.] Child care regional advisory committees shall review and make recommendations to the ~~commissioner~~ council on applications for service development grants under this section. The ~~commissioner~~ council shall appoint the child care regional advisory committees in each ~~governor's economic development region~~. People appointed under this subdivision must represent the following constituent groups: family child care providers, group center providers, parent users, health services, social services, public schools, and other citizens with demonstrated interest in child care issues. Members of the advisory ~~task force~~ committee with a direct financial interest in a pending grant proposal may not provide a recommendation or participate in the ranking of that grant proposal. Committee members may be reimbursed for their actual travel, child care, and child care provider substitute expenses for up to six committee meetings per year. ~~The child care regional advisory committees shall complete their reviews and forward their recommendations to the commissioner by the date specified by the commissioner.~~

Sec. 16. Minnesota Statutes 1990, section 256H.22, is amended by adding a subdivision to read:

Subd. 3a. [DISTRIBUTION OF FUNDS FOR CHILD CARE RESOURCE AND REFERRAL PROGRAMS.] *The commissioner shall allocate funds appropriated for child care resource and referral services considering the following factors for each economic development region served by the child care resource and referral agency:*

(1) *the number of children under 13 years of age needing child care in the service area;*

(2) *the geographic area served by the agency;*

(3) *the ratio of children under 13 years of age needing care to the number of licensed spaces in the service area;*

(4) *the number of licensed child care providers and extended day school-age child care programs in the service area; and*

(5) *other related factors determined by the commissioner.*

Sec. 17. Minnesota Statutes 1990, section 256H.22, subdivision 4, is amended to read:

Subd. 4. [PURPOSES FOR WHICH A CHILD CARE SERVICES GRANT MAY BE AWARDED.] The ~~commissioner~~ *council* may award grants for any of the following purposes:

(1) for creating new licensed day care facilities and expanding existing facilities, including, but not limited to, supplies, equipment, facility renovation, and remodeling;

(2) for improving licensed day care facility programs, including, but not limited to, staff specialists, staff training, supplies, equipment, and facility renovation and remodeling. In awarding grants for training, priority must be given to child care workers caring for infants, toddlers, sick children, children in low-income families, and children with special needs;

(3) for supportive child development services including, but not limited to, in-service training, curriculum development, consulting specialist, resource centers, and program and resource materials;

(4) for carrying out programs including, but not limited to, staff, supplies, equipment, facility renovation, and training;

(5) for interim financing; and

(6) for carrying out the resource and referral program services identified in section 256H.20, subdivision 3.

Sec. 18. Minnesota Statutes 1990, section 256H.22, subdivision 5, is amended to read:

Subd. 5. [FUNDING PRIORITIES; FACILITY IMPROVEMENT AND INTERIM FINANCING.] In evaluating applications for funding ~~and making recommendations to, the commissioner,~~ ~~the grant review advisory task force~~ *council* shall rank and give priority to:

(1) new programs or projects, or the expansion or improvement of existing programs or projects in areas where a demonstrated need for child care facilities has been shown, with special emphasis on programs or projects in areas where there is a shortage of licensed child care;

(2) new programs and projects, or the expansions or enrichment of existing programs or projects that serve sick children, infants or toddlers, children with special needs, and children from low-income families;

(3) unlicensed providers who wish to become licensed; and

(4) improvement of existing programs.

Sec. 19. Minnesota Statutes 1990, section 256H.22, subdivision 6, is amended to read:

Subd. 6. [FUNDING PRIORITIES; TRAINING GRANTS.] In evaluating applications for training grants ~~and making recommendations to, the commissioner,~~ ~~the grant review advisory task force~~ *council* shall give priority to:

(1) applicants who will work in facilities caring for sick children, infants, toddlers, children with special needs, and children from low-income families;

(2) applicants who will work in geographic areas where there is a shortage of child care;

(3) unlicensed providers who wish to become licensed;

(4) child care programs seeking accreditation and child care providers seeking certification; and

(5) entities that will use grant money for scholarships for child care workers attending educational or training programs sponsored by the entity.

Sec. 20. [256H.225] [SPECIAL INCENTIVE GRANTS.]

*The Minnesota early childhood care and education council shall award grants to child care centers and family child care providers to encourage these facilities to obtain accreditation and certification and to achieve improved pay for child care workers. Regional resource and referral programs shall solicit matching funds from other sources to increase the incentive grants to providers.*

Sec. 21. [TRANSFERS.]

*In the transfer of powers and duties from the commissioner of human services to the Minnesota early childhood care and education council authorized by sections 8 to 19, the provisions of Minnesota Statutes, section 15.039, subdivisions 1 to 6 only, shall apply.*

Sec. 22. [APPROPRIATIONS.]

*Subdivision 1. [MINNESOTA EARLY CHILDHOOD CARE AND EDUCATION COUNCIL.] \$125,000 is appropriated from the general fund to the Minnesota early childhood care and education council for the biennium ending June 30, 1993, for general operation of the council and to enable the council to provide coordination, training, outreach, and technical assistance to child care providers.*

*Subd. 2. [INCENTIVE GRANTS.] \$1,200,000 is appropriated from the general fund to the Minnesota early childhood care and education council, for the fiscal year ending June 30, 1993, to fund the incentive grant program authorized by Minnesota Statutes, section 256H.225.*

*Subd. 3. [PROVIDER TRAINING SCHOLARSHIPS.] \$475,000 is appropriated from the general fund to the Minnesota early childhood care and education council for the biennium ending June 30, 1993, to provide training scholarships for family child care providers and child care center staff. This amount shall be reduced to the extent that federal funds received during the biennium are used for this purpose.*

*Subd. 4. [CHILD CARE LICENSING.] \$200,000 is appropriated from the general fund to the commissioner of human services to distribute to the counties in proportion to the number of licensed family and group family child care providers in the county to cover the costs of improving licensing services for family child care.*

*Subd. 5. [FEDERAL CHILD CARE FUNDS.] Federal funds received for child care purposes during the biennium ending June 30, 1993, are appropriated to the commissioner of human services as follows. \$1,000,000 is appropriated for grants to resource and referral programs under Minnesota Statutes, section 256H.20, for programs that increase access to child care services. \$250,000 is appropriated for general operation of the council to enable the council to provide coordination, training, outreach, and technical assistance to child care providers. \$1,900,000 is appropriated for the biennium ending June 30, 1993, to fund the incentive grant program authorized by Minnesota Statutes, section 256H.225. All federal funds received for child care purposes not specifically designated under this subdivision*

*shall be used for child care subsidies.*

Sec. 23. [REPEALER.]

*Minnesota Statutes 1990, sections 256H.22, subdivisions 10 and 11; and 256H.25, are repealed.*

Sec. 24. [EFFECTIVE DATE.]

*Sections 1 to 21 are effective July 1, 1991."*

Delete the title and insert:

"A bill for an act relating to child care; establishing the Minnesota early childhood care and education council; specifying duties and membership; specifying new duties for regional resource and referral agencies; clarifying requirements for child care services; appropriating money; amending Minnesota Statutes 1990, sections 256H.02; 256H.03; 256H.05; 256H.09, by adding a subdivision; 256H.15, subdivision 1; 256H.20; 256H.21, subdivisions 6 and 10; and 256H.22, subdivisions 1, 2, 3, 4, 5, 6, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256H; repealing Minnesota Statutes 1990, sections 256H.22, subdivisions 10 and 11; and 256H.25."

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 102: A bill for an act relating to natural resources; appropriating funds for beaver abatement and control.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1027: A bill for an act relating to natural resources; directing a study of the potential of an adopt-a-park program by the department of natural resources.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 93: A bill for an act relating to natural resources; limiting certain fees charged to towns in connection with town road projects; amending Minnesota Statutes 1990, section 103G.301, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 919: A bill for an act relating to government operations; amending provisions to adopt emergency game and fish rules; providing alternative



methods of publishing game and fish rules; deleting obsolete references to publication under the game and fish laws; authorizing the commissioner to protect wild animals by emergency rule; authorizing the commissioner to set seasons and limits for migratory birds and waterfowl; authorizing the commissioner to allow or prohibit hunting and fishing on certain state lands; amending Minnesota Statutes 1990, sections 3.846, subdivisions 1 and 4; 14.03, subdivision 3; 14.29, subdivision 2, and by adding a subdivision; 14.38, subdivision 6; 84.944, subdivision 1; 84A.02; 86A.06; 86B.211; 97A.045, subdivision 2; 97A.051, subdivisions 1, 2, and 4; 97A.081; 97A.141, by adding a subdivision; 97B.731, subdivision 1; and 97C.805, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 97A and 97B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 29, before "*registration*" insert "*tagging and*"

Page 10, line 14, delete "*or not*" and delete the comma and insert "*and*"

Page 10, line 15, delete "*, or fishing is*" and insert "*are*"

Page 10, line 24, before "*Scientific*" insert "*Except as otherwise provided by law.*"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 962: A bill for an act relating to natural resources; revising certain provisions regarding the leasing of state-owned iron ore and related minerals; amending Minnesota Statutes 1990, sections 93.16; 93.17, subdivisions 1 and 3; and 93.20, by adding a subdivision; repealing Minnesota Statutes 1990, section 93.20, subdivision 9.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 35, strike the first comma and insert "*and*" and strike "*, and*" and insert "*. Thereafter, the commissioner, together with the executive council, shall*"

Page 3, line 20, delete "*9*" and insert "*9a*"

Page 4, line 9, delete "*125.3-119.2*" and insert "*[(125.3-119.2)/119.2]*"

Page 4, delete line 10

Page 4, line 33, delete "*139.5-129.5*" and insert "*[(139.5-129.5)/129.5]*"

Page 4, delete line 34

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. 822: A bill for an act relating to the environment; responsible person for removal and remediation of hazardous waste; providing that the state, an agency of the state, or a political subdivision that acquires property through eminent domain or through negotiated purchase following the filing of eminent domain petition, or any person acquiring from the condemning authority, is not liable as a responsible person solely because of the acquisition; providing that no person involuntarily acquiring property shall be liable as a responsible person; amending Minnesota Statutes 1990, section 115B.03, by adding subdivisions.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 23, delete “acquired” and insert “acquires”

Page 1, line 27, delete “an” and delete “of the state” and delete “a”

Page 2, delete lines 4 to 8 and insert:

“Subd. 6. [MORTGAGEES.] (a) A mortgagee is not a responsible person under this section solely because the mortgagee becomes an owner of real property through foreclosure of the mortgage or by receipt of the deed to the mortgaged property in lieu of foreclosure.

(b) A mortgagee does not become a responsible person as an operator of a facility solely due to a capacity to influence the operation involving the hazardous substance, hazardous waste, or pollutant or contaminant.

Sec. 3. Minnesota Statutes 1990, section 115B.03, is amended by adding a subdivision to read:

Subd. 7. [CONTRACT FOR DEED VENDORS.] A contract for deed vendor is not a responsible person under this section solely as a result of a termination of the contract for deed under section 559.21.”

Amend the title as follows:

Page 1, line 10, delete everything after the semicolon

Page 1, delete line 11

Page 1, line 12, delete “person” and insert “clarifying the status of mortgagees and contract for deed vendors as responsible persons”

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 842: A bill for an act relating to health; modifying requirements for drilling, sealing, and construction of wells, borings, and elevator shafts; amending Minnesota Statutes 1990, sections 1031.005, subdivisions 2, 22, and by adding a subdivision; 1031.101, subdivisions 2, 4, 5, and 6; 1031.205, subdivisions 3, 4, 7, 8, and 9; 1031.208, subdivision 2; 1031.231; 1031.235; 1031.301, subdivision 1; 1031.311, subdivision 3; 1031.525, subdivisions 1, 4, 8, and 9; 1031.531, subdivisions 8 and 9; 1031.535, subdivisions 8 and 9; 1031.541, subdivisions 4 and 5; 1031.545, subdivision 2; 1031.621, subdivision 3; 1031.701, subdivisions 1 and 4; 1031.705, subdivisions 2,

3, 4, and 5; and 1031.711, subdivision 1; repealing Minnesota Statutes 1990, section 1031.005, subdivision 18.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 22, after the third comma, insert "and"

Page 1, line 23, delete ", and test holes"

Page 1, line 31, delete "A"

Page 4, line 8, delete "shall"

Page 4, after line 16, insert:

"Sec. 8. Minnesota Statutes 1990, section 1031.111, subdivision 2a, is amended to read:

Subd. 2a. [FEES.] A board of health under a delegation agreement with the commissioner may charge permit and notification fees, *including a fee for well sealing*, in excess of the fees specified in section 1031.208 if the fees do not exceed the total direct and indirect costs to administer the delegated duties.

Sec. 9. Minnesota Statutes 1990, section 1031.111, subdivision 2b, is amended to read:

Subd. 2b. [ORDINANCE AUTHORITY.] A political subdivision may adopt ordinances to enforce and administer powers and duties delegated under this section. The ordinances may not ~~conflict~~ *be inconsistent* with or be less restrictive than standards in state law or rule. Ordinances adopted by the governing body of a statutory or home rule charter city or town may not ~~conflict~~ *be inconsistent* with or be less restrictive than ordinances adopted by the county board. *The commissioner shall review ordinances proposed under a delegation agreement. The commissioner shall approve ordinances if the commissioner determines the ordinances are not inconsistent with and not less restrictive than the provisions of this chapter.*

Sec. 10. Minnesota Statutes 1990, section 1031.111, is amended by adding a subdivision to read:

*Subd. 2c. [PERMITS.] A board of health under a delegation agreement with the commissioner may require permits in lieu of the notifications required under sections 1031.205 and 1031.301.*

Sec. 11. Minnesota Statutes 1990, section 1031.111, subdivision 3, is amended to read:

Subd. 3. [PREEMPTION UNLESS DELEGATION.] Notwithstanding any other law, a political subdivision may not regulate the ~~permitting~~, construction, repair, or sealing of wells or elevator shafts unless the commissioner delegates authority under subdivisions 1 and 2.

Sec. 12. Minnesota Statutes 1990, section 1031.205, subdivision 1, is amended to read:

Subdivision 1. [NOTIFICATION REQUIRED.] (a) Except as provided in paragraphs (d) and (e), a person may not construct a well until a notification of the proposed well on a form prescribed by the commissioner is filed with the commissioner with the filing fee in section 1031.208. If after filing the well notification an attempt to construct a well is unsuccessful, a new notification is not required unless the information relating to the

successful well has substantially changed.

(b) The property owner, the property owner's agent, or the well contractor where a well is to be located must file the well notification with the commissioner.

(c) The well notification under this subdivision preempts local permits and notifications, and counties or home rule charter or statutory cities may not require a permit or notification for wells *unless the commissioner has delegated the permitting or notification authority under section 1031.111.*

(d) A person who is an individual that constructs a drive point well on property owned or leased by the individual for farming or agricultural purposes or as the individual's place of abode must notify the commissioner of the installation and location of the well. The person 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.

(e) A person may not construct a monitoring well or dewatering well until a permit ~~for the monitoring well~~ is issued by the commissioner for the construction. If after obtaining a permit an attempt to construct a well is unsuccessful, a new permit is not required as long as the initial permit is modified to indicate the location of the successful well."

Page 5, line 33, strike the second "at" and insert "under"

Page 6, line 32, delete "in" and insert "by"

Page 7, line 27, after the comma, insert "*in addition to the notification fee for wells.*"

Page 7, line 28, strike "in addition to the"

Page 7, line 29, delete the new language and strike "fee for wells,"

Page 9, line 7, after "information" insert ", *the name and mailing address of the buyer.*"

Page 9, line 10, reinstate the stricken language

Page 9, line 11, reinstate the stricken "need not be provided"

Page 9, line 13, reinstate the stricken "and" and delete the new language

Page 9, line 14, reinstate the stricken "contains" and delete "*must contain*"

Page 9, line 21, delete everything after "*required*" and insert "*if the following statement appears on the deed followed by the signature of the buyer or, if there is more than one buyer, the signature of at least one of the buyers: 'The Buyer certifies that the Buyer does not know of any wells on the described real property.' The statement and signature of the buyer may be on the front or back of the deed or on an attached sheet and an acknowledgment of the statement by the buyer is not required for the deed to be recordable.*"

Page 9, delete lines 22 to 24

Page 9, line 33, delete "*January*" and insert "*July*"

Page 10, line 12, strike "either"

Page 10, line 14, before "or" insert "*contains the statement made in accordance with paragraph (b) of this subdivision.*"

Page 10, line 15, after "certificate" insert "*containing all the information*" and after the period, insert "*The county recorder or registrar of titles must not accept a certificate unless it contains all the required information.*"

Page 10, line 18, after the period, insert "*The notation must include the statement "No wells on property" if the certificate states there are no wells on the property.*"

Page 10, line 21, after the period, insert "*After noting "No wells on property" the county recorder or registrar of titles shall destroy or return to the buyer the well disclosure certificate.*" and after "shall" insert "*collect from the buyer or the person seeking to record a deed, a fee of \$8 on receipt of a completed well disclosure certificate. By the tenth day of each month, the county recorder or registrar of titles shall*"

Page 10, line 22, strike "certificate" and insert "*certificates*"

Page 10, line 23, strike "within 15 days after receiving the well" and delete "*disclosure*"

Page 10, line 24, strike "certificate" and insert "*along with \$4 of the fee for each well disclosure certificate received in the prior month*"

Page 10, line 27, delete everything after the period

Page 10, delete lines 28 and 29

Page 11, lines 11 and 12, delete "*correct*" and insert "*known*"

Page 11, line 32, before the period, insert "*consistent with provisions of this chapter*"

Page 11, after line 32, insert:

"Sec. 22. Minnesota Statutes 1990, section 103I.301, is amended by adding a subdivision to read:

*Subd. 6. [NOTIFICATION REQUIRED.] A person may not seal a well until a notification of the proposed sealing is filed as prescribed by the commissioner.*"

Page 11, line 36, strike "real"

Page 12, line 1, strike "property or"

Page 12, line 5, after the period, insert "*For real property sold by the state under section 92.67, the lessee at the time of the sale is responsible for compliance with this subdivision.*"

Page 12, after line 16, insert:

"Sec. 24. Minnesota Statutes 1990, section 103I.331, subdivision 2, is amended to read:

*Subd. 2. [CRITERIA FOR SELECTING COUNTIES FOR WELL SEALING.] (a) The board of water and soil resources, in selecting counties for participation, shall consult with the commissioners of natural resources, the pollution control agency, and health, and the director of the Minnesota*

geological survey, and must consider appropriate criteria including the following:

- (1) diversity of well construction;
- (2) diversity of geologic conditions;
- (3) current use of affected aquifers;
- (4) diversity of land use; and
- (5) aquifer susceptibility to contamination by unsealed wells.

(b) After July 1, 1991, only well sealings that are a part of, or responsive to, *the following are eligible for assistance:*

*(1) the priority actions identified in an approved comprehensive local water plan, as defined in section 103B.3363, subdivision 3; are eligible for assistance; or*

*(2) a plan that is undergoing local review and comment as described in section 103B.255, subdivision 8."*

Page 12, line 29, delete the new language

Page 12, line 33, after "under" insert "*provisions of*"

Page 13, line 2, delete "*in*" and insert "*by*"

Page 13, line 31, strike "and" and reinstate the stricken "late fee" and before "*all*" insert "*, and*"

Page 14, line 21, strike "and"

Page 15, lines 10 and 35, strike "and"

Page 16, line 30, delete "*commissioner.*" and insert "*commissioner.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "clarifying the authority of political subdivisions under delegation agreements; expanding county eligibility for well sealing assistance;"

Page 1, line 6, after the second semicolon, insert "103I.111, subdivisions 2a, 2b, 3, and by adding a subdivision;"

Page 1, line 7, after "subdivisions" insert "1,"

Page 1, line 9, before the first semicolon, insert "*, and by adding a subdivision*" and after the second semicolon, insert "103I.331, subdivision 2;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Dahl from the Committee on Education, to which was referred

S.F. No. 1071: A bill for an act relating to higher education; creating the Minnesota board for higher education; merging the state university, community college, and technical college systems; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 136E.

Reports the same back with the recommendation that the bill be amended

as follows:

Delete everything after the enacting clause and insert:

“Section 1. [136E.01] [HIGHER EDUCATION BOARD.]

*Subdivision 1. [MEMBERSHIP.] The higher education board, referred to in sections 1 to 5 as “the board,” consists of 13 members appointed by the governor with the advice and consent of the senate. At least one member of the board must be a resident of each congressional district. One member must be a student or have graduated from an institution governed by the board within one year of the date of appointment. The remaining members must be appointed to represent the state at large.*

*Subd. 2. [INITIAL BOARD.] Notwithstanding subdivision 1, the initial board consists of four members each from the state board of technical colleges, state board for community colleges, and the state university board, appointed by their respective boards. These members must have served for at least one year on the board from which they were appointed. The student member shall be appointed July 1, 1993. To the extent possible the initial board must have the geographic balance required by subdivision 1.*

*Subd. 3. [TERM; COMPENSATION; REMOVAL; VACANCIES.] The compensation, removal of members, and filling of vacancies on the board are as provided in section 15.0575. Members are appointed for a term of six years, except that the initial members must be appointed so that an equal number will have terms expiring in two, four, and six years. The term of the student member is two years. Terms end on June 30.*

*Subd. 4. [BOARD ADMINISTRATION.] The board shall elect a chair and other officers as it may desire. It shall determine its meeting dates and places.*

Sec. 2. [136E.02] [HIGHER EDUCATION BOARD CANDIDATE ADVISORY COUNCIL.]

*Subdivision 1. [ESTABLISHMENT.] A higher education board candidate advisory council is established to assist the governor in determining criteria for, and identifying and recruiting qualified candidates for, membership on the higher education board.*

*Subd. 2. [MEMBERSHIP.] The advisory council consists of 24 members. Twelve members are appointed by the subcommittee on committees of the committee on rules and administration of the senate. Twelve members are appointed by the speaker of the house of representatives. No more than one-third of the members appointed by each appointing authority may be current or former legislators. No more than two-thirds of the members appointed by each appointing authority may belong to the same political party; however, political activity or affiliation is not required for the appointment of a member. Geographical representation must be taken into consideration when making appointments. Section 15.0575 governs the advisory council, except that the members must be appointed to six-year terms. The initial members must be appointed so that an equal number will have terms expiring in two, four, and six years.*

*Subd. 3. [DUTIES.] The advisory council shall:*

*(1) develop a statement of the selection criteria to be applied and a description of the responsibilities and duties of a member of the higher education board and shall distribute this to potential candidates; and*

(2) for each position on the board, identify and recruit qualified candidates for the board, based on the background and experience of the candidates, and their potential for discharging the responsibilities of a member of the board.

*Subd. 4. [RECOMMENDATIONS.] The advisory council shall recommend at least two and not more than four candidates for each seat. By March 15 of each odd-numbered year, the advisory council shall submit its recommendations to the governor. The governor is not bound by these recommendations.*

*Subd. 5. [SUPPORT SERVICES.] The legislative coordinating commission shall provide administrative and support services for the advisory council.*

**Sec. 3. [136E.03] [MISSION.]**

*The mission of the board is to provide programs of study that meet the needs of students for occupational, general, baccalaureate, and graduate education. The board shall develop administrative arrangements that make possible the efficient use of the facilities and staff of the former technical colleges, community colleges, and state universities for providing these several different programs of study, so that students may have the benefit of improved and broader course offerings, ease of transfer among schools and programs, integrated course credit, coordinated degree programs, and coordinated financial aid. In carrying out the merger of the three separate systems, the board shall control administrative costs by eliminating duplicative administrative positions and course offerings.*

**Sec. 4. [136E.04] [POWERS AND DUTIES.]**

*Subdivision 1. [GENERAL AUTHORITY.] The board shall manage, supervise, and control the former technical colleges, community colleges, and state universities and all related property. It shall prescribe courses of study, conditions of admission, prepare and confer diplomas, and adopt suitable policies for the institutions it manages. Sections 14.01 to 14.47 do not apply to policies and procedures of the board.*

*Subd. 2. [PERSONNEL.] The board shall appoint all presidents, teachers, and other necessary employees. Salaries and benefits of employees must be determined according to chapters 43A and 179A, except that the board is the state labor negotiator in all collective bargaining between the state and the exclusive representatives of teaching and service faculty units.*

*Subd. 3. [BUDGET.] The board shall submit to the governor and the legislature the budget request for its several different programs of study.*

*Subd. 4. [PROGRAM DELIVERY.] The board shall avoid duplicate program offerings. After consulting with the local advisory committees, the board shall develop programs to meet the needs of students and the state.*

*Subd. 5. [TRANSFERABILITY.] The board shall place a high priority on ensuring the transferability of credit among the institutions it governs.*

*Subd. 6. [REGISTRATION AND FINANCIAL AID.] The board shall devise a registration system that simplifies and combines registration for the institutions it governs, improves the financial aid application process for students, and provides registration at common locations.*

**Sec. 5. [136E.05] [LOCAL ADVISORY COMMITTEES.]**



*The president, with the approval of the chancellor and the board, may appoint a local advisory committee for each campus. Committee members must be qualified people who have knowledge of and interest in the campus. The board shall define the role and authority of the advisory committees and establish procedures for the appointment, terms, and termination of members. The president or an appointee of the president shall regularly meet and consult with the local advisory committee.*

Sec. 6. Minnesota Statutes 1990, section 179A.10, subdivision 2, is amended to read:

Subd. 2. [STATE EMPLOYEES.] Unclassified employees, unless otherwise excluded, are included within the units which include the classifications to which they are assigned for purposes of compensation. Supervisory employees shall only be assigned to units 12 and 16. The following are the appropriate units of executive branch state employees:

- (1) law enforcement unit;
- (2) craft, maintenance, and labor unit;
- (3) service unit;
- (4) health care nonprofessional unit;
- (5) health care professional unit;
- (6) clerical and office unit;
- (7) technical unit;
- (8) correctional guards unit;
- (9) state university instructional unit;
- (10) community college instructional unit;
- (11) *technical college instructional unit;*
- (12) state university administrative unit;
- ~~(12)~~ (13) professional engineering unit;
- ~~(13)~~ (14) health treatment unit;
- ~~(14)~~ (15) general professional unit;
- ~~(15)~~ (16) professional state residential instructional unit; and
- ~~(16)~~ (17) supervisory employees unit.

Each unit consists of the classifications or positions assigned to it in the schedule of state employee job classification and positions maintained by the commissioner. The commissioner may only make changes in the schedule in existence on the day prior to the effective date of this section as required by law or as provided in subdivision 4.

Sec. 7. [TRANSITIONAL PROVISIONS.]

*Subdivision 1. [APPOINTMENTS TO BOARD.] Appointments to the higher education board must be made by July 1, 1991.*

*Subd. 2. [INTERIM CHANCELLOR.] By August 1, 1991, the board shall hire a chancellor on an interim basis for the period ending June 30, 1993. Thereafter, the board shall conduct a search and hire a chancellor to serve on a continuing basis.*

*Subd. 3. [PERSONNEL.] The chancellor may hire employees necessary to carry out the transitional duties imposed by this section. To expedite hiring, the chancellor need not use the personnel services of the commissioner of employee relations to hire these employees.*

*Subd. 4. [TRANSITIONAL PLANNING PROCESS.] The board shall immediately after appointment commence planning for the merger of the technical college, community college, and state university systems. As part of the planning process, the board shall consult with the local advisory committees, representatives of student government organizations, and exclusive representatives of the employees of the state universities, community colleges, and technical colleges.*

*Subd. 5. [RESTRUCTURING.] The board shall submit a proposal to the 1992 legislature concerning the appropriate administrative structure for the educational institutions it governs, giving special attention to the need to integrate the administration of programs of study now offered at institutions from different systems within the same region.*

*Subd. 6. [SCHOOL DISTRICTS.] The board shall submit proposals to the 1992 legislature concerning labor and other issues related to the transfer of technical colleges from school board governance.*

*Subd. 7. [PERSONNEL PRACTICES; COMPENSATION.] The board shall submit proposals to the 1992 legislature whereby the board will assume the responsibilities of the commissioner of employee relations as the personnel bureau for the institutions governed by the board. The proposals must include recommendations for overcoming the difficulties encountered when trying to hire top administrators under the compensation ceiling set by Minnesota Statutes, section 15A.081, subdivision 7b.*

*Subd. 8. [LEGAL SERVICES.] The board shall submit to the 1992 legislature proposals for providing the board with adequate legal services.*

*Subd. 9. [PURCHASES; PROPERTY MANAGEMENT.] The board shall submit proposals to the 1992 legislature whereby the board will assume the responsibilities of the commissioner of administration for purchase of supplies, management of property, and construction and repair of facilities for the systems governed by the board.*

*Subd. 10. [ACCOUNTING SYSTEM.] The commissioner of finance shall submit proposals to the 1992 legislature that will enable the board to use a single accounting system in accord with generally accepted accounting principles for colleges and universities and eliminate the need to have a second system to account for its money in the state treasury.*

*Subd. 11. [BUDGET REQUESTS.] The board shall consult with the commissioner of finance, the chair of the senate finance committee, and the chair of the house appropriations committee and submit to the 1992 legislature a proposed format for its 1993 budget request. The higher education board shall use the format, as revised in accordance with instructions from the legislature, to present its budget request to the governor and the 1993 legislature.*

#### **Sec. 8. [TRANSFER OF POWERS.]**

*The state board of technical colleges, the state board for community colleges, and the state university board and their respective chancellors retain responsibility for operating and managing their systems until July 1,*

1993. On July 1, 1993, the authority, duties, responsibilities, related property of the state board of technical colleges, school boards, intermediate school boards, joint vocational technical boards with respect to technical colleges, the state board for community colleges, and the state university board are transferred to the higher education board under Minnesota Statutes, section 15.039. The state board of technical colleges, state board for community colleges, and state university board are abolished, effective July 1, 1993.

Sec. 9. [CURRENT EMPLOYEES.]

*The higher education board shall make every effort to continue the employment of employees of the former technical college, community college, and state university systems.*

*The board shall give preference to those employees for jobs for which they are qualified.*

*The board shall provide training and retraining to employees to prepare them for jobs in the institutions governed by the board.*

Sec. 10. [COLLECTIVE BARGAINING.]

*For purposes of collective bargaining, faculty of the technical colleges will initially be assigned to the new technical college instructional unit provided for in Minnesota Statutes, section 179A.10, subdivision 2, as amended by this act. The new bargaining unit may begin to organize on or after July 1, 1991, for negotiating contracts that become effective on or after July 1, 1993. Other technical college employees must be assigned to the appropriate existing state bargaining unit. The terms and conditions of a collective bargaining agreement covering an employee transferred to the board remain in effect until a successor agreement covering the employee becomes effective.*

Sec. 11. [COOPERATION.]

*The state university board, state board of technical colleges, and state board for community colleges shall cooperate with the higher education board. Each of those boards may transfer money, personnel, or equipment to the higher education board.*

Sec. 12. [APPROPRIATION.]

*\$1,000,000 is appropriated from the general fund to the higher education board for the purposes of this act for the biennium ending June 30, 1993.*

Sec. 13. [EFFECTIVE DATE.]

*This act is effective the day following final enactment, except that section 6 is effective July 1, 1991, for collective bargaining of contracts that become effective on or after July 1, 1993, and sections 4 and 5 are effective July 1, 1993."*

Delete the title and insert:

"A bill for an act relating to higher education; creating the higher education board; merging the state university, community college, and technical college systems; appropriating money; amending Minnesota Statutes 1990, section 179A.10, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 136E."

And when so amended the bill do pass and be re-referred to the Committee

on Governmental Operations. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

H.F. No. 633: A bill for an act relating to watercraft; regulating the use and operation of personal watercraft; amending Minnesota Statutes 1990, section 86B.005, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 86B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 10 to 14 and insert:

*"Subd. 14a. [PERSONAL WATERCRAFT.] "Personal watercraft" means a motorboat that:*

*(1) is powered by an inboard motor powering a water jet pump or by an outboard or propeller-driven motor; and*

*(2) is designed to be operated by a person or persons sitting, standing, or kneeling on the craft, rather than in the conventional manner of sitting or standing inside a motorboat."*

Page 1, line 25, delete everything after "watercraft"

Page 1, line 26, delete everything before the colon

Page 2, delete lines 4 and 5 and insert:

*"(2) between sunset and 8:00 a.m.;"*

Page 2, line 6, delete "any shoreline," and insert "a" and after "swimmer," insert "or"

Page 2, line 7, delete the first comma and delete the second comma and insert a semicolon

Page 2, delete lines 8 to 16 and insert:

*"(4) while towing a person on water skis, a kneeboard, an inflatable craft, or any other device without an observer on board;"*

Page 2, line 17, delete "(6)" and insert "(5)"

Page 2, delete lines 21 to 27 and insert:

*"(6) if any part of the spring-loaded throttle mechanism has been removed, altered, or tampered with so as to interfere with the return-to-idle system;"*

Page 2, line 28, delete "(9)" and insert "(7)" and delete the second "or"

Page 2, line 29, delete "(10) to operate" and insert "(8)"

Page 2, line 30, delete the period and insert a semicolon

Page 2, after line 30, insert:

*"(9) in a manner that unreasonably or unnecessarily endangers life, limb, or property, including weaving through congested watercraft traffic, jumping the wake of another watercraft unreasonably or unnecessarily close to the other watercraft or when visibility around the other watercraft is obstructed, and swerving at the last possible moment to avoid collision; or*

*(10) in any other manner that is not reasonable and prudent."*

Page 2, line 32, delete "no" and insert "a" and delete "16" and insert "12" and delete "shall" and insert "may not"

Page 2, line 35, delete "any" and insert "a"

Page 3, line 3, delete "no" and insert "a" and delete "16" and insert "12" and delete the second comma

Page 3, line 4, delete "shall" and insert "may not"

Page 3, line 5, after "horsepower" insert a comma

Page 3, line 7, after the period, insert "For purposes of this section only, the commissioner shall allow persons 12 years of age to participate in the watercraft safety course established under section 86B.101, subdivision 2, and shall issue a watercraft operator's permit, limited to operation of personal watercraft, to a person 12 years of age who successfully completes the course."

Page 3, line 8, delete "any" and insert "a"

Page 3, delete lines 10 to 16 and insert:

*"Subd. 4 [DEALERS AND RENTAL OPERATIONS.] (a) A dealer of personal watercraft shall distribute a summary of the laws and rules governing the operation of personal watercraft and, upon request, shall provide instruction to a purchaser regarding:*

*(1) the laws and rules governing personal watercraft; and*

*(2) the safe operation of personal watercraft."*

Page 3, line 18, delete "the"

Page 3, line 19, delete "any" and insert "a" and delete "16" and insert "12" and after "or" insert "to a person"

Page 3, line 20, delete "16" and insert "12" and delete the comma

Page 3, line 1, delete "this"

Page 3, line 2, delete "section" and insert "subdivision 3"

Page 3, delete lines 23 to 28 and insert:

*"(2) shall provide a summary of the laws and rules governing the operation of personal watercraft and provide instruction regarding the laws and rules and the safe operation of personal watercraft to each person renting a personal watercraft; and"*

Page 3, line 2 delete "is required to" and insert "shall"

Page 3, line 3 after "III" insert a comma and delete "for" and insert "and any other required safety equipment to"

Page 3, line 3 delete everything after "watercraft"

Page 3, line 3 delete "required safety equipment"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**SECOND READING OF SENATE BILLS**

S.F. Nos. 1083, 373, 891, 726, 173, 735, 971, 609, 724, 1124, 385, 644, 1119, 1211, 366, 350, 1027, 962 and 842 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. No. 633 was read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Merriam moved that the name of Mr. Novak be added as a co-author to S.F. No. 497. The motion prevailed.

Mr. Merriam moved that the name of Mr. Metzen be added as a co-author to S.F. No. 822. The motion prevailed.

Mr. Merriam moved that the names of Messrs. Luther, Pogemillc, Metzen and Bernhagen be added as co-authors to S.F. No. 834. The motion prevailed.

Mr. Riveness moved that the name of Mr. Frank be added as co-author to S.F. No. 1068. The motion prevailed.

Mr. Merriam moved that the name of Mr. Finn be added as co-author to S.F. No. 1193. The motion prevailed.

Mr. Metzen moved that the name of Mr. Finn be added as co-author to S.F. No. 1218. The motion prevailed.

Mr. Benson, D.D. moved that his name be stricken as chief author and the name of Mr. Halberg be added as chief author to S.F. N 1241. The motion prevailed.

Mr. Dahl moved that the name of Mr. Finn be added as co-author to S.F. No. 1247. The motion prevailed.

Mr. Neuville introduced—

Senate Resolution No. 48: A Senate resolution congratulating Tonya Malz for earning the Girl Scouts of America Silver Award.

Referred to the Committee on Rules and Administration.

Mr. Neuville introduced—

Senate Resolution No. 49: A Senate resolution congratulating Angie Maul for earning the Girl Scouts of America Silver Award.

Referred to the Committee on Rules and Administration.

Mr. Neuville introduced—

Senate Resolution No. 50: A Senate resolution congratulating Anna Thibault for earning the Girl Scouts of America Silver Award.

Referred to the Committee on Rules and Administration.

Mr. Neuville introduced—

Senate Resolution No. 51: A Senate resolution congratulating Carrie Bauer for earning the Girl Scouts of America Silver Award.

Referred to the Committee on Rules and Administration.

Mr. Larson and Mrs. Benson, J.E. introduced—

Senate Resolution No. 52: A Senate resolution commending Arlan Stangeland for his dedicated, committed, and effective government and community service to the people of Minnesota.

Referred to the Committee on Rules and Administration.

Messrs. Kelly, DeCramer, Stumpf, Waldorf and Mrs. Brataas introduced—

Senate Resolution No. 53: A Senate resolution commending Dr. Robert L. Carothers on his service as chancellor of the Minnesota State University System.

Referred to the Committee on Rules and Administration.

Mr. Larson introduced—

Senate Resolution No. 54: A Senate resolution commending Arnold "Woody" Johnson of Detroit Lakes, Minnesota, for his initiative, dedication, and efforts on behalf of the people of Becker County.

Referred to the Committee on Rules and Administration.

Mr. Marty moved that S.F. No. 726, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Metzen moved that his name be stricken as chief author, shown as co-author, and the name of Mr. Halberg be added as chief author to S.F. No. 745. The motion prevailed.

Ms. Ranum moved that S.F. No. 1119, on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

## CALENDAR

H.F. No. 661: A resolution memorializing Canada to correct the new permit regulations for the Canada-Minnesota border, and to encourage federal, state, and provincial governments to resolve differences to the mutual benefit and satisfaction of the citizens of both countries.

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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, J.B.	Metzen	Renneke
Beckman	Dicklich	Johnston	Moe, R. D.	Riveness
Belanger	Finn	Knaak	Mondale	Sams
Benson, D.D.	Flynn	Kroening	Morse	Samuelson
Benson, J.E.	Frank	Laidig	Neuville	Spear
Berg	Frederickson, D.J.	Langseth	Novak	Storm
Berglin	Frederickson, D.R.	Larson	Olson	Stumpf
Bernhagen	Gustafson	Lessard	Pappas	Traub
Bertram	Halberg	Luther	Pariseau	Vickerman
Brataas	Hottinger	Marty	Piper	Waldorf
Chmielewski	Hughes	McGowan	Pogemiller	
Cohen	Johnson, D.E.	Mehrkens	Price	
Day	Johnson, D.J.	Merriam	Reichgott	

So the resolution passed and its title was agreed to.

S. F. No. 734: A bill for an act relating to retirement; highway patrol refund of certain employee contributions upon death; amending Minnesota Statutes 1990, section 352B.11, 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	DeCramer	Johnston	Moe, R. D.	Riveness
Beckman	Dicklich	Kelly	Mondale	Sams
Belanger	Finn	Knaak	Morse	Samuelson
Benson, D.D.	Flynn	Kroening	Neuville	Solon
Benson, J.E.	Frank	Laidig	Novak	Spear
Berg	Frederickson, D.J.	Langseth	Olson	Storm
Berglin	Frederickson, D.R.	Larson	Pappas	Stumpf
Bernhagen	Gustafson	Lessard	Pariseau	Traub
Bertram	Halberg	Luther	Piper	Vickerman
Brataas	Hottinger	Marty	Pogemiller	Waldorf
Chmielewski	Hughes	McGowan	Price	
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Day	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 391: A bill for an act relating to animal health; providing alternative methods for the disposal of certain animal carcasses; amending Minnesota Statutes 1990, section 35.82, subdivisions 1b 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, J.B.	Merriam	Ranum
Beckman	Dicklich	Johnston	Metzen	Renneke
Belanger	Finn	Kelly	Moe, R. D.	Riveness
Benson, D.D.	Flynn	Knaak	Mondale	Sams
Benson, J.E.	Frank	Kroening	Morse	Samuelson
Berg	Frederickson, D.J.	Laidig	Neuville	Solon
Bernhagen	Frederickson, D.R.	Langseth	Novak	Storm
Bertram	Gustafson	Larson	Olson	Stumpf
Brataas	Halberg	Lessard	Pappas	Traub
Chmielewski	Hottinger	Luther	Pariseau	Vickerman
Cohen	Hughes	Marty	Piper	Waldorf
Dahl	Johnson, D.E.	McGowan	Pogemiller	
Day	Johnson, D.J.	Mehrkens	Price	



So the bill passed and its title was agreed to.

S.F. No. 774: A bill for an act relating to health; clarifying licensing requirements for certain residential programs for persons with chemical dependency; establishing procedures for contesting a transfer or discharge from a nursing home; setting a time limit for appeals of civil penalties under the nursing home licensing laws; providing procedures for contesting findings under the vulnerable adults act; amending Minnesota Statutes 1990, sections 144.50, subdivision 6; 144.653, subdivision 5; 144A.10, subdivisions 4 and 6d; 144A.135; 144A.45, subdivision 2; 144A.46, subdivision 2, and by adding a subdivision; 144A.53, subdivision 1; 144A.61, subdivisions 3, 3a, and 6a; 144A.611, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 144A.

Was read the third time 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	Day	Johnson, D.J.	Mehrkens	Ranum
Beckman	DeCramer	Johnson, J.B.	Metzen	Reichgott
Belanger	Dicklich	Johnston	Moe, R.D.	Renneke
Benson, D.D.	Finn	Kelly	Mondale	Riveness
Benson, J.E.	Flynn	Knaak	Morse	Sams
Berg	Frank	Kroening	Neuville	Solon
Berglin	Frederickson, D.J.	Laidig	Novak	Spear
Bernhagen	Frederickson, D.R.	Langseth	Olson	Storm
Bertram	Gustafson	Larson	Pappas	Stumpf
Brataas	Halberg	Lessard	Pariseau	Traub
Chmielewski	Hottinger	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

S.F. No. 254: A bill for an act relating to health; maternal and child health; clarifying newborn screening requirements; clarifying eligibility for maternal and child health services; requiring birth or death certificate medical supplements to report prenatal exposure to controlled substances; amending Minnesota Statutes 1990, sections 144.126; 144.128; 145.883, subdivision 5; and 626.5562, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnston	Moe, R.D.	Riveness
Beckman	Dicklich	Kelly	Mondale	Sams
Belanger	Finn	Knaak	Morse	Samuelson
Benson, D.D.	Flynn	Kroening	Neuville	Solon
Benson, J.E.	Frank	Laidig	Novak	Spear
Berg	Frederickson, D.J.	Langseth	Olson	Storm
Berglin	Frederickson, D.R.	Larson	Pappas	Stumpf
Bernhagen	Gustafson	Lessard	Pariseau	Traub
Bertram	Halberg	Luther	Piper	Vickerman
Brataas	Hottinger	Marty	Pogemiller	Waldorf
Chmielewski	Hughes	McGowan	Price	
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Day	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 713: A bill for an act relating to human services licensing; repealing certain rule criteria for disqualification of applicants for licensing and their employees; amending Minnesota Statutes 1990, section 245A.04, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnston	Moe, R.D.	Riveness
Beckman	Dicklich	Kelly	Mondale	Sams
Belanger	Finn	Knaak	Morse	Samuelson
Benson, D.D.	Flynn	Kroening	Neuville	Solon
Benson, J.E.	Frank	Laidig	Novak	Spear
Berg	Frederickson, D.J.	Langseth	Olson	Storm
Berglin	Frederickson, D.R.	Larson	Pappas	Stumpf
Bernhagen	Gustafson	Lessard	Pariseau	Traub
Bertram	Halberg	Luther	Piper	Vickerman
Brataas	Hottinger	Marty	Pogemiller	Waldorf
Chmielewski	Hughes	McGowan	Price	
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Day	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 131: A bill for an act relating to Meeker county; authorizing the county board to provide for an addition to the county hospital.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnston	Moe, R.D.	Riveness
Beckman	Dicklich	Kelly	Mondale	Sams
Belanger	Finn	Knaak	Morse	Samuelson
Benson, D.D.	Flynn	Kroening	Neuville	Solon
Benson, J.E.	Frank	Laidig	Novak	Spear
Berg	Frederickson, D.J.	Langseth	Olson	Storm
Berglin	Frederickson, D.R.	Larson	Pappas	Stumpf
Bernhagen	Gustafson	Lessard	Pariseau	Traub
Bertram	Halberg	Luther	Piper	Vickerman
Brataas	Hottinger	Marty	Pogemiller	Waldorf
Chmielewski	Hughes	McGowan	Price	
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Day	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 729: A bill for an act relating to game and fish; qualifications for obtaining a license to take wild animals by firearms; proposing coding for new law in Minnesota Statutes, chapter 97B.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnston	Moe, R.D.	Riveness
Beckman	Dicklich	Kelly	Mondale	Sams
Belanger	Finn	Knaak	Morse	Samuelson
Benson, D.D.	Flynn	Kroening	Neuville	Solon
Benson, J.E.	Frank	Laidig	Novak	Spear
Berg	Frederickson, D.J.	Langseth	Olson	Storm
Berglin	Frederickson, D.R.	Larson	Pappas	Stumpf
Bernhagen	Gustafson	Lessard	Pariseau	Traub
Bertram	Halberg	Luther	Piper	Vickerman
Brataas	Hottinger	Marty	Pogemiller	Waldorf
Chmielewski	Hughes	McGowan	Price	
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Day	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 531, 732, 328, 925, 339, 473 and H.F. No. 598, which the committee recommends to pass.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mses. Flynn, Ranum, Messrs. Mondale, Vickerman and Riveness introduced—

S.F. No. 1252: A bill for an act relating to state lands; authorizing the commissioner of administration to lease certain land adjacent to Minnehaha state park to the Minneapolis park and recreation board.

Referred to the Committee on Environment and Natural Resources.

Messrs. Laidig; Knaak; Johnson, D.E. and Bernhagen introduced—

S.F. No. 1253: A resolution memorializing the President and Congress to propose a constitutional amendment giving the Congress and the states specific power to prohibit the physical desecration of the American flag.

Referred to the Committee on Veterans and General Legislation.

Ms. Berglin introduced—

S.F. No. 1254: A bill for an act relating to human services; providing for allocation of detoxification transportation funds; amending Minnesota Statutes 1990, section 254A.17, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Frederickson, D.J. introduced—

S.F. No. 1255: A bill for an act relating to taxation; excluding the captured tax capacity of certain districts in determining the state tax increment financing aid reduction; amending Minnesota Statutes 1990, section 273.1399, subdivision 1.

Referred to the Committee on Economic Development and Housing.

Mr. Frederickson, D.J. introduced—

S.F. No. 1256: A bill for an act relating to agriculture; extending the right of first refusal on foreclosed farm land to ten years; amending Minnesota Statutes 1990, section 500.24, subdivision 6.

Referred to the Committee on Agriculture and Rural Development.

Mr. Frederickson, D.J. introduced—

S.F. No. 1257: A bill for an act relating to education; permitting a fund transfer in independent school district No. 631.

Referred to the Committee on Education.

Messrs. Frederickson, D.J. and DeCramer introduced—

S.F. No. 1258: A bill for an act relating to the environment; requiring a local permit for the burning of PCBs; amending Minnesota Statutes 1990, section 116.38, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Messrs. Frederickson, D.J. and DeCramer introduced—

S.F. No. 1259: A bill for an act relating to cooperatives; modifying requirements for absentee ballots; amending Minnesota Statutes 1990, section 308A.635, subdivision 6.

Referred to the Committee on Judiciary.

Mr. Kelly introduced—

S.F. No. 1260: A bill for an act relating to sentencing; making changes to the work release law; amending Minnesota Statutes 1990, section 631.425, subdivisions 3 and 7.

Referred to the Committee on Judiciary.

Mr. Spear introduced—

S.F. No. 1261: A bill for an act relating to adoption; authorizing certain persons to perform postadoption services; providing for access to adoption records necessary to perform the services; amending Minnesota Statutes 1990, sections 259.46, subdivision 1; and 259.47, subdivision 1, and by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Metzen, Gustafson, Kroening and Sams introduced—

S.F. No. 1262: A bill for an act proposing an amendment to the Minnesota Constitution; adding a section to article XI; establishing a permanent housing trust fund.

Referred to the Committee on Economic Development and Housing.

Mr. Merriam introduced—

S.F. No. 1263: A bill for an act relating to powers of attorney; providing notice of prohibition of spousal power of attorney for real estate conveyances; amending Minnesota Statutes 1990, sections 523.01; and 523.23, subdivision 1.

Referred to the Committee on Judiciary.

Ms. Johnson, J.B.; Messrs. Solon, Metzen, McGowan and Kroening introduced—

S.F. No. 1264: A bill for an act relating to economic development; establishing a business development and preservation program delivered by certain nonprofit organizations; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Economic Development and Housing.

Mr. Samuelson introduced—

S.F. No. 1265: A bill for an act relating to water resources; allowing certain land to be used as a veterans cemetery under certain circumstances; amending Minnesota Statutes 1990, section 103F.369, subdivision 2, and by adding a subdivision.

Referred to the Committee on Veterans and General Legislation.

Mr. Luther introduced—

S.F. No. 1266: A bill for an act relating to secured transactions; requiring the secured party to provide certain notices before collateral is disposed of after default; amending Minnesota Statutes 1990, section 336.9-504.

Referred to the Committee on Judiciary.

Mr. Luther introduced—

S.F. No. 1267: A bill for an act relating to creditors' remedies; making clarifying and technical changes to garnishment and execution laws; amending Minnesota Statutes 1990, sections 550.136, subdivisions 3 and 10; 551.06, subdivisions 3 and 10; 571.75, subdivision 2; and 571.922.

Referred to the Committee on Judiciary.

Ms. Johnson, J.B. introduced—

S.F. No. 1268: A bill for an act relating to the environment; requiring the commissioner of public service to conduct a study of the need for a carbon emissions tax.

Referred to the Committee on Energy and Public Utilities.

Ms. Johnson, J.B. introduced—

S.F. No. 1269: A bill for an act relating to energy; requiring the commissioner of public service to conduct a study of the potential market for photovoltaic devices.

Referred to the Committee on Energy and Public Utilities.

Mses. Ranum and Pappas introduced—

S.F. No. 1270: A bill for an act relating to education; expanding the exclusion of certain school programs from human service licensure requirements; amending Minnesota Statutes 1990, section 245A.03, subdivision 2.

Referred to the Committee on Health and Human Services.

Mses. Ranum and Pappas introduced—

S.F. No. 1271: A bill for an act relating to education; changing the terms and conditions of certain teacher license exemptions; amending Minnesota Statutes 1990, section 126.266, subdivision 2.

Referred to the Committee on Education.

Messrs. Novak and Johnson, D.J. introduced—

S.F. No. 1272: A bill for an act relating to utilities; allowing automatic rate adjustments by public utilities for governmental expenses; amending Minnesota Statutes 1990, section 216B.16, by adding a subdivision.

Referred to the Committee on Energy and Public Utilities.

Messrs. Morse; Frederickson, D.R.; Price and Ms. Johnson, J.B. introduced—

S.F. No. 1273: A bill for an act relating to taxation; providing a special levy for comprehensive local water implementation activities; amending Minnesota Statutes 1990, section 275.50, subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Bernhagen; Frederickson, D.R.; Berg; Davis and Johnson, D.E. introduced—

S.F. No. 1274: A bill for an act relating to agriculture; directing the rural finance authority to establish a dairy upgrade loan program; proposing coding for new law in Minnesota Statutes, chapter 41B.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Frederickson, D.J.; Hughes; Metzen; DeCramer and Frederickson, D.R. introduced—

S.F. No. 1275: A bill for an act relating to retirement; public employees retirement association board membership; amending Minnesota Statutes 1990, section 353.03, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Johnson, D.E. and McGowan introduced—

S.F. No. 1276: A bill for an act relating to education; granting the attorney general's office access to certain private data; requiring certain licensing boards to consider revoking the license of a licensee convicted of certain felonies involving a minor; exempting licensing of the board of teaching and the state board of education from certain requirements with respect to the rehabilitation of criminal offenders; amending Minnesota Statutes 1990, sections 125.09, subdivision 4; 214.10, by adding a subdivision; 364.09; and 631.40.

Referred to the Committee on Education.

Messrs. Merriam, Hughes, Belanger, Riveness and Metzen introduced—

S.F. No. 1277: A bill for an act relating to highways; amending the allocation formula for county state-aid highways; making technical changes; amending Minnesota Statutes 1990, sections 162.07, subdivisions 1, 5, 6, and by adding a subdivision; and 162.155; repealing Minnesota Statutes 1990, section 162.07, subdivisions 2, 3, and 4.

Referred to the Committee on Transportation.

Messrs. Bernhagen and Benson, D.D. introduced—

S.F. No. 1278: A bill for an act relating to the legislature; providing for unlimited bill authorship; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Rules and Administration.

Messrs. Davis, Beckman and Morse introduced—

S.F. No. 1279: A bill for an act relating to agriculture; clarifying prohibited actions of a wholesale produce dealer; amending Minnesota Statutes 1990, section 27.19, subdivision 1.

Referred to the Committee on Agriculture and Rural Development.

Mr. Davis introduced—

S.F. No. 1280: A bill for an act relating to agriculture; ownership of farm land; modifying the definition of authorized farm corporation; amending Minnesota Statutes 1990, section 500.24, subdivision 2.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Larson, Vickerman, Berg, Bertram and Renneke introduced—

S.F. No. 1281: A bill for an act relating to counties; providing an alternate method for financial examinations; proposing coding for new law in Minnesota Statutes, chapter 6.

Referred to the Committee on Local Government.

Mr. Dicklich introduced—

S.F. No. 1282: A bill for an act relating to retirement; teachers retirement association; permitting members to purchase credit for a period of military

service more than five years after the date of discharge under certain conditions.

Referred to the Committee on Governmental Operations.

Messrs. Storm and Laidig introduced—

S.F. No. 1283: A bill for an act relating to state government; creating the office of victim services and rights within the office of the attorney general; providing for its duties; transferring powers and duties of the commissioners of corrections and public safety relating to victim services and rights to the office of victim services and rights; establishing the sexual violence and general crime victims advisory councils; authorizing the director of the office of victim services and rights to provide and administer grants-in-aid for sexual violence, battered women, and other crime victim programs; establishing a family violence task force; amending Minnesota Statutes 1990, sections 611A.0311, subdivision 2; 611A.20, subdivision 2; 611A.21; 611A.22; 611A.31, by adding a subdivision; 611A.32, subdivisions 1, 1a, 4, and by adding a subdivision; 611A.33; 611A.34, subdivision 1, and by adding a subdivision; 611A.41, subdivision 1; 611A.43; 611A.55, subdivision 1; 611A.56, subdivision 1; 611A.71, subdivisions 1, 2, and 6; 611A.73, by adding a subdivision; and 611A.74, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 1990, sections 611A.02; 611A.221; 611A.23; 611A.31, subdivision 5; 611A.32, subdivisions 2, 3, and 5; 611A.34, subdivision 3; 611A.35; 611A.36, subdivisions 1 and 2; 611A.41, subdivision 2; 611A.42; and 611A.44.

Referred to the Committee on Health and Human Services.

Mr. Renneke introduced—

S.F. No. 1284: A bill for an act relating to agriculture; changing the livestock market agency and dealer licensing act; amending Minnesota Statutes 1990, sections 17A.01; 17A.03, subdivisions 1 and 7; 17A.04, subdivision 1; 17A.14; proposing coding for new law in Minnesota Statutes, chapter 17A; repealing Minnesota Statutes 1990, section 17A.15.

Referred to the Committee on Agriculture and Rural Development.

Ms. Reichgott, Mr. Luther, Ms. Traub and Mr. McGowan introduced—

S.F. No. 1285: A bill for an act relating to education; creating a special levy for independent school district No. 281, Robbinsdale; amending Minnesota Statutes 1990, section 275.125, by adding a subdivision.

Referred to the Committee on Education.

Mr. Belanger introduced—

S.F. No. 1286: A bill for an act relating to public buildings; requiring that legislative hearing rooms and the house and senate chambers be fitted with devices to aid the hearing-impaired; appropriating money; amending Minnesota Statutes 1990, section 16B.61, by adding a subdivision.

Referred to the Committee on Governmental Operations.



Messrs. Price and Laidig introduced—

S.F. No. 1287: A bill for an act relating to Washington county; exempting items purchased for use in the construction of the Washington County Law Enforcement Center from the sales tax; appropriating money.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Bernhagen, Vickerman, Mehrkens, DeCramer and Mrs. Benson, J.E. introduced—

S.F. No. 1288: A bill for an act relating to traffic regulations; allowing use of studded tires on emergency vehicles; amending Minnesota Statutes 1990, section 169.72, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Belanger, Berg and Merriam introduced—

S.F. No. 1289: A bill for an act relating to state lands; prohibiting sale of state lands administered by the department of natural resources to any employee of the department; proposing coding for new law in Minnesota Statutes, chapter 92.

Referred to the Committee on Environment and Natural Resources.

Mr. Spear and Ms. Reichgott introduced—

S.F. No. 1290: A bill for an act relating to civil legal services; making legislative findings; appropriating money to provide matching funds for qualified legal services; amending Minnesota Statutes 1990, section 480.24, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 480.

Referred to the Committee on Judiciary.

Messrs. Price, Luther, Larson, Morse and Laidig introduced—

S.F. No. 1291: A bill for an act relating to watercraft; providing additional regulation of the use and operation of personal watercraft; amending Minnesota Statutes 1990, section 86B.005, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 86B.

Referred to the Committee on Environment and Natural Resources.

Messrs. Morse, Davis, DeCramer, Price and Neuville introduced—

S.F. No. 1292: A bill for an act relating to waste; establishing priorities for municipal wastewater treatment funding under the state independent grants program; amending Minnesota Statutes 1990, sections 116.16, subdivisions 2, 5, and 9a; 116.162, subdivision 7; 116.18, subdivision 3a; 116.181, subdivisions 1 and 2; and 446A.06, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Price, Marty, Mondale, Spear and McGowan introduced—

S.F. No. 1293: A bill for an act relating to drivers' licenses; increasing fees for reinstatement of licenses after an alcohol-related revocation; amending Minnesota Statutes 1990, section 171.29, subdivision 2.

Referred to the Committee on Transportation.

Messrs. Belanger and Knaak introduced—

S.F. No. 1294: A bill for an act relating to the financing of government in this state; providing property tax reform; reclassifying real and personal property and establishing exemption rates; establishing transitional class rates for taxes payable in 1992 and 1993; prescribing the contents of property tax statements; changing property tax due dates and settlement and distribution dates; providing an income sensitive homestead credit; providing a targeted property tax credit; changing tax increment financing pooling requirements; defining terms; imposing penalties; amending Minnesota Statutes 1990, sections 273.13, by adding subdivisions; 273.1316, subdivision 6; 274.19, subdivision 3; 275.065, subdivisions 3 and 6; 275.07, subdivisions 1 and 4; 275.08, by adding a subdivision; 276.04, subdivisions 2 and 3; 276.10; 276.11, subdivision 1; 277.01, subdivision 1; 278.01; 278.03; 278.05, subdivision 5; 279.01, by adding subdivisions; 289A.18, subdivision 5; 289A.56, subdivision 6; 290A.01; 290A.04, subdivision 2, and by adding a subdivision; 290A.07, subdivisions 2a and 3; 469.1763, subdivision 2; 469.177, subdivision 7, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 273; repealing Minnesota Statutes 1990, sections 273.124; 273.13; 290A.04, subdivisions 2b, 2h, and 2i; 276.09; 276.11, subdivisions 2 and 3; 276.111; and 279.01, subdivisions 1, 2, and 3.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Cohen, Waldorf, Knaak, Marty and Kelly introduced—

S.F. No. 1295: A bill for an act relating to Ramsey county; creating a Ramsey county consolidation study commission; setting its duties; appropriating money.

Referred to the Committee on Local Government.

Mr. Riveness, Mses. Flynn, Ranum, Messrs. Frank and Cohen introduced—

S.F. No. 1296: A bill for an act relating to metropolitan government; providing for certain noise control measures at the Minneapolis-St. Paul International Airport; amending Minnesota Statutes 1990, section 473.608, by adding subdivisions.

Referred to the Committee on Metropolitan Affairs.

Messrs. Dicklich; Johnson, D.J.; Marty and Ms. Piper introduced—

S.F. No. 1297: A bill for an act relating to cooperatives; applying the open meeting law to certain electric cooperatives; proposing coding for new law in Minnesota Statutes, chapter 308A.

Referred to the Committee on Energy and Public Utilities.

Messrs. Dicklich; Johnson, D.J.; Marty and Ms. Piper introduced—

S.F. No. 1298: A bill for an act relating to cooperatives; providing for equal representation on the board from districts or units of certain cooperatives; proposing coding for new law in Minnesota Statutes, chapter 308A.

Referred to the Committee on Judiciary.

Mr. Storm, Mmes. Pariseau; Benson, J.E. and Ms. Johnston introduced—

S.F. No. 1299: A resolution memorializing Congress to increase funding for the Women, Infants, and Children (WIC) Program.

Referred to the Committee on Health and Human Services.

Messrs. Beckman, Davis, Sams, Renneke and Vickerman introduced—

S.F. No. 1300: A bill for an act relating to agriculture; allowing exemption of certain garbage from requirements for feeding to livestock or poultry; amending Minnesota Statutes 1990, section 35.73, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 35.

Referred to the Committee on Agriculture and Rural Development.

Mr. Beckman, Ms. Ranum, Mr. Sams, Ms. Piper and Mr. Luther introduced—

S.F. No. 1301: A bill for an act relating to jobs and training; displaced homemakers; increasing the funds available for current programs; appropriating money.

Referred to the Committee on Finance.

Mr. Dicklich and Ms. Piper introduced—

S.F. No. 1302: A bill for an act relating to taxation; providing income and corporate franchise tax checkoffs for health care programs; amending Minnesota Statutes 1990, sections 290.431; and 290.432.

Referred to the Committee on Health and Human Services.

Mr. Frederickson, D.J. introduced—

S.F. No. 1303: A bill for an act relating to taxation; providing that city of Dawson is exempt from certain tax increment financing provisions.

Referred to the Committee on Economic Development and Housing.

Mr. Luther introduced—

S.F. No. 1304: A bill for an act relating to retirement; Brooklyn Center volunteer firefighters relief association; specifying alternative flexible service pension maximums.

Referred to the Committee on Governmental Operations.

Mr. Kelly introduced—

S.F. No. 1305: A bill for an act relating to insurance; auto; requiring prompt billing for medical expenses; amending Minnesota Statutes 1990, section 65B.44, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 65B.

Referred to the Committee on Commerce.

Messrs. Merriam, Knaak and Waldorf introduced—

S.F. No. 1306: A bill for an act relating to government data practices; providing for the issuance of commissioner's opinions under the data practices act; proposing coding for new law in Minnesota Statutes, chapter 13.

Referred to the Committee on Judiciary.

Mr. Kelly introduced—

S.F. No. 1307: A bill for an act relating to insurance; accident and health; regulating the payment of hospital claims; amending Minnesota Statutes 1990, section 72A.201, subdivision 3, and by adding a subdivision.

Referred to the Committee on Commerce.

Mr. Storm introduced—

S.F. No. 1308: A bill for an act relating to retirement; Edina volunteer firefighters relief association; modifying limitations on survivor benefit coverage; amending Laws 1965, chapter 592, section 4, as amended.

Referred to the Committee on Governmental Operations.

Mr. Larson introduced—

S.F. No. 1309: A bill for an act relating to agriculture; changing the commercial cannery assessment; amending Minnesota Statutes 1990, section 31.39.

Referred to the Committee on Agriculture and Rural Development.

Mr. Solon, Ms. Piper, Messrs. Vickerman and Samuelson introduced—

S.F. No. 1310: A bill for an act relating to the reorganization of state government; creating a new department of social services for families and children; transferring all of the duties of the commissioner of human services to the departments of health, jobs and training, public service, and the new department of social services for families and children; amending Minnesota Statutes 1990, sections 13.46, subdivision 1; 15.01; 15.06, subdivision 1; 15A.081, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law as Minnesota Statutes, chapter 256J.

Referred to the Committee on Health and Human Services.

Mr. Pogemiller introduced—

S.F. No. 1311: A bill for an act relating to health; providing podiatrists with equal access to hospitals and outpatient surgical centers; allowing podiatrists and dentists to use the designations "physician" and "surgeon"; amending Minnesota Statutes 1990, section 147.081, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Messrs. Storm and Larson introduced—

S.F. No. 1312: A bill for an act relating to general assistance; authorizing recipients who reside in negotiated rate facilities to save earnings in escrow; amending Minnesota Statutes 1990, section 256D.06, subdivision 1b.

Referred to the Committee on Health and Human Services.

Messrs. Bernhagen, Belanger, Gustafson and Halberg introduced—

S.F. No. 1313: A bill for an act relating to taxation; property tax refund; providing a refund for commercial-industrial property; proposing coding for new law in Minnesota Statutes, chapter 290A.

Referred to the Committee on Taxes and Tax Laws.

Mr. Solon introduced—

S.F. No. 1314: A bill for an act relating to gambling; allowing certain drawings on the premises of clubs and exclusive liquor stores holding on-sale intoxicating liquor licenses; amending Minnesota Statutes 1990, sections 609.75, subdivisions 1 and 3; and 609.761, by adding a subdivision.

Referred to the Committee on Gaming Regulation.

Mr. Hottinger and Mrs. Adkins introduced—

S.F. No. 1315: A bill for an act relating to commerce; real estate appraisers; amending Minnesota Statutes 1990, sections 82B.02, subdivisions 8 and 12; 82B.05, subdivision 1; 82B.11; 82B.13, subdivision 1, and by adding subdivisions; 82B.14; 82B.15, subdivision 3; 82B.17; 82B.18; and 82B.19, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 82B; repealing Minnesota Statutes 1990, sections 82B.05, subdivision 2; 82B.13, subdivision 2; and 82B.225.

Referred to the Committee on Commerce.

Mr. Frank introduced—

S.F. No. 1316: A bill for an act relating to horse racing; authorizing the commission to adopt rules governing affirmative action plan goals and economic opportunity contract goals; amending Minnesota Statutes 1990, sections 240.06, subdivision 1; 240.07, subdivision 1; 240.19; and 240.23.

Referred to the Committee on Governmental Operations.

Mr. Frank introduced—

S.F. No. 1317: A bill for an act relating to employment; modifying the family leave law; amending Minnesota Statutes 1990, sections 181.940, subdivision 2; and 181.9413.

Referred to the Committee on Employment.

Mr. Frederickson, D.R. introduced—

S.F. No. 1318: A bill for an act relating to real property; authorizing the recording of monuments on plats before actual placement; amending Minnesota Statutes 1990, sections 465.79, subdivisions 2 and 4; 505.02, subdivision 1; and 505.03, subdivision 1.

Referred to the Committee on Local Government.

Mr. Metzen introduced—

S.F. No. 1319: A bill for an act relating to the practice of law; allowing the sole shareholder of a corporation to appear on behalf of the corporation in court; amending Minnesota Statutes 1990, section 481.02, subdivision 3.

Referred to the Committee on Judiciary.

Mr. Langseth introduced—

S.F. No. 1320: A bill for an act relating to education; authorizing construction at Moorhead Technical College.

Referred to the Committee on Education.

Messrs. Cohen, Kelly, Knaak and Laidig introduced—

S.F. No. 1321: A bill for an act relating to courts; conciliation court; permitting collection of conciliation court judgments under the revenue recapture act; amending Minnesota Statutes 1990, sections 270A.03, subdivisions 2, 4, and 5; 270A.04, subdivision 3; 270A.07, subdivision 2; and 270A.11.

Referred to the Committee on Judiciary.

Mrs. Benson, J.E.; Messrs. Davis, Bertram, Mehrkens and Ms. Olson introduced—

S.F. No. 1322: A bill for an act relating to railroads; requiring establishment of a grade crossing in the city of St. Cloud.

Referred to the Committee on Transportation.

Mr. Frank introduced—

S.F. No. 1323: A bill for an act relating to metropolitan government; providing for the appointments and terms of the metropolitan council; assigning duties relating to transit; transferring transit duties to the department of transportation; amending Minnesota Statutes 1990, sections 174.01; 398A.04, subdivision 8; 473.123, subdivisions 2a, 3, and 4; 473.373; 473.375, subdivisions 8, 11, 13, 14, and 15; 473.377; 473.38; 473.382; 473.384; 473.385, subdivision 2; 473.386; 473.387; 473.388; 473.39; 473.391; 473.392; 473.399, subdivision 3; 473.3991, subdivisions 1 and 4; 473.3994; 473.3996; 473.404, subdivisions 2 and 6; 473.446; proposing coding for new law in Minnesota Statutes, chapter 174; repealing Minnesota Statutes 1990, sections 473.373, subdivision 6; 473.375, subdivision 7; 473.38, subdivision 3; 473.384, subdivision 9; 473.388, subdivision 6; and 473.3994, subdivision 7.

Referred to the Committee on Metropolitan Affairs.

Mr. Metzen introduced—

S.F. No. 1324: A bill for an act relating to public finance; allocating authority to issue certain public debt; amending Minnesota Statutes 1990, section 474A.03.

Referred to the Committee on Economic Development and Housing.

Mr. Samuelson introduced—

S.F. No. 1325: A bill for an act relating to claims; requiring compensation for land alleged to be tax-forfeited and transferred to the state; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Mr. Frank introduced—

S.F. No. 1326: A bill for an act relating to motor vehicles; requiring proof of appropriate endorsement or driver's license with motorcycle and motorized bicycle registrations; amending Minnesota Statutes 1990, section 168.09, by adding a subdivision.

Referred to the Committee on Transportation.

Mrs. Pariseau, Mr. Cohen and Ms. Johnston introduced—

S.F. No. 1327: A bill for an act relating to the legislature; preventing the payment of per diem during a special session of the legislature; amending Minnesota Statutes 1990, sections 3.099, subdivision 1; 3.101; and 3A.01, subdivision 6a; proposing coding for new law in Minnesota Statutes, chapter 3; repealing Minnesota Statutes 1990, section 3.103.

Referred to the Committee on Rules and Administration.

Messrs. Day, Belanger, Neuville, Mrs. Adkins and Mr. Pogemiller introduced—

S.F. No. 1328: A bill for an act relating to public administration; regulating the collection and dissemination of data; coordinating the government data practices act with other law; providing for payment of costs for searching and retrieving governing data; defining arrest data; providing for the publication of budgets; providing for review of comprehensive plan amendments; changing the effective date of the levy limit repeal; amending Minnesota Statutes 1990, sections 13.01, by adding a subdivision; 13.03, subdivision 3; 471.6965; and 473.864, subdivision 2; and Laws 1989, First Special Session chapter 1, article 5, section 52, as amended.

Referred to the Committee on Judiciary.

Messrs. Frank and DeCramer introduced—

S.F. No. 1329: A bill for an act relating to transportation; creating a paratransit advisory council; proposing coding for new law in Minnesota Statutes, chapter 256B.

Referred to the Committee on Metropolitan Affairs.

Mr. Pogemiller introduced—

S.F. No. 1330: A bill for an act relating to the Minneapolis park and recreation board; providing for two members appointed by the Minneapolis park and recreation board on the Minneapolis reapportionment commission; establishing standards for park board redistricting.

Referred to the Committee on Redistricting.

Mr. Samuelson introduced—

S.F. No. 1331: A bill for an act relating to adoption; expanding the state-funded adoption subsidy program for families who adopt disabled children and who would be eligible for the federal subsidy program except that the child's disability was not discovered until after the adoption; amending Minnesota Statutes 1990, section 259.40, subdivisions 2 and 4.

Referred to the Committee on Health and Human Services.

Mr. Frank introduced—

S.F. No. 1332: A resolution memorializing Congress to carefully consider the proposed free trade agreement with Mexico.

Referred to the Committee on Economic Development and Housing.

Mr. Berg introduced—

S.F. No. 1333: A bill for an act relating to natural resources; amending certain provisions concerned with the management of fish and wildlife; increasing certain license fees; appropriating money; amending Minnesota Statutes 1990, sections 84.944, subdivision 2; 84.96, subdivision 5; 97A.075, subdivision 2; 97A.325, subdivision 2; 97A.435, subdivision 2; 97A.475, subdivisions 2, 3, and 7; 97A.485, subdivision 7; and 97B.801; repealing Minnesota Statutes 1990, section 97B.721.

Referred to the Committee on Environment and Natural Resources.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

### **MOTIONS AND RESOLUTIONS**

Mr. Johnson, D.J. moved that his name be stricken as chief author, shown as a co-author, and the name of Mr. Lessard be added as chief author to S.F. No. 970. The motion prevailed.

Mr. Morse moved that S.F. No. 891, on General Orders, be stricken and re-referred to the Committee on Transportation. The motion prevailed.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, April 10, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



## THIRTY-FIRST DAY

St. Paul, Minnesota, Wednesday, April 10, 1991

The Senate met at 12:00 noon and was called to order by the President.

### CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by Senator Pat Piper.

The roll was called, and the following Senators answered to their names:

Adkins	Day	Johnston	Metzen	Reichgott
Beckman	DeCramer	Kelly	Moe, R. D.	Renneke
Belanger	Dicklich	Kroening	Mondale	Riveness
Benson, D.D.	Finn	Laidig	Neuville	Sams
Benson, J.E.	Flynn	Langseth	Novak	Samuelson
Berg	Frank	Larson	Olson	Solon
Berglin	Frederickson, D.J.	Lessard	Pappas	Spear
Bernhagen	Gustafson	Luther	Pariseau	Storm
Bertram	Hottinger	Marty	Piper	Stumpf
Brataas	Hughes	McGowan	Pogemiller	Traub
Chmielewski	Johnson, D.J.	Mehrkens	Price	Vickerman
Cohen	Johnson, J.B.	Merriam	Ranum	Waldorf

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

### MEMBERS EXCUSED

Messrs. Davis, Halberg and Morse were excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 8, 1991

The Honorable Jerome M. Hughes  
President of the Senate

Dear Senator Hughes:

It is my honor to inform you that I have received, approved, signed and

deposited in the Office of the Secretary of State, S.F. Nos. 75 and 468.

Warmest regards,  
Arne H. Carlson, Governor

April 8, 1991

The Honorable Robert E. Vanasek  
Speaker of the House of Representatives

The Honorable Jerome M. Hughes  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1991 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1991	Date Filed 1991
	243	16	12:02 p.m. April 4	April 4
443		17	12:01 p.m. April 4	April 4
	13	18	12:00 p.m. April 4	April 4

Sincerely,  
Joan Anderson Growe  
Secretary of State

April 8, 1991

The Honorable Robert E. Vanasek  
Speaker of the House of Representatives

The Honorable Jerome M. Hughes  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1991 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1991	Date Filed 1991
	82	19	11:11 a.m. April 8	April 8
	373	20	11:14 a.m. April 8	April 8
75		21	11:14 a.m. April 8	April 8
468		22	11:16 a.m. April 8	April 8

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. 5, 154, 611, 148, 162 and 567.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 8, 1991

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. 583: A bill for an act relating to health; clarifying requirements for vaccination of children for certain illnesses; amending Minnesota Statutes 1990, sections 123.70, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, 10, and by adding a subdivision; and 151.37, by adding a subdivision.

Senate File No. 583 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 8, 1991

**CONCURRENCE AND REPASSAGE**

Ms. Flynn moved that the Senate concur in the amendments by the House to S.F. No. 583 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 583 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:

Beckman	Dicklich	Kelly	Moe, R.D.	Renneke
Belanger	Finn	Kroening	Mondale	Riveness
Benson, D.D.	Flynn	Laidig	Neuville	Sams
Benson, J.E.	Frank	Langseth	Novak	Samuelson
Berg	Frederickson, D.J.	Larson	Olson	Solon
Berglin	Frederickson, D.R.	Lessard	Pappas	Spear
Bernhagen	Gustafson	Luther	Pariseau	Storm
Bertram	Hottinger	Marty	Piper	Stumpf
Brataas	Hughes	McGowan	Pogemiller	Traub
Chmielewski	Johnson, D.J.	Mehrkens	Price	Vickerman
Day	Johnson, J.B.	Merriam	Ranum	
DeCramer	Johnston	Metzen	Reichgott	

So the bill, as amended, was repassed and its title was agreed to.

**MESSAGES FROM THE HOUSE - CONTINUED**

Mr. President:

I have the honor to announce the passage by the House of the following

House Files, herewith transmitted: H.F. Nos. 41, 71, 137, 106, 230, 381, 466, 415, 424, 606, 910, 614, 924, 957 and 1042.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 8, 1991

### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 41: A bill for an act relating to retirement; providing certain widow benefits for the Virginia firefighters relief association; providing for disposition of assets of the Virginia firefighters relief association under certain conditions; amending Laws 1974, chapter 183, section 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 72, now on General Orders.

H.F. No. 71: A bill for an act relating to marriage dissolution; requiring information; providing for the content and uses of a certificate of dissolution; amending Minnesota Statutes 1990, sections 259.10; and 518.10; proposing coding for new law in Minnesota Statutes, chapter 518.

Referred to the Committee on Judiciary.

H.F. No. 137: A bill for an act relating to elections; authorizing a party state executive committee to fill certain vacancies and make certain decisions; changing time for examination by judges of certain return envelopes; changing the form of an affidavit; clarifying procedures for nominating certain candidates by petition; providing for withdrawal from the general election ballot; clarifying procedures for filling certain vacancies; providing for counting write-in votes for a candidate team; amending Minnesota Statutes 1990, sections 202A.12, subdivision 3; 203B.12, subdivision 2; 203B.21, subdivision 3; 204B.12; 204B.13; 204B.41; and 204C.22, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 4, now on General Orders.

H.F. No. 106: A bill for an act relating to towns; providing for money from town road account to be distributed to towns by March 1, annually; amending Minnesota Statutes 1990, section 162.081, subdivisions 3 and 4.

Referred to the Committee on Transportation.

H.F. No. 230: A bill for an act relating to education; permitting a referendum on combining certain school districts before formal cooperation begins.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 152.

H.F. No. 381: A bill for an act relating to education; authorizing construction at Dakota County Technical College.

Referred to the Committee on Finance.

H.F. No. 466: A bill for an act relating to traffic regulations; defining "wrecker" to include new variations of tower vehicles; requiring the use

of amber lights on wreckers after January 1, 1992; allowing use of red lights on vehicles of certain emergency response personnel; exempting wreckers from weight requirements under certain circumstances; amending Minnesota Statutes 1990, sections 169.01, subdivision 52; 169.58, subdivision 2; 169.64, subdivision 5; and 169.825, by adding a subdivision.

Referred to the Committee on Transportation.

H.F. No. 415: A bill for an act relating to commerce; regulating farm equipment dealerships; amending Minnesota Statutes 1990, sections 325E.061, subdivisions 2, 4, and 5; 325E.063; 325E.064; 325E.068, subdivisions 2, 4, and 5; 325E.0682; and 325E.0683.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 484, now on General Orders.

H.F. No. 424: A bill for an act relating to interscholastic athletics; providing that persons who assault a sports official may be excluded from certain events; proposing coding for new law in Minnesota Statutes, chapter 128C.

Referred to the Committee on Education.

H.F. No. 606: A bill for an act relating to transportation; authorizing state departments to cancel uncollectible debts up to \$200 in certain cases; allowing department of transportation to employ debt collection services; allowing department of transportation to make direct expenditures from state aid funds for administrative expenses; providing penalty for failure to pay fee for sign permit more than 30 days after fee is due; providing when estimates of certain construction projects are nonpublic data; directing the commissioner of transportation to adopt rules governing the location and breakaway standards for mailbox installations; allowing white strobe lamps to be used on highway maintenance vehicles; authorizing exchange of lands with Grand Portage Band of Chippewa Indians; abolishing conflicting requirements related to market artery highways; adding a route and changing the description of a route in the state highway system; providing a penalty; amending Minnesota Statutes 1990, sections 10.12; 13.72, subdivision 1; 161.20, subdivision 4; 162.06, subdivision 2; 162.12, subdivision 2; 169.64, by adding a subdivision; and 173.13, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, section 169.833.

Referred to the Committee on Judiciary.

H.F. No. 910: A bill for an act relating to energy; requiring low-income housing to be built according to energy efficiency standards; amending Minnesota Statutes 1990, section 16B.61, by adding a subdivision.

Referred to the Committee on Energy and Public Utilities.

H.F. No. 614: A bill for an act relating to state finance; permitting investments in all federally insured savings accounts; amending Minnesota Statutes 1990, section 11A.24, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 548, now on General Orders.

H.F. No. 924: A bill for an act relating to utilities; authorizing the public utilities commission to allow recovery of expenses associated with economic and community development; amending Minnesota Statutes 1990, section 216B.16, by adding a subdivision.

Referred to the Committee on Energy and Public Utilities.

H.F. No. 957: A bill for an act relating to state government; permitting the commissioner of administration to make certain leases; amending Minnesota Statutes 1990, section 16B.24, subdivision 6.

Referred to the Committee on Governmental Operations.

H.F. No. 1042: A bill for an act relating to economic development; changing the organization of the department of trade and economic development; amending Minnesota Statutes 1990, section 116J.01, subdivision 3.

Referred to the Committee on Economic Development and Housing.

### REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report pertaining to appointments. The motion prevailed.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 118: A bill for an act relating to animals; tightening laws prohibiting cruel treatment of certain animals; increasing certain penalties; amending Minnesota Statutes 1990, sections 343.21, subdivisions 9 and 10; and 346.44; proposing coding for new law in Minnesota Statutes, chapter 343.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 16, after "*subsequent*" insert "*misdemeanor*"

Page 2, after line 27, insert:

"Sec. 5. [EFFECTIVE DATE.]

*Sections 1 to 4 are effective August 1, 1991, and apply to crimes committed on or after that date, but previous convictions occurring before that date may serve as the basis for enhancing penalties under sections 1 to 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. 310: A bill for an act relating to health; establishing a traumatic brain injury and spinal cord injury registry; requiring reporting of injuries; providing for use of information; amending Minnesota Statutes 1990, sections 171.29, subdivision 2; and 268A.03; proposing coding for new law in Minnesota Statutes, chapter 144.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 36, before the period, insert "*, provided that the person or facility is acting in good faith*"

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. 379: A bill for an act relating to marriage; providing for solemnization of marriages by certain court officers; amending Minnesota Statutes 1990, section 517.04.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1019: A bill for an act relating to children; modifying child protection system data practices study requirements; amending Laws 1990, chapter 542, section 36.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, strike "and the department of human services."

Page 1, strike line 10

Page 1, line 11, strike the old language and delete the new language

Page 1, line 12, delete "administration" and strike the comma

Page 1, line 16, after "enforcement" insert "personnel"

Page 2, line 7, strike "and the department of human services"

Page 2, line 9, after the period, insert "*The attorney general shall consult with the multidisciplinary task force established under section 39 and with the commissioner of administration and the commissioner of human services in preparing the report.*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 593: A bill for an act relating to railroads; allowing access over railroad right-of-way to landlocked adjoining properties; amending Minnesota Statutes 1990, section 219.35.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 219.35, is amended to read:  
219.35 [CROSSINGS AND DRAINS.]

Persons owning lands abutting upon a railroad may construct, at their own expense, crossings under, over, or across the railroad and drains under and across the railroad at places and in ways that do not obstruct or impair the use of the railroad. ~~These crossings and drains must be maintained and kept in repair by the railroad company.~~ Before constructing them, the owner of the land shall serve on the nearest station agent of the company a notice, stating in detail the work which the landowner desires to perform, and the company may construct that work; but the crossings and drains may not be opened for the use of the landowner until the landowner pays the reasonable

cost of construction. *These crossings and drains must be maintained and kept in repair by the railroad company; however, the railroad may require reimbursement from the abutting landowners of its reasonable and accountable maintenance and repair costs when maintenance and repair are initiated by the landowner and agreed to in advance by the railroad company. The railroad company shall ensure, allow, and not prohibit reasonable egress and ingress under, over, and across a crossing except as may be required for maintenance of the crossing or for normal operation of the railroad.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment."*

Amend the title as follows:

Page 1, line 2, delete "allowing" and insert "authorizing reimbursement by landowners for certain costs; requiring"

Page 1, line 3, delete "landlocked"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 765: A bill for an act relating to transportation; clarifying parking provisions for physically disabled persons; authorizing special license plates for motorcycles; amending Minnesota Statutes 1990, sections 168.021, subdivision 1; 169.345, subdivision 1; and 169.346, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, delete line 4 and insert "*of this subdivision, parking spaces clearly identified as reserved for physically disabled persons by permanently posted signs that do not*"

Page 3, after line 17, insert:

"Sec. 4. Minnesota Statutes 1990, section 169.71, subdivision 4, is amended to read:

Subd. 4. No person shall drive or operate any motor vehicle required to be registered in the state of Minnesota upon any street or highway under the following conditions:

(a) when the windshield is composed of, covered by, or treated with any material which has the effect of making the windshield more reflective or in any other way reducing light transmittance through the windshield;

(b) when any window on the vehicle is composed of, covered by, or treated with any material that has a highly reflective or mirrored appearance;

(c) when any side window or rear window is composed of or treated with any material so as to obstruct or substantially reduce the driver's clear view through the window or has a light transmittance of less than 50 percent plus or minus three percent in the visible light range or a luminous reflectance of more than 20 percent plus or minus three percent; or

(d) when any material has been applied after August 1, 1985, to any motor vehicle window without an accompanying permanent marking which



indicates the percent of transmittance and the percent of reflectance afforded by the material. The marking must be in a manner so as not to obscure vision and be readable when installed on the vehicle.

This subdivision does not apply to glazing materials which:

(a) have not been modified since the original installation, nor to original replacement windows and windshields, that were originally installed or replaced in conformance with Federal Motor Vehicle Safety Standard 205;

(b) are required to satisfy prescription or medical needs of the driver of the vehicle or a passenger if the driver or passenger is in possession of the prescription or a physician's statement of medical need; or

(c) are applied to:

(1) the rear windows of a pickup truck as defined in section 168.011, subdivision 29;

(2) the rear windows or the side windows on either side behind the driver's seat of a van as defined in section 168.011, subdivision 28;

(3) the side and rear windows of a vehicle used to transport human remains by a funeral establishment holding a permit under section 149.08; or

(4) the side and rear windows of a limousine as defined in section 168.011, subdivision 35."

Page 3, line 19, delete "3" and insert "4"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "authorizing tinted windshields for medical reasons;"

Page 1, line 6, delete "and"

Page 1, line 7, before the period, insert "; and 169.71, subdivision 4"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 100: A bill for an act relating to transportation; authorizing department of transportation to assist towns in financing engineering and approach work for bridge projects under certain conditions; amending Minnesota Statutes 1990, section 161.39, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 161.082, subdivision 2a, is amended to read:

Subd. 2a. An amount equal to 25 percent of the county turnback account must be expended, within counties having two or more towns, on town road bridge structures that are ten feet or more in length and on town road culverts that replace existing town road bridges. In addition, if the present

bridge structure is less than ten feet in length but a hydrological survey indicates that the replacement bridge structure or culvert must be ten feet or more in length, then the bridge or culvert is eligible for replacement funds. The expenditures on bridge structures and culverts may be on a matching basis, and if on a matching basis, not more than 90 percent of the cost of a bridge structure or culvert may be paid from the county turnback account. *The commissioner shall provide financial assistance or forego collection of all or part of the costs incurred for engineering and bridge-approach work provided for towns in the process of conducting substantial and extensive bridge replacement, reconstruction, or repair work, when the town is financially unable to afford those costs due to low valuation of town property for taxing purposes or due to other hardship, as determined by the commissioner.*

An amount equal to 47.5 percent of the county turnback account must be set aside as a town road account and distributed as provided in section 162.081."

Delete the title and insert:

"A bill for an act relating to transportation; authorizing the commissioner of transportation to assist towns in financing engineering and approach work for bridge projects under certain conditions; amending Minnesota Statutes 1990, section 161.082, subdivision 2a."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 331: A bill for an act relating to aeronautics; requiring that local governments report airport development; proposing coding for new law in Minnesota Statutes, chapter 360.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, delete "*construction begins*" and insert "*granting approval or permission*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 607: A bill for an act relating to highways; permitting the inclusion of certain cities in the municipal state-aid street system; amending Minnesota Statutes 1990, section 162.02, subdivision 12.

Reports the same back with the recommendation that the bill be amended as follows:

Amend the title as follows:

Page 1, line 3, delete "cities" and insert "city streets" and delete "municipal" and insert "county"

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. 404: A bill for an act relating to peace officers; requiring the community college system, technical college system, state university system, and private colleges offering professional peace officer education to integrate components of professional peace officer education into a degree program by January 1, 1992; requiring the state university system to develop a school of law enforcement; amending Minnesota Statutes 1990, section 626.84, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 626.84, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of sections 626.84 to 626.863, the following terms have the meanings given them:

(a) “Board” means the board of peace officer standards and training.

(b) “Director” means the executive director of the board.

(c) “Peace officer” means an employee or an elected or appointed official of a political subdivision or law enforcement agency who is licensed by the board, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota state patrol, agents of the division of gambling enforcement, and state conservation officers.

(d) “Constable” has the meaning assigned to it in section 367.40.

(e) “Deputy constable” has the meaning assigned to it in section 367.40.

(f) “Part-time peace officer” means an individual licensed by the board whose services are utilized by law enforcement agencies no more than an average of 20 hours per week, not including time spent on call when no call to active duty is received, calculated on an annual basis, who has either full powers of arrest or authorization to carry a firearm while on active duty. The term shall apply even though the individual receives no compensation for time spent on active duty, and shall apply irrespective of the title conferred upon the individual by any law enforcement agency. The limitation on the average number of hours in which the services of a part-time peace officer may be utilized shall not apply to a part-time peace officer who has formally notified the board pursuant to rules adopted by the board of the part-time peace officer’s intention to pursue the specialized training for part-time peace officers who desire to become peace officers pursuant to sections 626.843, subdivision 1, clause (g), and 626.845, subdivision 1, clause (g).

(g) “Reserve officer” means an individual whose services are utilized by a law enforcement agency to provide supplementary assistance at special events, traffic or crowd control, and administrative or clerical assistance. A reserve officer’s duties do not include enforcement of the general criminal laws of the state, and the officer does not have full powers of arrest or authorization to carry a firearm on duty.

(h) “Law enforcement agency” means a unit of state or local government

that is authorized by law to grant full powers of arrest and to charge a person with the duties of preventing and detecting crime and enforcing the general criminal laws of the state.

(i) "Professional peace officer education" means a post-secondary degree program, or a nondegree program for persons who already have a college degree, that is offered by a college or university in Minnesota, designed for persons seeking licensure as a peace officer, and approved by the board.

Sec. 2. [626.8521] [PEACE OFFICER EDUCATION; ASSOCIATE DEGREE.]

*Subdivision 1. [COMMUNITY COLLEGES.] For students who enroll after September 1, 1992, the professional peace officer education program for associate degrees in community colleges shall include sufficient general education to allow the transfer of all earned credits for a bachelor's degree at a state university.*

*Subd. 2. [TECHNICAL COLLEGES.] By September 1, 1994, the state board of technical colleges shall review and increase the amount of the general education component in the professional peace officer education program to allow for maximum credit transfer for associate degree students in technical colleges toward a bachelor's degree.*

*Subd. 3. [INFORMATION TO BE GIVEN.] Upon enrolling in the professional peace officer education program, each student must receive information concerning transferability of credits and the peace officer licensing process and the student must sign a form jointly developed by the state university system, community college system, technical college system, and the board that acknowledges receipt of the information.*

Sec. 3. Minnesota Statutes 1990, section 626.861, subdivision 1, is amended to read:

**Subdivision 1. [LEVY OF ASSESSMENT.]** There is levied a penalty assessment of ~~ten~~ 12 percent on each fine imposed and collected by the courts of this state for traffic offenses in violation of chapters 168 to 173 or equivalent local ordinances, other than a fine or forfeiture for a violation of a local ordinance or other law relating to the parking of a vehicle. In cases where the defendant is convicted but a fine is not imposed, or execution of the fine is stayed, the court shall impose a penalty assessment of not less than \$5 nor more than \$10 when the conviction is for a misdemeanor or petty misdemeanor, and shall impose a penalty assessment of not less than \$10 but not more than \$50 when the conviction is for a gross misdemeanor or felony. Where multiple offenses are involved, the penalty assessment shall be assessed separately on each offense for which the defendant is sentenced. If imposition or execution of sentence is stayed for all of the multiple offenses, the penalty assessment shall be based upon the most serious offense of which the defendant was convicted. Where the court suspends a portion of a fine, the suspended portion shall not be counted in determining the amount of the penalty assessment unless the offender is ordered to pay the suspended portion of the fine. Suspension of an entire fine shall be treated as a stay of execution for purposes of computing the amount of the penalty assessment.

Sec. 4. [PROFESSIONAL PEACE OFFICER EDUCATION.]

*Subdivision 1. [HIGHER EDUCATION SYSTEMS OFFERING PROFESSIONAL PEACE OFFICER EDUCATION.] (a) By January 1, 1992, the*

*community college system, technical college system, state university system, and private colleges that offer professional peace officer education shall jointly develop and implement a plan to:*

- (1) recruit and retain women and minorities in professional peace officer education programs;*
- (2) integrate all components of professional peace officer education into a program for students who are pursuing a degree;*
- (3) appoint an advisory committee of no more than 12 members consisting of law enforcement faculty and administrators, peace officers, police chiefs, sheriffs, and citizens to meet at least once each year and to advise the systems regarding professional peace officer education; and*
- (4) develop validated academic performance standards and examinations for admittance into the professional peace officer education program.*

*The systems shall include women and members of minority groups in making appointments to the advisory committee required by this subdivision.*

*Nothing in this section precludes the systems described in this subdivision from developing consortium programs.*

*(b) The executive director of the peace officer standards and training board shall convene a meeting of the systems described in this subdivision to begin development of the required plan.*

*Subd. 2. [SCHOOL OF LAW ENFORCEMENT.] By January 1, 1993, the state university system shall develop a school of law enforcement in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, whose mission is to advance the profession of law enforcement. The system shall make reasonable efforts to obtain start-up funding for the school from sources other than the state. The school may offer professional peace officer education, graduate degree programs, and peace officer continuing education programs, and may conduct applied research.*

#### **Sec. 5. [APPROPRIATION.]**

*§ . . . . . is appropriated to the state university system for the creation and operation of a metropolitan school of law enforcement."*

Delete the title and insert:

**"A bill for an act relating to peace officers; requiring the community college system, technical college system, state university system, and private colleges offering professional peace officer education to create and implement a joint plan to integrate components of professional peace officer education into a degree program by January 1, 1992; requiring the state university system to develop a school of law enforcement; amending Minnesota Statutes 1990, sections 626.84, subdivision 1; and 626.861, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626."**

And when so amended the bill do pass and be re-referred to the Committee on Education. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 1068: A resolution memorializing the President and Congress to condemn the use of Soviet military force in the Baltic Republics and

support the Baltic Republics for their self-determination.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 532: A bill for an act relating to towns; providing for the appointment of town officers under certain circumstances; amending Minnesota Statutes 1990, section 367.03, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 192.263, is amended to read:

192.263 [VACANCIES TO BE FILLED TEMPORARILY.]

In any case where a public officer or employee is absent with leave under the provisions of sections 192.26 to 192.264 and where it is necessary in the public interest to provide for the performance of the duties of the position during ~~such~~ *the* absence, the authority having power to fill a vacancy in the position may appoint a substitute, to be known as acting incumbent, who shall qualify as required for the regular incumbent, shall receive the same compensation as fixed by law, ~~otherwise such compensation~~ or as may be fixed by proper authority, and shall have all the powers and perform all the duties of the position until the return of the regular incumbent; ~~provided, that this shall~~ *or, if the position is for a fixed term, the period of the unexpired term, whichever occurs earlier. This section does not preclude the making of any other provision for the discharge of the duties of the position which may be otherwise authorized by law.”*

Delete the title and insert:

“A bill for an act relating to public officers or employees; clarifying the filling of temporary vacancies in public offices due to military service; amending Minnesota Statutes 1990, section 192.263.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 887: A bill for an act relating to economic development; creating a commission on economic development policy; 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. [COMMISSION ON ECONOMIC DEVELOPMENT POLICY.]

*Subdivision 1. [MEMBERSHIP.] The advisory commission on economic development policy consists of 20 members selected as follows:*

(1) two members of the senate appointed by the subcommittee on committees of the committee on rules and administration and one member of the senate appointed by the minority leader of the senate;

(2) two members of the house of representatives appointed by the speaker and one member of the house of representatives appointed by the minority leader of the house of representatives;

(3) four representatives of state executive branch agencies appointed by the governor including the commissioners of trade and economic development and revenue and the executive director of the higher education coordinating board;

(4) one member from a state public corporation appointed by the governor;

(5) one member appointed by the president of the University of Minnesota representing the Minnesota extension service;

(6) one member appointed by the league of Minnesota cities;

(7) one member appointed by the association of Minnesota counties;

(8) one member appointed by the Minnesota school boards association;

(9) one member appointed by the Minnesota association of regional commissions;

(10) two members appointed by the league of Minnesota cities from economic development offices in statutory or home rule charter cities within the seven-county metropolitan area including a representative of a city of the first class; and

(11) two members appointed by the league of Minnesota cities from economic development offices in statutory or home rule charter cities outside the seven-county metropolitan area, including a representative of a city with a population of 30,000 or more.

*Subd. 2. [COMPENSATION.] Members serve at the pleasure of their appointing authority. Legislative members are compensated in the same manner as for other legislative meetings. Other members are compensated as provided in Minnesota Statutes, section 15.059, subdivision 3.*

*Subd. 3. [DUTIES.] The commission shall:*

(1) review the responsibilities and the relationships of the various state and local agencies involved in the delivery of services that promote economic development and redevelopment. The commission shall consider ways and means to better coordinate the delivery of economic development services;

(2) identify the ways in which the state provides support to economic development, including financing programs, technical assistance programs, promotion, training and education, and infrastructure development and maintenance;

(3) quantify the amount and types of expenditures on economic development;

(4) identify measures to evaluate the effectiveness of investments in economic development;

(5) consider recent changes in state tax law that effect economic development and redevelopment and evaluate the impact of these changes on local development;

(6) review and comment on proposals submitted to it by the governor and the legislature;

(7) review and comment on research reports, studies, and papers on the public sector role in economic development; and

(8) hold hearings and conduct informal surveys to solicit the positions of business, industry, labor, and service providers.

*Subd. 4. [ADMINISTRATION AND FINANCE.] The commissioner of the state planning agency shall provide staff support and administrative services to the commission. Other state agencies shall supply information upon request of the commission and shall in all ways cooperate with the commission in carrying out its duties.*

*Subd. 5. [REPORT.] The commission shall submit a report on its findings and recommendations to the legislature by January 15, 1992, so that the legislature may consider these recommendations in setting policy. The report must include recommendations on:*

*(1) the current structure of economic development and redevelopment assistance at the state, local, and regional levels;*

*(2) the existing, necessary, and desirable role of the public sector in economic development and redevelopment;*

*(3) the existing, necessary, and desirable economic development and redevelopment tools for the public sector; and*

*(4) the existing, necessary, and desirable allocation of state and local resources for economic development and redevelopment.*

**Sec. 2. [APPROPRIATIONS.]**

*§ . . . . . is appropriated from the general fund to the commissioner of state planning to administer section 1.*

**Sec. 3. [REPEALER.]**

*Section 1 is repealed July 1, 1992.*

**Sec. 4. [EFFECTIVE DATE.]**

*Section 1 is effective July 1, 1991."*

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 982: A bill for an act relating to economic development; changing the name of the Greater Minnesota Corporation; adding duties; providing for a new structure for the board of directors; amending Minnesota Statutes 1990, sections 116O.03, subdivision 2; 116O.04, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 116O; repealing Minnesota Statutes 1990, sections 116J.970; 116J.971; and 116O.03, subdivision 2a.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:



“Section 1. [NAME CHANGE.]

*The Greater Minnesota Corporation is renamed Minnesota Technology, Inc.*

Sec. 2. Minnesota Statutes 1990, section 116O.03, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS.] The corporation is governed by a board of ~~14~~ 14 directors. ~~The term of a director is six years. Vacancies on the board are filled by appointment of the board, subject to the advice and consent of the senate. Board members may receive reasonable compensation and be reimbursed for reasonable expenses, which must be reviewed each year by the commissioner of finance. The membership terms, compensation, removal, and filling of vacancies of public members of the board are as provided in section 15.0575. Membership of the board consists of the following:~~

(1) a person from the private sector who shall act as chair appointed by the governor and who shall serve as chief science advisor to the governor and the legislature;

(2) the dean of the graduate school of the University of Minnesota;

(3) the dean of the institute of technology of the University of Minnesota;

(4) the commissioner of the department of trade and economic development;

(5) six members appointed by the governor; and

(6) one member who is not a member of the legislature appointed by each of the following: the speaker of the house of representatives, the house of representatives minority leader, the senate majority leader, and the senate minority leader.

*Fifty percent of the members described in clauses (5) and (6) must live outside the metropolitan area as defined in section 473.121, subdivision 2, and must have experience in manufacturing, the technology industry, or research and development.*

Sec. 3. Minnesota Statutes 1990, section 116O.04, subdivision 2, is amended to read:

Subd. 2. [STATUS OF EMPLOYEES.] Employees, officers, and directors of the corporation *and programs governed by this chapter* are not state employees, but are covered by section 3.736 and, at the option of the board, may participate in the state retirement plan and the state deferred compensation plan for employees in the unclassified service and an insurance plan administered by the commissioner of employee relations.

Sec. 4. Minnesota Statutes 1990, section 116O.05, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] (a) *The primary duties of the corporation shall include:*

(1) *applied research; and*

(2) *technology transfer and early stage funding to small manufacturers.*

(b) *The corporation shall also:*

(1) *establish programs, activities, and policies that provide technology*

transfer and applied research and development assistance to individuals, sole proprietorships, partnerships, corporations, other business entities, and nonprofit organizations in the state that are primarily new and existing small and medium-sized businesses in greater Minnesota;

(2) provide or provide for technology-related assistance to individuals, sole proprietorships, partnerships, corporations, other business entities, and nonprofit organizations;

(3) provide financial assistance under section 116O.06 to assist the development of new products, services, or production processes or to assist in bringing new products or services to the marketplace;

(4) provide or provide for research services including on-site research and testing of production techniques and product quality;

(5) establish and operate regional research institutes as provided for in section 116O.08;

(6) make matching research grants for applied research and development to public and private post-secondary education institutes as provided for in section 116O.11;

(7) enter into contracts for establishing formal relationships with public or private research institutes or facilities;

(8) establish the agricultural utilization research institute under section 116O.09; and

(9) not duplicate existing services or activities provided by other public and private organizations but shall build on the existing educational, business, and economic development infrastructure.

#### Sec. 5. [116O.051] [TECHNOLOGY INITIATIVES.]

*The corporation shall consult with the commissioner of trade and economic development and recommend coordination and funding for all technology initiatives currently administered by the department of trade and economic development.*

#### Sec. 6. [116O.071] [SCIENCE AND TECHNOLOGY.]

*Subdivision 1. [DUTIES.] The corporation shall:*

*(1) prepare and deliver to the legislature every January 15 a science and technology annual report that shall contain:*

*(i) a list of the scientifically and technologically related research and development projects and development activities funded by a grant or loan of state money that provides significant promise for the development of job-creating businesses; and*

*(ii) an analysis of the efficacy and completeness of a decentralized research peer review process, with special emphasis on whether or not scientifically and technologically related research and development projects in Minnesota have resulted or will result in creating scientifically and technologically related jobs;*

*(2) keep a current roster of technology intensive businesses in the state;*

*(3) collect and disseminate information on financial, technical, marketing, management, and other services available to technology intensive small and emerging businesses, including potential sources of debt and equity*

capital;

(4) review the technological development potential of various regions of the state and cooperate with and make recommendations to the legislature, state agencies, local governments, local technology development agencies, the federal government, private businesses, and individuals for the realization of the development potential; and

(5) sponsor and conduct conferences and studies, collect and disseminate information, and issue periodic reports relating to scientifically and technologically related research and development and education in the state, and represent the state at appropriate interstate and national conferences.

*Subd. 2. [PEER REVIEW PLANS.] A state agency, board, commission, authority, institution, or other entity that allocates state money by a grant, loan, or contract for scientifically and technologically related research shall establish a peer review system to evaluate the research. The corporation shall recommend guidelines for establishing effective peer review. An agency, board, commission, authority, or institution that funds scientifically and technologically related research shall, at least biennially, present to the corporation or to ad hoc committees a review and evaluation of the peer review process used in that organization.*

*Subd. 3. [AUTHORITY TO PERFORM REQUESTED EVALUATIONS.] The governor, speaker of the house of representatives, house of representatives minority leader, senate majority leader, senate minority leader, chair of the house of representatives appropriations committee, chair of the senate finance committee, director, or a member of the legislature considering the introduction or approval of legislation containing funding for scientifically and technologically related research and development may request the corporation to evaluate a loan or grant made or to be made or the proposed legislation for funding scientifically and technologically related research and development to determine (1) whether it complies with the guidelines required by subdivision 1, clause (1), item (ii); (2) whether it is technically feasible; and (3) for development proposals, whether the proposal appears to have the potential for economic development. Ad hoc committees may be appointed by the corporation.*

Sec. 7. Minnesota Statutes 1990, section 116O.09, subdivision 3, is amended to read:

*Subd. 3. [STAFF.] The ~~corporation~~ board of directors shall provide hire staff ~~to for the agricultural utilization research institute and assist in carrying out the duties of the agricultural utilization research institute.~~ Persons employed by the agricultural utilization research institute are not state employees and may participate in state retirement, deferred compensation, insurance, or other plans that apply to state employees generally and are subject to regulation by the state ethical practices board.*

Sec. 8. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

*Subd. 6. [BYLAWS.] The board of directors shall adopt bylaws necessary for the conduct of the business of the institute consistent with this section. The corporation must publish bylaws and amendments to the bylaws in the State Register.*

Sec. 9. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

*Subd. 7. [PLACE OF BUSINESS.] The board of directors shall locate and maintain the institute's place of business within the state.*

Sec. 10. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

*Subd. 8. [CHAIR.] The board of directors shall annually elect from among its members a chair and other officers necessary for the performance of its duties.*

Sec. 11. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

*Subd. 9. [MEETINGS.] The board of directors shall meet at least twice each year and may hold additional meetings upon giving notice in accordance with the bylaws of the institute. Board meetings are subject to section 471.705.*

Sec. 12. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

*Subd. 10. [CONFLICT OF INTEREST.] A director, employee, or officer of the institute may not participate in or vote on a decision of the board relating to an organization in which the director has either a direct or indirect financial interest.*

Sec. 13. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

*Subd. 11. [NO BENEFIT TO PRIVATE INDIVIDUALS OR CORPORATIONS.] This institute shall not afford pecuniary gain, incidental or otherwise, to any private individual, firm, or corporation, except the payment of reasonable fees for goods and services provided and approved in accordance with the bylaws of the corporation. No part of the net income or net earnings of the institute shall, directly or indirectly, be distributable to or otherwise inure to the benefit of any individual.*

Sec. 14. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

*Subd. 12. [FUNDS.] The institute may accept and use gifts, grants, or contributions from any source. Unless otherwise restricted by the terms of a gift or bequest, the board may sell, exchange, or otherwise dispose of and invest or reinvest the money, securities, or other property given or bequeathed to it. The principal of these funds, the income from them, and all other revenues received by it from any nonstate source must be placed in the depositories the board determines and is subject to expenditure for the board's purposes. Expenditures of more than \$25,000 must be approved by the full board.*

Sec. 15. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

*Subd. 13. [ACCOUNTS; AUDITS.] The institute may establish funds and accounts that it finds convenient. The board shall provide for and pay the cost of an independent annual audit of its official books and records by the legislative auditor subject to sections 3.971 and 3.972. A copy of this audit shall be filed with the secretary of state.*

*For purposes of this section, "institute" means the agricultural utilization*

*research institute established under section 116O.09 and "board of directors" means the board of directors of the agricultural utilization research institute.*

Sec. 16. [116O.16] [ALLOCATION OF LOTTERY PROCEEDS.]

*The corporation must allocate a portion of annual lottery proceeds received under section 349A.10, subdivision 5, as follows:*

- (1) \$ . . . . . to the agricultural utilization research institute; and
- (2) \$ . . . . . to the natural resource research institute.

*Each institute shall determine how its respective allocation will be spent.*

Sec. 17. [FUNDING FOR TECHNOLOGY PROGRAMS.]

*The corporation must allocate out of corporation funds up to \$ . . . . . for the purposes specified in section 6, \$ . . . . . to the Minnesota Project Innovation Corporation, and \$ . . . . . to the Minnesota Project Outreach Corporation to be available for the biennium ending June 30, 1993.*

Sec. 18. [REPORT TO GOVERNOR AND THE LEGISLATURE.]

*Minnesota Technology, Inc., shall report to the governor and the appropriate committees of the legislature its recommendations for a state science and technology policy by January 1, 1992.*

Sec. 19. [DISSOLUTION OF GREATER MINNESOTA CORPORATION BOARD OF DIRECTORS; REAPPOINTMENT OF DIRECTORS.]

*The board of directors of the Greater Minnesota Corporation is dissolved. It is succeeded by the board of directors established in section 2. The successor board must have at least four members who currently serve as directors of the Greater Minnesota Corporation.*

Sec. 20. [REVISOR INSTRUCTION.]

*In the next edition of Minnesota Statutes and Minnesota Rules, the revisor of statutes shall change the words "Greater Minnesota Corporation" or similar words to "Minnesota Technology, Inc." or similar words.*

Sec. 21. [REPEALER.]

*Minnesota Statutes 1990, sections 116J.970, 116J.971, and 116O.03, subdivision 2a, are repealed."*

Delete the title and insert:

"A bill for an act relating to economic development; changing the name of the Greater Minnesota Corporation; adding duties; providing for a new structure for the board of directors; amending Minnesota Statutes 1990, sections 116O.03, subdivision 2; 116O.04, subdivision 2; 116O.05, subdivision 2; and 116O.09, subdivision 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116O; repealing Minnesota Statutes 1990, sections 116J.970; 116J.971; and 116O.03, subdivision 2a."

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1087: A bill for an act relating to the Minnesota public facilities authority; fixing the maximum bonded debt of the authority; amending Minnesota Statutes 1990, section 446A.12, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 976: A bill for an act relating to wild animals; altering the classification of certain ferrets; amending Minnesota Statutes 1990, section 346.41, 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. [346.415] [DOMESTIC EUROPEAN FERRETS.]

*Subdivision 1. [CLASSIFICATION AS DOMESTIC ANIMAL.] The domestic European ferret (mustela putorius furo) is classified as a domestic and companion animal.*

*Subd. 2. [FOOD.] Domestic European ferrets must be provided with food of sufficient quantity and quality to allow for normal growth or the maintenance of body weight.*

*Subd. 3. [WATER.] Domestic European ferrets must be provided with clean, potable water in sufficient quantity to satisfy the animal's needs or supplied by free choice.*

*Subd. 4. [TRANSPORTATION AND SHIPMENT.] When domestic European ferrets are transported in crates or containers, the crates or containers must be constructed of nonabrasive wire or a smooth, durable material suitable for the animals. Crates and containers must be clean, adequately ventilated, contain sufficient space to allow the animals to turn around, and provide maximum safety and protection to the animals. Water must be provided at least once every eight hours. Food must be provided at least once every 24 hours or more often, if necessary, to maintain the health and condition of the animals.*

*Subd. 5. [VACCINATIONS.] All domestic European ferrets must be vaccinated against rabies and distemper.*

*Subd. 6. [FEMALES TO BE SPAYED.] All female European domestic ferrets must be spayed, except for animals used for breeding purposes.*

*Subd. 7. [INFORMATION FOR BUYERS.] A person selling or offering to sell domestic European ferrets must provide buyers with written factual information concerning the care of these animals, including a warning that a domestic European ferret may cause injury to young children.”*

Delete the title and insert:

“A bill for an act relating to animals; classifying domestic European ferrets as domestic animals; providing for their health and welfare; proposing coding for new law in Minnesota Statutes, chapter 346.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1126: A bill for an act relating to local government; providing procedures for storm sewer improvements; amending Minnesota Statutes 1990, section 444.18, by adding a subdivision; repealing Minnesota Statutes 1990, section 444.18, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was re-referred

S.F. No. 460: A bill for an act relating to veterans; changing certain requirements for appointment of county veterans service officers; amending Minnesota Statutes 1990, section 197.60, subdivision 2, and by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1213: A bill for an act relating to Dakota county; permitting the combination of the offices of treasurer and auditor; permitting appointment of the county recorder; authorizing the reorganization of county offices; 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 2, line 28, delete "*ten*" and insert "*15*"

Page 2, line 29, delete "*registered*" and after the first "*county*" insert "*voting in the last general election*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 599: A bill for an act relating to local government; authorizing municipalities to enter into joint ventures with telecommunications organizations; amending Minnesota Statutes 1990, section 237.19.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, strike ", and"

Page 1, lines 13 to 15, delete the new language

Page 1, line 16, delete "*service area*"

Page 2, line 2, after the period, insert "*A municipality that owns and*

*operates a telephone exchange may enter into a joint venture as a partner or shareholder with a telecommunications organization to provide telecommunications services within its service area."*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1129: A bill for an act relating to water and wastewater treatment; expanding the authority of municipalities to contract for private design and construction of water and wastewater treatment facilities; amending Minnesota Statutes 1990, section 471.371, subdivisions 2, 4, and 5; repealing Minnesota Statutes 1990, section 471.371, subdivisions 1 and 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 22, after "detail" insert "*“, including hydraulic flow and organic loading calculations, design capacity, effluent limits, design life, and the treatment alternatives for the wastewater treatment facility.”*

Page 1, lines 23 to 25, delete the new language

Page 3, line 12, reinstate the stricken “; and”

Page 3, line 14, before the period, insert “*“facility” or “facilities” shall, in addition to the treatment facility, include collection and distribution systems”*

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. 226: A bill for an act relating to counties; providing fiscal limitations on social service mandates; proposing coding for new law in Minnesota Statutes, chapter 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. Minnesota Statutes 1990, section 245.465, is amended to read:

245.465 [DUTIES OF COUNTY BOARD.]

The county board in each county shall use its share of mental health and community social ~~service~~ *services* act funds allocated by the commissioner according to ~~a the biennial local mental health service proposal component of the county's community social services plan~~ *as approved by the commissioner*. The county board must:

(1) develop and coordinate a system of affordable and locally available adult mental health services in accordance with sections 245.461 to 245.486;

(2) *with the involvement of the local adult mental health advisory council or the adult mental health subcommittee of an existing advisory council,*



*develop a biennial adult mental health component of the community social services plan required in section 256E.09 which considers the assessment of unmet needs in the county as reported by the local adult mental health advisory council under section 245.466, subdivision 5, clause (3). The county shall provide, upon request of the local adult mental health advisory council, readily available data to assist in the determination of unmet needs;*

(3) provide for case management services to adults with serious and persistent mental illness in accordance with sections 245.462, subdivisions 3 and 4; 245.4711; and 245.486;

~~(3)~~ (4) provide for screening of adults specified in section 245.476 upon admission to a residential treatment facility or acute care hospital inpatient, or informal admission to a regional treatment center;

~~(4)~~ (5) prudently administer grants and purchase-of-service contracts that the county board determines are necessary to fulfill its responsibilities under sections 245.461 to 245.486; and

~~(5)~~ (6) assure that mental health professionals, mental health practitioners, and case managers employed by or under contract with the county to provide mental health services have experience and training in working with adults with mental illness.

Sec. 2. Minnesota Statutes 1990, section 245.466, subdivision 5, is amended to read:

Subd. 5. [LOCAL ADVISORY COUNCIL.] The county board, individually or in conjunction with other county boards, shall establish a local adult mental health advisory council or mental health subcommittee of an existing advisory council. The council's members must reflect a broad range of community interests. They must include at least one consumer, one family member of an adult with mental illness, one mental health professional, and one community support services program representative. The local adult mental health advisory council or mental health subcommittee of an existing advisory council shall meet at least quarterly to review, evaluate, and make recommendations regarding the local mental health system. Annually, the local adult mental health advisory council or mental health subcommittee of an existing advisory council shall:

(1) arrange for input from the regional treatment center's mental illness program unit regarding coordination of care between the regional treatment center and community-based services;

(2) identify for the county board the individuals, providers, agencies, and associations as specified in section 245.462, subdivision 10; ~~and~~

*(3) provide to the county board a report of unmet mental health needs of adults residing in the county to be included in the county's biennial mental health component of the community social services plan required in section 256E.09, and participate in developing the mental health component of the plan; and*

(4) coordinate its review, evaluation, and recommendations regarding the local mental health system with the state advisory council on mental health.

The county board shall consider the advice of its local mental health advisory council or mental health subcommittee of an existing advisory council in carrying out its authorities and responsibilities.

Sec. 3. Minnesota Statutes 1990, section 245.478, subdivision 1, is

amended to read:

Subdivision 1. [~~TIME PERIOD SUBMITTAL OF ADULT MENTAL HEALTH COMPONENT.~~] The first local mental health proposal period is from July 1, 1988, to December 31, 1989. The county board shall submit its first proposal to the commissioner by January 1, 1988. Subsequent proposals must be on the same two-year cycle as community social service plans. If a proposal complies with sections 245.461 to 245.486, it satisfies the requirement of the community social service plan for the mental illness target population as required by section 256E.09. The proposal must be made available upon request to all residents of the county at the same time it is submitted to the commissioner. *Beginning in 1993, and every two years thereafter, the county board shall submit to the commissioner the adult mental health component of the community social services plan required under section 256E.09.*

Sec. 4. Minnesota Statutes 1990, section 245.478, subdivision 2, is amended to read:

Subd. 2. [~~PROPOSAL CONTENT OF ADULT MENTAL HEALTH COMPONENT.~~] *Content of the local adult mental health proposal must include: component of the community social services plan is governed by section 256E.09.*

(1) the local adult mental health advisory council's or adult mental health subcommittee of an existing advisory council's report on unmet needs of adults and any other needs assessment used by the county board in preparing the local adult mental health proposal;

(2) a description of the local adult mental health advisory council's or the adult mental health subcommittee of an existing advisory council's involvement in preparing the local adult mental health proposal and methods used by the county board to ensure adequate and timely participation of citizens, mental health professionals, and providers in development of the local mental health proposal;

(3) information for the preceding year, including the actual number of clients who received each of the mental health services listed in sections 245.468 to 245.476, and actual expenditures for each mental health service and service waiting lists; and

(4) the following information describing how the county board intends to meet the requirements of sections 245.461 to 245.486 during the proposal period:

(i) specific objectives and outcome goals for each adult mental health service listed in sections 245.461 to 245.486;

(ii) a description of each service provider, including county agencies, contractors, and subcontractors, that is expected to either be the sole provider of one of the adult mental health services described in sections 245.461 to 245.486 or to provide over \$10,000 of adult mental health services per year, including a listing of the professional qualifications of the staff involved in service delivery for the county;

(iii) a description of how the adult mental health services in the county will be unified and coordinated;

(iv) the estimated number of clients who will receive each adult mental health service; and

(v) ~~estimated expenditures for each adult mental health service and revenues for the entire proposal.~~

Sec. 5. Minnesota Statutes 1990, section 245.478, subdivision 6, is amended to read:

Subd. 6. [~~PROPOSAL ADULT MENTAL HEALTH COMPONENT OF THE COMMUNITY SOCIAL SERVICES PLAN; APPROVAL.~~] The commissioner shall review each ~~local county's adult mental health proposal component of the community social services plan~~ within ~~90~~ 60 days and work with the county board to make any necessary modifications to comply with sections 245.461 to 245.486. After the commissioner has approved the ~~proposal adult mental health component of the community social services plan~~, the county board is eligible to receive an allocation of mental health and community social ~~service services~~ act funds.

Sec. 6. Minnesota Statutes 1990, section 245.4874, is amended to read:  
245.4874 [DUTIES OF COUNTY BOARD.]

The county board in each county shall use its share of mental health and community social ~~service services~~ act funds allocated by the commissioner according to a biennial ~~local children's mental health service proposal component of the community social services plan~~ required under section 245.4887, and approved by the commissioner. The county board must:

(1) develop a system of affordable and locally available children's mental health services according to sections 245.487 to 245.4887;

(2) *establish a mechanism providing for interagency coordination as specified in section 245.4875, subdivision 6;*

(3) *develop a biennial children's mental health component of the community social services plan required under section 256E.09 which considers the assessment of unmet needs in the county as reported by the local children's mental health advisory council under section 245.4875, subdivision 5, paragraph (b), clause (3). The county shall provide, upon request of the local children's mental health advisory council, readily available data to assist in the determination of unmet needs;*

(4) assure that parents and providers in the county receive information about how to gain access to services provided according to sections 245.487 to 245.4887;

(5) coordinate the delivery of children's mental health services with services provided by social services, education, corrections, health, and vocational agencies to improve the availability of mental health services to children and the cost effectiveness of their delivery;

(6) assure that mental health services delivered according to sections 245.487 to 245.4887 are delivered expeditiously and are appropriate to the child's diagnostic assessment and individual treatment plan;

(7) provide the community with information about predictors and symptoms of emotional disturbances and how to access children's mental health services according to sections 245.4877 and 245.4878;

(8) provide for case management services to each child with severe emotional disturbance according to sections 245.486; 245.4871, subdivisions 3 and 4; and 245.4881, subdivisions 1, 3, and 5;

(9) provide for screening of each child under section 245.4885 upon

admission to a residential treatment facility, acute care hospital inpatient treatment, or informal admission to a regional treatment center;

~~(8)~~ (10) prudently administer grants and purchase-of-service contracts that the county board determines are necessary to fulfill its responsibilities under sections 245.487 to 245.4887;

~~(9)~~ (11) assure that mental health professionals, mental health practitioners, and case managers employed by or under contract to the county to provide mental health services are qualified under section 245.4871; and

~~(10)~~ (12) assure that children's mental health services are coordinated with adult mental health services specified in sections 245.461 to 245.486 so that a continuum of mental health services is available to serve persons with mental illness, regardless of the person's age.

Sec. 7. Minnesota Statutes 1990, section 245.4875, subdivision 5, is amended to read:

Subd. 5. [LOCAL CHILDREN'S ADVISORY COUNCIL.] (a) By October 1, 1989, the county board, individually or in conjunction with other county boards, shall establish a local children's mental health advisory council or children's mental health subcommittee of the existing local mental health advisory council or shall include persons on its existing mental health advisory council who are representatives of children's mental health interests. The following individuals must serve on the local children's mental health advisory council, the children's mental health subcommittee of an existing local mental health advisory council, or be included on an existing mental health advisory council: (1) at least one person who was in a mental health program as a child or adolescent; (2) at least one parent of a child or adolescent with severe emotional disturbance; (3) one children's mental health professional; (4) representatives of minority populations of significant size residing in the county; (5) a representative of the children's mental health local coordinating council; and (6) one family community support services program representative.

(b) The local children's mental health advisory council or children's mental health subcommittee of an existing advisory council shall seek input from parents, former consumers, providers, and others about the needs of children with emotional disturbance in the local area and services needed by families of these children, and shall meet monthly, unless otherwise determined by the council or subcommittee, but not less than quarterly, to review, evaluate, and make recommendations regarding the local children's mental health system. Annually, the local children's mental health advisory council or children's mental health subcommittee of the existing local mental health advisory council shall:

(1) arrange for input from the local system of care providers regarding coordination of care between the services; ~~and~~

(2) identify for the county board the individuals, providers, agencies, and associations as specified in section 245.4877, clause (2); *and*

*(3) provide to the county board a report of unmet mental health needs of children residing in the county to be included in the county's biennial children's mental health component of the community social services plan required under section 256E.09, and participate in developing the mental health component of the plan.*

(c) The county board shall consider the advice of its local children's

mental health advisory council or children's mental health subcommittee of the existing local mental health advisory council in carrying out its authorities and responsibilities.

Sec. 8. Minnesota Statutes 1990, section 245.4887, subdivision 1, is amended to read:

Subdivision 1. [~~TIME PERIOD SUBMITTAL OF CHILDREN'S MENTAL HEALTH COMPONENT.~~] ~~The county board shall submit its first complete children's section of its local mental health proposal to the commissioner by November 15, 1989. Subsequent proposals must be on the same two-year cycle as community social service plans. If a proposal complies with sections 245.487 to 245.4887, it satisfies the requirement of the community social service plan for the emotionally disturbed target population as required by section 256E.09. The proposal must be made available upon request to all residents of the county at the same time it is submitted to the commissioner. Beginning in 1993, and every two years thereafter, the county board shall submit to the commissioner a children's mental health component of the community social services plan required under section 256E.09.~~

Sec. 9. Minnesota Statutes 1990, section 245.4887, subdivision 2, is amended to read:

Subd. 2. [~~PROPOSAL CONTENT OF CHILDREN'S MENTAL HEALTH COMPONENT.~~] ~~Content of the children's section of the local mental health proposal must include: component of the community social services plan is governed by section 256E.09.~~

(1) a report of the local children's mental health advisory council or children's mental health subcommittee of the existing local mental health advisory council on unmet needs of children and any other needs assessment used by the county board in preparing the local mental health proposal, including the report of the local coordinating council or local interagency task force specified in section 245.4875, subdivision 6;

(2) a description of the involvement of the local children's mental health advisory council or the children's mental health subcommittee of the existing local mental health advisory council in preparing the local mental health proposal and methods used by the county board to ensure adequate and timely participation of citizens, mental health professionals, and providers in development of the local mental health proposal;

(3) information for the preceding year, including the actual number of children who received each of the mental health services listed in sections 245.487 to 245.4887, and actual expenditures for each mental health service and service waiting lists; and

(4) the following information describing how the county board intends to meet the requirements of sections 245.487 to 245.4887 during the proposal period:

(i) specific objectives and outcome goals for each mental health service listed in sections 245.487 to 245.4887;

(ii) a description of each service provider, including county agencies, contractors, and subcontractors, that is expected to either be the sole provider of one of the mental health services described in sections 245.487 to 245.4887 or to provide over \$10,000 of mental health services per year, including a listing of the professional qualifications of the staff involved in service delivery for the county;

(iii) a description of how the mental health services in the county will be unified and coordinated, including the mechanism established by the county board providing for interagency coordination as specified in section 245.4875, subdivision 6;

(iv) the estimated number of children who will receive each mental health service; and

(v) estimated expenditures for each mental health service and revenues for the entire proposal.

Sec. 10. Minnesota Statutes 1990, section 245.4887, subdivision 6, is amended to read:

Subd. 6. [~~PROPOSAL CHILDREN'S MENTAL HEALTH COMPONENT OF THE COMMUNITY SOCIAL SERVICES PLAN; APPROVAL.~~] The commissioner shall review each county's children's ~~section of the local mental health proposal component of the community social services plan~~ within 90 60 days and work with the county board to make any necessary modifications to comply with sections 245.487 to 245.4887. After the commissioner has approved the ~~proposal children's mental health component of the community social services plan~~, the county board is eligible to receive an allocation of mental health and community social ~~service services~~ act funds.

Sec. 11. Minnesota Statutes 1990, section 256.045, subdivision 3, is amended to read:

Subd. 3. [STATE AGENCY HEARINGS.] Any person applying for, receiving or having received public assistance or a program of social services granted by the state agency or a county agency under sections 252.32, 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.

Except for a prepaid health plan, a vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services under section 256E.08, subdivision 4, is not a party and may not request a hearing under this section.

*An applicant or recipient is not entitled to receive social services beyond the services included in the amended community social services plan developed under section 256E.081, subdivision 3, if the county agency has met the requirements in section 256E.081.*

Sec. 12. Minnesota Statutes 1990, section 256E.04, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall prepare a biennial social services plan and present the plan to the governor and the legislature. The commissioner shall update the plan biennially. The plan shall include:

(a) A statement of methods used to ensure intergovernmental coordination

of state and local planning and delivery of community social services;

(b) A coordination statement setting forth the relationship of the state social services plan to any other federal, state or locally financed human services programs, including but not limited to, programs for the aged, children, the developmentally disabled, the chemically dependent, and programs related to corrections, education, vocational rehabilitation, mental health, housing, health, and employment; ~~and~~

(c) A summary and analysis of all county biennial community social services plans;

*(d) Identification of social services program requirements which counties have identified as unnecessarily administratively burdensome;*

*(e) Identification of social services program requirements for which inadequate state and local funding is available; and*

*(f) Identification of unmet needs reported by the county agencies.*

The commissioner shall consult with the heads of human service related state departments and agencies in preparing the coordination statement required by this subdivision.

Sec. 13. Minnesota Statutes 1990, section 256E.05, is amended by adding a subdivision to read:

*Subd. 1a. [REVIEW OF ADMINISTRATIVE REQUIREMENTS.] The commissioner may review social services administrative rule requirements and adopt amendments under chapter 14 to reduce administrative costs and complexity by eliminating unnecessary or excessive paperwork, simplifying or consolidating program requirements, or emphasizing outcomes rather than procedures. In determining the reasonableness of the requirements, the commissioner shall consider the needs the service was developed to address and the adequacy of the state and local funding available to provide the service.*

Sec. 14. Minnesota Statutes 1990, section 256E.05, subdivision 2, is amended to read:

*Subd. 2. [PLAN APPROVAL.] Within 45 60 days after submission of the community social services plan by the counties pursuant to section 256E.09, subdivision 4 1, the commissioner shall certify whether the plan fulfills the purposes and requirements of section 256E.09, state and federal law and the rules of the state agency. On certifying that the plan does not do so, the commissioner shall state the reasons therefore, and the county shall have 30 days to submit a plan amended to comply with the requirements of the commissioner. If the county fails to resubmit a plan amended as required by the commissioner, the commissioner shall notify the county of the intention to reduce the next quarterly payment by an amount equal to one-third of one percent of the county's annual entitlement for each 30 day period during which the county fails to amend the plan as required by the commissioner. The county board has the right to appeal the commissioner's decision pursuant to section 256E.06, subdivision 10.*

Sec. 15. Minnesota Statutes 1990, section 256E.05, subdivision 3, is amended to read:

*Subd. 3. [ADDITIONAL DUTIES.] The commissioner shall also:*

*(a) Provide necessary forms and instructions to the counties for plan*

format and information;

(b) To the extent possible, coordinate other categorical social ~~service~~ *services* grant applications and plans required of counties so that the applications and plans are included in and are consistent with the timetable and other requirements for the community social services plan in subdivision 2 and section 256E.09;

(c) Provide to the chair of each county board, in addition to notice required pursuant to sections 14.05 to 14.36, timely advance notice and a written summary of the fiscal impact of any proposed new rule or changes in existing rule which will have the effect of increasing county costs for community social services;

(d) Provide training, technical assistance, and other support services to county boards to assist in needs assessment, planning, implementing, and monitoring social services programs in the counties;

(e) Design and implement a method of monitoring and evaluating social services, including site visits that utilize quality control audits to assure county compliance with applicable standards, guidelines, and the county and state social services plans;

(f) Design and implement a system that uses corrective action procedures as established in subdivision 5 and a schedule of fines to ensure county compliance with statutes, rules, federal laws, and federal regulations governing community social services. In determining the amount of the fine, the commissioner may consider the number of community social services clients or applicants affected by the county's failure to comply with the law or rule, the severity of the noncompliance, ~~and~~ the duration of the noncompliance ~~as determined by the commissioner~~, *the resources allocated for the provision of the service in the community social services plan approved under section 256E.09, and the amount the county is levying for social services and income maintenance programs under section 275.50, subdivision 5.* Fines levied against a county under this subdivision must not exceed ten percent of the county's community social services allocation for the year in which the fines are levied;

(g) Design and implement an incentive program for the benefit of counties that perform at a level that consistently meets or exceeds the minimum standards in law and rule. Fines collected under paragraph (e) may be placed in an incentive fund and used for the benefit of counties that meet and exceed the minimum standards;

(h) Specify requirements for reports, including fiscal reports, according to section 256.01, subdivision 2, paragraph (17), to account for aids distributed under section 256E.06, funds from Title XX of the Social Security Act distributed under Minnesota Statutes, section 256E.07, claims under Title IV-E of the Social Security Act, mental health funding, and other social ~~service~~ *services* expenditures and activities; and

(i) Request waivers from federal programs as necessary to implement sections 256E.01 to 256E.12.

Sec. 16. Minnesota Statutes 1990, section 256E.05, is amended by adding a subdivision to read:

*Subd. 3a. [DEMONSTRATION PROJECT.] (a) The commissioner may establish demonstration projects to test alternatives to existing state requirements.*



*(b) At least one demonstration project may be developed to demonstrate alternative methods of social services planning. For the purposes of this demonstration project, the commissioner:*

*(1) shall allow participating counties to combine all social services plans into one comprehensive plan unless a separate plan is necessary to comply with federal regulations or maintain federal financial participation;*

*(2) may waive social service program maintenance of effort requirements not required to comply with federal regulations or maintain federal financial participation, at the request of a county or counties participating in the planning process;*

*(3) may exempt counties participating in the planning demonstration from fiscal sanctions for noncompliance with social services requirements in state statute, provided the county proposal includes a schedule of fines for non-compliance approved by the commissioner;*

*(4) may establish a county match requirement for social services. If the county has spent or obligated all of its state and federal social services funds and the required matching funds, the county must be considered to be making reasonable efforts to comply with all state social services requirements as required in section 256E.081, subdivision 2, and is not required to provide social services beyond the services included in the county's amended community social services plan; and*

*(5) shall require participating counties to describe the system to be used to evaluate performance under the combined county plan.*

*(c) At least one demonstration project may be developed to test alternative methods of delivering services to persons with developmental disabilities or persons with mental illness.*

*(d) Up to six demonstration projects may be established to test alternatives to existing requirements that maintain or enhance services but reduce administrative burdens, eliminate unnecessary or excessive paperwork, simplify or consolidate requirements, or otherwise reduce administrative costs and complexity of social services programs.*

*(e) The commissioner shall consult with county staff, service providers, and service recipients or their advocates in the selection of the proposals for the demonstration projects.*

*(f) In selecting the demonstration projects, the commissioner may give preference to proposals submitted by two or more counties.*

*(g) During the duration of the demonstration projects, the commissioner may waive administrative rule requirements in the demonstration counties if the proposal demonstrates that the needs the requirements were developed to address can be met using an alternative approach. The commissioner shall not waive rule requirements which affect an individual's eligibility for services or right to due process.*

*(h) If the county fails to meet the conditions in the demonstration project proposal as approved by the commissioner, the commissioner may rescind the waiver of the rule requirements.*

*(i) The demonstration projects must be completed by July 1, 1995.*

*(j) The legislative auditor shall evaluate the results of the demonstration projects.*

*(k) If the results of the demonstration projects indicate that the needs the administrative rule requirements were developed to address can be met by means that are less costly and less prescriptive, and that give counties greater flexibility when providing social services, the commissioner may amend or repeal the appropriate social services rule requirement under chapter 14. If the requirement is specified in statute, the commissioner shall recommend legislative changes in the biennial state plan under section 256E.04, subdivision 1.*

Sec. 17. Minnesota Statutes 1990, section 256E.05, subdivision 5, is amended to read:

Subd. 5. [CORRECTIVE ACTION PROCEDURE.] The commissioner must comply with the following procedures when imposing fines under subdivision 3, paragraph (e), or reducing county funds under subdivision 4.

(a) The commissioner shall notify the county, by certified mail, of the statute, rule, federal law, or federal regulation with which the county has not complied.

(b) The commissioner shall give the county 30 days to demonstrate to the commissioner that the county is in compliance with the statute, rule, federal law, or federal regulation cited in the notice or to develop a corrective action plan to address the problem. Upon request from the county, the commissioner shall provide technical assistance to the county in developing a corrective action plan. The county shall have 30 days from the date the technical assistance is provided to develop the corrective action plan.

(c) The commissioner shall take no further action if the county demonstrates compliance.

(d) The commissioner shall review and approve or disapprove the corrective action plan within 30 days after the commissioner receives the corrective action plan.

(e) If the commissioner approves the corrective action plan submitted by the county, the county has 90 days after the date of approval to implement the corrective action plan.

(f) If the county fails to demonstrate compliance or fails to implement the corrective action plan approved by the commissioner, the commissioner may fine the county according to subdivision 3, paragraph (e), or may reduce the county's share of state or federal funds according to subdivision 4.

(g) The commissioner may not impose a fine or reduce funds under this subdivision if the county demonstrates that:

*(1) the county is unable to comply with a social services administrative rule due to fiscal limitations and the county has met the requirements in section 256E.081; or*

*(2) the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements.*

(h) The county may appeal the fine or the reduction in funds under section 256E.06, subdivision 10.

Sec. 18. Minnesota Statutes 1990, section 256E.08, subdivision 1, is amended to read:

Subdivision 1. [RESPONSIBILITIES.] The county board of each county shall be responsible for administration, planning and funding of community social services. Each county board shall singly or in combination with other county boards as provided in section 256E.09 prepare a social services plan and shall update the plan biennially. Upon final approval of the plan by the county board or boards, the plan shall be submitted to the commissioner. The county board shall distribute money available pursuant to sections 256E.06 and 256E.07 for community social services.

The authority and responsibilities of county boards for social services for groups of persons identified in section 256E.03, subdivision 2, shall include contracting for or directly providing:

(1) information about the symptoms and characteristics of specific problems of the identified groups to increase understanding and acceptance by the general public, to help alleviate fears of seeking help, and to enable access to appropriate assistance;

(2) an assessment of the needs of each person applying for assistance which estimates the nature and extent of the problem to be addressed and identifies the means available to meet the person's needs. These diagnostic and evaluation activities shall evaluate the functioning of each person with regard to an illness or disability, screen for placement, and determine the need for services;

(3) protection aimed at alleviating urgent needs of each person by determining urgent need, shielding persons in hazardous conditions when they are unable to care for themselves, and providing urgently needed assistance;

(4) supportive and rehabilitative activities that assist each person to function at the highest level of independence possible for the person, preferably without removing the person from home. These activities include *coordinating with local public rehabilitation agencies, local education agencies, and other agencies*, both ~~increasing~~ *to increase* the client's level of functioning and ~~maintaining~~ *to maintain* current levels of functioning;

(5) a means of facilitating access of physically handicapped or impaired persons to activities appropriate to their needs; and

(6) administrative activities to coordinate and facilitate the effective use of formal and informal helping systems to best address client needs and goals. This includes assisting the client in making informed decisions about opportunities and services, assuring timely access to needed assistance, providing opportunities and encouragement for self-help activities, and coordinating all services to meet the client's needs and goals. County case management shall be responsible for determining appropriate care and activities.

A county board may delegate to a county welfare board established under chapter 393 authority to provide or approve contracts for the purchase of the kinds of community social services that were provided or contracted for by the county welfare boards before the enactment of Laws 1979, chapter 324. The county board must determine how citizens will participate in the planning process, give final approval to the community social services plan, and distribute community social services money.

Sec. 19. [256E.081] [FISCAL LIMITATIONS.]

*Subdivision 1. [SERVICE LIMITATION.] If the county has met the requirements in subdivisions 2, 3, and 4, the county shall not be required*

*to provide social services beyond the services required in federal law or state statute or included in the county's amended community social services plan.*

*Subd. 2. [DEMONSTRATION OF REASONABLE EFFORT.] The county shall make reasonable efforts to comply with all state social services requirements. For the purposes of this section, a county is making reasonable efforts if the county meets the following requirements:*

*(1) the total amount of money budgeted by the county for social services is equal to or greater than the total amount spent by the county for social services in the prior year, adjusted by any change in state or federal funding used by the county to fund social services in the prior year. When calculating the adjustment for changes in state or federal funding, the amount of the change in any funding source which can be used by the county for purposes other than social services shall be limited to an amount which has been adjusted by a formula based upon the proportionate share which social services is of the total county budget before the application of any aids;*

*(2) the county has spent, obligated, or projects expenditures in excess of the amount budgeted by the county for at least one social service program or service;*

*(3) the total social services expenditures for the county are projected to meet or exceed the total amount of money available for social services from all sources of social services funding; and*

*(4) the county has made efforts to comply with social services requirements within the limits of available funding, including efforts to identify and apply for commonly available state and federal funding for social services programs or services.*

*Subd. 3. [IDENTIFICATION OF SERVICES TO BE PROVIDED.] If a county has made reasonable efforts, as defined in subdivision 2, to comply with all social services administrative rule requirements and is unable to meet all requirements, the county must provide services according to an amended community social services plan developed by the county and approved by the commissioner under section 256E.09, subdivision 6. The plan must identify for the remainder of the calendar year the social services administrative rule requirements the county shall comply with within its fiscal limitations and identify the social services administrative rule requirements the county will not comply with due to fiscal limitations. The plan must specify how the county intends to provide services required by federal law or state statute, including but not limited to:*

*(1) providing services needed to protect children and vulnerable adults from maltreatment, abuse, and neglect;*

*(2) providing emergency and crisis services needed to protect clients from physical, emotional, or psychological harm;*

*(3) assessing and documenting the needs of persons applying for services;*

*(4) providing case management services to developmentally disabled clients, adults with serious and persistent mental illness, and children with severe emotional disturbances;*

*(5) providing day training and habilitation services for persons with developmental disabilities and family community support services for children with severe emotional disturbances;*

- (6) *providing subacute detoxification services;*
- (7) *providing public guardianship services; and*
- (8) *fulfilling licensing responsibilities delegated to the county by the commissioner under section 245A.16.*

*Subd. 4. [DENIAL, REDUCTION, OR TERMINATION OF SERVICES.] (a) Before a county denies, reduces, or terminates services to an individual due to fiscal limitations, the county must meet the requirements in subdivisions 2 and 3, and document in the person's individual service plan:*

- (1) the person's service needs;*
  - (2) the alternatives considered for meeting the person's service needs; and*
  - (3) the actions that will be taken to prevent abuse or neglect as defined in sections 626.556, subdivision 2, paragraphs (a), (c), (d), and (k); and 626.557, subdivision 2, paragraphs (d) and (e).*
- (b) The county must notify the individual and the individual's guardian in writing of the reason for the denial, reduction, or termination of services and of the individual's right to an appeal under section 256.045;*

*(c) the county must inform the individual and the individual's guardian in writing that the county will, upon request, meet to discuss alternatives and amend the individual service plan before services are terminated or reduced.*

Sec. 20. Minnesota Statutes 1990, section 256E.09, subdivision 1, is amended to read:

**Subdivision 1. [PLAN PROPOSAL.]** Beginning in 1989, and every two years after that, the county board shall *submit to the commissioner a proposed community social services plan for the next two calendar years. The county board shall publish and make available upon request to all county residents a the proposed biennial community social services plan for the next two calendar years.*

Sec. 21. Minnesota Statutes 1990, section 256E.09, subdivision 3, is amended to read:

**Subd. 3. [PLAN CONTENT.]** The biennial community social services plan **published by the county** shall include:

- (a) A statement of the goals of community social service programs in the county;**
- (b) Methods used pursuant to subdivision 2 to encourage participation of citizens and providers in the development of the plan and the allocation of money;**
- (c) Methods used to identify persons in need of service and the social problems to be addressed by the community social service programs, including efforts the county proposes to make in providing for early intervention, prevention and education aimed at minimizing or eliminating the need for services for groups of persons identified in section 256E.03, subdivision 2;**

**(d) A statement describing how the county will fulfill its responsibilities identified in section 256E.08, subdivision 1, to the groups of persons described in section 256E.03, subdivision 2, and a description of each community social service proposed and identification of the agency or person proposed to provide**

the service;

(e) A statement describing how the county proposes to make the following services available for persons identified by the county as in need of services: daytime developmental achievement services for children; day training and habilitation services for adults; extended employment program services for persons with disabilities; supported employment services as defined in section 252.41, subdivision 8; community-based employment programs as defined in section 268A.01, subdivision 11; subacute detoxification services; and residential services and nonresidential social support services as appropriate for the groups identified in section 256E.03, subdivision 2;

(f) A statement specifying how the county will collaboratively plan the development of supported employment services and community-based employment services with local representatives of public rehabilitation agencies and local education agencies; including, if necessary, how existing day or employment services could be modified to provide supported employment services and community-based employment services;

(g) A statement describing how the county is fulfilling its responsibility to establish a comprehensive and coordinated system of early intervention services as required under section 120.17, subdivisions 11a, 12, and 14;

(h) The amount of money proposed to be allocated to each service;

(i) An inventory of public and private resources including associations of volunteers which are available to the county for social services;

(j) Evidence that serious consideration was given to the purchase of services from private and public agencies; and

(k) Methods whereby community social service programs will be monitored and evaluated by the county:

(1) a description of the planning process, including methods used to assess needs and obtain citizen input;

(2) county outcome goals and specific objectives for each program area;

(3) a description of resources allocated within the county to support each program and service;

(4) a description of the services to be provided;

(5) an analysis of the adequacy of resources available to support the community social services plan including estimates of unmet needs;

(6) a description of how the service system will be coordinated within each program area; and

(7) a statement signed by the county board or its designee that the county is in compliance with specified Minnesota Statutes.

Sec. 22. Minnesota Statutes 1990, section 256E.09, subdivision 6, is amended to read:

Subd. 6. [PLAN AMENDMENT.] After providing opportunity for public comment, the county may amend its plan. After approval of the amendment by the county board, the county shall submit to the commissioner its amendment to the commissioner and a statement signed by the county board or its designee that the county is in compliance with specified Minnesota Statutes. When certifying the amendment according to section 256E.05, subdivision 2, the commissioner shall certify whether the amendment fulfills

**the purpose and requirements of law and the rules of the state agency consider:**  
*(1) the effect of the proposed amendment on efforts to prevent inappropriate or facilitate appropriate residential placements; and*

*(2) the resources allocated for the provision of services in the community social services plan approved under section 256E.09, and the amount the county is levying for social services and income maintenance programs under section 275.50, subdivision 5.*

Sec. 23. Minnesota Statutes 1990, section 256E.12, is amended by adding a subdivision to read:

*Subd. 4. For calendar year 1992 and all subsequent years, the commissioner shall allocate the money appropriated under this section on a calendar year basis. The commissioner may continue to allocate part of the money on a state fiscal year basis for special projects.*

Sec. 24. [INSTRUCTION TO REVISOR.]

*In the 1991 supplement to Minnesota Statutes, the revisor of statutes shall substitute references to "local mental health service proposals," "local adult mental health proposal," or "local children's mental health proposal," or similar terms or phrases which appear in Minnesota Statutes, chapter 245, with "adult mental health component of the community social services plan" or "children's mental health component of the community social services plan," or similar terms, as appropriate. The revisor shall consult with staff from the department of human services in determining the appropriate substitutions.*

Sec. 25. [REPEALER.]

*Minnesota Statutes 1990, sections 245.462, subdivision 15; 245.4871, subdivision 23; 256B.092, subdivisions 1c and 1d; and 256E.09, subdivisions 4 and 5, are repealed.*

Sec. 26. [EFFECTIVE DATE.]

*Sections 4, 9, and 21 are effective January 1, 1993."*

Delete the title and insert:

*"A bill for an act relating to human services; consolidating and simplifying county mental health and community social services planning; authorizing the review and reduction of social service administrative requirements; establishing a process for limiting social services due to county fiscal limitations; amending Minnesota Statutes 1990, sections 245.465; 245.466, subdivision 5; 245.478, subdivisions 1, 2, and 6; 245.4874; 245.4875, subdivision 5; 245.4887, subdivisions 1, 2, and 6; 256.045, subdivision 3; 256E.04, subdivision 1; 256E.05, subdivisions 2, 3, 5, and by adding subdivisions; 256E.08, subdivision 1; 256E.09, subdivisions 1, 3, and 6; and 256E.12, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256E; repealing Minnesota Statutes 1990, sections 245.462, subdivision 15; 245.4871, subdivision 23; 256B.092, subdivisions 1c and 1d; and 256E.09, subdivisions 4 and 5."*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 402: A bill for an act relating to international trade; establishing regional international trade service centers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [44A.12] [REGIONAL INTERNATIONAL TRADE SERVICE CENTERS.]

*Subdivision 1. [ESTABLISHMENT.] A regional international trade service center is established in each of the six regions designated under section 116N.08, subdivision 2, to provide assistance in the area of international trade to area businesses and businesses within the metropolitan area, as defined in section 473.121, subdivision 2. Overall administration of the centers shall be provided by the Minnesota World Trade Center Corporation.*

*Subd. 2. [DUTIES.] The regional international trade service centers shall have at least the following duties:*

*(1) to provide timely personalized assistance to businesses exporting or planning to export goods and services, and to concentrate on providing direct assistance at the place of business;*

*(2) to establish and maintain access to a current library and resource center containing material relating to international trade and trade lead information;*

*(3) to establish contractual relationships with the Greater Minnesota Corporation; small business development centers; and public higher education institutions, their foreign-based campuses, and affiliates, for referrals between these entities and the regional center for technical assistance;*

*(4) to enter into a formal agreement with the National Association of Small Business International Trade Educators as a state chapter, thus accessing a national pool of small business international trade expertise;*

*(5) to provide a calendar of regularly scheduled trade workshops and seminars for regional businesses, and establish and act as regional recruiters for a privately funded international education academy, in cooperation with the United States Department of Commerce, small business development centers, the Small Business Administration, and public higher education institutions;*

*(6) to conduct annual regional surveys of the international trade service requirements of all existing exporters in the region, to perform a needs assessment of new-to-export companies that are beginning to export or participate in an international trade program, to research regional product and service firms that have export potential and to contact and contract with them for service programs, and to contract with each of the entities in this clause for an annual program;*

*(7) to design with available local, state, and federal service providers a computer-based service menu and annual service program for each client;*

*(8) to organize and conduct six regional trade workshops each year to provide international trade and export education, and participate in other*



*trade workshops;*

*(9) to recruit businesses and economic development professionals in the region for the full schedule of United States Department of Commerce foreign trade missions, catalog shows, and foreign international trade fairs;*

*(10) to establish direct FAX communication links for business communication with United States Department of Commerce overseas posts in 154 countries;*

*(11) to act as the "hot line" regional export information center for regional businesses, higher educational institutions, and economic development offices, small business development commissions, and chambers of commerce;*

*(12) to create partnerships with regional higher education institutions to expand international business, trade, and world cultural curriculum; and*

*(13) to follow up on an individual basis on trade leads.*

*Subd. 3. [STAFF] Each center shall have a professional staff that is experienced in providing expert international trade assistance to small businesses, with prior experience in the private sector in exporting goods and services.*

*Subd. 4. [MATCHING FUNDS.] Each center must seek matching money from federal, state, and local public and private sources.*

**Sec. 2. [APPROPRIATION.]**

*§ . . . . . is appropriated from the general fund for the biennium ending June 30, 1993, to the Minnesota World Trade Center Corporation for the purposes of section 1."*

Amend the title as follows:

Page 1, line 5, delete "116J" and insert "44A"

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. 1032: A bill for an act relating to crimes; increasing the penalty for assaulting a correctional officer; amending Minnesota Statutes 1990, section 609.2231, subdivision 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1235: A bill for an act relating to crimes; missing children; repealing restrictions on felony prosecutions for taking, detaining, or failing to return a child; repealing Minnesota Statutes 1990, section 609.26, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 1990, section 609.26, subdivision 5, is

amended to read:

Subd. 5. [DISMISSAL OF CHARGE.] A felony charge brought under this section shall be dismissed if:

(a) the person voluntarily returns the child within ~~14 days~~ 48 hours after taking, detaining, or failing to return the child in violation of this section; or

(b)(1) the person taking the action and the child have not left the state of Minnesota; and (2) within a period of ~~14 seven~~ days after taking the action, (i) a motion or proceeding under chapter 518, 518A, 518B, or 518C is commenced by the person taking the action, or (ii) the attorney representing the person taking the action has consented to service of process by the party whose rights are being deprived, for any motion or action pursuant to chapter 518, 518A, 518B, or 518C.

Clause (a) does not apply if the person returns the child as a result of being located by law enforcement authorities.

This subdivision does not prohibit the filing of felony charges or an offense report before the expiration of the ~~14 days~~ 48 hours."

Amend the title as follows:

Page 1, lines 2 and 4, delete "repealing" and insert "amending"

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. 979: A bill for an act relating to crimes; providing that it is a misdemeanor to sell butane to a minor; amending Minnesota Statutes 1990, sections 145.38; 145.385; and 145.39.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [609.684] [SALE OF TOXIC SUBSTANCES TO CHILDREN; ABUSE OF TOXIC SUBSTANCES.]

*Subdivision 1. [TOXIC SUBSTANCES.] For purposes of this section, "toxic substance" means:*

*(1) glue, cement, or aerosol paint containing toluene, benzene, xylene, amyl nitrate, butyl nitrate, nitrous oxide, or containing other aromatic hydrocarbon solvents, but does not include glue, cement, or paint contained in a packaged kit for the construction of a model automobile, airplane, or similar item;*

*(2) any compound containing butane; or*

*(3) any similar substance declared to be toxic to the central nervous system and to have a potential for abuse, by a rule adopted by the commissioner of health under chapter 14.*

*Subd. 2. [SALE TO MINORS.] (a) A person is guilty of a misdemeanor who sells a toxic substance to a person under the age of 18.*

*(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.*

*Subd. 3. [USE FOR INTOXICATION PROHIBITED.] A person is guilty of a misdemeanor who uses or possesses any toxic substance with the intent of inducing intoxication, excitement, or stupefaction of the central nervous system, except under the direction and supervision of a medical doctor. A person is guilty of a misdemeanor who intentionally aids another in violation of this subdivision.*

*Subd. 4. [NOTICE REQUIRED.] A business establishment that offers for sale at retail any toxic substance 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, or butane, to a person under 18 years of age, except as provided by law. This offense is a misdemeanor. It is also a misdemeanor for a person to use or possess glue, cement, aerosol paint, or butane with the intent of inducing intoxication, excitement, or stupefaction of the central nervous system. This use can be harmful or fatal.”*

**Sec. 2. [REPEALER.]**

*Minnesota Statutes 1990, sections 145.38, 145.385, and 145.39, are repealed.*

**Sec. 3. [EFFECTIVE DATE.]**

*Sections 1 and 2 are effective July 1, 1991, and apply to crimes committed on or after that date.”*

Delete the title and insert:

*“A bill for an act relating to crimes; providing that it is a misdemeanor to sell a toxic substance containing butane to a minor; moving certain misdemeanor provisions to the criminal code; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1990, sections 145.38; 145.385; and 145.39.”*

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. 156: A bill for an act relating to judicial procedures; changing provisions relating to public defense; amending Minnesota Statutes 1990, sections 383B.32, subdivision 2; 383B.63, subdivision 6; 611.215; 611.23; 611.24; 611.26; 611.263; repealing Minnesota Statutes 1990, sections 383B.63, subdivision 1; 611.215, subdivision 4; 611.261; and Laws 1989, chapter 335, article 3, section 38.*

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 1990, section 611.215, subdivision 1, is amended to read:*

Subdivision 1. [STRUCTURE; MEMBERSHIP] (a) The state board of public defense is a part of, but is not subject to the administrative control of, the judicial branch of government. The state board of public defense shall consist of seven members including:

- (1) ~~a district court judge appointed by the supreme court;~~
- (2) four attorneys admitted to the practice of law, well acquainted with the defense of persons accused of crime, but not employed as prosecutors, appointed by the supreme court; and
- (3) ~~two~~ (2) three public members appointed by the governor.

*After the expiration of the terms of persons appointed to the board before March 1, 1991, the appointing authorities may not appoint a person who is a judge to be a member of the state board of public defense, other than as a member of the ad hoc board of public defense.*

(b) All members shall demonstrate an interest in maintaining a high quality, independent defense system for those who are unable to obtain adequate representation. *Appointments to the board shall include qualified women and members of minority groups. At least three members of the board shall be from judicial districts other than the first, second, fourth, and tenth judicial districts.* The terms, compensation, and removal of members shall be as provided in section 15.0575. The chair shall be elected by the members from among the membership for a term of two years.

(c) In addition, the state board of public defense shall consist of ~~an 11-member~~ *a nine-member* ad hoc board when considering the appointment of district public defenders under section 611.26, subdivision 2. The terms of *chief* district public defenders currently serving shall terminate in accordance with the staggered term schedule set forth in section 611.26, subdivision 2.

Sec. 2. Minnesota Statutes 1990, section 611.215, subdivision 1a, is amended to read:

Subd. 1a. [CHIEF ADMINISTRATOR.] ~~The chair of the state board of public defense may, subject to the approval of the board,~~ *state public defender shall* appoint a chief administrator who must be chosen solely on the basis of training, experience, and other qualifications, and who will serve at the pleasure of the ~~board~~ *state public defender*. The chief administrator need not be licensed to practice law. The *chief* administrator shall attend all meetings of the board, but may not vote, and shall:

- (1) enforce all resolutions, rules, regulations, or orders of the board;
- (2) ~~appoint and remove all subordinate officers and regular employees of the board upon the basis of merit and fitness, subject to the provisions of a personnel code adopted by the board;~~

(3) present to the board *and the state public defender* plans, studies, and reports prepared for ~~board~~ *the board's and the state public defender's* purposes and recommend to the board *and the state public defender* for adoption measures necessary to enforce or carry out the powers and duties of the board *and the state public defender*, or to efficiently administer the affairs of the board *and the state public defender*;

(4) (3) keep the board fully advised as to its financial condition, and prepare and submit to the board its annual budget and other financial information as it may request;

(5) (4) recommend to the board the adoption of rules and regulations necessary for the efficient operation of the board and its functions; and

(6) (5) perform other duties prescribed by the board *and the state public defender*.

Sec. 3. Minnesota Statutes 1990, section 611.215, subdivision 2, is amended to read:

Subd. 2. [DUTIES AND RESPONSIBILITIES.] (a) ~~The state board of public defense shall appoint the state public defender, who serves full time for a term of four years. The board shall prepare an annual report to the governor, the legislature, and the supreme court on the operation of the state public defender's office, district defender systems, and public defense corporations. The board shall approve and recommend to the legislature a budget for the board, the office of state public defender, the judicial district public defenders, and the public defense corporations.~~

(b) The board shall establish procedures for distribution of state funding under this chapter to the state and district public defenders, ~~including Hennepin and Ramsey county public defenders,~~ and to the public defense corporations.

(b) (c) The board shall establish standards for the offices of the state and district public defenders and for the conduct of all appointed counsel systems. The standards must include, but are not limited to:

(1) standards needed to maintain and operate an office of public defender including requirements regarding the qualifications, training, and size of the legal and supporting staff for a public defender or appointed counsel system;

(2) standards for public defender caseloads;

(3) standards and procedures for the eligibility for appointment, assessment, and collection of the costs for legal representation provided by public defenders or appointed counsel;

(4) standards for contracts between a board of county commissioners and a county public defender system for the legal representation of indigent persons;

(5) standards prescribing minimum qualifications of counsel appointed under the board's authority or by the courts; and

(6) standards ensuring the ~~economical~~ *independent, competent, and efficient delivery of legal services, including alternatives to the present geographic boundaries of the public defender districts representation of clients whose cases present conflicts of interest, in both the trial and appellate courts.*

(d) The board may require the reporting of statistical data, budget information, and other cost factors by the state and district public defenders and appointed counsel systems.

~~The state board of public defense shall design and conduct programs for the training of all state and district public defenders, appointed counsel, and attorneys for public defense corporations funded in section 611.26.~~

Sec. 4. Minnesota Statutes 1990, section 611.23, is amended to read:

611.23 [OFFICE OF STATE PUBLIC DEFENDER; APPOINTMENT; SALARY.]

The office of state public defender is ~~under the supervision of~~ *responsible* to the state board of public defense. The state public defender shall be appointed by the state board of public defense for a term of four years, except as otherwise provided in this section, and until a successor is appointed and qualified. The state public defender shall be a full-time qualified attorney, licensed to practice law in this state, serve in the unclassified service of the state, and be removed only for cause by the appointing authority. Vacancies in the office shall be filled by the appointing authority for the unexpired term. The salary of the state public defender shall be fixed by the state board of public defense but must not exceed the salary of the chief deputy attorney general. Terms of the state public defender shall commence on ~~January~~ July 1. The state public defender shall devote full time to the performance of duties and shall not engage in the general practice of law.

Sec. 5. Minnesota Statutes 1990, section 611.24, is amended to read:

611.24 [ORGANIZATION OF OFFICE; ASSISTANTS.]

*The state public defender shall supervise the operation, activities, policies and procedures of the state public defender system. The state public defender, subject to the limitations imposed by, and the supervision of, the state board of public defense, may shall employ or retain assistant state public defenders, a chief administrator, a deputy state public defender in charge of appellate services, and other personnel as may be necessary to discharge the function functions of the office. An assistant state public defender shall be a qualified attorney, licensed to practice law in this state, serve in the unclassified service of the state if employed, and serve at the pleasure of the appointing authority at a salary or retainer fee not to exceed reasonable compensation for comparable services performed for other governmental agencies or departments. Retained or part-time employed assistant state public defenders may engage in the general practice of law.*

Sec. 6. Minnesota Statutes 1990, section 611.25, is amended by adding a subdivision to read:

*Subd. 3. [DUTIES.] The state public defender shall prepare an annual report to the board and a report to the governor, the legislature, and the supreme court on the operation of the state public defender's office, district defender systems, and public defense corporations. The state public defender may require the reporting of statistical data, budget information, and other cost factors by the chief district public defenders and appointed counsel systems. The state public defender shall design and conduct programs for the training of all state and district public defenders, appointed counsel, and attorneys for public defense corporations funded under section 611.26. The state public defender shall establish policies and procedures to administer the state public defender system, consistent with standards adopted by the state board of public defense.*

Sec. 7. Minnesota Statutes 1990, section 611.26, subdivision 2, is amended to read:

*Subd. 2. [APPOINTMENT; TERMS.] The state board of public defense shall appoint a chief district public defender for each judicial district. When appointing a chief district public defender, the state board of public defense membership shall be increased to include two judges residents of the district and two county commissioners of the counties within appointed by the chief judge of the district to reflect the characteristics of the population served*

by the public defender in that 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 *chief* 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 *chief* district public defender shall be a qualified attorney, licensed to practice law in this state. The *chief* district public defender shall be appointed for a term of four years, beginning ~~November~~ July 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;~~ (4) ~~in 1990, the sixth and seventh districts;~~ (5) in 1991, the second, *third*, fourth, *sixth*, and eighth districts; and (6) (2) in ~~1992 1993~~, the first, ~~third~~ *fifth*, *seventh*, *ninth*, and tenth districts. The *chief* 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. 8. Minnesota Statutes 1990, section 611.26, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] (a) The compensation of the *chief* district public defender shall be set by the board of public defense. The compensation of each assistant district public defender shall be set by the *chief* district public defender with the approval of the board of public defense. The compensation for *chief* district public defenders may not exceed the prevailing compensation for county attorneys within the district, and the compensation for assistant district public defenders may not exceed the prevailing compensation for assistant county attorneys within the district. To assist the board of public defense in determining prevailing compensation under this subdivision, counties shall provide to the board information on the compensation of county attorneys, including salaries and benefits, rent, secretarial staff, and other pertinent budget data. For purposes of this subdivision, compensation means salaries, cash payments, and employee benefits including paid time off and group insurance benefits, and other direct and indirect items of compensation including the value of office space provided by the employer.

(b) *This subdivision does not limit the rights of public defenders to collectively bargain with their employers.*

Sec. 9. Minnesota Statutes 1990, section 611.26, subdivision 4, is amended to read:

Subd. 4. [ASSISTANT PUBLIC DEFENDERS.] A *chief* district public defender shall appoint assistants who are qualified attorneys licensed to practice law in this state and other staff as the *chief* district public defender finds prudent and necessary subject to the standards adopted by the state ~~board of public defense~~ *defender*. Assistant district public defenders must be appointed to ensure broad geographic representation and caseload distribution within the district. Each assistant district public defender serves at the pleasure of the *chief* district public defender.

Sec. 10. Minnesota Statutes 1990, section 611.26, subdivision 7, is amended to read:

Subd. 7. [OTHER EMPLOYMENT.] *Chief district public defenders and assistant district public defenders may engage in the general practice of law where not employed on a full time basis.*

Sec. 11. Minnesota Statutes 1990, section 611.26, is amended by adding a subdivision to read:

*Subd. 9. [SERVICES.] The chief district public defender is responsible for the administration of public defender services in the district, consistent with standards adopted by the state board of public defense and the policies and procedures adopted by the state public defender.*

Sec. 12. [TRANSFER OF POSITIONS TO OFFICE OF THE STATE PUBLIC DEFENDER.]

*The employees of the state board of public defense are transferred to the office of the state public defender.*

Sec. 13. [REPEALER.]

*Minnesota Statutes 1990, sections 383B.63, subdivision 1; 611.215, subdivision 4; 611.26, subdivision 1; 611.261; and Laws 1989, chapter 335, article 3, section 38, are repealed.*

Sec. 14. [EFFECTIVE DATE.]

*Sections 1 to 13 are effective July 1, 1991."*

Delete the title and insert:

*"A bill for an act relating to the public defender; providing for appointment of a chief administrator by the state public defender; changing the composition of the ad hoc board of the state board of public defense that appoints chief district public defenders; requiring affirmative action in appointing members of the state board of public defense and chief district public defenders; limiting the number of members of the state board of public defense from certain judicial districts; providing for supervision of the state public defender system by the state public defender; describing the duties of the state board of public defense, the state public defender, and chief district public defenders; transferring positions from the state board of public defense to the office of the state public defender; amending Minnesota Statutes 1990, sections 611.215, subdivisions 1, 1a, and 2; 611.23; 611.24; 611.25, by adding a subdivision; 611.26, subdivisions 2, 3, 4, 7, and by adding a subdivision; repealing Minnesota Statutes 1990, sections 383B.63, subdivision 1; 611.215, subdivision 4; 611.26, subdivision 1; 611.261; and Laws 1989, chapter 335, article 3, section 38."*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which were referred for proper reference under Rule 35:

S.F. Nos. 882 and 1232 reports the same back with the recommendation that the bills be re-referred as follows:

S.F. No. 882 to the Committee on Taxes and Tax Laws.

S.F. No. 1232 to the Committee on Environment and Natural Resources.

Report adopted.



Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 640: A bill for an act relating to veterans; authorizing the veterans homes board to rent certain facilities; authorizing expenditures of money; amending Minnesota Statutes 1990, section 198.003.

Reports the same back with the recommendation that the report from the Committee on Veterans and General Legislation, shown in the Journal for March 18, 1991, 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. 196: A bill for an act relating to economic development; specifying that money transferred or appropriated to the capital access program account is appropriated to the commissioner of trade and economic development; amending Minnesota Statutes 1990, section 116J.8765, by adding a subdivision.

Reports the same back with the recommendation that the report from the Committee on Economic Development and Housing, shown in the Journal for March 18, 1991, be amended to read:

“the bill do pass and be re-referred to the Committee on Finance”. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

House Concurrent Resolution No. 5: A House concurrent resolution adopting Permanent Joint Rules of the House of Representatives and Senate.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

H.F. No. 304: A bill for an act relating to labor; providing that certain hiring practices by an employer during a strike or lockout are unfair labor practices; amending Minnesota Statutes 1990, sections 179.12; and 179A.13.

Reports the same back with the recommendation that the report from the Committee on Employment, shown in the Journal for March 27, 1991, be amended to read:

“the bill do pass and be re-referred to the Committee on Governmental Operations”. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

H.F. No. 623: A bill for an act relating to Martin county; permitting the consolidation of the offices of auditor and treasurer.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 3, delete "ten" and insert "15"

Page 2, line 4, delete "registered" and after the first "county" insert "voting in the last general election"

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. 795 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
		795	779		

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. 809 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
809	717				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 809 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 809 and insert the language after the enacting clause of S.F. No. 717, the first engrossment; further, delete the title of H.F. No. 809 and insert the title of S.F. No. 717, the first engrossment.

And when so amended H.F. No. 809 will be identical to S.F. No. 717, and further recommends that H.F. No. 809 be given its second reading and substituted for S.F. No. 717, 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. 179 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.
179	1083				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 179 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 179 and insert the language after the enacting clause of S.F. No. 1083, the first engrossment; further, delete the title of H.F. No. 179 and insert the title of S.F. No. 1083, the first engrossment.

And when so amended H.F. No. 179 will be identical to S.F. No. 1083, and further recommends that H.F. No. 179 be given its second reading and substituted for S.F. No. 1083, 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. Metzen from the Committee on Economic Development and Housing, to which was referred the following appointment as reported in the Journal for February 28, 1991:

**IRON RANGE RESOURCES AND REHABILITATION  
COMMISSIONER**

Wayne L. Dalke

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 was referred

S.F. No. 837: A bill for an act relating to natural resources; amending certain provisions concerning mineral exploration, exploratory boring, and data acquired in connection therewith; authorizing the adoption of rules establishing minimum standards for wells to explore for or produce oil, gas, and related hydrocarbons; amending Minnesota Statutes 1990, sections 13.793, subdivision 2; 1031.601, subdivision 4; and 1031.605, subdivision 4.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 1, line 13, before "Data" insert "(a)"

Page 1, line 16, after the period, insert "*Except as provided in paragraph (b).*"

Page 1, line 18, delete "*However,*" and insert:

"(b)"

Page 1, line 25, after "*submitted*" insert "*and annually thereafter*"

Page 1, line 27, after "*If*" insert "*, in a given year,*"

Page 2, lines 1 and 2, delete "*annually thereafter,*" and insert "*to the commissioner*"

Page 2, line 12, delete "*No*" and after "*may*" insert "*not*"

Page 2, line 13, delete "*from the*" and insert "*after*"

Page 2, line 17, strike "*six months*" and insert "*180 days*"

Page 2, line 24, delete "*required by*" and insert "*that will become public under*"

Page 2, line 25, delete "*, at any time*" and insert "*of natural resources,*"

Page 2, line 26, delete "*the time required by paragraph (a)*" and insert "*the termination of the lease*"

Page 2, line 28, delete "*six months*" and insert "*180 days*"

Page 2, line 30, delete "*The*" and insert "*An*"

Page 2, line 32, after "*commissioner*" insert "*of natural resources*" and after "*submitted*" insert "*and every 180 days thereafter*"

Page 2, line 33, after "*commissioner*" insert "*of natural resources*"

Page 2, line 36, delete "*every*" and insert "*to the commissioner of natural resources for a given 180-day period by the required date,*"

Page 3, delete line 1

Page 3, line 2, delete everything before the fourth "*the*"

Page 3, line 10, after "*commissioner*" insert "*of natural resources*"

Amend the title as follows:

Page 1, delete lines 5 and 6

Page 1, line 7, delete everything before "amending"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mr. Dahl from the Committee on Education, to which was referred

S.F. No. 86: A bill for an act relating to education; providing for the arbitration of disputes concerning the proposed termination, discharge, or demotion of teachers following the probationary period; amending Minnesota Statutes 1990, sections 125.12, by adding a subdivision; 125.17, by adding a subdivision; and 179A.20, subdivision 4.

Reports the same back with the recommendation that the bill be amended

as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 125.12, subdivision 4, is amended to read:

Subd. 4. [TERMINATION OF CONTRACT AFTER PROBATIONARY PERIOD.] A teacher who has completed a probationary period in any school district, and who has not been discharged or advised of a refusal to renew the teacher's contract pursuant to subdivision 3, shall have a continuing contract with such district. Thereafter, the teacher's contract shall remain in full force and effect, except as modified by mutual consent of the board and the teacher, until terminated by a majority roll call vote of the full membership of the board prior to April 1 upon one of the grounds specified in subdivision 6 or prior to June 1 upon one of the grounds specified in subdivision 6a or 6b, or until the teacher is discharged pursuant to subdivision 8, or by the written resignation of the teacher submitted prior to April 1; provided, however, that if an agreement as to the terms and conditions of employment for the succeeding school year has not been adopted pursuant to the provisions of sections 179A.01 to 179A.25 prior to March 1, the teacher's right of resignation shall be extended to the 30th calendar day following the adoption of said contract in compliance with section 179A.20, subdivision 5. Such written resignation by the teacher shall be effective as of June 30 if submitted prior to that date and the teachers' right of resignation for the school year then beginning shall cease on July 15. Before a teacher's contract is terminated by the board, the board shall notify the teacher in writing and state its ground for the proposed termination in reasonable detail together with a statement that the teacher may make a written request for a hearing before the board within 14 days after receipt of such notification. *If the grounds are those specified in subdivision 6 or 8, the notice must also state a teacher may request arbitration under section 2.* Within 14 days after receipt of this notification the teacher may make a written request for a hearing before the board or an arbitrator and it shall be granted upon reasonable notice to the teacher of the date set for hearing, before final action is taken. If no hearing is requested within such period, it shall be deemed acquiescence by the teacher to the board's action. Such termination shall take effect at the close of the school year in which the contract is terminated in the manner aforesaid. Such contract may be terminated at any time by mutual consent of the board and the teacher and this section shall not affect the powers of a board to suspend, discharge, or demote a teacher under and pursuant to other provisions of law.

Sec. 2. Minnesota Statutes 1990, section 125.12, is amended by adding a subdivision to read:

Subd. 9a. [HEARING AND DETERMINATION BY ARBITRATOR.] *A teacher whose termination is proposed under subdivision 4 on grounds specified in subdivision 6, or whose discharge is proposed under subdivision 8, may elect a hearing before an arbitrator instead of the school board. The hearing is governed by this subdivision.*

*(a) The teacher must make a written request for a hearing before an arbitrator within 14 days after receiving notification of proposed termination on grounds specified in subdivision 6 or within ten days of receiving notification of proposed discharge under subdivision 8. If a request for a hearing does not specify that the hearing be before an arbitrator, it shall be considered to be a request for a hearing before the school board.*

*(b) If the teacher and the school board are unable to mutually agree on an arbitrator, the school board shall request from the bureau of mediation services a list of five persons to serve as an arbitrator. If the matter to be heard is a proposed termination on grounds specified in subdivision 6, arbitrators on the list must be available to hear the matter and make a decision within a time frame that will allow the school board to comply with all statutory timelines relating to termination. If the teacher and the school board are unable to mutually agree on an arbitrator from the list provided, the parties shall alternately strike names from the list until the name of one arbitrator remains. The person remaining after the striking procedure shall be the arbitrator. If the parties are unable to agree on who shall strike the first name, the question must be decided by a flip of a coin. The teacher and the school board shall share equally the costs and fees of the arbitrator.*

*(c) The arbitrator shall determine, by a preponderance of the evidence, whether the grounds for termination or discharge specified in subdivision 6 or 8 exist to support the proposed termination or discharge. A lesser penalty than termination or discharge may be imposed by the arbitrator only to the extent that either party proposes such lesser penalty in the proceeding. In making the determination, the arbitration proceeding is governed by sections 572.11 to 572.17 and by the collective bargaining agreement applicable to the teacher.*

*(d) An arbitration hearing conducted under this subdivision is a meeting for preliminary consideration of allegations or charges within the meaning of section 471.705, subdivision 1d, clause (c), and shall be closed, unless the teacher requests it to be open.*

*(e) The arbitrator's award is final and binding on the parties, subject to sections 572.18 to 572.26.*

Sec. 3. Minnesota Statutes 1990, section 125.17, subdivision 5, is amended to read:

Subd. 5. [HEARING OF CHARGES AGAINST TEACHER.] The charges against a teacher shall be in writing and signed by the person making the same and then filed with the secretary or clerk of the school board having charge of the school in which the teacher is employed. Such school board before discharging or demoting a teacher shall then accord the teacher against whom such charges have been filed a full hearing and give to the teacher at least ten days' notice in writing of the time and place of such hearing; such notice may be served personally or sent by certified mail addressed to such teacher at the teacher's last known post office address; provided, that if the charge be made by any person not in connection with the school system the charge may be disregarded by such school board. *If the grounds are those specified in subdivision 4, clause (1), (2), (3), or (4), the notice must also state a teacher may request arbitration under section 4.* Upon such hearing being held such school board or an arbitrator shall hear all evidence that may be adduced in support of the charges and for the teacher's defense thereto. Either party shall have the right to have a written record of the hearing at the expense of the board and to have witnesses subpoenaed and all witnesses so subpoenaed shall be examined under oath. Any member of the school board conducting such a hearing shall have authority to issue subpoenas and to administer oaths to witnesses.

Sec. 4. Minnesota Statutes 1990, section 125.17, is amended by adding a subdivision to read:

*Subd. 10a. [HEARING AND DETERMINATION BY ARBITRATOR.] A teacher against whom charges have been filed alleging any cause for discharge or demotion specified in subdivision 4, clause (1), (2), (3), or (4), may elect a hearing before an arbitrator instead of the school board. The hearing is governed by this subdivision.*

*(a) The teacher must make a written request for a hearing before an arbitrator within ten days after receiving a written notice of the filing of charges required by subdivision 5. Failure to request a hearing before an arbitrator during this period is considered acquiescence to a hearing before the board.*

*(b) If the teacher and the school board are unable to mutually agree on an arbitrator, the school board shall request from the bureau of mediation services a list of five persons to serve as an arbitrator. If the teacher and the school board are unable to mutually agree on an arbitrator from the list provided, the parties shall alternately strike names from the list until the name of one arbitrator remains. The person remaining after the striking procedure shall be the arbitrator. If the parties are unable to agree on who shall strike the first name, the question must be decided by a flip of a coin. The teacher and the school board shall share equally the costs and fees of the arbitrator.*

*(c) The arbitrator shall determine, by a preponderance of the evidence, whether the causes specified in subdivision 4, clause (1), (2), (3), or (4), exist to support the proposed discharge or demotion. A lesser penalty than discharge or demotion may be imposed by the arbitrator only to the extent that either party proposes such lesser penalty in the proceeding. In making the determination, the arbitration proceeding is governed by sections 572.11 to 572.17 and by the collective bargaining agreement applicable to the teacher.*

*(d) An arbitration hearing conducted under this subdivision is a meeting for preliminary consideration of allegations or charges within the meaning of section 471.705, subdivision 1d, clause (c), and shall be closed, unless the teacher requests it to be open.*

*(e) The arbitrator's decision is final and binding on the parties, subject to sections 572.18 to 572.26.*

Sec. 5. Minnesota Statutes 1990, section 179A.04, subdivision 3, is amended to read:

Subd. 3. [OTHER DUTIES.] The commissioner shall:

(a) provide mediation services as requested by the parties until the parties reach agreement. The commissioner may continue to assist parties after they have submitted their final positions for interest arbitration;

(b) issue notices, subpoenas, and orders required by law to carry out duties under sections 179A.01 to 179A.25;

(c) certify to the board items of dispute between parties subject to action of the board under section 179A.16;

(d) assist the parties in formulating petitions, notices, and other papers required to be filed with the commissioner or the board;

(e) certify the final results of any election or other voting procedure conducted under sections 179A.01 to 179A.25;

(f) adopt rules relating to the administration of this chapter; and the conduct of hearings and elections;

(g) receive, catalogue, and file all orders and decisions of the board, all decisions of arbitration panels authorized by sections 179A.01 to 179A.25, all grievance arbitration decisions, and the commissioner's orders and decisions. All orders and decisions catalogued and filed shall be readily available to the public;

(h) adopt, subject to chapter 14, a grievance procedure to fulfill the purposes of section 179A.20, subdivision 4. The grievance procedure shall not provide for the services of the bureau of mediation services. The grievance procedure shall be available to any employee in a unit not covered by a contractual grievance procedure;

(i) conduct elections;

(j) maintain a schedule of state employee classifications or positions assigned to each unit established in section 179A.10, subdivision 2;

(k) collect such fees as are established by rule for empanelment of persons on the labor arbitrator roster maintained by the commissioner or in conjunction with fair share fee challenges; ~~and~~

(l) provide technical support and assistance to voluntary joint labor-management committees established for the purpose of improving relationships between exclusive representatives and employers, at the discretion of the commissioner; *and*

*(m) from the names provided by representative organizations, maintain a list of arbitrators to conduct teacher discharge or termination hearings according to section 125.12 or 125.17. The persons on the list shall meet at least one of the following requirements:*

*(1) be a former or retired judge;*

*(2) be a qualified arbitrator on the list maintained by either the bureau of mediation services or the public employment relations board according to section 179A.05, subdivision 6; or*

*(3) be a present, former, or retired administrative law judge.*

*Each year, the Minnesota education association shall provide a list of seven names, the Minnesota federation of teachers a list of seven names, and the Minnesota school boards association a list of 14 names of persons to be on the list. The commissioner may adopt rules about maintaining and updating the list.*

Sec. 6. Minnesota Statutes 1990, section 179A.20, subdivision 4, is amended to read:

Subd. 4. [GRIEVANCE PROCEDURE.] (a) All contracts must include a grievance procedure providing for compulsory binding arbitration of grievances including all written disciplinary actions. If the parties cannot agree on the grievance procedure, they are subject to the grievance procedure promulgated by the commissioner under section 179A.04, subdivision 3, clause (h).

(b) Notwithstanding any home rule charter to the contrary, after the probationary period of employment, any disciplinary action, ~~other than the termination of a teacher contract or the discharge of a teacher under section 125.12 or 125.17,~~ is subject to the grievance procedure and compulsory



binding arbitration.

(c) Employees covered by civil service systems created under chapter 43A, 44, 375, 387, 419, or 420, by a home rule charter under chapter 410, or by Laws 1941, chapter 423, may pursue a grievance through the procedure established under this section. When the grievance is also within the jurisdiction of appeals boards or appeals procedures created by chapter 43A, 44, 375, 387, 419, or 420, by a home rule charter under chapter 410, or by Laws 1941, chapter 423, the employee may proceed through the grievance procedure or the civil service appeals procedure, but once a written grievance or appeal has been properly filed or submitted by the employee or on the employee's behalf with the employee's consent the employee may not proceed in the alternative manner.

(d) A teacher who elects a hearing before an arbitrator under section 2 or 4 or who elects or acquiesces to a hearing before the school board may not later proceed in the alternative manner.

(e) This section does not require employers or employee organizations to negotiate on matters other than terms and conditions of employment.

#### Sec. 7. [APPLICABILITY AND TIMING.]

*Sections 2, 4, and 6 are applicable to any teacher who has received notice of:*

*(1) proposed termination under Minnesota Statutes, section 125.12, subdivision 6, within 14 days before the effective date of sections 2, 4, and 6;*

*(2) proposed discharge under Minnesota Statutes, section 125.12, subdivision 8, within ten days before the effective date of sections 2, 4, and 6; or*

*(3) charges under section 125.17, subdivision 4, clause (1), (2), (3), or (4), within ten days before the effective date of sections 2, 4, and 6.*

*Notwithstanding sections 2, paragraph (a), and 4, paragraph (a), a teacher described in this section may make a written request for a hearing before an arbitrator within five days after the effective date of sections 2, 4, and 6, regardless of whether the teacher previously requested a hearing before the school board."*

Delete the title and insert:

"A bill for an act relating to education; providing for the arbitration of disputes concerning the proposed termination, discharge, or demotion of teachers following the probationary period; amending Minnesota Statutes 1990, sections 125.12, subdivision 4, and by adding a subdivision; 125.17, subdivision 5, and by adding a subdivision; 179A.04, subdivision 3; and 179A.20, subdivision 4."

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. 118, 379, 1019, 593, 765, 331, 1068, 532, 976, 1126, 460, 1213, 599, 1129, 226, 1032, 1235, 979 and 156 were read the second time.

## SECOND READING OF HOUSE BILLS

H.F. Nos. 623, 795, 809 and 179 were read the second time.

### MOTIONS AND RESOLUTIONS

Mr. Hottinger moved that the name of Ms. Pappas be added as a co-author to S.F. No. 198. The motion prevailed.

Mr. Luther moved that his name be stricken as chief author, shown as a co-author, and the name of Mr. Cohen be added as chief author to S.F. No. 755. The motion prevailed.

Ms. Berglin moved that the name of Mr. Storm be added as a co-author to S.F. No. 774. The motion prevailed.

Ms. Berglin moved that the names of Messrs. Storm and Knaak be added as co-authors to S.F. No. 917. The motion prevailed.

Mr. Lessard moved that the name of Mrs. Adkins be added as a co-author to S.F. No. 1129. The motion prevailed.

Mr. Sams moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 1231. The motion prevailed.

Ms. Flynn moved that the name of Mr. Marty be added as a co-author to S.F. No. 1235. The motion prevailed.

Mr. Solon moved that the name of Mr. Finn be added as a co-author to S.F. No. 1310. The motion prevailed.

Mr. Cohen moved that the name of Mr. Finn be added as a co-author to S.F. No. 1321. The motion prevailed.

Ms. Johnston introduced—

Senate Resolution No. 55: A Senate resolution commending the Prior Lake Players on their service to the community of Prior Lake.

Referred to the Committee on Rules and Administration.

Ms. Johnston introduced—

Senate Resolution No. 56: A Senate resolution congratulating the City of Prior Lake on its centennial.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. moved that House Concurrent Resolution No. 5 be laid on the table and printed in the Journal. The motion prevailed.

House Concurrent Resolution No. 5: A House concurrent resolution adopting Permanent Joint Rules of the House of Representatives and Senate.

BE IT RESOLVED, by the House of Representatives of the State of Minnesota, the Senate concurring:

The Permanent Joint Rules of the House of Representatives and Senate for the 77th Legislature shall read as follows:

**JOINT RULES OF THE  
HOUSE OF REPRESENTATIVES AND SENATE**

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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~~ *eighteen* calendar days prior to the last day the Legislature can meet in regular session [Thursday, May 2, 1991], 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, ~~five~~ separate appropriation bills *for the two succeeding fiscal years* 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 appropriating money for aid to school districts;*

(e) *A bill appropriating money for the protection and improvement of the State's environment and natural resources;*

(f) *A bill appropriating money for the department of transportation and other agencies;*

(g) 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 agriculture, transportation, and semi-state activities.~~

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 14, 1989~~ *April 12, 1991*, and committee reports on bills originating in the other house favorably acted upon by a committee after ~~April 26, 1989~~ *April 24, 1991*, 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 16, 1991*]. ~~After the last Friday on which the Legislature can meet in regular session [May 17, 1991], 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.

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. 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.

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 amendments 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.

Except after the last Thursday on which the Legislature can meet in regular session in odd-numbered years [May 16, 1991], 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 May 7 of each odd-numbered year, *or at a date agreed to by concurrent resolution* 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 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.

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.

### 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.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Solon introduced—

S.F. No. 1334: A bill for an act relating to retirement; local police or paid firefighters relief associations consolidating with the public employees police and fire fund; expanding benefit election options and opportunities; amending Minnesota Statutes 1990, section 353A.08, subdivision 3.

Referred to the Committee on Governmental Operations.

Messrs. Hottinger and Mondale introduced—

S.F. No. 1335: A bill for an act relating to education; revising the student's role in the educational process; broadening the student's advisory role; specifying conditions; proposing coding for new law in Minnesota Statutes, chapter 136A; repealing Minnesota Statutes 1990, section 136A.02, subdivision 7.

Referred to the Committee on Education.

Mr. Solon introduced—

S.F. No. 1336: A bill for an act relating to sexual assault victims; authorizing the commissioner of corrections to adopt rules and administer and award grants to sexual assault programs; authorizing the commissioner of corrections to appoint an advisory council on sexual assault; prescribing duties for the advisory council; requiring the commissioner to consider advisory council recommendations; providing for appointment of a sexual assault program director; amending Minnesota Statutes 1990, sections 611A.22; 611A.221; and 611A.23; proposing coding for new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 1990, section 611A.21.

Referred to the Committee on Health and Human Services.

Mses. Johnson, J.B.; Piper and Mr. Marty introduced—

S.F. No. 1337: A bill for an act relating to energy; removing requirement for foundation insulation; providing for energy audits of rental property; providing less favorable tax treatment of rental property that is in substantial noncompliance with energy code standards; providing a credit for energy conservation expenditures on rental property; requiring landlords to disclose certain energy information to prospective tenants; amending Minnesota Statutes 1990, sections 216C.27, subdivision 3; 216C.31; 273.1316, subdivisions 2, 5, and 8; 290.06, by adding a subdivision; and 504.22, by adding a subdivision.

Referred to the Committee on Energy and Public Utilities.

Mses. Johnson, J.B. and Piper introduced—

S.F. No. 1338: A bill for an act relating to energy; allowing loans to be made to churches and community-based nonprofit organizations for energy conservation improvements; amending Minnesota Statutes 1990, sections 216B.241, subdivision 1; and 216C.37, subdivision 4.

Referred to the Committee on Energy and Public Utilities.

Mr. Bertram, Mrs. Adkins and Mr. Sams introduced—

S.F. No. 1339: A bill for an act relating to taxation; changing the special levy for the cost of certain regional library services; amending Minnesota Statutes 1990, section 275.50, subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

Mr. Waldorf introduced—

S.F. No. 1340: A bill for an act relating to retirement; judges retirement fund; modifying the procedures for the payment of social security and retirement fund contributions; appropriating money to the supreme court for the payment of social security and retirement fund employer contributions; amending Minnesota Statutes 1990, sections 355.392, subdivisions 2 and 3; and 490.123, subdivision 1.

Referred to the Committee on Governmental Operations.

Ms. Olson, Messrs. Bernhagen, Waldorf, Novak and Mrs. Pariseau introduced—

S.F. No. 1341: A bill for an act relating to the environment; clarifying and distinguishing organizational duties of the board of the pollution control agency; amending Minnesota Statutes 1990, sections 116.02, subdivisions 1, 2, 3, 4, and by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Ms. Johnston, Messrs. Bertram and Renneke introduced—

S.F. No. 1342: A bill for an act relating to motor vehicles; authorizing special license plates for Persian Gulf war veterans; amending Minnesota Statutes 1990, section 168.123, subdivision 2.

Referred to the Committee on Transportation.

Mr. Bertram introduced—

S.F. No. 1343: A bill for an act relating to local government; increasing the maximum dollar amount of certain contracts permitted between officers of local government units and the local units; amending Minnesota Statutes 1990, section 471.88, subdivisions 5 and 8.

Referred to the Committee on Local Government.

Mr. Price introduced—

S.F. No. 1344: A bill for an act relating to occupations; providing for municipal regulation of refrigeration workers; proposing coding for new law in Minnesota Statutes, chapter 471.

Referred to the Committee on Local Government.

Mr. Bertram introduced—

S.F. No. 1345: A bill for an act relating to the environment; petrofund; amending Minnesota Statutes 1990, sections 115C.09, subdivisions 1, 2, 3, and 5; 116.46, subdivision 7; 116.491, subdivision 1; and 116.50; proposing coding for new law in Minnesota Statutes, chapter 115C.

Referred to the Committee on Environment and Natural Resources.

Mrs. Pariseau, Mr. Riveness, Ms. Olson and Johnston introduced—

S.F. No. 1346: A bill for an act relating to metropolitan government; requiring metropolitan council to conduct feasibility study on expanding present major metropolitan airport before designating final search area for a new major airport; amending Minnesota Statutes 1990, sections 473.155, subdivision 3; and 473.1551, subdivisions 1 and 2.

Referred to the Committee on Metropolitan Affairs.

Messrs. DeCramer and Frederickson, D.J. introduced—

S.F. No. 1347: A bill for an act relating to education; authorizing certain school districts to levy for interactive television projects, subject to a reverse referendum.

Referred to the Committee on Education.

Mr. Frederickson, D.J. introduced—

S.F. No. 1348: A bill for an act relating to education; authorizing districts with interdistrict cooperation agreements to hold school board meetings in any district that is a party to the agreement; amending Minnesota Statutes 1990, section 122.541, subdivision 7.

Referred to the Committee on Education.

Ms. Pappas introduced—

S.F. No. 1349: A bill for an act relating to appropriations; providing a refund of a bond allocation deposit; appropriating money.

Referred to the Committee on Economic Development and Housing.

Ms. Pappas, Messrs. Waldorf, Marty, Kelly and Cohen introduced—

S.F. No. 1350: A bill for an act relating to education; authorizing the issuance of bonds by independent school district No. 625, St. Paul; requiring notice and a public meeting before issuance; requiring tax levies.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 1351: A bill for an act relating to occupational safety and health; modifying the duty of employers to provide workplace safety programs; amending Minnesota Statutes 1990, section 182.653, subdivisions 8 and 9.

Referred to the Committee on Employment.

Messrs. Chmielewski and Larson introduced—

S.F. No. 1352: A bill for an act relating to taxation; property; changing the commercial use requirements of certain seasonal recreational property; amending Minnesota Statutes 1990, section 273.13, subdivisions 22 and 25.

Referred to the Committee on Taxes and Tax Laws.

Mr. Chmielewski introduced—

S.F. No. 1353: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in Aitkin county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Renneke and Lessard introduced—

S.F. No. 1354: A bill for an act relating to state government; authorizing the state treasurer to participate in a financial institution credit card program; requiring the state's fee to be deposited in the RIM fund; proposing coding for new law in Minnesota Statutes, chapter 7.

Referred to the Committee on Governmental Operations.

Ms. Johnston and Mr. Benson, D.D. introduced—

S.F. No. 1355: A bill for an act relating to the legislature; fixing its size in 1992 and thereafter; amending Minnesota Statutes 1990, section 2.021.

Referred to the Committee on Redistricting.

Mrs. Brataas and Mr. Storm introduced—

S.F. No. 1356: A bill for an act relating to human services licensing; requiring the commissioner to consolidate the rules governing adult and child foster care; proposing coding for new law in Minnesota Statutes, chapter 245A.

Referred to the Committee on Health and Human Services.

Mr. Bernhagen introduced—

S.F. No. 1357: A bill for an act relating to hunting; amending Minnesota Statutes 1990, section 97B.106; repealing Minnesota Statutes 1990, section 97B.035, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Messrs. Johnson, D.E. and Bernhagen introduced—

S.F. No. 1358: A bill for an act relating to taxation; allowing notice of truth in taxation hearings to be posted in cities with a population of 1,000 or less; amending Minnesota Statutes 1990, section 275.065, subdivision 5a.

Referred to the Committee on Taxes and Tax Laws.

Mr. Bertram introduced—

S.F. No. 1359: A bill for an act relating to crimes; requiring county attorneys to prosecute traffic violations in towns and cities with populations of 500 people or less; amending Minnesota Statutes 1990, section 487.25, subdivision 10.

Referred to the Committee on Judiciary.

Messrs. DeCramer, Langseth, Mrs. Benson, J.E. and Mr. Vickerman introduced—

S.F. No. 1360: A bill for an act relating to railroads; allowing commissioner of transportation additional powers to acquire and maintain rail lines that are abandoned or have been identified for abandonment; repealing requirement that commissioner first offer adjacent property owners of state rail bank property the opportunity to buy adjoining property; amending Minnesota Statutes 1990, sections 222.50, subdivision 7; and 222.63, subdivisions 2, 2a, 2c, and 4; repealing Minnesota Statutes 1990, section 222.63, subdivision 5.

Referred to the Committee on Transportation.

Ms. Johnson, J.B. and Mr. Marty introduced—

S.F. No. 1361: A bill for an act relating to energy; requiring adoption of certain energy efficiency standards; requiring certain studies; proposing

coding for new law in Minnesota Statutes, chapter 216C.

Referred to the Committee on Energy and Public Utilities.

Ms. Johnson, J.B. introduced—

S.F. No. 1362: A bill for an act relating to energy; requiring low-income housing to be built according to energy efficiency standards; amending Minnesota Statutes 1990, section 16B.61, by adding a subdivision.

Referred to the Committee on Energy and Public Utilities.

Mr. Novak introduced—

S.F. No. 1363: A bill for an act relating to taxation; exempting the city of Circle Pines from certain tax increment financing provisions.

Referred to the Committee on Economic Development and Housing.

Mr. Pogemiller and Ms. Flynn introduced—

S.F. No. 1364: A bill for an act relating to retirement; authorizing special school district No. 1, Minneapolis, to pay health insurance costs for certain retired teachers; amending Minnesota Statutes 1990, section 275.125, subdivision 6h.

Referred to the Committee on Governmental Operations.

Mr. Stumpf introduced—

S.F. No. 1365: A bill for an act relating to education; establishing telecommunications grants for school districts; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124C.

Referred to the Committee on Education.

Mr. Price introduced—

S.F. No. 1366: A bill for an act relating to education; clarifying post-secondary systems' mission statements; requiring joint administrative appointments for certain technical and community colleges; establishing a post-secondary funding task force; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

Mr. Belanger introduced—

S.F. No. 1367: A bill for an act relating to motor vehicles; defining motor vehicle to include manufactured home for purposes of the motor vehicle retail installment act; amending Minnesota Statutes 1990, section 168.66, subdivision 5.

Referred to the Committee on Transportation.

Mrs. Pariseau introduced—

S.F. No. 1368: A bill for an act relating to environment; motor vehicles; requiring additional vehicles to be tested under the motor vehicle emissions testing program; providing for fees; requiring pollution control agency to

negotiate with the federal government regarding nonattainment matters; amending Minnesota Statutes 1990, sections 116.60, subdivision 7; 116.61, subdivision 2; 116.62, subdivisions 5 and 7; 116.64; and 116.65, subdivision 2, and by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Ms. Olson, Mrs. Pariseau, Messrs. Dahl, Lessard and Frank introduced—

S.F. No. 1369: A bill for an act relating to environment; providing for printouts of vehicle emissions tests; allowing qualified service stations and garages to inspect motor vehicles for emissions violations and specifying a maximum labor charge for the inspection; amending Minnesota Statutes 1990, section 116.62, subdivisions 2 and 3.

Referred to the Committee on Environment and Natural Resources.

Mr. Mondale, Ms. Traub, Messrs. Moe, R.D.; Spear and Cohen introduced—

S.F. No. 1370: A bill for an act relating to economic development; establishing an international partnership program in the Minnesota trade office; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Economic Development and Housing.

Messrs. Morse; Moe, R.D. and Bernhagen introduced—

S.F. No. 1371: A bill for an act relating to the governor; creating a division of science and technology; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 4.

Referred to the Committee on Economic Development and Housing.

Mr. Mondale introduced—

S.F. No. 1372: A bill for an act relating to retirement; directing the award of additional service credit to a certain police officer by the public employees retirement association.

Referred to the Committee on Governmental Operations.

Messrs. Mondale, Solon and Mrs. Adkins introduced—

S.F. No. 1373: A bill for an act relating to occupational safety and health; regulating the use of video display terminals; amending Minnesota Statutes 1990, sections 182.651, by adding subdivisions; and 182.653, by adding subdivisions.

Referred to the Committee on Employment.

Mr. Mondale and Ms. Traub introduced—

S.F. No. 1374: A bill for an act relating to education; calculating limited English proficiency program aid; allowing districts to levy for books and supplies for LEP programs; amending Minnesota Statutes 1990, section 124.273, subdivision 1b, and by adding a subdivision.



Referred to the Committee on Education.

Ms. Berglin introduced—

S.F. No. 1375: A bill for an act relating to human services; requiring a grant program for congregate housing; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Mr. Dicklich introduced—

S.F. No. 1376: A bill for an act relating to the city of Hibbing; providing for the size of the public utilities commission; providing for its compensation; amending Laws 1949, chapter 422, section 2, as amended.

Referred to the Committee on Local Government.

Mrs. Adkins introduced—

S.F. No. 1377: A bill for an act relating to taxation; property; extending the special levy for abatements to counties; amending Minnesota Statutes 1990, section 275.50, subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

Mr. Day introduced—

S.F. No. 1378: A bill for an act relating to education; transferring the Waseca campus from the University of Minnesota to the community college system; establishing a planning committee; requiring a report; appropriating money; amending Minnesota Statutes 1990, section 136.60.

Referred to the Committee on Education.

Mses. Flynn, Pappas, Messrs. Renneke and Frank introduced—

S.F. No. 1379: A bill for an act relating to taxation; revising qualifications for the metropolitan agricultural preserves program; reducing the tax on certain lands and buildings in agricultural preserves; amending Minnesota Statutes 1990, sections 473H.03, subdivision 4; and 473H.10, subdivision 3; repealing Minnesota Statutes 1990, section 473H.03, subdivision 3.

Referred to the Committee on Metropolitan Affairs.

Messrs. Finn; Novak; Johnson, D.J. and Solon introduced—

S.F. No. 1380: A bill for an act relating to utilities; limiting assessments against cooperative electric associations and municipal electric utilities to the maximum assessments that may be made against public utilities; amending Minnesota Statutes 1990, section 216B.62, subdivision 5.

Referred to the Committee on Energy and Public Utilities.

Messrs. Solon, Metzen, Kroening, Finn and Dicklich introduced—

S.F. No. 1381: A bill for an act relating to human services; establishing a prescription drug discount program for eligible senior citizens; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Messrs. Solon, Gustafson, Waldorf and Ms. Flynn introduced—

S.F. No. 1382: A bill for an act relating to housing; providing for a neighborhood rehabilitation program for the cities of Saint Paul and Duluth; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 462A.

Referred to the Committee on Economic Development and Housing.

Mses. Traub, Flynn, Mr. Hottinger, Ms. Berglin and Mr. Vickerman introduced—

S.F. No. 1383: A bill for an act relating to vocational rehabilitation; establishing grant programs for special employability and supported education services for persons with serious and persistent mental illness; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268A.

Referred to the Committee on Health and Human Services.

Mr. Finn introduced—

S.F. No. 1384: A bill for an act relating to economic development; establishing the Minnesota marketplace program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Economic Development and Housing.

Messrs. Chmielewski and Lessard introduced—

S.F. No. 1385: A bill for an act relating to local government; amending various laws relating to contracts and conflicts of interest; amending Minnesota Statutes 1990, sections 412.311; 412.691; and 471.345, subdivisions 3 and 4; repealing Minnesota Statutes 1990, section 471.88, subdivision 8.

Referred to the Committee on Local Government.

Mr. Sams, Ms. Berglin, Messrs. Storm, Vickerman and Hughes introduced—

S.F. No. 1386: A bill for an act relating to occupations and professions; establishing a system of licensure for acupuncture practitioners; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Health and Human Services.

Mr. Vickerman introduced—

S.F. No. 1387: A bill for an act relating to taxation; mortgage registry tax; providing for mortgage registration tax on reverse mortgages; amending Minnesota Statutes 1990, sections 47.58, subdivision 6; and 287.05.

Referred to the Committee on Economic Development and Housing.

Mr. Vickerman introduced—

S.F. No. 1388: A bill for an act relating to commerce; requiring an insurer to notify a secured party if the debtor chooses not to repair an automobile with insurance proceeds; prohibiting secured parties from preventing the repair of automobiles with insurance proceeds; amending Minnesota Statutes 1990, section 72A.201, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

Mr. Vickerman introduced—

S.F. No. 1389: A bill for an act relating to recreational vehicles; establishing titling system for snowmobiles; providing for perfection of security interests in snowmobiles; amending Minnesota Statutes 1990, sections 84.82, subdivision 1a; and 336.9-302; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Environment and Natural Resources.

Mr. Vickerman introduced—

S.F. No. 1390: A bill for an act relating to state government; administrative procedures; requiring agencies to notify members of the legislature of rule-making proceedings; specifying the contents of the notice; amending Minnesota Statutes 1990, sections 14.14, subdivision 1a; 14.16, subdivision 1; 14.22; 14.26; 14.30; 14.32, subdivision 1; and 14.365; proposing coding for new law in Minnesota Statutes, chapter 14.

Referred to the Committee on Governmental Operations.

Messrs. Gustafson and Johnson, D.J. introduced—

S.F. No. 1391: A bill for an act relating to highways; designating county state-aid highway 61 from Duluth to Two Harbors as the North Shore Scenic Drive; amending Minnesota Statutes 1990, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Kroening introduced—

S.F. No. 1392: A resolution memorializing the Secretary of Housing and Urban Development to suspend further use or consideration of the master agreement and new lease agreement for HUD acquired single-family properties for use by the homeless and to develop a lease that assists homeless persons to become homeowners through rental agreements.

Referred to the Committee on Economic Development and Housing.

Messrs. Morse; Frederickson, D.J. and Pogemiller introduced—

S.F. No. 1393: A bill for an act relating to the city of Winona; permitting the city to impose a lodging tax.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Morse and Frederickson, D.J. introduced—

S.F. No. 1394: A bill for an act relating to drug enforcement; authorizing an additional levy by the city of Winona for drug abuse resistance education.

Referred to the Committee on Taxes and Tax Laws.

Mr. Luther introduced—

S.F. No. 1395: A bill for an act relating to the state treasurer; appropriating money for a new information system.

Referred to the Committee on Governmental Operations.

Mr. Luther introduced—

S.F. No. 1396: A bill for an act relating to the state treasurer; providing for the direct payment of bank service charges; appropriating money; amending Minnesota Statutes 1990, section 16A.27, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 7.

Referred to the Committee on Governmental Operations.

Mr. Dicklich introduced—

S.F. No. 1397: A bill for an act relating to education; establishing catastrophic aid for districts providing high cost services to students with disabilities; amending Minnesota Statutes 1990, section 124.32, by adding a subdivision.

Referred to the Committee on Education.

Ms. Piper introduced—

S.F. No. 1398: A bill for an act relating to public safety; providing for statewide minimum skills and training standards for 911 emergency dispatchers; creating the 911 dispatching skills advisory council in the department of public safety; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299A.

Referred to the Committee on Veterans and General Legislation.

Mrs. Benson, J.E.; Messrs. Storm, Marty, Ms. Piper and Mr. Gustafson introduced—

S.F. No. 1399: A bill for an act relating to utilities; determining when reconciliation of actual assessments to public utilities and telephone companies must be completed; amending Minnesota Statutes 1990, sections 216B.62, subdivision 3; and 237.295, subdivision 2.

Referred to the Committee on Energy and Public Utilities.

Mrs. Benson, J.E.; Messrs. Storm and Renneke introduced—

S.F. No. 1400: A bill for an act relating to natural resources; authorizing the commissioner to promulgate rules relating to oil, gas, and other hydrocarbon wells and their spacing, pooling, and unitization; providing enforcement authority; proposing coding for new law in Minnesota Statutes, chapter 93.

Referred to the Committee on Environment and Natural Resources.

Mrs. Benson, J.E.; Messrs. Storm and Gustafson introduced—

S.F. No. 1401: A bill for an act repealing certain pipeline approval authority of the commissioner of natural resources; repealing Minnesota Statutes 1990, section 117.49.

Referred to the Committee on Environment and Natural Resources.

Messrs. Hottinger; Day; Moe, R.D.; Beckman and Benson, D.D. introduced—

S.F. No. 1402: A bill for an act relating to higher education; authorizing a study of alternative uses for the Waseca campus of the University of Minnesota; authorizing alternative governance for the Waseca campus; authorizing transfer of certain Waseca campus property; appropriating money.

Referred to the Committee on Education.

Mr. Mehrkens introduced—

S.F. No. 1403: A bill for an act relating to taxation; providing that a penalty not be imposed on Goodhue County for an excess levy.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Neuville, Renneke, Larson and Mehrkens introduced—

S.F. No. 1404: A bill for an act relating to salary of legislators; freezing legislators' salaries; limiting the appropriation for the House of Representatives; restricting the carryover of legislative funds; providing the manner of determination of unexpended funds.

Referred to the Committee on Governmental Operations.

Ms. Johnston, Mrs. Benson, J.E.; Mr. Day and Mrs. Pariseau introduced—

S.F. No. 1405: A bill for an act relating to taxation; income; granting extensions to file income tax returns; allowing a subtraction for military pay; amending Minnesota Statutes 1990, sections 289A.39, subdivision 1; and 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Neuville, Day, Renneke and Frederickson, D.R. introduced—

S.F. No. 1406: A bill for an act relating to agriculture; changing limits on certain agricultural development grants; amending Minnesota Statutes 1990, section 17.101, subdivision 2.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Neuville, Renneke and Mrs. Benson, J.E. introduced—

S.F. No. 1407: A bill for an act relating to motor vehicles; prohibiting registration of vehicle for which salvage certificate of title is issued; amending Minnesota Statutes 1990, section 168A.152, subdivision 1.

Referred to the Committee on Transportation.

Mrs. Pariseau, Messrs. Merriam and Bernhagen introduced—

S.F. No. 1408: A bill for an act relating to the city of Rosemount; authorizing the establishment of a special environmental treatment area, the establishment of tax increment financing districts, and the exercise of certain development and contaminant remediation powers.

Referred to the Committee on Environment and Natural Resources.

Mrs. Benson, J.E. and Ms. Johnston introduced—

S.F. No. 1409: A bill for an act relating to state government; reducing salaries of legislators and constitutional officers.

Referred to the Committee on Governmental Operations.

Mrs. Benson, J.E. and Ms. Johnston introduced—

S.F. No. 1410: A bill for an act relating to retirement; amending provisions governing receipt of combined service annuities; amending Minnesota Statutes 1990, section 356.30, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Sams, Beckman, Ms. Johnson, J.B.; Messrs. Metzen and Storm introduced—

S.F. No. 1411: A bill for an act relating to housing; requiring counseling for reverse mortgage loans; providing penalties; amending Minnesota Statutes 1990, section 47.58, by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Mrs. Benson, J.E. introduced—

S.F. No. 1412: A bill for an act relating to retirement; amending provisions governing receipt of combined service annuities; amending Minnesota Statutes 1990, section 356.30, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Sams, Vickerman, Davis, Ms. Johnson, J.B. and Mr. Morse introduced—

S.F. No. 1413: A bill for an act relating to agriculture; providing compensation for damage to farm crops or livestock by protected wild animals; appropriating money; amending Minnesota Statutes 1990, section 3.736, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Sams, Davis, Ms. Johnson, J.B.; Messrs. Vickerman and Bertram introduced—

S.F. No. 1414: A resolution memorializing the President and Congress of the United States to ensure that the federal milk marketing order is modified.

Referred to the Committee on Agriculture and Rural Development.

Mrs. Benson, J.E.; Mses. Ranum and Johnston introduced—

S.F. No. 1415: A bill for an act relating to education; clarifying and reducing certain mandates for school districts; amending Minnesota Statutes 1990, sections 121.882, by adding a subdivision; 122.94, subdivision 6; 123.706, subdivision 6; 126.666, by adding a subdivision; 203B.085; 275.065, subdivisions 3, 5a, and 6.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S.F. No. 1416: A bill for an act relating to natural resources; requiring a study of issues associated with the consolidated conservation lands.

Referred to the Committee on Environment and Natural Resources.

Mr. Stumpf introduced—

S.F. No. 1417: A bill for an act relating to natural resources; providing for a study of the consolidated conservation areas; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Ms. Berglin introduced—

S.F. No. 1418: A bill for an act relating to health; establishing health and safety standards for residential care home; requiring licenses; imposing penalties; amending Minnesota Statutes 1990, sections 144A.51, subdivision 5; 144A.53, subdivision 1; and 157.031, subdivisions 2, 3, 4, and 9; proposing coding for new law as Minnesota Statutes, chapter 144B; repealing Minnesota Statutes 1990, section 157.031, subdivision 5.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 1419: A bill for an act relating to health; requiring home care providers to advise persons receiving home care services of certain rights; amending Minnesota Statutes 1990, section 144A.44, subdivision 1.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 1420: A bill for an act relating to economic development; creating a small business incubator program; appropriating money for a pilot project; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Economic Development and Housing.

Ms. Johnston, Mr. Neuville, Mrs. Benson, J.E. and Ms. Olson introduced—

S.F. No. 1421: A bill for an act relating to metropolitan government; fixing a maximum number for metropolitan council employees; amending Minnesota Statutes 1990, section 473.129, subdivision 2.

Referred to the Committee on Metropolitan Affairs.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, April 11, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



## THIRTY-SECOND DAY

St. Paul, Minnesota, Thursday, April 11, 1991

The Senate met at 2:00 p.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Dicklich 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. Charles R. Christensen.

The roll was called, and the following Senators answered to their names:

Adkins	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	Kroening	Morse	Sams
Benson, J.E.	Flynn	Laidig	Neuville	Samuelson
Berg	Frank	Langseth	Novak	Solon
Berglin	Frederickson, D.J.	Larson	Olson	Spear
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Storm
Bertram	Gustafson	Luther	Pariseau	Stumpf
Brataas	Halberg	Marty	Piper	Traub
Chmielewski	Hottinger	McGowan	Pogemiller	Vickerman
Cohen	Johnson, D.E.	Mehrkens	Price	Waldorf
Davis	Johnson, D.J.	Merriam	Ranum	

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. Dahl, Hughes and Knaak were excused from the Session of today. Mr. Pogemiller was excused from the Session of today from 2:00 to 2:20 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 5, 1991

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

I have made the following appointments:

Greater Minnesota Corporation Advisory Board - Mr. Sams

Task Force on Affirmative Action in Metro Agencies - Ms. Berglin, Messrs. Marty, Mondale, Frank, Flynn, Laidig and Mrs. Benson, J.E.

Respectfully,  
Roger D. Moe  
Senate Majority Leader

March 5, 1991

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

Pursuant to Minnesota Statutes 1990, I have made the following appointment:

Section 3.303: Legislative Coordinating Commission - Messrs. Luther and Kelly

Respectfully,  
Roger D. Moe  
Senate Majority Leader

March 5, 1991

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

Pursuant to Minnesota Statutes 1990, I have made the following appointments:

Section 3.97: Legislative Audit Commission - Messrs. Benson, D.D.; Neuville and Mrs. Pariseau

Section 3.855: Legislative Commission on Employee Relations - Mrs. Brataas

Section 3.303: Legislative Coordinating Commission - Mr. Bernhagen

Respectfully,  
Duane D. Benson  
Senate Minority Leader

April 9, 1991

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The Subcommittee on Committees met and by appropriate action made the following appointments:

Pursuant to Laws 1985

Chapter 256: Joint Legislative Committee on Agricultural Land Preservation and Soil and Water Conservation - Messrs. Hottinger, Berg, Davis, Day, Neuville, Beckman, Sams and Vickerman

Pursuant to Laws 1988

Chapter 603, Section 6: Transportation Study Board - Messrs. Langseth, Novak and DeCramer. Mr. Mehrkens through July 15, 1991, replaced by Ms. Johnston after July 15, 1991.

Pursuant to Laws 1989

Chapter 279, Section 7: State Advisory Council on Metropolitan Airport Planning - Messrs. Langseth, Belanger and Ms. Flynn

Chapter 282, Article 2, Section 217: Inventory, Referral, and Intake Systems (IRIS) Coordinating Committee - Messrs. Pogemiller and Storm

Chapter 309, Section 1: Electric Utility Service Areas Task Force - Mr. Novak, Mrs. Pariseau, Messrs. Vickerman, Beckman and Frank

Chapter 335, Article 1, Section 53: Legislative Task Force on Minerals - Messrs. Lessard; Dicklich; Frederickson, D.J. and Frederickson, D.R.

Chapter 350, Article 3: Agricultural Data Collection Task Force - Messrs. Davis and Renneke

Senate Rule 75: Senate Special Committee on Ethical Conduct - Messrs. Belanger; Hughes; Johnson, D.E. and Marty

Pursuant to Minnesota Statutes 1990

Section 116C.839: Advisory Committee on Low-Level Radioactive Waste - Messrs. Mondale, Finn and Frederickson, D.R.

Section 1.34: Legislative Advisory Committee to the Minnesota-Wisconsin Boundary Area Commission - Messrs. Mehrkens, Metzen, Morse, Laidig and Price

Section 299A.23: Advisory Council on Children's Trust Fund - Ms. Traub and Mr. Neuville

Section 84B.11: Citizens Council on Voyageurs National Park - Messrs. Kroening and McGowan

Section 3.9226: Council on Asian-Pacific Minnesotans - Mr. Marty and Ms. Pappas

Section 299A.31: Drug Abuse Prevention Resource Council - Ms. Ranum

Section 121.82: Education Commission of the States - Mr. Hughes

Section 16B.27: Governor's Residence Council - Ms. Olson

Sections 1.21 and 1.22: Great Lakes Commission - Messrs. Dicklich and Novak

Section 3.922: Indian Affairs Council - Meses. Pappas, Ranum and Mr. Larson

Section 236A.01: Interstate Agricultural Grain Marketing Commission - Mr. Davis

Section 298.22: Iron Range Resources and Rehabilitation Board - Messrs. Chmielewski; Dicklich; Johnson, D.J.; Lessard and Solon

Section 3.9222: Legislative Commission on the Economic Status of Women - Mses. Traub; Johnson, J.B.; Piper; Berglin and Johnston

Section 116P.05: Legislative Commission on Minnesota Resources - Messrs. Dahl; Luther; Moe, R.D.; Frederickson, D.R.; Renneke and Berg

Section 3.85: Legislative Commission on Pensions and Retirement - Messrs. Pogemiller, Renneke, Waldorf, Morse and Stumpf

Section 3.865: Legislative Commission on Public Education - Messrs. Dahl; Dicklich; Frederickson, D.J.; DeCramer; Larson and Mrs. Benson, J.E.

Section 115A.14: Legislative Commission on Waste Management - Messrs. Dahl, Mondale, Merriam, Ms. Johnson, J.B. and Mr. Storm

Section 3.9227: Legislative Commission on Child Protection - Mrs. Adkins, Ms. Ranum, Mrs. Pariseau, Mr. Bertram and Ms. Reichgott

Section 256B.504: Legislative Commission on Long-Term Health Care - Ms. Berglin, Messrs. Bertram, Halberg, Storm, Sams, Finn and Ms. Piper

Section 3.841: Legislative Commission to Review Administrative Rules - Messrs. Knaak, Belanger, Hottinger, Riveness and Mrs. Adkins

Section 3.887: Legislative Water Commission - Messrs. Neville, Morse, DeCramer, Price and Davis

Section 135A.21: Midwestern Higher Education Commission - Mr. Hottinger

Section 240A.02: Minnesota Amateur Sports Commission - Mr. Luther

Section 116J.691: Minnesota Project Outreach Corporation - Mr. Morse

Section 161.1419: Mississippi River Parkway Commission - Messrs. Bernhagen, Metzen and Finn

Section 290.173: Multistate Tax Compact Advisory Committee - Messrs. Price and Belanger

Section 3.9225: State Council on Black Minnesotans - Ms. Pappas and Mr. Knaak

Section 16B.41: State Information Systems Advisory Task Force - Messrs. Stumpf and Storm

Section 44A.01: World Trade Center Board - Messrs. Mehrkens, Luther and Beckman

Respectfully,  
Roger D. Moe, Chair  
Subcommittee on Committees

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the adoption by the House of the following

House Concurrent Resolution, herewith transmitted: House Concurrent Resolution No. 3.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 10, 1991

House Concurrent Resolution No. 3: 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, April 17, 1991, 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 adopted the recommendation and report of the Conference Committee on House File No. 196, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 196 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 10, 1991

### **CONFERENCE COMMITTEE REPORT ON H.F. NO. 196**

A resolution memorializing the Congress of the United States to enact the POW/MIA truth bill, that relates to the disclosure of live sighting information on American service personnel missing in action from World War II, Korea, and Vietnam.

April 5, 1991

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. 196, 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. 196 be further amended as follows:

Page 2 of the Senate amendment, delete lines 7 to 10, and insert:

“BE IT RESOLVED by the Legislature of the State of Minnesota that it urges the Congress of the United States to begin immediate committee

hearings and requests action on the POW/MIA truth bill.”

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Pat Beard, Robert P. Milbert, Dennis R. Newinski

Senate Conferees: (Signed) Joe Bertram, Sr., Janet Johnson, Gary W. Laidig

Mr. Bertram moved that the foregoing recommendations and Conference Committee Report on H.F. No. 196 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. 196 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Renneke
Beckman	Day	Johnson, J.B.	Metzen	Riveness
Belanger	DeCramer	Johnston	Moe, R. D.	Sams
Benson, D.D.	Finn	Kelly	Mondale	Samuelson
Benson, J.E.	Flynn	Kroening	Morse	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Gustafson	Lessard	Piper	Traub
Brataas	Halberg	Luther	Price	Vickerman
Chmielewski	Hottinger	Marty	Ranum	Waldorf
Cohen	Johnson, D.E.	McGowan	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 House File, herewith transmitted: H.F. No. 1209.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 10, 1991

**FIRST READING OF HOUSE BILLS**

The following bill was read the first time.

H.F. No. 1209: A resolution memorializing the President and Congress to condemn the use of Soviet military force in the Baltic Republics and support the Baltic Republics for their self-determination.

Mr. Moe, R.D. moved that H.F. No. 1209 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. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1182: A bill for an act relating to state buildings; requiring the commissioner of finance to prepare a debt capacity forecast covering the next six fiscal years and all types of debt instruments; requiring capital facilities notes; requiring the commissioner of administration to review capital budget requests for state buildings; requiring a report; amending Minnesota Statutes 1990, section 16A.11, subdivisions 1 and 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 16A and 16B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 18, strike "shall" and before "contain" insert "*must*"

Page 2, lines 20, 23, and 35, strike "shall" and insert "*must*"

Page 2, line 29, after "positions" insert a comma

Page 3, line 4, strike "shall" and insert "*must*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 743: A bill for an act relating to state government; requiring the supreme court to prepare fiscal notes in certain circumstances; amending Minnesota Statutes 1990, sections 3.98, subdivision 1; and 3.982.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 798: A bill for an act relating to public employees; regulating insurance benefits; amending Minnesota Statutes 1990, sections 43A.13, by adding a subdivision; and 43A.316, subdivision 8.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 43A.04, is amended by adding a subdivision to read:

*Subd. 10. [EQUITABLE COMPENSATION COMPLIANCE.] The commissioner may adopt rules under the administrative procedure act to assure compliance with sections 471.991 to 471.999.*

Sec. 2. Minnesota Statutes 1990, section 43A.13, is amended by adding a subdivision to read:

*Subd. 9. [DISABLED FORMER EMPLOYEES.] A former classified employee who is receiving disability benefits under a state retirement plan remains eligible for reemployment.*

Sec. 3. Minnesota Statutes 1990, section 43A.316, subdivision 8, is amended to read:

*Subd. 8. [CONTINUATION OF COVERAGE.] (a) A former employee who is 55 years old or older and is receiving a public pension disability benefit or an annuity or is 55 years old or older and has met the age and service requirements necessary to receive an annuity under chapter 353, 353C, 354, 354A, 356, 422A, 423, 423A, or 424 is eligible to participate in the plan, ~~except that~~. A former employee who is ~~over age~~ 65 years old or older and is not ~~eligible for enrolled in Medicare coverage~~ is not eligible to participate in the plan. This participation is at the person's expense unless a collective bargaining agreement or personnel policy provides otherwise. Premiums for these participants must be established by the commissioner. The commissioner shall establish sets of health insurance premiums for the ~~following~~ various classes including but not limited to:*

*(1) all ~~participants~~ former employees eligible under this paragraph who are under age 65; and*

*(2) all ~~participants~~ former employees eligible under this paragraph who are ~~over age~~ 65 years old or older and are ~~receiving~~ enrolled in Medicare coverage; and*

*(3) all former employees eligible under this paragraph whose group participates in the plan.*

The commissioner may provide policy exclusions for preexisting conditions only when there is a break in coverage between a participant's coverage under a group insurance plan as an employee and the participant's coverage under this section. An employer shall notify an employee of the option to participate under this paragraph no later than the effective date of retirement. The retired employee or the employer of a participating group on behalf of a current or retired employee shall notify the commissioner within 30 days of the effective date of retirement of intent to ~~exercise this option~~ participate in the plan according to the rules established by the commissioner.

(b) The spouse of a deceased, active, or former employee may purchase the benefits provided at premiums established by the commissioner if the spouse was a dependent under the active or former employee's coverage under this section at the time of the death. Coverage under this clause must be coordinated with relevant insurance benefits provided through the federally sponsored Medicare program.

(c) The plan benefits must continue in the event of strike permitted by section 179A.18, if the exclusive representative chooses to have coverage continue and the employee pays the total monthly premiums when due.

~~(d) A person who desires to participate under paragraphs (a) to (c) shall notify the commissioner of intent to participate according to rules established by the commissioner. The eligible employer shall notify the commissioner and coverage begins as soon as the commissioner permits.~~

(e) A participant who discontinues coverage may not reenroll.

Persons participating under these paragraphs shall make appropriate premium payments in the time and manner established by the commissioner.



## Sec. 4. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment.*"

Delete the title and insert:

"A bill for an act relating to public employees; authorizing rulemaking; regulating insurance benefits; amending Minnesota Statutes 1990, sections 43A.04, by adding a subdivision; 43A.13, by adding a subdivision; and 43A.316, subdivision 8."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 237: A bill for an act relating to motor vehicles; registration; abolishing authority to appoint corporations or private individuals other than persons acting on behalf of nonprofit corporations as deputy registrars; providing for the transfer of appointments of corporations as deputy registrars to private individuals in certain circumstances; requiring county auditors to accept appointments as deputy registrars except in certain situations; permitting any other county official or any statutory or home rule charter city official to be appointed as a deputy registrar; permitting counties to contract with private individuals for deputy registrar services in certain instances; requiring the registrar of motor vehicles to adopt rules governing the hours of operation of deputy registrars; permitting private individuals holding appointments as deputy registrars or qualifying for transfers of appointments held by corporations to continue to operate as deputy registrars; amending Minnesota Statutes 1990, section 168.33, 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 1990, section 168.33, subdivision 2, is amended to read:

Subd. 2. [POWERS.] The registrar ~~shall have the power to~~ may 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. 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.

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 licenses as provided in section

373.32. ~~Any~~ A person appointed by the registrar as a deputy registrar for ~~any a city shall~~ must 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~~ is 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~~ under this subdivision is not an officer or employee of a county or city, ~~such the~~ deputy ~~shall must~~ in addition give bond to the state in the sum of \$10,000, or ~~such~~ a 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 this subdivision, 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 the~~ registrar, from time to time, may require. ~~Such~~ The records ~~shall must~~ be maintained at the facility of the deputy registrar. The records and facilities of the deputy registrar ~~shall must~~ 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. A ~~deputy registrar who is a public official shall deposit the filing fee imposed pursuant to under subdivision 7 shall be deposited in the treasury of the place for which the deputy is appointed, or if a deputy who is not a public official, such deputy shall may retain the filing fee, but shall deposit 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 the deputy is a public official. In all other cases, the deputy shall maintain a suitable facility for serving the public.~~

## Sec. 2. [TRANSFER OF APPOINTMENT.]

*Notwithstanding Minnesota Statutes, section 168.33, subdivision 2, an appointing authority shall transfer the appointment of a corporation as a*

*deputy registrar to the person who, in an individual capacity, held the appointment for that office before the appointment of the corporation or, if a corporation has been sold or transferred since its appointment as a deputy registrar, to the purchaser or transferee or, if more than one, one of the purchasers or transferees. To qualify for a transfer of an appointment under this section, a person shall apply in writing to the registrar by August 1, 1991, and shall provide whatever information the registrar might require."*

Delete the title and insert:

"A bill for an act relating to motor vehicles; registration; abolishing authority to appoint corporations or private individuals other than persons acting on behalf of nonprofit corporations as deputy registrars; providing for the transfer of appointments of corporations as deputy registrars to private individuals in certain circumstances; amending Minnesota Statutes 1990, section 168.33, subdivision 2."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 447: A bill for an act relating to the University of Minnesota; changing the structure of certain bargaining units; amending Minnesota Statutes 1990, section 179A.11, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, strike "12" and insert "13"

Page 3, lines 14 to 16, delete the new language and insert "*The academic professional and administrative staff unit consists of all academic professional and administrative staff positions that are not defined as included in an instructional unit, the supervisory unit, the clerical unit, or the technical unit.*"

Page 3, line 20, delete "*or the*"

Page 3, line 21, delete the new language and insert "*, the academic professional and administrative staff unit, or the supervisory unit*"

Page 3, after line 23, insert:

"Sec. 2. Minnesota Statutes 1990, section 179A.11, subdivision 2, is amended to read:

Subd. 2. [UNIVERSITY OF MINNESOTA EMPLOYEE SEVERANCE.] Each of the following groups of University of Minnesota employees ~~shall have~~ *has* the right, as specified in this subdivision, to separate from the instructional and supervisory units: (1) health sciences instructional employees at all campuses with the rank of professor, associate professor, assistant professor, including research associate, or instructor, including research fellow, (2) instructional employees of the law school with the rank of professor, associate professor, assistant professor, including research associate, or instructor, including research fellow, (3) instructional supervisors, ~~and~~ (4) noninstructional professional supervisors, ~~and~~ (5) *academic professional and administrative staff supervisors*. This right ~~shall~~ *may* be exercised by petition between September 1 and November 1. If a group

separates from its unit, it has no right to meet and negotiate, but retains the right to meet and confer with the appropriate officials on any matter of concern to ~~them~~ *the group*. The right to separate ~~shall~~ *must* be exercised as follows: An employee organization or group of employees claiming that a majority of any one of these groups of employees on a statewide basis wish to separate from their unit may petition the commissioner for an election during the petitioning period. If the petition is supported by a showing of at least 30 percent support from the employees, the commissioner shall hold an election on the separation issue. This election ~~shall~~ *must* be conducted within 30 days of the close of the petition period. If a majority of votes cast endorse severance from their unit, the commissioner shall certify that result. ~~This election shall~~. Where not inconsistent with other provisions of this section, ~~be~~ *the election is* governed by section 179A.12. If a group of employees severs, ~~they~~ *it* may rejoin that unit by following the procedures for severance during the periods for severance.”

Amend the title as follows:

Page 1, lines 4 and 5, delete “subdivision 1” and insert “subdivisions 1 and 2”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 950: A bill for an act relating to public safety; requiring tenants to covenant not to allow any controlled substances on rental property; allowing the closing of an alleged disorderly house during pretrial release of owner; lowering the threshold amount of seized controlled substance necessary to warrant unlawful detainer action; providing that certain weapons offenses and controlled substance seizures and arrests may form the basis for a nuisance action; amending Minnesota Statutes 1990, sections 504.181, subdivision 1; 609.33, by adding a subdivision; 609.5317, subdivision 4; 617.80, subdivision 8; and 617.81, subdivisions 2 and 3, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 21, after “that” insert “:

(1)” and after “not” insert “*unlawfully*”

Page 1, line 22, strike “the” and insert “*those*” and strike the first comma and insert “; *and*

(2) *the*” and strike the second comma and reinstate the stricken “will not be used by”

Page 1, lines 23 and 24, reinstate the stricken language

Page 1, line 25, reinstate the stricken “distribute, or possess”

Page 1, line 26, reinstate the stricken “a controlled”

Page 1, line 27, reinstate the stricken language

Page 1, after line 27, insert:

*“The covenant is not violated when a person other than the lessee or licensee possesses or allows controlled substances in the premises, common*

*area, or curtilage, unless the tenant knew or had reason to know of that activity."*

Page 2, line 15, before the period, insert "*, but this section does not subject real property to forfeiture under section 609.5311 unless the retail value of the controlled substance is: (1) \$100 or more; or (2) there have been two previous controlled substance seizures involving the same tenant*"

Page 3, line 8, delete "*clause (1),*"

Page 3, line 19, after "*events*" insert "*that occurred on different days*"

Page 3, line 23, before the period, insert "*within the building or on the building's curtilage*"

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. 588: A bill for an act relating to crime; providing penalties for intentional damage to timber or wood processing, manufacturing, or transportation equipment; providing penalties for possessing certain devices to damage timber or wood processing, manufacturing, or transportation equipment; providing penalties for unlawful interference with timber harvests; proposing coding for new law in Minnesota Statutes, chapter 609.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, delete "*to 3*" and insert "*and 2*"

Page 1, line 14, after "*trees*" insert "*, whether standing or down,*"

Page 1, line 15, delete "*whether standing or down, and*"

Page 1, line 18, delete everything after "*Whoever*" and insert a comma

Page 1, line 19, delete "*acts*" and delete everything after "*owner*" and insert a comma

Page 1, delete line 20

Page 1, line 21, delete the paragraph coding and delete "*(1)*"

Page 1, line 24, after "*hinder*" insert "*the*" and delete "*wood products;*" and insert "*timber, is guilty of a crime and may be sentenced as provided in subdivisions 3 and 4.*"

Page 1, delete lines 25 to 27

Page 2, line 9, delete "*shall*" and insert "*may*"

Page 2, line 10, after "*section*" insert "*, or of violating section 609.595 by damaging timber or commercial wood processing, manufacturing, or transportation equipment*"

Page 2, line 12, delete "CERTAIN"

Page 2, delete lines 15 and 16 and insert "*gross misdemeanor:*"

Page 2, line 20, after "*hinder*" insert "*the*" and delete "*wood products*" and insert "*timber*"

Page 2, line 22, delete "*tools*" and insert "*tool*"

Page 2, line 23, delete "wood" and insert "timber"

Page 2, delete section 3

Page 2, line 35, delete "to 3" and insert "and 2"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 3 and 5, delete "or wood"

Page 1, line 7, delete everything after the semicolon

Page 1, line 8, delete everything before "proposing"

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. 945: A bill for an act relating to agriculture; providing for development of aquaculture; amending Minnesota Statutes 1990, section 17.49; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1990, sections 17.491; and 17.492.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [17.46] [SHORT TITLE.]

*Sections 1 to 13 may be cited as the aquaculture development act.*

Sec. 2. [17.47] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 13.*

*Subd. 2. [AQUACULTURE.] "Aquaculture" means the culture of private aquatic life for consumption or sale.*

*Subd. 3. [AQUATIC FARM.] "Aquatic farm" means a facility used for the purpose of culturing private aquatic life in waters, including but not limited to artificial ponds, vats, tanks, raceways, and other indoor or outdoor facilities that an aquatic farmer owns or has exclusive control of the surrounding land.*

*Subd. 4. [AQUATIC FARMER.] "Aquatic farmer" means an individual who practices aquaculture.*

*Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture.*

*Subd. 6. [DEPARTMENT.] "Department" means the department of agriculture.*

*Subd. 7. [PRIVATE AQUATIC LIFE.] "Private aquatic life" means fish, shellfish, mollusks, crustaceans, and any other aquatic animals cultured within an aquatic farm. Private aquatic life is the property of the aquatic farmer.*

Sec. 3. Minnesota Statutes 1990, section 17.49, is amended to read:

## 17.49 [AQUACULTURE PROGRAM AND PROMOTION.]

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner shall establish and promote a program for the ~~commercial raising of fish in fish farms of aquaculture~~ 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 *the private fish raising aquaculture* industry, and the chairs of the environment and natural resources committees of the house of representatives and senate.

Subd. 2. [COORDINATION.] Aquaculture programs in the state must be coordinated through the commissioner of agriculture. The commissioner of agriculture shall direct the development of aquaculture in the state. Aquaculture 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 aquaculture research, demonstrations, and other related information pertaining to aquaculture in the state.

Subd. 2a. [DEVELOPMENT PROGRAM.] *The commissioner may establish a Minnesota aquaculture development and aid program that may support applied research, demonstration, financing, marketing, promotion, broodstock development, and other services.*

Subd. 3. [REPORT.] The commissioner shall prepare an annual report on the amount of fish and aquaculture products ~~consumed~~ *produced* in the state, where the products were produced, the opportunities in the state for aquaculture development, and impediments to Minnesota development of aquaculture.

## Sec. 4. [17.494] [AQUACULTURE PERMITS; RULES.]

*The commissioner shall act as permit or license coordinator for aquatic farmers and shall assist aquatic farmers to obtain licenses or permits.*

*By July 1, 1992, a state agency issuing multiple permits or licenses for aquaculture shall consolidate the permits or licenses required for every aquatic farm location. The department of natural resources transportation permits are exempt from this requirement. State agencies shall adopt rules or issue commissioner's orders that establish permit and license requirements, approval timelines, and compliance standards.*

*Nothing in this section modifies any state agency's regulatory authority over aquaculture production.*

## Sec. 5. [17.495] [APPEAL PROCEDURES.]

*A state agency that denies a license or permit to an aquatic farmer shall provide the aquatic farmer with a written notice specifying the reasons for refusal.*

*An aquatic farmer may appeal a state agency's denial of the license or permit in a contested case proceeding under Minnesota Statutes, chapter 14.*

## Sec. 6. [17.496] [QUARANTINE FACILITY; RULES.]

*By July 1, 1992, the commissioner of natural resources shall adopt rules, in consultation with the commissioner of agriculture and the aquaculture*

*advisory committee, for the construction and operation of a quarantine facility for fish eggs presently requiring quarantine and disposition of fish from the facility. Fish in a quarantine station that are determined to be disease-free under the procedures developed by the commissioner of natural resources may be bought, sold, or transported.*

Sec. 7. [17.497] [EXOTIC SPECIES IMPORTATION; RULES.]

*The commissioner of natural resources shall establish rules, in consultation with the commissioner of agriculture and the aquaculture advisory committee, for approving or rejecting importation of "exotic" or genetically altered aquatic species to protect the integrity of the natural ecosystem and provide aquatic farmers with information that may affect business decisions.*

Sec. 8. [17.498] [BEST AVAILABLE TECHNOLOGY; BEST MANAGEMENT PRACTICES.]

*After consultation with the commissioners of agriculture and natural resources, the pollution control agency shall initiate rulemaking by October 1, 1991, to develop water quality permit requirements for aquaculture facilities. The requirements must take into consideration best available technology, best management practices, and water treatment practices that prevent and minimize degradation of waters of the state considering economic factors, availability, technical feasibility, effectiveness, and environmental effects. The rules must take into consideration classes, types, sizes, and categories of aquaculture facilities.*

Sec. 9. Minnesota Statutes 1990, section 97A.025, is amended to read:

97A.025 [OWNERSHIP OF WILD ANIMALS.]

The ownership of wild animals of the state is in the state, in its sovereign capacity for the benefit of all the people of the state. A person may not acquire a property right in wild animals, or destroy them, unless authorized under the game and fish laws ~~or~~, sections 84.09 to 84.15, or sections 1 to 13.

Sec. 10. Minnesota Statutes 1990, section 297A.01, is amended by adding a subdivision to read:

*Subd. 19. [AQUACULTURE PRODUCTION EQUIPMENT.] "Aquaculture production equipment" means new or used machinery, equipment, implements, accessories, and contrivances used directly and principally in aquaculture production. Aquaculture production equipment includes: augers and blowers, automatic feed systems, manual feeding equipment, shockers, gill nets, trap nets, seines, box traps, round nets and traps, net pens, dip nets, net washers, floating net supports, floating access walkways, net supports and walkways, growing tanks, holding tanks, troughs, raceways, transport tanks, egg taking equipment, egg hatcheries, egg incubators, egg baskets and troughs, egg graders, egg counting equipment, fish counting equipment, fish graders, fish pumps and loaders, fish elevators, air blowers, air compressors, oxygen generators, oxygen regulators, diffusers and injectors, air supply equipment, oxygenation columns, water coolers and heaters, heat exchangers, water filter systems, water purification systems, waste collection equipment, feed mills, portable scales, feed grinders, feed mixers, feed carts and trucks, power feed wagons, fertilizer spreaders, fertilizer tanks, forage collection equipment, land levelers, loaders, post hole diggers, disc, harrow, plow, and water diversion devices.*

Sec. 11. Minnesota Statutes 1990, section 297A.02, subdivision 2, is



amended to read:

Subd. 2. [MACHINERY AND EQUIPMENT.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon sales of special tooling is four percent and upon sales of farm machinery *and aquaculture production equipment* is two percent.

Sec. 12. Minnesota Statutes 1990, section 500.24, subdivision 3, is amended to read:

Subd. 3. [FARMING AND OWNERSHIP OF AGRICULTURAL LAND BY CORPORATIONS RESTRICTED.] No corporation, pension or investment fund, or limited partnership shall engage in farming; nor shall any corporation, pension or investment fund, or limited partnership, directly or indirectly, own, acquire, or otherwise obtain an interest, whether legal, beneficial or otherwise, in any title to real estate used for farming or capable of being used for farming in this state. Provided, however, that the restrictions in this subdivision do not apply to corporations or partnerships in clause (b) and do not apply to corporations, limited partnerships, and pension or investment funds that record its name and the particular exception under clauses (a) to ~~(s)~~ (s) under which the agricultural land is owned or farmed, have a conservation plan prepared for the agricultural land, report as required under subdivision 4, and satisfy one of the following conditions under clauses (a) to ~~(s)~~ (s):

(a) A bona fide encumbrance taken for purposes of security;

(b) A family farm corporation, an authorized farm corporation, a family farm partnership, or an authorized farm partnership as defined in subdivision 2 or a general partnership;

(c) Agricultural land and land capable of being used for farming owned by a corporation as of May 20, 1973, or a pension or investment fund as of May 12, 1981, including the normal expansion of such ownership at a rate not to exceed 20 percent of the amount of land owned as of May 20, 1973, or, in the case of a pension or investment fund, as of May 12, 1981, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules;

(d) Agricultural land operated for research or experimental purposes with the approval of the commissioner of agriculture, provided that any commercial sales from the operation must be incidental to the research or experimental objectives of the corporation. A corporation, limited partnership, or pension or investment fund seeking to operate agricultural land for research or experimental purposes must submit to the commissioner a prospectus or proposal of the intended method of operation, containing information required by the commissioner including a copy of any operational contract with individual participants, prior to initial approval of an operation. A corporation, limited partnership, or pension or investment fund operating agricultural land for research or experimental purposes prior to May 1, 1988, must comply with all requirements of this clause except the requirement for initial approval of the project;

(e) Agricultural land operated by a corporation or limited partnership for the purpose of raising breeding stock, including embryos, for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod;

(f) Agricultural land and land capable of being used for farming leased by a corporation or limited partnership in an amount, measured in acres, not to exceed the acreage under lease to such corporation as of May 20, 1973, or to the limited partnership as of May 1, 1988, and the additional acreage required for normal expansion at a rate not to exceed 20 percent of the amount of land leased as of May 20, 1973, for a corporation or May 1, 1988, for a limited partnership in any five-year period, and the additional acreage reasonably necessary to meet the requirements of pollution control rules;

(g) Agricultural land when acquired as a gift (either by grant or a devise) by an educational, religious, or charitable nonprofit corporation or by a pension or investment fund or limited partnership; provided that all lands so acquired by a pension or investment fund, and all lands so acquired by a corporation or limited partnership which are not operated for research or experimental purposes, or are not operated for the purpose of raising breeding stock for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod must be disposed of within ten years after acquiring title thereto;

(h) Agricultural land acquired by a pension or investment fund or a corporation other than a family farm corporation or authorized farm corporation, as defined in subdivision 2, or a limited partnership other than a family farm partnership or authorized farm partnership as defined in subdivision 2, for which the corporation or limited partnership has documented plans to use and subsequently uses the land within six years from the date of purchase for a specific nonfarming purpose, or if the land is zoned nonagricultural, or if the land is located within an incorporated area. A pension or investment fund or a corporation or limited partnership may hold such agricultural land in such acreage as may be necessary to its nonfarm business operation; provided, however, that pending the development of agricultural land for nonfarm purposes, such land may not be used for farming except under lease to a family farm unit, a family farm corporation, an authorized farm corporation, a family farm partnership, or an authorized farm partnership, or except when controlled through ownership, options, leaseholds, or other agreements by a corporation which has entered into an agreement with the United States of America pursuant to the New Community Act of 1968 (Title IV of the Housing and Urban Development Act of 1968, United States Code, title 42, sections 3901 to 3914) as amended, or a subsidiary or assign of such a corporation;

(i) Agricultural lands acquired by a pension or investment fund or a corporation or limited partnership by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise; provided, however, that all lands so acquired be disposed of within ten years after acquiring the title if acquired before May 1, 1988, and five years after acquiring the title if acquired on or after May 1, 1988, acquiring the title thereto, and further provided that the land so acquired shall not be used for farming during the ten-year or five-year period except under a lease to a family farm unit, a family farm corporation, an authorized farm corporation, a family farm partnership, or an authorized farm partnership. The aforementioned ten-year or five-year limitation period shall be deemed a covenant running with the title to the land against any pension or investment fund or corporate or limited partnership grantee or assignee or the successor of such pension or investment fund or corporation or limited partnership. Notwithstanding the five-year

divestiture requirement under this clause, a financial institution may continue to own the agricultural land if the agricultural land is leased to the immediately preceding former owner, but must divest of the agricultural land within the ten-year period;

(j) Agricultural land acquired by a corporation regulated under the provisions of Minnesota Statutes 1974, chapter 216B, for purposes described in that chapter or by an electric generation or transmission cooperative for use in its business, provided, however, that such land may not be used for farming except under lease to a family farm unit, a family farm corporation, or a family farm partnership;

(k) Agricultural land, either leased or owned, totaling no more than 2,700 acres, acquired after May 20, 1973, for the purpose of replacing or expanding asparagus growing operations, provided that such corporation had established 2,000 acres of asparagus production;

(l) All agricultural land or land capable of being used for farming which was owned or leased by an authorized farm corporation as defined in Minnesota Statutes 1974, section 500.24, subdivision 1, clause (d), but which does not qualify as an authorized farm corporation as defined in subdivision 2, clause (d);

(m) A corporation formed primarily for religious purposes whose sole income is derived from agriculture;

(n) Agricultural land owned or leased by a corporation prior to August 1, 1975, which was exempted from the restriction of this subdivision under the provisions of Laws 1973, chapter 427, including normal expansion of such ownership or leasehold interest to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1975, in any five-year period and the additional ownership reasonably necessary to meet requirements of pollution control rules;

(o) Agricultural land owned or leased by a corporation prior to August 1, 1978, including normal expansion of such ownership or leasehold interest, to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1978, and the additional ownership reasonably necessary to meet requirements of pollution control rules, provided that nothing herein shall reduce any exemption contained under the provisions of Laws 1975, chapter 324, section 1, subdivision 2;

(p) An interest in the title to agricultural land acquired by a pension fund or family trust established by the owners of a family farm, authorized farm corporation or family farm corporation, but limited to the farm on which one or more of those owners or shareholders have resided or have been actively engaged in farming as required by subdivision 2, clause (b), (c), or (d);

(q) Agricultural land owned by a nursing home located in a city with a population, according to the state demographer's 1985 estimate, between 900 and 1,000, in a county with a population, according to the state demographer's 1985 estimate, between 18,000 and 19,000, if the land was given to the nursing home as a gift with the expectation that it would not be sold during the donor's lifetime. This exemption is available until July 1, 1995;

(r) The acreage of agricultural land and land capable of being used for farming owned and recorded by an authorized farm corporation as defined in Minnesota Statutes 1986, section 500.24, subdivision 2, paragraph (d),

or a limited partnership as of May 1, 1988, including the normal expansion of the ownership at a rate not to exceed 20 percent of the land owned and recorded as of May 1, 1988, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules;

*(s) Agricultural land owned or leased as a necessary part of an aquatic farm as defined in section 2, subdivision 3.*

Sec. 13. [REPEALER.]

*Minnesota Statutes 1990, section 17.492, is repealed.*

Sec. 14. [EFFECTIVE DATE.]

*Sections 1 to 13 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to agriculture; providing for development of aquaculture; imposing a two percent excise tax on sales of aquaculture production equipment; amending Minnesota Statutes 1990, sections 17.49; 97A.025; 297A.01, by adding a subdivision; 297A.02, subdivision 2; and 500.24, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1990, section 17.492."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 928: A bill for an act relating to agriculture; providing for enforcement of agricultural laws; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 17.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [17.981] [DEFINITION.]

*As used in sections 1 to 4, "person" means an individual, corporation, association, cooperative, or partnership.*

Sec. 2. [17.982] [CRIMINAL AND ADMINISTRATIVE PENALTIES.]

*Subdivision 1. [CRIMINAL PENALTIES.] A person who violates chapter 29, 31, 31A, or 34 for which a penalty has not been prescribed is guilty of a misdemeanor.*

*Subd. 2. [ADMINISTRATIVE PENALTIES.] (a) The commissioner may, as an alternative to misdemeanor prosecution, impose an administrative penalty on a person who violates a statute or rule enforceable by the commissioner. For a first violation, the commissioner may impose an administrative penalty of not more than \$1,000 for each violation. For a second or succeeding violation, the commissioner may impose an administrative penalty of not more than \$1,500 for each violation. Each day a violation continues is a separate violation.*

*(b) In determining the amount of the administrative penalty the commissioner may consider:*

- (1) *the willfulness of the violation;*
- (2) *the gravity of the violation;*
- (3) *the person's history of past violations;*
- (4) *the number of violations;*
- (5) *the economic benefit from the violation; and*
- (6) *other factors identified in the commissioner's citation.*

(c) *For a second or succeeding violation, the commissioner shall determine the amount of a penalty by considering the factors in paragraph (b) and:*

- (1) *similarity between the violations;*
- (2) *time elapsed since the last violation; and*
- (3) *the person's response to the most recent violation.*

**Sec. 3. [17.983] [ADMINISTRATIVE PENALTIES AND ENFORCEMENT.]**

*Subdivision 1. [ADMINISTRATIVE PENALTIES; CITATION.] If a person has violated chapter 29, 31, 31A, or 34, the commissioner may issue a written citation to the person by personal service or by certified mail. The citation shall describe the nature of the violation and the statute or rule alleged to have been violated; state the time for correction; and the amount of any proposed fine. The citation must advise the person to notify the commissioner in writing within 30 days if the person wishes to appeal the citation. If the person fails to appeal the citation, the citation is the final order and not subject to further review.*

*Subd. 2. [FAILURE TO CORRECT.] If a person fails to correct a violation within the time prescribed by the commissioner, the commissioner shall notify the person by certified mail of the failure to correct and the penalty amount assessed. The notice must state that the person must notify the commissioner in writing within 30 days if the person wishes to appeal the penalty. If the person fails to appeal the penalty in writing within 30 days of receipt of the notice, the penalty is a final order and not subject to further review.*

*Subd. 3. [CONTESTED CASE.] If a person appeals a citation or a penalty assessment within the time limits in subdivisions 1 and 2, the commissioner, within 40 days after receiving the appeal, shall initiate a contested proceeding under chapter 14. The report of the administrative law judge is the final decision of the commissioner of agriculture.*

**Sec. 4. [17.984] [INVESTIGATION.]**

*Subdivision 1. [AUTHORITY.] The commissioner may, upon presenting appropriate credentials, enter and inspect any premises subject to the commissioner's authority, under chapter 29, 31, 31A, or 34, and all related conditions, structures, machines, apparatus, devices, equipment, and materials during regular working hours and at other reasonable times; question any employer, owner, operator, agent, or employee; and inspect any papers, books, documents, or records; and audit business records. The commissioner may issue notices in lieu of citations for minor violations if a notice is in the public interest.*

*Subd. 2. [FAILURE TO COMPLY.] The commissioner may administer*

*oaths, take and cause to be taken depositions of witnesses, and issue subpoenas, and may petition the district court in the county in which the premises is located to compel compliance with the commissioner's orders and activities under this section."*

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. 1050: A bill for an act relating to agriculture; eliminating certain requirements for processing of farmstead cheese; amending Minnesota Statutes 1990, section 32.486, subdivision 1a.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, reinstate the stricken "(a)"

Page 1, line 12, reinstate the stricken "(b)"

Page 1, line 14, after the stricken period, insert "*The commissioner may require pasteurization if test samples demonstrate cheese and cultured dairy foods are not free of pathogens. The commissioner must inspect facilities at least four times each year.*"

Amend the title as follows:

Page 1, line 2, delete "eliminating" and insert "permitting"

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. 1042: A bill for an act relating to natural resources; modifying the uses of state parks working capital account funds; amending Minnesota Statutes 1990, section 85.22, subdivisions 1 and 2a.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 324: A bill for an act relating to lawful gambling; abolishing the department of gaming and the position of commissioner of gaming; removing paddlewheels from the definition of lawful gambling; changing the membership of the gambling control board; clarifying the prohibition on video games of chance; amending Minnesota Statutes 1990, sections 15A.081, subdivision 1; 240.011; 240.02, subdivisions 1 and 2; 240.06, subdivision 8; 240.28; 349.12, subdivisions 10, 18, 21, and 24; 349.151, subdivision 2; 349.153; 349.163, subdivisions 1 and 4; 349.167, subdivision 4; 349.168, subdivision 3; 349.169, subdivision 2; 349.18, subdivision 1; 349.212, subdivision 6; 349A.01, subdivisions 5 and 9; 349A.02, subdivisions 1, 4, 5, 6, and 8; 349A.03, subdivision 1; 349A.06, subdivisions 2 and 5; 349A.08, subdivision 7; 349A.10, subdivisions 3 and 4; 349A.11; 349A.12, subdivision 4; 609.75, subdivision 4, and by adding a subdivision; 609.755;

609.76, subdivision 1; repealing Minnesota Statutes 1990, section 240.01, subdivision 15; 349.12, subdivisions 12 and 29; 349A.01, subdivisions 3, 4, and 6; and 349B.01.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 3, delete section 1

Page 3, line 13, after the stricken "A" insert "*The*" and reinstate the stricken "division of"

Page 3, line 14, reinstate the stricken "pari-mutuel racing" and reinstate the stricken "in the department of gaming"

Page 3, line 15, after the stricken "division" reinstate the stricken language

Page 3, lines 16, 27, and 33, reinstate the stricken language

Page 3, line 22, strike everything after the period

Page 3, strike line 23

Page 3, line 34, reinstate the stricken "of gaming as a nonvoting member"

Pages 4 and 5, delete sections 4 to 7 and insert:

"Sec. 3. Minnesota Statutes 1990, section 299L.01, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this chapter, the terms defined in this subdivision have the meanings given them.

(b) "Division" means the division of gambling enforcement.

(c) "Commissioner" means the commissioner of public safety.

(d) "Director" means the director of gambling enforcement.

(e) "*Manufacturer*" means a person who assembles from raw materials or subparts a gambling device for sale or use in Minnesota.

(f) "*Distributor*" means a person who sells, offers to sell, or otherwise provides a gambling device to a person in Minnesota.

Sec. 4. [299L.07] [GAMBLING DEVICES.]

Subdivision 1. [RESTRICTION.] A person may not manufacture, sell, offer to sell, or otherwise provide, in whole or in part, a gambling device as defined in sections 349.30, subdivision 2, and 609.75, subdivision 4, except that a gambling device may be:

(1) manufactured as provided in section 349.40;

(2) sold, offered for sale, or otherwise provided to a distributor licensed under subdivision 3; and

(3) sold, offered for sale, or otherwise provided to the governing body of a federally recognized Indian tribe that is authorized to operate the gambling device under a tribal-state compact under the Indian Gaming Regulatory Act, United States Code, title 25, sections 2701 to 2721.

Subd. 2. [LICENSE REQUIRED.] A person may not manufacture or distribute gambling devices without having obtained a license under this section.

*Subd. 3. [LICENSE ISSUANCE.] The commissioner may issue a license under this section if the commissioner determines that the applicant will conduct the business in a manner that will not adversely affect the public health, welfare, and safety or be detrimental to the effective regulation and control of gambling. A license may not be issued under this section to a person, or a corporation, firm, or partnership that has an officer, director, or other person with a direct or indirect financial or management interest of five percent or more, who has ever:*

- (1) been convicted of a felony;*
- (2) been convicted of a crime involving gambling;*
- (3) been connected with or engaged in an illegal business; or*
- (4) had a license revoked or denied by another jurisdiction for a violation of law or rule related to gambling.*

*Subd. 4. [APPLICATION.] An application for a manufacturer's or distributor's license must be on a form prescribed by the commissioner and must, at a minimum, contain:*

*(1) the name and address of the applicant and, if it is a corporation, the names of all officers, directors, and shareholders with a financial interest of five percent or more;*

*(2) the names and addresses of any holding corporation, subsidiary, or affiliate of the applicant, without regard to whether the holding corporation, subsidiary, or affiliate does business in Minnesota; and*

*(3) if the applicant does not maintain a Minnesota office, an irrevocable consent statement signed by the applicant, stating that suits and actions relating to the subject matter of the application or acts or omissions arising from it may be commenced against the applicant in a court of competent jurisdiction in this state by service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleading is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the office of the secretary of state and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown on the application.*

*Subd. 5. [INVESTIGATION.] Before a manufacturer's or distributor's license is granted, the director may conduct a background and financial investigation of the applicant, including the applicant's sources of financing. The director may, or shall when required by law, require that fingerprints be taken and the director may forward the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The director may charge an investigation fee to cover the cost of the investigation.*

*Subd. 6. [LICENSE FEE.] A license issued under this section is valid for one year. The annual fee for a license is \$5,000.*

*Subd. 7. [RENEWAL.] Upon making the same determination as in subdivision 3, the commissioner may renew a license issued under this section.*

*Subd. 8. [LICENSE SUSPENSION AND REVOCATION.] (a) The commissioner may suspend a license under this section for a violation of law or rule. The commissioner may revoke a license:*

*(1) for a violation of law or rule which, in the commissioner's opinion, adversely affects the integrity of gambling in Minnesota;*



(2) for an intentional false statement in a license application; or

(3) if the licensee is the subject of a disciplinary proceeding in another jurisdiction which results in the revocation of a license.

A revocation or suspension is a contested case under sections 14.57 to 14.69.

(b) The commissioner may summarily suspend a license prior to a contested case hearing if the commissioner determines that a summary suspension is necessary to ensure the integrity of gambling. A contested case hearing must be held within 20 days of the summary suspension and the administrative law judge must issue a report within 20 days of the close of the hearing record. The commissioner shall issue a final decision within 30 days from receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61.

Subd. 9. [TRANSPORTATION OF GAMBLING DEVICES.] In addition to the requirements of this section, the transportation of gambling devices into Minnesota must be in compliance with United States Code, title 15, sections 1171 to 1177, as amended."

Page 6, line 33, after "of" insert "the commissioner of gaming and" and after "seven" insert "other"

Page 6, line 34, delete "those" and insert "five" and delete everything after "governor"

Page 6, delete lines 35 and 36

Page 7, line 1, delete everything before the semicolon and delete "(3)" and insert "(2)"

Page 7, line 2, delete "for a term expiring June 30, 1995"

Page 7, line 3, delete "(4)" and insert "(3)" and delete "for a term"

Page 7, line 4, delete everything before the period

Page 7, line 7, strike "After expiration of the initial terms,"

Page 7, delete section 12 and insert:

"Sec. 9. Minnesota Statutes 1990, section 349.152, subdivision 1, is amended to read:

Subdivision 1. [APPOINTED.] The governor shall appoint, with the advice and consent of the senate, a director ~~from a list of one or more persons submitted by the board~~. The director serves in the unclassified service at the pleasure of the governor."

Pages 7 to 9, delete sections 14 and 15

Pages 9 and 10, delete sections 17 and 18

Pages 10 to 17, delete sections 20 to 34

Page 18, line 20, strike "(a)"

Page 18, line 32, strike "with intent that it shall be so used" and insert "except as provided in section 299L.07"

Page 18, line 33, strike the first "or" and insert a comma and after "sale," insert "or otherwise provides,"

Page 18, line 35, strike everything after "2"

Page 18, line 36, strike "as provided by section 349.40" and delete "or"

Page 18, after line 36, insert:

*"(6) with intent that it be so used, manufactures, sells, or offers for sale any facility for conducting a lottery, except as provided by section 349.40; or"*

Page 19, line 1, strike "(6)" and insert "(7)"

Page 19, strike lines 9 to 11

Page 19, line 13, delete "35 to 38" and insert "3, 4, and 13 to 16"

Page 19, delete section 40 and insert:

**"Sec. 18. [INITIAL APPOINTMENTS: GAMBLING CONTROL BOARD.]**

*Notwithstanding section 8, on the effective date of section 8 and this section, the gambling control board consists of:*

*(1) those members appointed by the governor before July 1, 1991, whose terms expire June 30, 1992, June 30, 1993, and June 30, 1994;*

*(2) one member appointed by the governor, with the advice and consent of the senate, to a term ending June 30, 1994;*

*(3) one member appointed by the commissioner of public safety, with the advice and consent of the senate, to a term ending June 30, 1995; and*

*(4) one member appointed by the attorney general, with the advice and consent of the senate, to a term ending June 30, 1995.*

*Vacancies occurring upon the expiration of terms filled under this section must be filled in accordance with section 8.*

**Sec. 19. [MORATORIUM; STUDY AND RECOMMENDATIONS.]**

*Notwithstanding Minnesota Statutes, section 349B.01, the governor may not appoint a commissioner of gaming until the governor has studied the regulation of lawful gambling by the state and has reported the governor's recommendations for restructuring the department of gaming, its divisions, and all related boards. The governor shall submit the recommendations to the legislature by February 1, 1992."*

Page 19, line 31, delete everything after the first comma and insert "section"

Page 19, line 32, delete "subdivisions 12 and" and insert "subdivision" and delete everything after "29" and insert a comma

Page 19, line 33, delete everything before "repealed" and insert "is"

Page 19, line 35, delete "to 34, 40, and 41" and insert ", 2, 5 to 12, and 18 to 20"

Page 19, line 36, delete "35 to 39" and insert "3, 4, and 13 to 17" and before the period, insert ", and sections 15 and 16 apply to crimes committed on or after that date"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to lawful gambling; removing paddlewheels

from the definition of lawful gambling; placing restrictions on the manufacture and sale of gambling devices; requiring licensing of manufacturers and distributors of gambling devices; changing the membership of the gambling control board; clarifying the prohibition on video games of chance; prohibiting the operation of gambling devices; placing a moratorium on the appointment of a commissioner of gaming pending a study of the regulation of lawful gambling; amending Minnesota Statutes 1990, sections 240.011; 240.02, subdivision 1; 299L.01, subdivision 1; 349.12, subdivisions 18, 21, and 24; 349.151, subdivision 2; 349.152, subdivision 1; 349.163, subdivision 1; 349.168, subdivision 3; 349.212, subdivision 6; 609.75, subdivision 4, and by adding a subdivision; 609.755; 609.76, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 299L; repealing Minnesota Statutes 1990, section 349.12, subdivisions 12 and 29."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1171: A bill for an act relating to corporations; requiring the commissioner of commerce to collect and analyze information about nonprofit corporations; requiring a report.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [NONPROFIT ORGANIZATION STUDY.]

*Subdivision 1. [GENERAL.] The commissioner of commerce shall survey all Minnesota nonprofit corporations and prepare a report on the operation of nonprofit corporations. The report must include:*

- (1) the number and size of nonprofit corporations;*
- (2) the types and volume of activities, products, and services provided by nonprofit corporations;*
- (3) the sources of revenue of nonprofit corporations;*
- (4) the salary levels and structures for personnel;*
- (5) the nature and size of administrative or consulting contracts and similar devices used by nonprofit corporations, including services and functions performed by persons who are not employees of the corporation, whether these functions could be performed by employees, cost difference if performed by employees, and identification of providers of services; and*
- (6) tax classifications and status of nonprofit corporations.*

*Subd. 2. [PROCEDURE.] (a) The commissioner of commerce shall prepare a survey under this section for distribution to all nonprofit corporations as part of the annual corporate registration in 1992 under Minnesota Statutes, section 317A.823. The secretary of state shall mail the survey with the 1992 corporate registration form and notify the corporations that the survey must be completed and returned to the secretary of state as part of the annual registration. The secretary of state shall give the completed surveys to the commissioner of commerce. A corporation that fails to return the survey by December 31, 1992, loses its good standing for purposes of*

*Minnesota Statutes, sections 317A.823 and 317A.827, and the provisions of those sections apply.*

*(b) In preparing the survey and report, the commissioner of commerce shall consult with other agencies in the public and private sector who represent and interact with nonprofit corporations. Upon request, the secretary of state and the attorney general shall provide the commissioner of commerce with information in their possession concerning nonprofit corporations. The commissioner of commerce shall make data contained in the surveys available to the attorney general upon request. Data consisting of employee salaries provided to the commissioner under this section are private data on individuals as defined in Minnesota Statutes, section 13.02, subdivision 12, except that the data are accessible to members of the board of directors of the nonprofit corporation for which the individual is employed.*

*(c) The commissioner of commerce shall report to the legislature by March 15, 1993.*

Sec. 2. [APPROPRIATION.]

*\$ . . . . . is appropriated to the commissioner of commerce for purposes of section 1."*

Delete the title and insert:

"A bill for an act relating to corporations; requiring the commissioner of commerce to survey nonprofit corporations; requiring a report; appropriating money."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 689: A bill for an act relating to commerce; requiring real estate brokers and salespersons to receive instruction in fair housing laws; amending Minnesota Statutes 1990, section 82.22, subdivision 13.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1990, section 82.22, subdivision 6, is amended to read:

Subd. 6. [INSTRUCTION; NEW LICENSES.] (a) After January 1, 1987, every applicant for a salesperson's license shall be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner before taking the examination specified in subdivision 1. After January 1, 1987, every applicant for a salesperson's license shall be required to successfully complete an additional course of study in the real estate field consisting of 60 hours of instruction approved by the commissioner, *of which three hours shall consist of training in state and federal fair housing laws, regulations and rules*, before filing an application for the license. Every salesperson licensed after January 1, 1987, shall, within one year of licensure, be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner.

(b) After December 31, 1983, and before January 1, 1987, every applicant

for a salesperson's license shall be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner before taking the examination specified in subdivision 1. After December 31, 1983, and before January 1, 1987, every applicant for a salesperson's license shall be required to successfully complete an additional course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner before filing an application for the license. Every salesperson licensed after December 31, 1983, and before January 1, 1987, shall, within one year of the date a license was first issued, be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner.

(c) The commissioner may approve courses of study in the real estate field offered in educational institutions of higher learning in this state or courses of study in the real estate field developed by and offered under the auspices of the national association of realtors, its affiliates, or private real estate schools. The commissioner shall not approve any course offered by, sponsored by, or affiliated with any person or company licensed to engage in the real estate business. The commissioner may by rule prescribe the curriculum and qualification of those employed as instructors.

(d) After January 1, 1988, an applicant for a broker's license must successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner, *of which three hours shall consist of training in state and federal fair housing laws, regulations, and rules.* The course must have been completed within six months prior to the date of application for the broker's license.

(e) After August 1, 1989, an applicant for a real estate closing agent's license must successfully complete a course of study relating to closing services consisting of eight hours of instruction approved by the commissioner."

Page 2, line 4, delete "five" and insert "two"

Page 2, line 5, after "training" insert "every even-numbered year"

Page 2, line 8, delete everything after "effective" and insert "January 1, 1992."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "subdivision" and insert "subdivisions 6 and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was re-referred

S.F. No. 147: A bill for an act relating to charitable organizations; modifying the definitions of registered combined charitable organizations; amending Minnesota Statutes 1990, section 309.501, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 780: A bill for an act relating to the secretary of state; requiring that certain information be provided without a fee; amending Minnesota Statutes 1990, section 336.9-411.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 25, reinstate the stricken language and delete the new language and before the period, insert “, *except that visual access to electronic display terminals at the public counters at the secretary of state’s office will be without charge and available during public counter hours*”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Novak from the Committee on Energy and Public Utilities, to which was referred

S.F. No. 944: A bill for an act relating to energy; expanding conservation improvement programs; extending protection against disconnection of residential utility customers during cold weather; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring applicants for certificates of need for large utility facilities to justify the use of nonrenewable rather than renewable energy; establishing energy conservation goals for state buildings; requiring a review of the state building code and energy standards; transferring the office of pipeline safety to the department of public service; making conforming amendments; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 16B.32; 16B.61, subdivision 3; 216B.095; 216B.16, subdivision 6b; 216B.241; 216B.243, by adding a subdivision; 216C.02, subdivision 1; 299F.011, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 216E; repealing Minnesota Statutes 1990, sections 16B.32, subdivision 2; and 299J.01 to 299J.18.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

#### “ARTICLE I

#### CONSERVATION IMPROVEMENT PROGRAMS

Section 1. Minnesota Statutes 1990, section 216B.16, subdivision 6b, is amended to read:

Subd. 6b. [ENERGY CONSERVATION IMPROVEMENTS.] All investments and expenses of a public utility as defined in section 216B.241, subdivision (4) 1, ~~clause (e) paragraph (d)~~, incurred in connection with energy conservation improvements shall be recognized and included by the commission in the determination of just and reasonable rates as if the investments and expenses were directly made or incurred by the utility in furnishing utility service.

Sec. 2. Minnesota Statutes 1990, section 216B.241, is amended to read:

216B.241 [ENERGY CONSERVATION IMPROVEMENTS.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms

defined in this subdivision ~~shall~~ have the meanings given them:

(a) "Commission" means the public utilities commission, ~~department of public service~~;

(b) "Commissioner" means the commissioner of public service.

(c) "Department" means the department of public service.

~~(e)~~ (d) "Energy conservation improvement" means the purchase or installation of ~~any~~ a device, method, or material that *reduces energy consumption* or increases the efficiency in the use of electricity or natural gas, including, but not limited to:

- (1) insulation and ventilation;
- (2) storm or thermal doors or windows;
- (3) caulking and weatherstripping;
- (4) furnace efficiency modifications;
- (5) thermostat or lighting controls;
- (6) awnings; or

(7) systems to turn off or vary the delivery of energy. The term "energy conservation improvement" includes ~~any~~ a device or method ~~which~~ that creates, converts, or actively uses energy from renewable sources such as solar, wind, and biomass, ~~providing such~~ *provided that the device or method conforms with national or state performance and quality standards whenever applicable.*

~~(d)~~ (e) "Investments and expenses of a public utility" includes the investments and expenses incurred by a public utility in connection with an energy conservation improvement including, but not limited to:

(1) the differential in interest cost between the market rate and the rate charged on a no interest or below market interest loan made by a public utility to a customer for the purchase or installation of an energy conservation improvement;

(2) the difference between the utility's cost of purchase or installation of energy conservation improvements and any price charged by a public utility to a customer for such improvements.

~~(e) "Public utility" has the same meaning as given that term in section 216B.02, subdivision 4. For the purposes of this section, "public utility" shall not include cooperative electric associations that become subject to rate regulation after April 16, 1980.~~

*Subd. 1a. [INVESTMENTS, EXPENDITURES, AND CONTRIBUTIONS; REGULATED UTILITIES.] For purposes of this subdivision and subdivision 2, "public utility" has the meaning given it in section 216B.02, subdivision 4. The commissioner shall by rule require each public utility to spend and invest a significant amount of its gross operating revenues for energy conservation improvements under subdivision 2 and to contribute a significant amount of its gross operating revenues to the low-income energy and conservation account established by subdivision 2a. The commissioner shall determine what constitutes a significant amount for each utility, but, at a minimum, the amount spent, invested, and contributed under this paragraph must equal the lesser of:*

(1) .5 percent of its Minnesota jurisdictional gross retail operating revenues for a utility furnishing gas service;

(2) 1.5 percent of its Minnesota jurisdictional gross retail operating revenues for a utility furnishing electric service; or

(3) 140 percent of the amount committed by the utility under this section in the previous year.

In determining what constitutes a significant amount for a utility, the commissioner shall consider the utility's long-range energy demand forecasts, overall state energy needs, the effect of conservation programs on long-term energy demand, and any other factors the commissioner might consider relevant.

Using the information collected under section 216C.02, subdivision 1, paragraph (b), the commissioner shall determine for each utility how much of the total amount required under this subdivision must be devoted to expenditures and investments for energy conservation programs and how much must be contributed to the account established by subdivision 2a.

*Subd. 1b. [CONTRIBUTIONS: COOPERATIVES; MUNICIPALITIES.] This subdivision applies to:*

(1) a cooperative electric association that generates and transmits electricity to associations that provide electricity at retail;

(2) a municipality with gross operating revenues in excess of \$5,000,000 from sales of electricity to retail customers, unless the municipality purchases more than 85 percent of its electricity from a cooperative electric association governed by this subdivision;

(3) a municipality with gross operating revenues in excess of \$5,000,000 from sales of natural gas to retail customers; and

(4) a municipality not governed by clause (2) or (3), but with gross operating revenues in excess of \$7,500,000 from combined sales of electricity and natural gas to retail customers, unless the municipality purchases more than 85 percent of its electricity from a cooperative electric association governed by this subdivision.

The commissioner shall by rule require each municipality and each cooperative electric association to contribute a significant amount of its gross operating revenues to the low-income energy and conservation account established by subdivision 2a. The commissioner shall determine what constitutes a significant amount for each municipality and cooperative association, but, at a minimum, the amount contributed under this subdivision must equal one percent of a municipality's gross operating revenues from the sale of electricity and .5 percent of its gross operating revenues from the sale of natural gas or one percent of a cooperative association's Minnesota jurisdictional gross operating revenues. In determining what constitutes a significant amount for a municipality or cooperative association, the commissioner shall consider the municipality's or association's long-range energy demand forecasts, overall state energy needs, the effect of conservation programs on long-term energy demand, and any other factors the commissioner might consider relevant.

This section does not prevent a municipality or an association from voluntarily spending or investing a portion of its gross revenues on energy conservation improvements or load management, but the amount spent or



*invested for those purposes may not be considered part of the amount required to meet the requirements of this subdivision.*

Subd. 2. [PROGRAMS.] The ~~department~~ commissioner may by rule require public utilities to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices, and terms under which the improvements must be offered to the customers. The required programs must cover a two-year period. The ~~department~~ commissioner shall require at least one public utility to establish a pilot program to make investments in and expenditures for energy from renewable resources such as solar, wind, or biomass *and shall give special consideration and encouragement to programs that bring about significant net savings through the use of energy-efficient lighting.* The ~~department~~ commissioner shall evaluate the program on the basis of cost-effectiveness and the reliability of technologies employed. The rules of the department must provide to the extent practicable for a free choice, by consumers participating in the program, of the device, method, or material constituting the energy conservation improvement and for a free choice of the seller, installer, or contractor of the energy conservation improvement, provided that the device, method, material, seller, installer, or contractor is duly licensed, certified, approved, or qualified, including under the residential conservation services program, where applicable. The ~~department~~ commissioner may require a utility to make an energy conservation improvement investment or expenditure whenever the ~~department~~ commissioner finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy. The ~~department~~ commissioner shall nevertheless ensure that every public utility operate one or more programs, under periodic review by the department, ~~that make significant investments in and expenditures for energy conservation improvements.~~ The ~~department~~ commissioner shall consider and may require a utility to undertake a program suggested by an outside source, including a political subdivision or a nonprofit or community organization. The department shall ensure that at least half the money spent on residential programs is devoted to programs that directly address the needs of renters and low-income families and individuals unless an insufficient number of appropriate programs are available. For purposes of this section, "low income" means an income less than 185 percent of the federal poverty level. ~~Investments and expenditures made under this subdivision must be treated for ratemaking purposes in the manner prescribed in section 246B-16, subdivision 6b. No utility shall~~ *may* make an energy conservation improvement ~~pursuant to~~ *under* this section to a building envelope unless:

(1) it is the primary supplier of energy used for either space heating or cooling in the building ~~or unless~~;

(2) the ~~department~~ commissioner determines that special circumstances, which would unduly restrict the availability of conservation programs, warrant otherwise; *or*

(3) *the utility has been awarded a contract under subdivision 2a.*

A utility, a political subdivision, or a nonprofit or community organization that has suggested a program, or the attorney general acting on behalf of consumers and small business interests, may petition the commission to modify or revoke a department decision to require a program under this subdivision, and the commission may do so if it determines that the program

is ineffective, ~~does not adequately address the needs of renters and low-income families and individuals,~~ or is otherwise not in the public interest. The person petitioning for commission review has the burden of proof. The commission shall reject a petition that, on its face, fails to make a reasonable argument that a program is not in the public interest.

*Subd. 2a. [LOW-INCOME ENERGY AND CONSERVATION ACCOUNT.] The commissioner shall deposit money contributed under subdivisions 1a and 1b in the low-income energy and conservation account in the general fund. Money in the account is appropriated to the department for programs designed to meet the energy needs of low-income persons and to make energy conservation improvements in areas not adequately served under subdivision 2. Interest on money in the account is appropriated to the department for administrative expenses related to the programs. Using information collected under section 216C.02, subdivision 1, paragraph (b), the commissioner shall, to the extent possible, allocate enough money to energy-assistance programs for low-income persons to ensure that their needs are being adequately addressed. The commissioner shall transfer money from the account to the department of jobs and training for energy-assistance and weatherization programs carried out by that agency for low-income persons. In establishing conservation improvement programs, the commissioner shall consult political subdivisions and nonprofit and community organizations, especially organizations engaged in providing energy and weatherization assistance to low-income persons. At least one program must address the need for energy conservation improvements in areas in which a high percentage of residents use fuel oil or propane to fuel their source of home heating. The commissioner may contract with a political subdivision, a nonprofit or community organization, a public utility, or a cooperative electric association to implement its conservation improvement programs.*

*Subd. 2b. [RECOVERY OF EXPENSES; TAXES.] The commission shall allow a utility to recover expenses resulting from a conservation improvement program required by the department unless the recovery would be inconsistent with a financial incentive proposal approved by the commission. In addition, if a utility makes the expenditures, investments, and contributions required by the department under subdivision 1a, the commission shall adjust the utility's rates annually to reflect any changes in taxes paid on real or personal property in Minnesota or in fees or permits required by a local, state, or federal government or government agency unless the commission finds, after receiving comments from interested parties, that there are significant questions as to the prudence or level of the fees or permits and that the issue of recovery should be deferred for consideration in a rate case.*

*Subd. 3. [OWNERSHIP OF ENERGY CONSERVATION IMPROVEMENTS.] ~~Any~~ An energy conservation improvement made to or installed in ~~any~~ a building pursuant to in accordance with this section, except systems owned by the utility and designed to turn off, limit, or vary the delivery of energy, ~~shall be~~ are the exclusive property of the owner of the building except ~~insofar as it to the extent that the improvement is subjected to a security interest in favor of the utility in case of a loan to the building owner. The utility shall have~~ has no liability for loss, damage or injury caused directly or indirectly by ~~any~~ an energy conservation improvement except for negligence by the utility in purchase, installation, or modification of the product.*

Subd. 4. [FEDERAL LAW PROHIBITIONS.] If investments by public utilities in energy conservation improvements are in any manner prohibited or restricted by federal law and there is a provision under which ~~such~~ *the* prohibition or restriction may be waived, then the commission, the governor, or any other necessary state agency or officer shall take all necessary and appropriate steps to secure a waiver with respect to those public utility investments in energy conservation improvements included in this section.

Subd. 5. [RULES.] *The commissioner may adopt emergency and permanent rules to implement this section.*

Sec. 3. Minnesota Statutes 1990, section 216C.02, subdivision 1, is amended to read:

Subdivision 1. [POWERS.] (a) The commissioner may:

(1) apply for, receive, and spend money received from federal, municipal, county, regional, and other government agencies and private sources;

(2) apply for, accept, and disburse grants and other aids from public and private sources;

(3) contract for professional services if work or services required or authorized to be carried out by the commissioner cannot be satisfactorily performed by employees of the department or by another state agency;

(4) enter into interstate compacts to carry out research and planning jointly with other states or the federal government when appropriate;

(5) upon reasonable request, distribute informational material at no cost to the public; and

(6) enter into contracts for the performance of the commissioner's duties with federal, state, regional, metropolitan, local, and other agencies or units of government and educational institutions, including the University of Minnesota, without regard to the competitive bidding requirements of chapters 16A and 16B.

(b) The commissioner shall collect information on conservation and other energy-related programs carried on by other agencies, by public utilities, by cooperative electric associations, by municipal power agencies, by other fuel suppliers, by political subdivisions, and by private organizations. Other agencies, cooperative electric associations, municipal power agencies, and political subdivisions shall cooperate with the commissioner by providing information requested by the commissioner. The commissioner may by rule require the submission of information by other program operators. The commissioner shall make the information available to other agencies and to the public and, as necessary, shall recommend to the legislature changes in the laws governing conservation and other energy-related programs to ensure that:

(1) expenditures on the programs are adequate to meet identified needs;

(2) the needs of low-income energy users are being adequately addressed;

(3) duplication of effort is avoided or eliminated;

(4) a program that is ineffective is improved or eliminated; and

(5) voluntary efforts are encouraged through incentives for their operators.

The commissioner shall appoint an advisory task force to help evaluate the information collected and formulate recommendations to the legislature.

The task force must include low-income energy users as defined in section 216B.241, subdivision 2.

(c) By January 15 of each year, the commissioner shall report to the legislature on the projected amount of federal money likely to be available to the state during the next fiscal year, including grant money and money received by the state as a result of litigation or settlements of alleged violations of federal petroleum pricing regulations. The report must also estimate the amount of money projected as needed during the next fiscal year to finance a level of conservation and other energy-related programs adequate to meet projected needs, particularly the needs of low-income persons and households, and must recommend the amount of state appropriations needed to cover the difference between the projected availability of federal money and the projected needs.

## ARTICLE 2

### COLD WEATHER RULE

Section 1. Minnesota Statutes 1990, section 216B.095, is amended to read:

#### 216B.095 [DISCONNECTION DURING COLD WEATHER.]

(a) For purposes of this section and of rules adopted by the commission in accordance with this section, the term "residential utility" includes:

- (1) a public utility as defined in section 216B.02, subdivision 4; and
- (2) a municipality and a cooperative electric association that has not voluntarily adopted and that adheres to a policy governing disconnections during cold weather that is substantially similar to the policy established by this section.

*A municipality or cooperative electric association that is not considered a residential utility for purposes of this section because it has voluntarily adopted and adheres to a policy governing disconnection during cold weather shall, by July 1 of each year, report to the commission on the number of residential units disconnected during the previous heating season, the number of those units that were occupied, and the duration of the disconnection.*

(b) The commission shall amend its rules governing disconnection of residential utility customers who are unable to pay for utility service during cold weather to include the following:

- (1) coverage of customers whose household income is less than 185 percent of the federal poverty level;
- (2) a requirement that a customer who pays the utility at least ten percent of the customer's income or the full amount of the utility bill, whichever is less, in a cold weather month cannot be disconnected during that month;
- (3) that the ten percent figure in clause (2) must be prorated between energy providers proportionate to each provider's share of the customer's total energy costs where the customer receives service from more than one provider;
- (4) that a customer's household income does not include any amount received for energy assistance;
- (5) verification of income by the local energy assistance provider, unless

the customer is automatically eligible as a recipient of any form of public assistance, including energy assistance, that uses income eligibility in an amount at or below the income eligibility in clause (1); and

(6) a requirement that the customer receive, from the local energy assistance provider or other entity, budget counseling and referral to weatherization, conservation, or other programs likely to reduce the customer's consumption of energy.

For the purpose of clause (2), the "customer's income" means the actual monthly income of the customer except for a customer who is normally employed only on a seasonal basis and whose annual income is over 135 percent of the federal poverty level, in which case the customer's income is the average monthly income of the customer computed on an annual calendar year basis.

#### Sec. 2. [ADOPTION AND APPROVAL OF VOLUNTARY PLANS.]

*A municipality or cooperative electric association is considered a "residential utility" for purposes of section 1 unless:*

*(1) it notifies the public utilities commission by July 1, 1991, of its intention voluntarily to adopt and adhere to a policy governing disconnection of its heating customers during cold weather that is substantially similar to the policy established by section 1; and*

*(2) it has submitted its policy to the commission and has begun to implement the policy by November 1, 1991.*

*The public utilities commission shall, by February 1, 1992, report to the legislature on the number of municipalities and cooperative electric associations that have elected to adopt policies under this section, on the effectiveness of voluntarily adopted policies, and on whether, in the commission's opinion, all municipalities and cooperative electric associations should be governed by section 1.*

#### Sec. 3. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective the day following final enactment.*

### ARTICLE 3

#### ENERGY-EFFICIENT LIGHTING

Section 1. Minnesota Statutes 1990, section 16B.61, subdivision 3, is amended to read:

Subd. 3. [SPECIAL REQUIREMENTS.] (a) [SPACE FOR COMMUTER VANS.] The code must require that any parking ramp or other parking facility constructed in accordance with the code include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

(b) [SMOKE DETECTION DEVICES.] The code must require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.

(c) [DOORS IN NURSING HOMES AND HOSPITALS.] The state building code may not require that each door entering a sleeping or patient's room from a corridor in a nursing home or hospital with an approved

complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

(d) [CHILD CARE FACILITIES IN CHURCHES.] A licensed day care center serving fewer than 30 preschool age persons and which is located in a below ground space in a church building is exempt from the state building code requirement for a ground level exit when the center has more than two stairways to the ground level and its exit.

(e) [FAMILY AND GROUP FAMILY DAY CARE.] The commissioner of administration shall establish a task force to determine occupancy standards specific and appropriate to family and group family day care homes and to examine hindrances to establishing day care facilities in rural Minnesota. The task force must include representatives from rural and urban building code inspectors, rural and urban fire code inspectors, rural and urban county day care licensing units, rural and urban family and group family day care providers and consumers, child care advocacy groups, and the departments of administration, human services, and public safety.

By January 1, 1989, the commissioner of administration shall report the task force findings and recommendations to the appropriate legislative committees together with proposals for legislative action on the recommendations.

Until the legislature enacts legislation specifying appropriate standards, the definition of Group R-3 occupancies in the state building code applies to family and group family day care homes licensed by the department of human services under Minnesota Rules, chapter 9502.

(f) [MINED UNDERGROUND SPACE.] Nothing in the state building codes shall prevent cities from adopting rules governing the excavation, construction, reconstruction, alteration, and repair of mined underground space pursuant to sections 469.135 to 469.141, or of associated facilities in the space once the space has been created, provided the intent of the building code to establish reasonable safeguards for health, safety, welfare, comfort, and security is maintained.

(g) [ENCLOSED STAIRWAYS.] No provision of the code or any appendix chapter of the code may require stairways of existing multiple dwelling buildings of two stories or less to be enclosed.

(h) [DOUBLE CYLINDER DEAD BOLT LOCKS.] No provision of the code or appendix chapter of the code may prohibit double cylinder dead bolt locks in existing single-family homes, townhouses, and first floor duplexes used exclusively as a residential dwelling. Any recommendation or promotion of double cylinder dead bolt locks must include a warning about their potential fire danger and procedures to minimize the danger.

(i) [RELOCATED RESIDENTIAL BUILDINGS.] A residential building relocated within or into a political subdivision of the state need not comply with the state energy code or section 326.371 provided that, where available, an energy audit is conducted on the relocated building.

(j) [AUTOMATIC GARAGE DOOR OPENING SYSTEMS.] The code must require all residential buildings as defined in section 325F.82 to comply with the provisions of sections 325F.82 and 325F.83.

(k) [EXIT SIGN ILLUMINATION.] *The code must prohibit the use of incandescent bulbs in internally illuminated exit signs.*

Sec. 2. Minnesota Statutes 1990, section 299F.011, is amended by adding a subdivision to read:

*Subd. 4c. [EXIT SIGN ILLUMINATION.] The uniform fire code must prohibit the use of incandescent bulbs in internally illuminated exit signs.*

Sec. 3. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective January 1, 1994, and apply to all internally illuminated exit signs in use on or after that date.*

#### ARTICLE 4

##### CERTIFICATE OF NEED PROCESS

Section 1. Minnesota Statutes 1990, section 216B.243, is amended by adding a subdivision to read:

*Subd. 3a. [USE OF RENEWABLE RESOURCES.] The commission may not issue a certificate of need under this section for a large energy facility that generates electric power by consuming a nonrenewable energy source, or that transmits electric power generated by a nonrenewable energy source to add to an applicant's total electrical capacity in Minnesota, unless the applicant for the certificate has demonstrated to the commission's satisfaction that it has explored the possibility of the generation of power by means of renewable energy sources and has demonstrated that the alternative selected is less expensive (including environmental costs) than power generated by a renewable energy source. For purposes of this subdivision, "renewable energy source" includes wind, solar, and geothermal energy and the use of trees or other vegetation as fuel.*

Sec. 2. [LANDFILL GAS RECOVERY.]

*The public utilities commission shall examine the economic and technical aspects of the process by which a qualified facility could use methane gas from qualified landfills to produce electricity for sale to electric utilities under Minnesota Statutes, section 216B.164. If the commission determines that use of that technology should be encouraged, but that changes in relevant statutes are necessary to accomplish that end, it shall recommend appropriate statutory changes to the legislature by January 15, 1992.*

#### ARTICLE 5

##### ENERGY CONSERVATION: BUILDINGS

Section 1. Minnesota Statutes 1990, section 16A.28, subdivision 3, is amended to read:

*Subd. 3. [PERMANENT IMPROVEMENTS.] An appropriation for permanent improvements, including the acquisition of real property and acquisition of energy conservation equipment, does not lapse until the purposes of the appropriation are determined by the commissioner, after consultation with the affected agencies, to be accomplished or abandoned.*

*That part of an agency's appropriation budgeted to energy costs that remains unexpended at the end of the fiscal year and is attributable to savings from energy conservation actions does not lapse and is available to the agency in succeeding fiscal years for additional energy conservation activities or energy efficiency loan repayment. In the event that all cost-effective energy efficiency projects have been fully implemented, savings may be used for other agency purposes. Savings attributable to energy conservation must be determined by the affected agencies in consultation*

with the commissioner of administration.

**Sec. 2. [16A.86] [STATE BUILDING ENERGY EFFICIENCY LOAN ACCOUNT.]**

*Subdivision 1. [ACCOUNT; USE.] The state building energy efficiency loan account is a separate account within the state treasury and may be used only for the purposes provided in subdivision 5.*

*Subd. 2. [COMMITTEE.] The state building energy efficiency loan committee consists of the commissioners of administration, public service, and finance. The commissioner of administration shall serve as committee chair. The committee shall establish all eligibility criteria and loan procedures.*

*Subd. 3. [REPAYMENT.] The commissioner of finance shall administer all financial transactions within the account. A department, agency, commission, or board receiving a loan under this section must repay the loan according to the terms of the loan agreement. The principle and interest must be paid to the commissioner of finance, who shall deposit all loan repayments in the state building energy efficiency loan account. Repayment term of a loan may not exceed ten years. For leased facilities, the repayment term of the loan may be no greater than the term of the lease.*

*Subd. 4. [REVENUE SOURCES.] Revenue from the following sources must be deposited in the state building energy efficiency loan account:*

*(1) legislative appropriations to the account;*

*(2) loan repayments;*

*(3) gifts, grants, interest-free loans, or other reimbursements from any source that are provided for the purposes set out in subdivision 5; and*

*(4) any interest earned on unexpended funds within the account.*

*Subd. 5. [PURPOSE.] Money from this account must be loaned to state departments, agencies, commissions, and boards to improve the energy efficiency of state-owned and state-leased buildings. Money from the account may also be loaned to utilize renewable energy resources in state-owned and state-leased buildings. Projects funded by the account must have a payback of ten years or less.*

*Subd. 6. [REPORT.] The committee shall submit a report to the governor and the chairs of the house of representatives energy committee and senate committee on energy and public utilities by January 15 of each odd-numbered year. This report must include the number, amount, and condition of any loans issued, estimated energy savings, and other matters concerning the operation of the fund and program.*

**Sec. 3. [16B.293] [ENERGY REBATES.]**

*Rebates on the purchase of energy efficient equipment made by an energy supplier are appropriated to the state department, agency, commission, or board purchasing the energy efficient equipment for any purposes of that state agency.*

**Sec. 4. Minnesota Statutes 1990, section 16B.32, is amended to read:**

**16B.32 [ALTERNATIVE ENERGY SOURCES USE.]**

*Subdivision 1. [ALTERNATIVE ENERGY SOURCES.] Plans prepared by the commissioner for a new building or for a renovation of 50 percent or more of an existing building, or its a modification of a building's energy*



systems must include ~~designs which~~ design options that use active and passive solar energy systems, earth sheltered construction, and biomass, wind, or other alternative energy sources where feasible. At the design phase of all such projects, an energy consumption analysis that identifies and quantifies all feasible energy efficiency measures must also be completed. All energy efficiency measures or alternative energy sources with a payback of ten years or less must be incorporated into the final project design and construction.

*Subd. 2. [ENERGY CONSERVATION GOALS.] (a) The commissioner shall implement this section to achieve the following goals:*

*(1) a 25 percent increase in electrical energy efficiency of state-owned buildings over the five-year period beginning on the effective date of this section;*

*(2) a 15 percent increase in energy efficiency of fuel use in state-owned buildings over the five-year period beginning on the effective date of this section;*

*(3) a 15 percent increase in the electrical energy efficiency of state-leased buildings over the five-year period beginning on the effective date of this section;*

*(4) a ten percent increase in the energy efficiency of fuel use in state-leased buildings over the five-year period beginning on the effective date of this section;*

*(5) consideration of energy use in selecting the sites for state buildings; and*

*(6) a commitment by the state to work toward minimizing the environmental impacts of energy use by state-owned and state-leased buildings.*

*(b) The commissioner may exclude from the requirements of paragraph (a) a building in which "energy conservation measures" are carried out. "Energy conservation measures" means measures that are applied to a state building that improve energy efficiency and have a simple return of investment in ten years and involve energy conservation, conservation facilities, renewable energy sources, improvements in operations and maintenance efficiencies, or retrofit activities.*

#### **Sec. 5. [BUILDING CODE REVIEW.]**

*The commissioner of public service, in cooperation with the commissioner of administration, shall review the state building code and the energy conservation standards for public buildings in view of the state's projected long-range energy needs, the effect of conservation programs on those needs, and advances in technology with respect to weatherization and energy efficiency. The commissioner shall report to the energy and public utilities committee of the senate and the energy committee of the house of representatives by January 15, 1992, on the results of the review. The report must include:*

*(1) any recommendations for changes in the building code and the energy conservation standards to achieve greater conservation of energy;*

*(2) the direct effect of implementing the changes on the cost of construction and remodeling; and*

(3) *an estimate of energy savings that would result in the changes, including an estimate of net costs when savings are deducted from any increased construction and remodeling costs.*

**Sec. 6. [PILOT PROGRAM.]**

*The commissioner of public service, in cooperation with Northern States Power Company, shall conduct a pilot shared-savings program involving ten state-owned buildings. The company shall contract with appropriate state agencies to make energy-efficient improvements in buildings occupied by the agencies. A contract must require the company to fund all improvements that meet a ten-year payback criterion and must provide for the company to be repaid from savings that occur as a result of the improvements. The commissioner, in cooperation with the commissioner of administration, shall report to the governor and the legislature on the results of the pilot project by January 1, 1993.*

**Sec. 7. [ENERGY CODE AMENDMENTS; COMMERCIAL BUILDINGS.]**

*Subdivision 1. [COMMISSIONER TO ADOPT.] Not later than January 1, 1993, the commissioner of public service shall report to the commissioner of administration on energy efficiency standards that must be incorporated into the energy code portion of the Minnesota building code applicable to new commercial buildings. The commissioner of public service shall adopt amendments to the Minnesota building code not later than September 1, 1993, pursuant to the report of the commissioner of public service.*

*Subd. 2. [ADOPTION OF ASHRAE/IES 90.1 STANDARD.] The standards reported and adopted under subdivision 1 must require energy efficiency at least as stringent as:*

*(1) the "minimum performance" standards for opaque building envelopes; and*

*(2) the January 1, 1993, standards for heating, ventilating and air conditioning, and water heating as proposed in ASHRAE/IES standard 90.1.*

*Subd. 3. [LIGHTING STANDARDS.] The standards reported under subdivision 1 must be at least as stringent as lighting standards for new federal buildings (for 1993) in title 10 of the Code of Federal Regulations, part 435.103.*

**Sec. 8. [EFFECTIVE DATE.]**

*Section 4 is effective May 1, 1991.*

**ARTICLE 6**

**FINANCIAL INCENTIVES**

Section 1. Minnesota Statutes 1990, section 216B.16, is amended by adding a subdivision to read:

*Subd. 6c. [INCENTIVE PLANS FOR ENERGY CONSERVATION IMPROVEMENTS.] (a) The commission may order public utilities to develop and submit for commission approval incentive plans that describe the method of recovery and accounting for utility conservation expenditures and savings. In developing the incentive plans the commission shall ensure the effective involvement of interested parties.*

*In approving incentive plans, the commission shall consider:*

(1) whether the plan is likely to increase utility investment in cost-effective energy conservation;

(2) whether the plan is compatible with the interest of utility ratepayers and other interested parties;

(3) whether the plan links the incentive to the utility's performance in achieving cost-effective conservation; and

(4) whether the plan is in conflict with other provisions of this chapter.

(b) The commission may set rates to encourage the vigorous and effective implementation of utility conservation programs. The commission may:

(1) increase or decrease any otherwise allowed rate of return on net investment based upon the utility's skill, efforts, and success in conserving energy;

(2) share between ratepayers and utilities the net savings resulting from energy conservation programs to the extent justified by the utility's skill, efforts, and success in conserving energy; and

(3) compensate the utility for earnings lost as a result of its conservation programs.

Sec. 2. Minnesota Statutes 1990, section 216B.243, subdivision 3, is amended to read:

Subd. 3. No proposed large energy facility shall be certified for construction unless the applicant *can show that demand for electricity cannot be met more cost effectively through energy conservation and load-management measures and unless the applicant has otherwise justified its need.* In assessing need, the commission shall evaluate:

(1) the accuracy of the long-range energy demand forecasts on which the necessity for the facility is based;

(2) the effect of existing or possible energy conservation programs under sections 216C.05 to 216C.30 and this section or other federal or state legislation on long-term energy demand;

(3) the relationship of the proposed facility to overall state energy needs, as described in the most recent state energy policy and conservation report prepared ~~pursuant to~~ *under* section 216C.18;

(4) promotional activities ~~which~~ *that* may have given rise to the demand for this facility;

(5) socially beneficial uses of the output of this facility, including its uses to protect or enhance environmental quality;

(6) the effects of the facility in inducing future development;

(7) possible alternatives for satisfying the energy demand including but not limited to potential for increased efficiency of existing energy generation facilities;

(8) the policies, rules, and regulations of other state and federal agencies and local governments; and

(9) any feasible combination of energy conservation improvements, required by the commission ~~pursuant to~~ *under* section 216B.241, that can ~~(a)~~ *(i)* replace part or all of the energy to be provided by the proposed facility, and ~~(b)~~ *(ii)* compete with it economically.

ARTICLE 7  
STUDIES

Section 1. [STUDY; PHOTOVOLTAIC DEVICES.]

*The commissioner of public service shall conduct a study of the potential market within the state for photovoltaic devices. The study shall focus on applications where photovoltaics, with and without energy storage, cost less than conventional means of supplying energy and power for those applications. The commissioner shall submit the report to the appropriate committees of the legislature by January 15, 1992.*

Sec. 2. [STUDY; CARBON EMISSIONS TAX.]

*The commissioner of public service shall conduct a study to evaluate the need for, and the impact of, a carbon emissions tax ranging from \$1 to \$75 per ton of carbon emissions. The study shall consider the effect of the tax on the sources and use of energy in the state and on the economy of the state. The commissioner shall submit the report to the appropriate committees of the legislature by January 15, 1992."*

Delete the title and insert:

"A bill for an act relating to energy; expanding conservation improvement programs; extending protection against disconnection of residential utility customers during cold weather; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring applicants for certificates of need for large utility facilities to justify the use of nonrenewable rather than renewable energy; requiring the public utilities commission to examine the use of methane gas to produce electricity; establishing energy conservation goals for state buildings; requiring a review of the state building code and energy standards; requiring energy efficiency standards for new commercial buildings; prescribing penalties; providing for incentive plans for energy conservation improvements; requiring showing when applying for certificate to construct a large energy facility that demand for electricity cannot be met more cost effectively through energy conservation or load-management measures; requiring studies; appropriating money; amending Minnesota Statutes 1990, sections 16A.28, subdivision 3; 16B.32; 16B.61, subdivision 3; 216B.095; 216B.16, subdivision 6b, and by adding a subdivision; 216B.241; 216B.243, subdivision 3, and by adding a subdivision; 216C.02, subdivision 1; 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 16A; and 16B."

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. 688: A bill for an act relating to employment; board of electricity; clarifying definitions; providing for a complaint committee; clarifying and adding duties of the board; providing penalties; amending Minnesota Statutes 1990, sections 326.01, subdivisions 2, 3, 4, 5, 6, 6a, and by adding subdivisions; 326.241, subdivision 2, and by adding a subdivision; 326.242, subdivisions 1, 2, 3, 4, 5, 6, 9, and by adding subdivisions; 326.244, subdivision 4, and by adding a subdivision; and 326.246.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 326.01, subdivision 2, is amended to read:

Subd. 2. [CLASS A MASTER ELECTRICIAN.] The term “Class A master electrician” means a person having the necessary qualifications, training, experience, and technical knowledge to install ~~and~~, alter, repair ~~and to properly~~, plan, lay out, and supervise the ~~installation~~ installing, altering, and repairing of electrical wiring, apparatus, and equipment for electric light, heat, power, and other purposes who is licensed as such by the state board of electricity.

Sec. 2. Minnesota Statutes 1990, section 326.01, subdivision 3, is amended to read:

Subd. 3. [CLASS A JOURNEYMAN ELECTRICIAN.] The term “Class A journeyman electrician” means a person having the necessary qualifications, training, experience, and technical knowledge to ~~wire for~~, install, ~~and~~ alter, repair, and supervise the installing, altering, or repairing of electrical wiring, apparatus, and equipment for light, heat, power, and other purposes who is licensed as such by the state board of electricity.

Sec. 3. Minnesota Statutes 1990, section 326.01, subdivision 4, is amended to read:

Subd. 4. [SPECIAL ELECTRICIAN.] The term “special electrician” means a person having the necessary qualification, training, ~~and~~ experience ~~in wiring for, installing, or repairing~~, and technical knowledge to install, alter, repair, and supervise the installing, altering, or repairing of special classes of electrical wiring, apparatus, or equipment for light, heat, power, and other purposes or for special classes of electrical wiring installations work who is licensed as such by the state board of electricity. *The scope of any special electrician license created by the board under section 326.242, subdivision 4, shall be limited to that provided for by the rules adopted by the board.*

Sec. 4. Minnesota Statutes 1990, section 326.01, subdivision 5, is amended to read:

Subd. 5. [ELECTRICAL CONTRACTOR.] The term “electrical contractor” means a person, ~~firm~~ partnership, or corporation operating a business that undertakes or offers to undertake to plan for, lay out, supervise, or install or to make additions, alterations, or repairs in the installation of electrical wiring, apparatus, or equipment for electric light, heat, or power, and other purposes with or without compensation ~~and~~ who is licensed as such by the state board of electricity. An electrical contractor’s license does not of itself qualify its holder to perform or supervise the electrical work authorized by holding any class of electrician’s license.

Sec. 5. Minnesota Statutes 1990, section 326.01, subdivision 6, is amended to read:

Subd. 6. [CLASS B MASTER ELECTRICIAN.] The term “Class B master electrician” means a person having the necessary qualifications, training, experience, and technical knowledge to ~~properly~~ install, alter, repair, plan, lay out, and supervise the ~~installation~~ installing, altering, and repairing of electrical wiring, apparatus, and equipment for single phase systems of not over 200 ampere capacity for light, heat, power, and other purposes on any farm or in any single family dwelling located in any town

or municipality which has a population of less than 2500 inhabitants; who is licensed as such by the ~~state~~ board of electricity.

Sec. 6. Minnesota Statutes 1990, section 326.01, subdivision 6a, is amended to read:

Subd. 6a. [CLASS B JOURNEYMAN ELECTRICIAN.] The term "Class B journeyman electrician" means a person having the necessary qualifications, training, experience, and technical knowledge to ~~wire for,~~ install ~~and,~~ alter, repair, *and supervise the installing, altering, or repairing of* electrical wiring, apparatus, and equipment for single phase systems of not ~~over more than~~ 200 ampere capacity for light, heat, power, and other purposes on any farm or in any single family dwelling located in any town or municipality which has a population of less than 2500 inhabitants; who is licensed as such by the ~~state~~ board of electricity.

Sec. 7. Minnesota Statutes 1990, section 326.01, is amended by adding a subdivision to read:

Subd. 6f. [ELECTRICAL WORK.] *The term "electrical work" means the installing, altering, repairing, planning, or laying out of electrical wiring, apparatus, or equipment for light, heat, power, or other purposes. The installing, alteration, repairing, planning, or laying out of electrical wiring, apparatus, or equipment for light, heat, power, or other purposes includes, but is not limited to, the performance of any work governed by the standards referred to in section 326.243.*

Sec. 8. Minnesota Statutes 1990, section 326.01, is amended by adding a subdivision to read:

Subd. 6g. [PERSONAL SUPERVISION.] *The term "personal supervision" means that a licensed electrician oversees and directs the electrical work performed by an unlicensed person such that:*

- (1) the licensed electrician actually reviews the electrical work performed by the unlicensed person;*
- (2) the licensed electrician is immediately available to the unlicensed person at all times for assistance and direction; and*
- (3) the licensed electrician is able to and does determine that all electrical work performed by the unlicensed person is performed in compliance with section 326.243.*

*The licensed electrician is responsible for the compliance with section 326.243 of all electrical work performed by the unlicensed person.*

Sec. 9. Minnesota Statutes 1990, section 326.01, is amended by adding a subdivision to read:

Subd. 6h. [COMPLAINT COMMITTEE.] *The term "complaint committee" means a committee of the board which is authorized by the board or other provisions of chapter 214 or sections 326.241 to 326.248 to investigate, mediate, or initiate administrative or legal proceedings on behalf of the board with respect to complaints filed with or information received by the board alleging or indicating violations of sections 326.241 to 326.248. The complaint committee shall consist of at least one board member, the board's executive secretary, its assistant executive secretary, and the attorney general staff member assigned to provide legal services to the board.*

Sec. 10. Minnesota Statutes 1990, section 326.241, subdivision 2, is

amended to read:

Subd. 2. [POWERS.] The board, *or the complaint committee on behalf of the board where authorized by law*, shall have power to:

- (1) Elect its own officers.
- (2) Engage and fix the compensation of inspectors, and hire employees. The salary of the executive secretary shall be established pursuant to chapter 43A. All agents and employees other than contract inspectors shall be in the classified service and shall be compensated pursuant to chapter 43A. All inspectors shall hold licenses as master or journeyman electricians under section 326.242, subdivision 1(1) or 2(1), and shall give bond in an amount fixed by the board, conditioned upon the faithful performance of their duties.
- (3) Pay such other expenses as it may deem necessary in the performance of its duties, including rent, supplies, and such like.
- (4) Enforce the provisions of sections 326.241 to 326.248, and provide, upon request, such additional voluntary inspections and reviews as it may deem appropriate.
- (5) Issue, renew, refuse to renew, suspend, *temporarily suspend*, and revoke licenses ~~provided for in sections 326.241 to 326.248~~, *censure licenses, assess civil penalties, issue cease and desist orders, and seek injunctive relief and civil penalties in court as authorized by section 326.242 and other provisions of Minnesota law.*
- (6) Adopt reasonable rules to carry out its duties under sections 326.241 to 326.248 and to provide for the amount and collection of fees for inspection and other services. All rules shall be adopted in accordance with chapter 14.

Sec. 11. Minnesota Statutes 1990, section 326.242, subdivision 1, is amended to read:

Subdivision 1. [MASTER ELECTRICIAN.] Except as otherwise provided by law, no person shall ~~plan~~, install, alter, repair, plan, lay out, or supervise the ~~installation~~ *installing, altering, or repairing* of electrical wiring, apparatus, or equipment for ~~electrical~~ light, heat, power, or other purposes unless the person is: (a) licensed by the board as a master electrician and (b)(i) the *electrical* work is for a licensed electrical contractor and the person is an employee, partner, or officer of, or is the licensed electrical contractor, or (ii) the *electrical* work is performed for the person's employer on ~~electrical~~ *electric wiring, apparatus, equipment, apparatus*, or facilities owned or leased by the employer which is located within the limits of property which is owned or leased and operated and maintained by the employer.

(1) An applicant for a Class A master electrician's license shall (a) be a graduate of a four-year electrical course in an accredited college or university; or (b) shall have had at least one year's experience, acceptable to the board, as a licensed journeyman; or (c) shall have had at least five years' experience, acceptable to the board, in planning for, laying out, supervising and installing wiring, apparatus, or equipment for electrical light, heat and power.

(2) As of August 1, 1985, no new Class B master electrician's licenses shall be issued. An individual who has a Class B master electrician's license as of August 1, 1985 may retain the license and exercise the privileges it

grants, which include electrical work limited to single phase systems, not over 200 amperes in capacity, on farmsteads or single-family dwellings located in towns or municipalities with fewer than 2,500 inhabitants.

Sec. 12. Minnesota Statutes 1990, section 326.242, subdivision 2, is amended to read:

Subd. 2. [JOURNEYMAN ELECTRICIAN.] (a) Except as otherwise provided by law, no person shall ~~wire for, install, or alter~~, repair, or supervise the installing, altering, or repairing of electrical wiring, apparatus, or equipment; for light, heat, power, or other purposes unless:

(1) the person is licensed by the board as a journeyman electrician employed by; and

(2) the electrical work is:

(i) for a ~~licensed~~ an electrical contractor and the person is an employee, partner, or officer of the electrical contractor; or

(ii) performed under the supervision of a master electrician also employed by the person's employer on electrical wiring, apparatus, equipment, or facilities owned or leased by the employer that are located within the limits of property owned or leased, operated, and maintained by the employer.

(H) (b) An applicant for a Class A journeyman electrician's license shall have had at least four years of experience, acceptable to the board, in wiring for, installing, and repairing electrical wiring, apparatus, or equipment, provided however, that the board may by rule provide for the allowance of one year of experience credit for successful completion of a two-year post high school electrical course approved by the board.

(Z) (c) As of August 1, 1985, no new Class B journeyman electrician's licenses shall be issued. An individual who holds a Class B journeyman electrician's license as of August 1, 1985 may retain the license and exercise the privileges it grants, which include electrical work limited to single phase systems, not over 200 amperes in capacity, on farmsteads or on single-family dwellings located in towns or municipalities with fewer than 2,500 inhabitants.

Sec. 13. Minnesota Statutes 1990, section 326.242, subdivision 3, is amended to read:

Subd. 3. [CLASS A INSTALLER.] Notwithstanding the provisions of subdivisions 1, 2, and 6, any person holding a class A installer license may lay out and install and supervise the laying out and installing of electrical wiring, apparatus and, or equipment for major electrical home appliances on the load side of the main service on farmsteads and in any town or municipality with fewer than 1,500 inhabitants, which is not contiguous to a city of the first class and does not contain an established business of a ~~master electrician~~ an electrical contractor.

Sec. 14. Minnesota Statutes 1990, section 326.242, subdivision 4, is amended to read:

Subd. 4. [SPECIAL ELECTRICIAN.] Notwithstanding the provisions of subdivisions 1, 2, 6, and 7, the board shall may by rule provide for the issuance of special electrician licenses empowering the licensee to engage in a limited class or classes of electrical work, which class or classes shall be specified on the license certificate. Each licensee shall have had at least two years of experience, acceptable to the board, in each such limited class



of work for which the licensee is licensed.

Sec. 15. Minnesota Statutes 1990, section 326.242, subdivision 5, is amended to read:

Subd. 5. ~~APPRENTICES UNLICENSED PERSONS.] Any person may work as an apprentice to a licensed electrician, but shall do no electrical wiring except under the personal on-the-job supervision of such licensed electrician.~~ *(a) An unlicensed person shall not perform electrical work unless the work is performed under the personal supervision of an electrician actually licensed to perform such work and the licensed electrician and unlicensed person are employed by the same employer. Licensed electricians shall not permit unlicensed persons to perform electrical work except under the personal supervision of an electrician actually licensed to perform such work. Unlicensed persons shall not supervise the performance of electrical work or make assignments of electrical work to unlicensed persons. Licensed electricians shall supervise no more than two unlicensed persons.*

*(b) Notwithstanding any other provision of this section, no person other than a master electrician shall plan or lay out electrical wiring, apparatus, or equipment for light, heat, power, or other purposes.*

*(c) Electrical contractors employing unlicensed persons performing electrical work shall maintain records establishing compliance with this subdivision, which shall designate all unlicensed persons performing electrical work and shall permit the board to examine and copy all such records as provided for in section 326.244, subdivision 6.*

Sec. 16. Minnesota Statutes 1990, section 326.242, subdivision 6, is amended to read:

Subd. 6. ~~CONTRACTORS ELECTRICAL CONTRACTOR'S LICENSE REQUIRED.] Except as otherwise provided by law, no person other than an employee, partner, or officer of a licensed electrical contractor, as defined by section 326.01, subdivision 5, shall undertake or offer to undertake to plan for, lay out, supervise or install or to make additions, alterations, or repairs in the installation of electrical wiring, apparatus, and equipment for electrical light, heat, or power, and other purposes with or without compensation without obtaining unless the person obtains an electrical contractor's license. Such license An electrical contractor's license does not of itself qualify its holder to perform or supervise the electrical work authorized by holding any class of electrician's license.~~

Subd. 6a. ~~BOND REQUIRED.] Each electrical contractor shall be issued by the board upon the contractor's giving give and maintain bond to the state in the penal sum of \$5,000 conditioned upon the faithful and lawful performance of all work entered upon by the contractor within the state of Minnesota and such bond shall be for the benefit of persons injured or suffering financial loss by reason of failure of such performance. The bond shall be filed with the board and shall be in lieu of all other license bonds to any political subdivision. Such bond shall be written by a corporate surety licensed to do business in the state of Minnesota.~~

Subd. 6b. ~~INSURANCE REQUIRED.] Each licensed electrical contractor shall have and maintain in effect general liability insurance, which includes premises and operations insurance and products and completed operations insurance, with limits of at least \$100,000 per occurrence, \$300,000 aggregate limit for bodily injury, and property damage insurance with limits of at least \$25,000 or a policy with a single limit for bodily~~

injury and property damage of \$300,000 per occurrence and \$300,000 aggregate limits. Such insurance shall be written by an insurer licensed to do business in the state of Minnesota and each licensed electrical contractor shall maintain on file with the board a certificate evidencing such insurance which provides that such insurance shall not be canceled without the insurer first giving 15 days written notice to the board of such cancellation.

*Subd. 6c. [EMPLOYMENT OF MASTER ELECTRICIAN.]* (a) No electrical contractor shall engage in business of electrical contracting unless the electrical contractor ~~is or~~ employs a licensed Class A master or Class B master electrician, who shall be responsible for the performance of all electrical work in accordance with the requirements of ~~this act, and sections 326.241 to 326.248 or any rule or order adopted or issued under these sections.~~ The classes of work for which the licensed electrical contractor is authorized shall be limited to those for which such Class A master, or Class B master employed by the electrical contractor is licensed.

(b) When an electrical contractor's license is held by an individual, partnership, or corporation and the individual, one of the partners, or an officer of the corporation, respectively, is not the responsible master electrician of record, all requests for inspection shall be signed by the responsible master electrician of record. ~~The application for an electrical contractor's license must include a verified statement that~~ The designated responsible master electrician is a full-time employee of record shall be employed by the individual, partnership, or corporation which is applying for an electrical contractor's license. ~~For purposes of this subdivision, a full-time employee of a licensed electrical contractor is an individual who is and shall not be employed in any capacity as a licensed electrician by any other electrical contractor or employer designated in subdivision 12.~~

(c) A sole proprietor holding an electrical contractor's license who serves as the designated master electrician of record for that electrical contractor's license shall not be employed or retained in any other capacity as a licensed electrician by another electrical contractor or employer designated in subdivision 12 unless the sole proprietor has no employees.

(d) All applications for electrical contractor's licenses and all renewals shall include a verified statement that the applicant or licensee has complied with this subdivision.

Sec. 17. Minnesota Statutes 1990, section 326.242, subdivision 9, is amended to read:

**Subd. 9. [DENIAL, SUSPENSION, AND REVOCATION OF LICENSES.]** The board of electricity may by order deny, suspend, revoke, or refuse to renew a license, or may censure a licensee if the board finds (1) in its discretion that the order is in the public interest and (2) that, based upon a preponderance of the evidence presented, the applicant or licensee:

(a) has filed an application for a license which is incomplete in any material respect or contains any statement which, in light of the circumstances under which it is made, is false or misleading with respect to any material fact;

(b) has engaged in any fraudulent, deceptive, or dishonest act or practice;

(c) has been convicted within the past five years of a misdemeanor involving a violation of the Minnesota electrical act sections 326.241 to 326.248;

or

(d) has violated or failed to comply with sections 326.241 to 326.248 or

any rule or order adopted or issued under these sections- ~~A violation need not be willful;~~ or

*(e) has, in the conduct of the applicant's or licensee's affairs, including, but not limited to, the performance of electrical work, been shown to be incompetent or untrustworthy.*

*If a licensee engages in conduct that is proven by a preponderance of the evidence to be a basis for discipline pursuant to paragraphs (a) to (e), the conduct shall constitute a violation of this subdivision. The board may take action under this subdivision or any other law authorizing action against a licensee regardless of whether the underlying conduct was willful.*

The board of electricity may adopt rules further specifying and defining actions, conduct, and omissions that constitute fraudulent, deceptive, or dishonest, or prohibited practices, and establishing standards of conduct for applicants and licensees.

Sec. 18. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

*Subd. 9a. [CIVIL PENALTIES.] Whenever a preponderance of the evidence presented proves that a person has violated or failed to comply with sections 326.241 to 326.248 or any rule or order adopted or issued under these sections, the board may impose a civil penalty upon the person in an amount not to exceed \$10,000 per violation.*

Sec. 19. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

*Subd. 9b. [ORDERS FOR HEARING.] The complaint committee may, on behalf of the board, issue an order requiring a licensee or an applicant for a license to appear at a hearing on the issue of whether the license should be revoked or suspended, the licensee censured, the application denied, or a civil penalty imposed. The order shall be calculated to give reasonable notice of the time and place for hearing, and shall state the reasons for the entry of the order. All hearings shall be conducted in accordance with chapter 14. After the hearing, the board shall enter an order making a disposition of the matter as the facts require. If the licensee or applicant fails to appear at a hearing of which that person has been duly notified, the person is in default and the proceeding may be determined against that person upon consideration of the order for hearing, the allegations of which may be deemed to be true.*

Sec. 20. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

*Subd. 9c. [TEMPORARY SUSPENSION.] (a) The complaint committee may, on behalf of the board and in the public interest, temporarily suspend a license pending final determination of an order for hearing. Service of the temporary suspension order is effective if the order is served on the licensee or counsel of record personally or by first class mail to the most recent address provided to the board for the licensee or the counsel of record.*

*(b) If a license is suspended pending final determination of an order for hearing, a hearing on the merits shall be held within 45 days of the issuance of the order of temporary suspension. The administrative law judge shall issue a report within 30 days after closing of the contested case hearing record. The board shall issue a final order within 30 days after receipt of*

that report and any exceptions.

*(c) If the licensee requests a hearing in writing within ten days of service of the order, the board shall hold a hearing before its own members on the sole issue of whether there is a reasonable basis to continue, modify, or vacate the temporary suspension. The board shall hold the hearing within five working days of the licensee's request for hearing. Evidence presented by the complaint committee or licensee shall be in affidavit form only. The licensee or counsel of record for the licensee may appear for oral argument. Within five working days after the hearing, the board shall issue its order either continuing or vacating the temporary suspension.*

Sec. 21. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

*Subd. 9d. [CEASE AND DESIST ORDER.] (a) Whenever it appears to the complaint committee that any person has engaged or is about to engage in any act or practice constituting a violation of sections 326.241 to 326.248, any other law authorizing the issuance of a cease and desist order, or any rule or order adopted or issued under these sections, the complaint committee may, on behalf of the board, issue and cause to be served upon the person an order requiring the person to cease and desist from violating sections 326.241 to 326.248 or any rule or order adopted or issued under these sections. The order shall be calculated to give reasonable notice of the right of the person to request a hearing and shall state the reasons for the entry of the order. If no hearing is requested of the board within 15 days of service of the order, the order shall become final and shall remain in effect until it is modified or vacated by the board and shall not be reviewable by a court.*

*(b) A hearing shall be held not later than 30 days from the date of the board's receipt of a written hearing request, unless otherwise agreed by the person requesting the hearing and the complaint committee. Within 30 days of receipt of the administrative law judge's report and any exceptions, the board shall issue a final order modifying, vacating, or making permanent the cease and desist order as the facts require. The final order remains in effect until modified or vacated by the board.*

Sec. 22. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

*Subd. 9e. [COSTS OF PROCEEDING.] The board may impose a fee to reimburse the board for all or part of the cost of the proceedings resulting in disciplinary action or the imposition of civil penalties or the issuance of a cease and desist order. Such fees include, but are not limited to, the amount paid by the board for services from the office of administrative hearings, attorney fees, court reporters, witnesses, reproduction of records, board members' per diem compensation, board staff time, and expense incurred by board members and staff.*

Sec. 23. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

*Subd. 9f. [DISTRICT COURT ACTION; INJUNCTIVE RELIEF AND CIVIL PENALTIES.] (a) Whenever it appears to the board, or the complaint committee if authorized by the board, that any person has engaged or is about to engage in any act or practice constituting a violation of sections 326.241 to 326.248 or any rule or order adopted or issued under these sections, the board, or the complaint committee if authorized by the board,*

may bring an action in the name of the board in the Ramsey county district court or the district court of any other county in which venue is proper.

(b) The action may be brought to enjoin the acts or practices and to enforce compliance with sections 326.241 to 326.248, any other law authorizing a civil or injunctive action, or any rule or order adopted or issued under these sections, and for a civil penalty not to exceed \$10,000 for each separate violation of sections 326.241 to 326.248, any other law authorizing a civil or injunctive action, or any rule or order adopted or issued under these sections.

(c) A temporary restraining order and other temporary injunctive relief shall be granted in the proceeding whenever it appears that any person has engaged in or is about to engage in any act, conduct, or practice constituting violation of sections 326.241 to 326.248, any other law authorizing a civil or injunctive action, or any rule or order adopted or issued under these sections. The board shall not be required to show irreparable harm.

Sec. 24. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

*Subd. 9g. [OTHER REMEDIES.] The issuance of a cease and desist order or injunctive relief under this section does not relieve a person from criminal prosecution by any competent authority or from disciplinary action by the board and does not prevent the board from exercising any other authority granted to it.*

Sec. 25. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

*Subd. 9h. [POWERS ADDITIONAL.] The powers contained in subdivisions 9 to 9g are in addition to all other powers of the board.*

Sec. 26. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

*Subd. 9i. [COOPERATION REQUIRED.] A person who is the subject of an investigation, or who is questioned in connection with an investigation, by or on behalf of the board or its complaint committee shall cooperate fully with the investigation. Cooperation includes, but is not limited to:*

*(1) responding fully and promptly to questions raised by or on behalf of the board or its complaint committee relating to the subject of the investigation;*

*(2) providing copies of records in the person's possession related to the matter under investigation as requested by the board, its complaint committee, or the attorney general within the time limit set by the board, its complaint committee, or the attorney general;*

*(3) assisting the board, its complaint committee, or the attorney general in its investigation; and*

*(4) appearing at conferences or hearings scheduled by the board or its complaint committee.*

Sec. 27. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

*Subd. 9j. [DISCIPLINARY PROCEEDINGS CLOSED.] Proceedings held*

*before the board or its complaint committee under chapter 214 or subdivisions 9 to 9d are exempt from the requirements of section 471.705, subdivision 1.*

Sec. 28. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

*Subd. 9k. [CONFLICTS OF LAW.] If there is a conflict between sections 326.241 to 326.248 and chapter 214, sections 326.241 to 326.248 shall control.*

Sec. 29. Minnesota Statutes 1990, section 326.242, subdivision 12, is amended to read:

*Subd. 12. [EXEMPTIONS FROM LICENSING.] (a) A maintenance electrician who is supervised by the responsible master electrician for an electrical contractor who has contracted with the maintenance electrician's employer to provide services for which an electrical contractor's license is required or by a master electrician or an electrical engineer registered with the board and who is an employee of an employer and is engaged in the maintenance, and repair of electrical equipment, apparatus, and facilities owned or leased by the employer, and performed within the limits of property which is owned or leased and operated and maintained by said employer, shall not be required to hold or obtain a license under sections 326.241 to 326.248; or*

*(b) Employees of a licensed alarm and communication contractor are not required to hold a license under sections 326.241 to 326.248 while performing work authorized to be conducted by an alarm and communication contractor; or*

*(c) Employees of any electric, communications, or railway utility, or a telephone company as defined under section 237.01 or its employees, or of any independent contractor performing work on behalf of any such utility or telephone company, shall not be required to hold a license under sections 326.241 to 326.248:*

*1. While performing work on installations, materials, or equipment which are owned or leased, and operated and maintained by such utility or telephone company in the exercise of its utility or telephone function, and which*

*(i) are used exclusively for the generation, transformation, distribution, transmission, or metering of electric current, or the operation of railway signals, or the transmission of intelligence and do not have as a principal function the consumption or use of electric current by or for the benefit of any person other than such utility or telephone company, and*

*(ii) are generally accessible only to employees of such utility or telephone company or persons acting under its control or direction, and*

*(iii) are not on the load side of the meter; or*

*2. While performing work on installations, materials, or equipment which are a part of the street lighting operations of such utility; or*

*3. While installing or performing work on outdoor area lights which are directly connected to a utility's distribution system and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction; or*

(d) An owner shall not be required to hold or obtain a license under sections 326.241 to 326.248.

Sec. 30. Minnesota Statutes 1990, section 326.244, subdivision 4, is amended to read:

Subd. 4. [POWERS OF POLITICAL SUBDIVISIONS.] Any political subdivision *or the University of Minnesota* may make provision for inspection of electrical installations within its jurisdiction, in which case it shall keep on file with the board copies of its current inspection ordinances and codes. No political subdivision *or the University of Minnesota* shall require any individual, partnership, corporation or other business association holding a license from the ~~state board of electricity~~ under sections 326.241 to 326.248 to pay any license or registration fee, provided however, that any such political subdivision *or the University of Minnesota* may provide by ordinance a requirement that each individual, partnership, corporation or other business association doing electrical work within the jurisdiction of such political subdivision *or the University of Minnesota* have on file with said political subdivision a copy of the current license issued by the ~~state board of electricity~~ or such other evidence of such license as may be provided by the ~~state board of electricity~~.

Each electrical inspector of any political subdivision ~~must~~ *or the University of Minnesota shall* be a licensed master or journeyman electrician under section 326.242, subdivision 1(1) or 2(1) and ~~may~~ *shall* not otherwise engage or be employed in the sale ~~or installation, installing, altering, or repairing~~ of electrical wiring, ~~devices, appliances apparatus,~~ or equipment; *for light, heat, power, and other purposes* and shall have no financial interest in any concern engaged in any such business.

Sec. 31. Minnesota Statutes 1990, section 326.244, subdivision 5, is amended to read:

Subd. 5. [EXEMPTIONS FROM INSPECTIONS.] Installations, materials, or equipment shall not be subject to inspection under sections 326.241 to 326.248:

1. When owned or leased, operated and maintained by any employer whose maintenance electricians are exempt from licensing under sections 326.241 to 326.248, while performing electrical maintenance work only as defined by board rule; or

2. When owned or leased, and operated and maintained by any electric, communications or railway utility or telephone company in the exercise of its utility or telephone function; and

(i) are used exclusively for the generations, transformation, distribution, transmission, or metering of electric current, or the operation of railway signals, or the transmission of intelligence, and do not have as a principal function the consumption or use of electric current by or for the benefit of any person other than such utility or telephone company; and

(ii) are generally accessible only to employees of such utility or telephone company or persons acting under its control or direction; and

(iii) are not on the load side of the meter; or

3. When used in the street lighting operations of an electric utility; or

4. When used as outdoor area lights which are owned and operated by an electric utility and which are connected directly to its distribution system

and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction; or

5. When the installation, material, and equipment are alarm or communication systems laid out, installed, or maintained within residential units not larger than a duplex; or

6. When the installation, material, and equipment are in facilities subject to the jurisdiction of the federal Mine Safety and Health Act.

Sec. 32. Minnesota Statutes 1990, section 326.244, is amended by adding a subdivision to read:

*Subd. 6. [SITE INSPECTIONS.] The board may, without advance notice, inspect any site at which electrical work is being performed or has been performed or where records concerning the performance of electrical work are kept for purposes of ensuring compliance with sections 326.241 to 326.248 or any rule or order adopted or issued under these sections. The board shall have the authority to examine and copy all records concerning the performance of electrical work and to question in private all persons employed by an electrical contractor or on the site. No person shall retaliate in any manner against any employee or person who is questioned by, cooperates with, or provides information to the board, its complaint committee, or the attorney general.*

Sec. 33. Minnesota Statutes 1990, section 326.245, is amended to read:

**326.245 [MANUFACTURING, INSTALLATION, ALTERATION, OR REPAIR OF ELECTRICAL APPARATUS; EXEMPT.]**

Electrical components, apparatus or appliances being manufactured within the limits of property which is owned or leased by a manufacturer and such manufacturer's production employees shall not be covered by sections 326.241 to 326.248. Installation, alteration, or repair of electrical appliance units, except (a) electrical wiring to the unit, or (b) original wiring in or on the unit installed outside the limits of property which is owned or leased by a manufacturer shall not be covered by ~~sections 326.241, 326.242, and 326.244 to 326.248~~ this chapter. For purposes of this section, "electrical appliance units" means all electrical and natural gas appliances that use electricity including, but not limited to, furnaces, water heaters, stoves, clothes washers, dryers, air conditioners, dishwashers, and humidifiers.

Sec. 34. Minnesota Statutes 1990, section 326.246, is amended to read:

**326.246 [CRIMES.]**

It is a misdemeanor knowingly and willfully to commit, or to order, instruct, or direct another to commit, any of the following acts:

(1) to make a false statement in any license application, request for inspection, certificate or other lawfully authorized or required form or statement provided by sections 326.241 to 326.248;

(2) to perform electrical work without a proper license for such work unless the work is exempt from licensing;

(3) to fail to file a request for inspection when required;

(4) to interfere with, or refuse entry to, an inspector lawfully engaged in the performance of the inspector's duties; and



(5) to violate any lawful statute, rule, or order of the board, or any city ordinance which pertains to powers given to political subdivisions under section 326.244, subdivision 4.”

Amend the title as follows:

Page 1, line 7, delete “, and by”

Page 1, line 8, delete “adding a subdivision”

Page 1, line 9, after “9,” insert “12,”

Page 1, line 10, delete “subdivision 4” and insert “subdivisions 4, 5” and after the semicolon, insert “326.245;”

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. 796: A bill for an act relating to waste; Western Lake Superior sanitary district; amending the definition of solid waste; changing the date for adoption of a budget; amending Minnesota Statutes 1990, sections 458D.02, subdivision 18; and 458D.08.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 16, strike everything after the first comma

Page 1, line 17, strike “community activities,”

Page 1, line 19, after the stricken “broken” insert “or”

Page 1, line 20, strike the comma and delete the new language and strike “solids” and insert “; *sewage sludge; solid*”

Page 1, line 23, strike “waste” and insert “*wastewater*” and strike the comma

Page 1, line 25, after the second comma, insert “*and*”

Page 2, line 1, delete the first comma and insert a semicolon and delete “*other*”

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. 139: A bill for an act relating to natural resources; designating raccoon and fox as unprotected wild animals; amending Minnesota Statutes 1990, sections 97A.015, subdivisions 45 and 53; 97A.475, subdivision 3; 97A.485, subdivision 9; 97A.511; 97A.541; 97B.075; 97B.601, subdivisions 3 and 4; 97B.621, subdivision 3; 97B.655, subdivision 1; repealing Minnesota Statutes 1990, sections 97B.005, subdivision 4; 97B.621, subdivisions 1, 2, and 4; and 97B.631.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 97A.015, subdivision 45, is amended to read:

Subd. 45. [SMALL GAME.] “Small game” means game birds, gray squirrel, fox squirrel, cottontail rabbit, snowshoe hare, jack rabbit, raccoon, lynx, bobcat, ~~red fox~~ and gray fox, fisher, pine marten, opossum, badger, cougar, wolverine, muskrat, mink, otter, and beaver.

Sec. 2. Minnesota Statutes 1990, section 97A.015, subdivision 53, is amended to read:

Subd. 53. [UNPROTECTED WILD ANIMALS.] “Unprotected wild animals” means wild animals that are not protected wild animals including weasel, coyote (brush wolf), gopher, porcupine, skunk, ~~and~~ civet cat, ~~red fox~~, and unprotected birds.

Sec. 3. Minnesota Statutes 1990, section 97A.475, subdivision 3, is amended to read:

Subd. 3. [NONRESIDENT HUNTING.] Fees for the following licenses, to be issued to nonresidents, are:

- (1) to take small game, \$56;
- (2) to take deer with firearms, \$110;
- (3) to take deer by archery, \$110;
- (4) to take bear, \$165;
- (5) to take turkey, \$33; and
- (6) to take raccoon, bobcat, *gray fox*, coyote, or lynx, \$137.50.

Sec. 4. Minnesota Statutes 1990, section 97A.485, subdivision 9, is amended to read:

Subd. 9. [CERTAIN LICENSES NOT TO BE ISSUED AFTER SEASON OPENS.] (a) The following licenses may not be issued after the day before the opening of the related firearms season:

- (1) to take deer with firearms or by archery;
- (2) to guide bear hunters; and
- (3) to guide turkey hunters.

(b) Paragraph (a) does not apply to deer licenses for discharged military personnel under section 97A.465, subdivision 4.

(c) A nonresident license or tag to take and possess raccoon, bobcat, Canada lynx, or *gray fox* may not be issued after the fifth day of the open season.

Sec. 5. Minnesota Statutes 1990, section 97A.541, is amended to read:  
97A.541 [NONRESIDENT: SMALL GAME TAGS.]

A nonresident may not possess or transport a raccoon, bobcat, Canada lynx, or *gray fox* taken in this state without a tag attached to the animal. The commissioner shall prescribe, by order, the type of tag and the number of tags to be issued with each nonresident raccoon, bobcat, Canada lynx, or *gray fox* license and shall furnish the tags with the licenses to be issued.

Sec. 6. Minnesota Statutes 1990, section 97B.075, is amended to read:

97B.075 [HUNTING RESTRICTED BETWEEN EVENING AND MORNING.]

A person may not take protected wild animals, except raccoon and *gray* fox, with a firearm or by archery between the evening and morning times established by commissioner's order.

Sec. 7. Minnesota Statutes 1990, section 97B.601, subdivision 3, is amended to read:

Subd. 3. [NONRESIDENTS: RACCOON, BOBCAT, *GRAY FOX*, COYOTE, CANADA LYNX.] A nonresident may not take raccoon, bobcat, *gray* fox, coyote, or Canada lynx without a separate license to take that animal in addition to a small game license.

Sec. 8. Minnesota Statutes 1990, section 97B.631, is amended to read:  
97B.631 [*GRAY FOX*.]

Subdivision 1. [RESTRICTIONS ON TAKING.] A person may not remove a *gray* fox from a den or trap *gray* fox within 300 feet of a *gray* fox den from April 1 to August 31.

Subd. 2. [PERMIT REQUIRED TO SNARE.] A person may not use a snare to take *gray* fox except under a permit from the commissioner.

Sec. 9. Minnesota Statutes 1990, section 97B.655, subdivision 1, is amended to read:

Subdivision 1. [OWNERS AND OCCUPANTS MAY TAKE CERTAIN ANIMALS.] A person may take mink, squirrel, rabbit, hare, raccoon, lynx, bobcat, *gray* fox, muskrat, or beaver on land owned or occupied by the person where the animal is causing damage. The person may take the animal without a license and in any manner except by poison, or artificial lights in the closed season. Raccoons may be taken under this subdivision with artificial lights during open season. A person that kills mink, raccoon, lynx, bobcat, *gray* fox, muskrat, or beaver under this subdivision must bring the entire animal to a conservation officer or employee of the division within 24 hours after the animal is killed."

Delete the title and insert:

"A bill for an act relating to natural resources; designating red fox as an unprotected wild animal; amending Minnesota Statutes 1990, sections 97A.015, subdivisions 45 and 53; 97A.475, subdivision 3; 97A.485, subdivision 9; 97A.541; 97B.075; 97B.601, subdivision 3; 97B.631; and 97B.655, subdivision 1."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 966: A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks; authorizing nonpark use of a portion of Interstate park; authorizing the sale of certain deleted lands.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 21, before "*The*" insert "(a)" and delete "*area is*" and

insert "areas are"

Page 2, line 22, after the colon, insert:

"(1)"

Page 3, line 8, delete the period and insert "; and

(2) that part of Government Lot 1 of Section 15, Township 56 North, Range 7 West, described as follows: Beginning at the water line of Lake Superior on the north and south line between Government Lots 1 and 2 of said Section 15; thence North 5 degrees West 7 chains; thence North 61 degrees East 3 chains and 57 links; thence North 47 degrees East 3 chains and 25 links; thence South 30 degrees East to the water line of Lake Superior; thence westerly along said water line to the point of beginning.

(b) The following described area, to be known as the Palisade Valley Unit, also is added to Tettegouche state park: The West Half of Section 16; the South Half, the South Half of the Northwest Quarter, the South Half of the Northeast Quarter and the Northeast Quarter of the Northeast Quarter of Section 17; the South Half, the South Half of the Northeast Quarter, the South Half of the Northwest Quarter and the Northwest Quarter of the Northwest Quarter of Section 18; the West Half and the Northeast Quarter of Section 19; the Northwest Quarter of the Northwest Quarter of Section 20; the Northwest Quarter of Section 30; all in Township 56 North, Range 7 West. All of Sections 13, 24 and 25; Government Lot 6 of Section 12; the East Half of the Northeast Quarter and the East Half of the Southeast Quarter of Section 26; all in Township 56 North, Range 8 West. Notwithstanding the provisions of section 85.012, subdivision 1, tax-forfeited land located within the Palisade Valley Unit is not withdrawn from sale and transferred from the custody of the county board. The commissioner shall manage the unit as a recreational state park as provided in section 86A.05, subdivision 3, but without major new development such as roads or campgrounds, other than hiking trails and backpack-only campsites. In addition to other activities authorized within Tettegouche state park, the following activities are permitted in the Palisade Valley Unit: (1) public hunting, trapping, and fishing; (2) the continued leasing of hunting cabins on tax-forfeited land for not more than 40 years after the effective date of this section; and (3) the continued use of snowmobiles and all-terrain vehicles on roads and designated trails existing on the effective date of this section, including existing routes to Bear and Bean lakes. The commissioner shall promulgate rules for the Palisade Valley Unit that are consistent with this section.

(c) The commissioner shall establish an advisory committee to provide advice regarding the planning, development, and operation of Tettegouche state park."

Page 3, line 16, delete everything after "Society"

Page 3, line 17, delete everything after "Center" and insert ". The lease may be for a period not to exceed 50 years and, at the request of the lessee, may be extended by the commissioner for a period not to exceed another 50 years."

Page 3, delete line 18

Page 3, line 19, delete everything before "that" and insert "The lease must provide"

Page 3, line 20, delete "it" and insert "the land"

Page 3, after line 21, insert:

“Sec. 3. [APPROPRIATION.]

*§ . . . . . is appropriated from the general fund to the commissioner of natural resources for a grant to the Chisago County Historical Society for architectural planning for the St. Croix Valley Heritage Center. The grant must be matched equally with funds provided by the Chisago County Historical Society.”*

Page 3, delete line 23 and insert:

*“Sections 1 and 2 are effective the day following final enactment. Section 3 is effective July 1, 1991.”*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, before the period, 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. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 800: A bill for an act relating to natural resources; revising certain provisions relating to the taking, possession, and transportation of wild animals; amending Minnesota Statutes 1990, sections 97A.445, subdivision 2; 97A.535, subdivision 1; 97B.055, subdivision 3; 97B.106; and 97B.935, subdivision 3; repealing Minnesota Statutes 1990, section 97B.035, 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 1990, section 97A.445, subdivision 2, is amended to read:

Subd. 2. [ANGLING; INSTITUTIONAL RESIDENTS.] A license is not required to take fish by angling with the written consent of the superintendent or chief executive of the institution for the following persons:

- (1) a resident of a state hospital;
- (2) a patient of a United States Veterans Administration hospital;
- (3) an inmate of a state correctional facility; ~~and~~

*(4) a resident of a licensed nursing or boarding care home, a person who is enrolled in and regularly participates in an adult day care program or other similar organized activity sponsored by a licensed nursing or boarding care home, or a resident of a licensed board and lodging facility; and*

*(5) a resident of a drug or alcohol residential treatment program under the age of 20.*

Sec. 2. Minnesota Statutes 1990, section 97A.535, subdivision 1, is amended to read:

Subdivision 1. [TAGS REQUIRED.] A person may not possess or transport deer, bear, elk, or moose taken in the state unless a tag is attached to the carcass in a manner prescribed by the commissioner. The commissioner must prescribe the type of tag that has the license number of the owner, the year of its issue, and other information prescribed by the commissioner. The tag must be attached to the deer, bear, elk, or moose ~~when:~~

(1) ~~the animal is in a camp, or a place occupied overnight or the yard surrounding the place; or~~

(2) ~~the animal is on a motor vehicle at the site of the kill before the animal is removed from the site of the kill, and must remain attached to the animal until the animal is processed for storage.~~

Sec. 3. Minnesota Statutes 1990, section 97B.055, subdivision 3, is amended to read:

Subd. 3. [HUNTING FROM VEHICLE BY DISABLED HUNTERS.] The commissioner may issue a special permit, without a fee, to discharge a firearm or bow and arrow from a stationary motor vehicle to a licensed hunter that is *temporarily or permanently* physically unable to walk ~~with or without crutches, braces, or other mechanical support, or who has a physical disability which substantially limits the person's ability to walk. The physical disability and the substantial inability to walk must be established by medical evidence verified in writing by a licensed physician.~~ A person with a temporary disability may be issued an annual permit and a person with a permanent disability may be issued a permanent permit.

Sec. 4. Minnesota Statutes 1990, section 97B.106, is amended to read:  
97B.106 [CROSSBOW PERMITS FOR HUNTING.]

The commissioner may issue a special permit, without a fee, to take deer or turkey with a crossbow to a person that is unable to hunt by archery because of a permanent *or temporary* physical disability. *To qualify a person for a special permit under this section, a temporary disability must render the person unable to hunt by archery for a minimum of two years after application for the permit is made.* The permanent *or temporary* disability, established by medical evidence, and the inability to hunt by archery *for the required period of time* must be verified in writing by a licensed physician. The person must obtain the appropriate license. The crossbow must:

- (1) be fired from the shoulder;
- (2) deliver at least 42 foot-pounds of energy at a distance of ten feet;
- (3) have a stock at least 30 inches long;
- (4) have a working safety; and
- (5) be used with arrows or bolts at least ten inches long with a broadhead.

Sec. 5. Minnesota Statutes 1990, section 97B.935, subdivision 3, is amended to read:

Subd. 3. [SPECIAL PERMIT FOR DISABLED.] The commissioner may issue a special permit, *in the manner provided in section 97B.055, subdivision 3,* to use a snowmobile or all-terrain vehicle to transport or check beaver or otter traps or to transport beaver or otter carcasses or pelts to a licensed trapper physically unable to walk as specified in section 97B.055, subdivision 3.

Sec. 6. [EFFECTIVE DATE.]

*Section 1 is effective the day following its final enactment. Sections 2 to 5 are effective August 1, 1991."*

Delete the title and insert:

"A bill for an act relating to natural resources; revising certain provisions relating to the taking, possession, and transportation of wild animals; amending Minnesota Statutes 1990, sections 97A.445, subdivision 2; 97A.535, subdivision 1; 97B.055, subdivision 3; 97B.106; and 97B.935, subdivision 3."

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. 880: A bill for an act relating to checks; increasing bank verification requirements for opening checking accounts; prohibiting service charges for dishonored checks on persons other than the issuer; regulating check numbering procedures; requiring the commissioner of commerce to adopt rules regarding verification procedure requirements; authorizing fees for obtaining certain information from financial institutions; modifying procedures and liability for civil restitution for holders of worthless checks; authorizing service charges for use of law enforcement agencies; clarifying criminal penalties; increasing information that banks must provide to holders of worthless checks; imposing penalties; amending Minnesota Statutes 1990, sections 48.512, subdivisions 4, 5, 7, and by adding subdivisions; 332.50, subdivisions 1 and 2; and 609.535, subdivisions 2a, 6, and 7; proposing coding for new law in Minnesota Statutes, chapter 48.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, delete section 6

Page 4, line 33, after "and" insert "reasonable"

Page 5, line 3, delete "\$20" and insert "\$15"

Page 5, line 6, before the period, insert "*if the service charge is used to reimburse the law enforcement agency for its expenses*"

Pages 5 and 6, delete section 10

Page 7, lines 29 to 32, reinstate the stricken language

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete everything after the semicolon

Page 1, delete line 9

Page 1, line 18, delete ", 6,"

Page 1, line 19, delete everything after "7" and insert a period

Page 1, delete line 20

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. 84: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in the city of Barnesville in Clay county.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1251: A bill for an act relating to motor vehicles; clarifying that engines may be replaced under certain conditions; amending Minnesota Statutes 1990, sections 116.63, subdivision 3; and 325E.0951, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, after "if" insert ": (1) the motor vehicle in which the engine is replaced is not subject to the inspection requirement in section 116.61; or (2)" and after "with" insert "section 2."

Page 1, delete lines 15 to 17 and insert:

"Sec. 2. [116.635] [EXCHANGED AND REBUILT ENGINES.]

*(a) Except as provided in paragraph (b), a motor vehicle that is subject to the inspection requirement in section 116.61, and has had its engine rebuilt or exchanged, must comply with the emissions standards for the model year of the vehicle's chassis.*

*(b) Vehicles that have received an exchanged engine before August 1, 1991, must comply with the emissions standards for the year the engine was manufactured.*

*(c) If a vehicle with an exchanged engine is subject to inspection as required by section 116.61, the owner may submit to the person conducting the inspection proof:*

*(1) of the year the engine was manufactured; and*

*(2) that the engine was exchanged before August 1, 1991.*

*Proof of the engine year may be based on either the engine identification number or documentation provided by the vehicle owner. If the inspector determines that the engine was manufactured before the 1976 model year, the vehicle is exempt from the emissions inspection requirement. If the inspector determines that the vehicle meets the emissions standards for the year the engine was manufactured, the vehicle must be issued a certificate of compliance.*

*If the inspector is unable to determine the engine year by reviewing the engine identification number or the owner is unable to provide documentation of the year the engine was manufactured, the vehicle is required to meet the emissions standards for vehicles manufactured in the 1976 model year.*

*(d) Motor vehicles manufactured after the 1975 model year that have exchanged engines must have a catalytic converter and an unvented fuel*



*cap if the engine was originally equipped with these devices."*

Page 2, line 3, delete "*This act is*" and insert "*Sections 1 and 3 are*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, before the period, insert " ; proposing coding for new law in Minnesota Statutes, chapter 116"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Berg from the Committee on Gaming Regulation, to which was referred

S.F. No. 506: A bill for an act relating to lawful gambling; requiring record keeping, reports, and audits by licensed gambling organizations; allowing certain costs as lawful purposes; requiring preparation of an accounting manual; amending Minnesota Statutes 1990, sections 349.12, subdivision 25, and by adding a subdivision; 349.19, subdivisions 5 and 9, 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 1990, section 240.13, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS.] (a) A licensee conducting pari-mutuel betting must provide at the licensed track:

~~(a)~~ (1) the necessary equipment for issuing pari-mutuel tickets; and

~~(b)~~ (2) mechanical or electronic equipment for displaying information the commission requires. All mechanical or electronic devices must be approved by the commission before being used.

(b) A licensee conducting pari-mutuel betting must post prominently at each point of sale of pari-mutuel tickets the toll-free telephone number established by the commissioner of human services in connection with the compulsive gambling program established under section 245.98 in a manner approved by the commissioner.

Sec. 2. Minnesota Statutes 1990, section 245.98, is amended by adding a subdivision to read:

Subd. 2a. [ASSESSMENT OF CERTAIN OFFENDERS.] *The commissioner shall adopt by rule criteria to be used in conducting compulsive gambling assessments of offenders under section 35. The commissioner shall also adopt by rule standards to qualify a person to: (1) assess offenders for compulsive gambling treatment; and (2) provide treatment indicated in a compulsive gambling assessment. The rules must specify the circumstances in which, in the absence of an independent assessor, the assessment may be performed by a person with a direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider.*

Sec. 3. Minnesota Statutes 1990, section 299L.01, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this chapter, the terms defined in this subdivision have the meanings given them.

(b) "Division" means the division of gambling enforcement.

(c) "Commissioner" means the commissioner of public safety.

(d) "Director" means the director of gambling enforcement.

(e) "Manufacturer" means a person who assembles from raw materials or subparts a gambling device for sale or use in Minnesota.

(f) "Distributor" means a person who sells, offers to sell, or otherwise provides a gambling device to a person in Minnesota.

#### Sec. 4. [299L.07] [GAMBLING DEVICES.]

Subdivision 1. [RESTRICTION.] A person may not manufacture, sell, offer to sell, or otherwise provide, in whole or in part, a gambling device as defined in sections 349.30, subdivision 2, and 609.75, subdivision 4, except that a gambling device may be:

(1) manufactured as provided in section 349.40;

(2) sold, offered for sale, or otherwise provided to a distributor licensed under subdivision 3; and

(3) sold, offered for sale, or otherwise provided to the governing body of a federally recognized Indian tribe that is authorized to operate the gambling device under a tribal-state compact under the Indian Gaming Regulatory Act, United States Code, title 25, sections 2701 to 2721.

Subd. 2. [LICENSE REQUIRED.] A person may not manufacture or distribute gambling devices without having obtained a license under this section.

Subd. 3. [LICENSE ISSUANCE.] The commissioner may issue a license under this section if the commissioner determines that the applicant will conduct the business in a manner that will not adversely affect the public health, welfare, and safety or be detrimental to the effective regulation and control of gambling. A license may not be issued under this section to a person, or a corporation, firm, or partnership that has an officer, director, or other person with a direct or indirect financial or management interest of five percent or more, who has ever:

(1) been convicted of a felony;

(2) been convicted of a crime involving gambling;

(3) been connected with or engaged in an illegal business; or

(4) had a license revoked or denied by another jurisdiction for a violation of law or rule related to gambling.

Subd. 4. [APPLICATION.] An application for a manufacturer's or distributor's license must be on a form prescribed by the commissioner and must, at a minimum, contain:

(1) the name and address of the applicant and, if it is a corporation, the names of all officers, directors, and shareholders with a financial interest of five percent or more;

(2) the names and addresses of any holding corporation, subsidiary, or affiliate of the applicant, without regard to whether the holding corporation,

*subsidiary, or affiliate does business in Minnesota; and*

*(3) if the applicant does not maintain a Minnesota office, an irrevocable consent statement signed by the applicant, stating that suits and actions relating to the subject matter of the application or acts of omissions arising from it may be commenced against the applicant in a court of competent jurisdiction in this state by service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleading is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the office of the secretary of state and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown on the application.*

*Subd. 5. [INVESTIGATION.] Before a manufacturer's or distributor's license is granted, the director may conduct a background and financial investigation of the applicant, including the applicant's sources of financing. The director may, or shall when required by law, require that fingerprints be taken and the director may forward the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The director may charge an investigation fee to cover the cost of the investigation.*

*Subd. 6. [LICENSE FEE.] A license issued under this section is valid for one year. The annual fee for a license is \$5,000.*

*Subd. 7. [RENEWAL.] Upon making the same determination as in subdivision 3, the commissioner may renew a license issued under this section.*

*Subd. 8. [LICENSE SUSPENSION AND REVOCATION.] (a) The commissioner may suspend a license under this section for a violation of law or rule. The commissioner may revoke a license:*

*(1) for a violation of law or rule which, in the commissioner's opinion, adversely affects the integrity of gambling in Minnesota;*

*(2) for an intentional false statement in a license application; or*

*(3) if the licensee is the subject of a disciplinary proceeding in another jurisdiction which results in the revocation of a license.*

*A revocation or suspension is a contested case under sections 14.57 to 14.69.*

*(b) The commissioner may summarily suspend a license prior to a contested case hearing if the commissioner determines that a summary suspension is necessary to ensure the integrity of gambling. A contested case hearing must be held within 20 days of the summary suspension and the administrative law judge must issue a report within 20 days of the close of the hearing record. The commissioner shall issue a final decision within 30 days from receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61.*

*Subd. 9. [TRANSPORTATION OF GAMBLING DEVICES.] In addition to the requirements of this section, the transportation of gambling devices into Minnesota must be in compliance with United States Code, title 15, sections 1171 to 1177, as amended.*

*Sec. 5. Minnesota Statutes 1990, section 349.12, is amended by adding a subdivision to read:*

*Subd. 3a. [ALLOWABLE EXPENSE.] "Allowable expense" means an expense directly related to the conduct of lawful gambling.*

Sec. 6. Minnesota Statutes 1990, section 349.12, subdivision 25, is amended to read:

Subd. 25. (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) organization, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154;

(2) a contribution to an individual or family suffering from poverty, homelessness, or physical or mental disability, which is used to relieve the effects of that poverty, homelessness, or disability;

(3) a contribution to an individual for treatment for delayed posttraumatic stress syndrome or a contribution to a recognized program for the treatment of compulsive gambling on behalf of an individual who is a compulsive gambler;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to a scholarship fund for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize humanitarian or military service to the United States, the state of Minnesota, or a community, subject to rules of the board;

(7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21 or over age 65, provided that such facilities and activities do not discriminate on the basis of gender, as evidenced by (i) provision of equipment and supplies, (ii) scheduling of activities, including games and practice times, (iii) supply and assignment of coaches or other adult supervisors, (iv) provision and availability of support facilities, and (v) whether the opportunity to participate reflects each gender's demonstrated interest in the activity, provided that nothing in this clause prohibits a contribution to or expenditure on an educational institution or other entity that is excepted from the prohibition against discrimination based on sex contained in the Higher Education Act Amendments of 1976, United States Code, title 20, section 1681;

(8) payment of local taxes authorized under this chapter, taxes imposed by the United States on receipts from lawful gambling, the tax imposed by section 349.212, subdivisions 1 and 4, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

(9) payment of real estate taxes and assessments on licensed gambling premises wholly owned by the licensed organization paying the taxes, not to exceed ~~the amount which an organization may expend under board rule on rent for premises used for lawful gambling \$18,000 per year;~~

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency; ~~or~~

(11) a contribution to or expenditure by a nonprofit organization, church, or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances; *or*

(12) *payment of one-half of the reasonable costs of an audit required in section 349.19, subdivision 9.*

(b) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) the erection, acquisition, improvement, expansion, repair, or maintenance of real property or capital assets owned or leased by an organization, except as provided in clause (6), unless the board has first specifically authorized the expenditures after finding that (i) the real property or capital assets will be used exclusively for one or more of the purposes in paragraph (a); (ii) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; (iii) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; or (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation, or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value;

(5) a contribution by a licensed organization to another licensed organization unless the board has specifically authorized the contribution. The board must authorize such a contribution when requested to do so by the contributing organization unless it makes an affirmative finding that the contribution will not be used by the recipient organization for one or more of the purposes in paragraph (a); or

(6) the erection, acquisition, improvement, or expansion of real property or capital assets which will be used for one or more of the purposes in paragraph (a), clause (7), unless the organization making the expenditures notifies the board at least 15 days before making the expenditure.

Sec. 7. Minnesota Statutes 1990, section 349.12, is amended by adding a subdivision to read:

*Subd. 30a. [PROFIT CARRYOVER.] "Profit carryover" means cumulative net profit less cumulative lawful purpose expenditures.*

Sec. 8. Minnesota Statutes 1990, section 349.15, is amended to read:

349.15 [USE OF GROSS PROFITS.]

(a) Gross profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized at a regular meeting of the conducting organization. Provided that no more than 60 percent of the gross profit less the tax imposed under section 349.212, subdivision 1, from bingo, and no more than 50 percent of the gross profit less the tax imposed by section 349.212, subdivision 6, from other forms of lawful gambling, may be expended for allowable expenses related to lawful gambling.

(b) ~~The board shall provide by rule for the administration of this section, including specifying allowable expenses. The rules must specify that no more than one-third of the annual premium on a policy of liability insurance procured by the organization may be taken as an allowable expense. This expense shall be allowed by the board only to the extent that it relates directly to the conduct of lawful gambling and is verified in the manner the board prescribes by rule. The rules may provide a maximum percentage of gross profits which may be expended for certain expenses.~~

(c) ~~Allowable expenses also include reasonable costs of bank account service charges, and the reasonable costs of an audit required by the board, except an audit required under section 349.19, subdivision 9.~~

(d) ~~Allowable expenses include reasonable legal fees and damages that relate to the conducting of lawful gambling, except for legal fees or damages incurred in defending the organization against the board, attorney general, United States attorney, commissioner of revenue, or a county or city attorney.~~

Sec. 9. Minnesota Statutes 1990, section 349.151, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) The board has the following powers and duties:

(1) to regulate lawful gambling to ensure it is conducted in the public interest;

(2) to issue licenses to organizations, distributors, bingo halls, manufacturers, and gambling managers;

(3) to collect and deposit license, permit, and registration fees due under this chapter;

(4) to receive reports required by this chapter and inspect all premises, records, books, and other documents of organizations, distributors, manufacturers, and bingo halls to insure compliance with all applicable laws and rules;

(5) to make rules authorized by this chapter;

(6) to register gambling equipment and issue registration stamps;

(7) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;

(8) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing gambling;

(9) to impose civil penalties of not more than \$500 per violation on

organizations, distributors, manufacturers, bingo halls, and gambling managers for failure to comply with any provision of this chapter or any rule of the board;

(10) to issue premises permits to organizations licensed to conduct lawful gambling;

(11) to delegate to the director the authority to issue licenses and premises permits under criteria established by the board;

(12) to suspend or revoke licenses and premises permits of organizations, distributors, manufacturers, bingo halls, or gambling managers as provided in this chapter;

~~(13) to register recipients of net profits from lawful gambling and to revoke or suspend the registrations;~~

~~(14) to register employees of organizations licensed to conduct lawful gambling;~~

~~(15) (14) to require fingerprints from persons determined by board rule to be subject to fingerprinting; and~~

~~(16) (15) to take all necessary steps to ensure the integrity of and public confidence in lawful gambling.~~

(b) Any organization, distributor, bingo hall operator, or manufacturer assessed a civil penalty may request a hearing before the board. Hearings conducted on appeals of imposition of penalties are not subject to the provisions of the administrative procedure act.

(c) All fees and penalties received by the board must be deposited in the general fund.

Sec. 10. Minnesota Statutes 1990, section 349.154, subdivision 2, is amended to read:

Subd. 2. [NET PROFIT REPORTS.] (a) Each licensed organization must report monthly to the board on a form prescribed by the board each expenditure and contribution of net profits from lawful gambling. The reports must provide for each expenditure or contribution:

(1) the name, address, and telephone number of the recipient of the expenditure or contribution;

(2) the date the contribution was approved by the organization;

(3) the date, amount, and check number of the expenditure or contribution; and

(4) a brief description of how the expenditure or contribution meets one or more of the purposes in section 349.12, subdivision 25, paragraph (a).

(b) Each report required under paragraph (a) must be accompanied by an acknowledgment, on a form the board prescribes, of each contribution of *more than \$100* in net profits from lawful gambling included in the report. The acknowledgment must be signed by the recipient of the contribution, or, if the recipient is not an individual, or other authorized representative of the recipient, by an officer. The acknowledgment must include the name and address of the contributing organization and each item in paragraph (a), clauses (1) to (3).

(c) The board shall provide the commissioners of revenue and public

safety copies of each report received under this subdivision.

Sec. 11. Minnesota Statutes 1990, section 349.16, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF GAMBLING LICENSES.] (a) Licenses authorizing organizations to conduct lawful gambling may be issued by the board to organizations meeting the qualifications in paragraphs (b) to (h) if the board determines that the license is consistent with the purpose of sections 349.11 to 349.22.

(b) The organization must have been in existence for the most recent three years preceding the license application as a registered Minnesota nonprofit corporation or as an organization designated as exempt from the payment of income taxes by the Internal Revenue Code.

(c) The organization at the time of licensing must have at least 15 active members.

(d) The organization must not be in existence solely for the purpose of conducting gambling.

(e) The organization must not have as an officer or member of the governing body any person who, within the five years before the issuance of the license, has been convicted in a federal or state court of a felony or gross misdemeanor or who has ever been convicted of a crime involving gambling or who has had a license issued by the board or director revoked for a violation of law or board rule.

(f) The organization has identified in its license application the lawful purposes on which it proposes to expend net profits from lawful gambling.

(g) The organization has identified on its license application a gambling manager and certifies that the manager is qualified under this chapter.

~~(h) The organization must not, in the opinion of the board after consultation with the commissioner of revenue, be seeking licensing primarily for the purpose of evading or reducing the tax imposed by section 349.212, subdivision 6.~~

Sec. 12. Minnesota Statutes 1990, section 349.16, subdivision 3, is amended to read:

Subd. 3. [TERM OF LICENSE: SUSPENSION AND REVOCATION.] Licenses issued under this section are valid for ~~one year~~ *two years* and may be suspended by the board for a violation of law or board rule or revoked for what the board determines to be a willful violation of law or board rule. A revocation or suspension is a contested case under sections 14.57 to 14.69 of the administrative procedure act.

Sec. 13. Minnesota Statutes 1990, section 349.163, subdivision 3, is amended to read:

Subd. 3. [PROHIBITED SALES.] (a) A manufacturer may not:

(1) sell gambling equipment to any person not licensed as a distributor unless the manufacturer is also a licensed distributor;

(2) sell gambling equipment to a distributor in this state that has the same serial number as another item of gambling equipment of the same type that is sold by that manufacturer for use in this state;



(3) from January 1, 1991, to June 30, 1992, sell to any person in Minnesota, other than the governing body of an Indian tribe, a pull-tab on which the manufacturer has not clearly printed the words "For Sale in Minnesota Only";

(4) on and after July 1, 1992, sell to any person in Minnesota, other than the governing body of an Indian tribe, a pull-tab on which the manufacturer has not clearly printed the words "Manufactured in Minnesota For Sale In Minnesota Only"; or

(5) sell a pull-tab marked as required in clauses (3) and (4) to any person inside or outside the state, including the governing body of an Indian tribe, who is not a licensed distributor; or

(6) sell a pull-tab deal that contains prizes in a total amount other than 75 percent of the ideal gross of the deal.

(b) On and after July 1, 1992, all pull-tabs sold by a licensed manufacturer to a person in Minnesota must be manufactured in Minnesota.

(c) A manufacturer, affiliate of a manufacturer, or person acting as a representative or agent of a manufacturer may not provide a lessor of gambling premises or an appointed official any compensation, gift, gratuity, premium, contribution, or other thing of value.

Sec. 14. Minnesota Statutes 1990, section 349.165, subdivision 1, is amended to read:

Subdivision 1. [PREMISES PERMIT REQUIRED; APPLICATION.] A licensed organization may not conduct lawful gambling at any site unless it has first obtained from the board a premises permit for the site. The board shall prescribe a form for permit applications, and each application for a permit must be submitted on a separate form. *A premises permit issued by the board is valid for two years.* The board may by rule limit the number of premises permits that may be issued to an organization.

Sec. 15. Minnesota Statutes 1990, section 349.165, subdivision 3, is amended to read:

Subd. 3. [FEES.] The board may issue four classes of premises permits corresponding to the classes of licenses authorized under section 349.16, subdivision 6. The ~~annual~~ fee for each class of permit is:

- (1) ~~\$200~~ \$400 for a class A permit;
- (2) ~~\$125~~ \$250 for a class B permit;
- (3) ~~\$100~~ \$200 for a class C permit; and
- (4) ~~\$75~~ \$150 for a class D permit.

Sec. 16. Minnesota Statutes 1990, section 349.167, subdivision 1, is amended to read:

Subdivision 1. [GAMBLING MANAGER REQUIRED.] (a) All lawful gambling conducted by a licensed organization must be under the supervision of a gambling manager. A gambling manager designated by an organization to supervise lawful gambling is responsible for the gross receipts of the organization and for its conduct in compliance with all laws and rules. ~~The organization must maintain, or require the~~ A person designated as a gambling manager ~~to shall~~ maintain, a fidelity bond in the sum of ~~\$25,000~~ \$10,000 in favor of the organization ~~and the state,~~ conditioned on

~~(1) the faithful performance of the manager's duties; and (2) the payment of all taxes due under this chapter on lawful expenditures of gross profits from lawful gambling.~~ The terms of the bond must provide that notice be given to the board in writing not less than 30 days before its cancellation. ~~In the case of conflicting claims against a bond, a claim by the state has preference over a claim by the organization.~~

(b) A person may not act as a gambling manager for more than one organization.

(c) An organization may not conduct lawful gambling without having a gambling manager. The board must be notified in writing of a change in gambling managers. Notification must be made within ten days of the date the gambling manager assumes the manager's duties.

(d) An organization may not have more than one gambling manager at any time.

Sec. 17. Minnesota Statutes 1990, section 349.167, subdivision 2, is amended to read:

Subd. 2. [GAMBLING MANAGERS; LICENSES.] A person may not serve as a gambling manager for an organization unless the person possesses a valid gambling manager's license issued by the board. The board may issue a gambling manager's license to a person applying for the license who:

(1) has ~~received training as required in~~ *complied with* subdivision 4, *clause (1)*;

(2) has never been convicted of a felony;

(3) within the five years before the date of the license application, has not committed a violation of law or board rule that resulted in the revocation of a license issued by the board;

(4) has never been convicted of a criminal violation involving fraud, theft, tax evasion, misrepresentation, or gambling;

(5) has never been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats; and

(6) has not engaged in conduct the board determines is contrary to the public health, welfare, or safety or the integrity of lawful gambling.

A gambling manager's license is valid for one year unless suspended or revoked. The annual fee for a gambling manager's license is \$100.

Sec. 18. Minnesota Statutes 1990, section 349.167, subdivision 4, is amended to read:

Subd. 4. [TRAINING OF GAMBLING MANAGERS.] The board shall by rule require all persons licensed as gambling managers to receive periodic training in laws and rules governing lawful gambling. The rules must contain the following requirements:

(1) each gambling manager must ~~have received such~~ *receive* training before being issued a new license, *except that in the case of the death, disability, or termination of a gambling manager, a replacement gambling manager must receive the training within 90 days of being issued a license;*

(2) each gambling manager applying for a renewal of a license must have received training within the three years prior to the date of application for the renewal; and

(3) the training required by this subdivision may be provided by a person, firm, association, or organization authorized by the board to provide the training. Before authorizing a person, firm, association, or organization to provide training, the board must determine that:

(i) the provider and all of the provider's personnel conducting the training are qualified to do so;

(ii) the curriculum to be used fully and accurately covers all elements of lawful gambling law and rules that the board determines are necessary for a gambling manager to know and understand;

(iii) the fee to be charged for participants in the training sessions is fair and reasonable; and

(iv) the training provider has an adequate system for documenting completion of training.

The rules may provide for differing training requirements for gambling managers based on the class of license held by the gambling manager's organization.

The board or the director may provide the training required by this subdivision using employees of the division.

Sec. 19. Minnesota Statutes 1990, section 349.17, subdivision 1, is amended to read:

Subdivision 1. [BINGO OCCASIONS.] ~~Not more than seven bingo occasions each week may be conducted by an organization.~~ At least 15 bingo games must be held at each *bingo* occasion and a *bingo* an occasion must continue for at least 1-1/2 hours but not more than four consecutive hours.

Sec. 20. Minnesota Statutes 1990, section 349.17, subdivision 5, is amended to read:

Subd. 5. [BINGO CARD NUMBERING.] (a) The board shall by rule require that all licensed organizations: (1) conduct bingo only using liquid daubers on cards that bear an individual number recorded by the distributor; (2) sell all bingo cards only in the order of the numbers appearing on the cards; and (3) use each bingo card for no more than one bingo occasion. In lieu of the requirements of clauses (2) and (3), a licensed organization may electronically record the sale of each bingo card at each bingo occasion using an electronic recording system approved by the board.

(b) The requirements of paragraph (a) do not apply to a licensed organization that (1) has never received gross receipts from bingo in excess of \$150,000 \$200,000 in any year, and or (2) does not pay compensation to any person for participating in the conduct of lawful gambling.

Sec. 21. Minnesota Statutes 1990, section 349.172, is amended to read:

349.172 [PULL-TABS; INFORMATION REQUIRED TO BE POSTED.]

~~An organization selling pull-tabs must post for each deal of pull-tabs all major prizes that have been awarded for pull-tabs purchased from that deal. The information must be posted prominently at the point of sale of the deal. An easily legible pull-tab flare that lists prizes in that deal, and on which prizes are marked or crossed off as they are awarded, satisfies the requirement of this section that major prizes be posted, provided that a separate flare is posted for each deal of pull-tabs. An organization must post or mark off each major prize immediately upon awarding the prize. A "major prize" in a deal~~

of pull-tabs is any prize that is at least 50 times the face value of any pull-tab in the deal. *Subdivision 1.* [BOARD MAY REQUIRE CERTAIN POSTING.] *The board may issue an order requiring an organization selling pull-tabs to post major pull-tab prizes and the names of major prize winners if the board has reasonable grounds to believe that the organization, or a person receiving compensation from the organization for participating in the sale of pull-tabs, has been or is providing information to a player or players that provides an unfair advantage related to the potential winnings from pull-tabs. The board must notify the organization at least 14 days before the order becomes effective. The notice to the organization must describe the organization's right to a hearing under subdivision 3.*

*Subd. 2.* [POSTING; REQUIREMENTS.] *The information required to be posted under subdivision 1 must be posted prominently at the point of sale of the pull-tabs. An easily legible pull-tab flare that lists prizes in the deal for that flare, and on which prizes are marked off as they are awarded, satisfies the requirements of this section that major prizes be posted, provided that a separate flare is posted for each deal of pull-tabs. An organization must post or mark off each major prize and post the name of the prize winner immediately on awarding the prize.*

*Subd. 3.* [APPEAL.] *An organization to which the board issues an order under subdivision 1 may request a contested case hearing on the order. The hearing must be held within 20 days of the effective date of the order, and the report by the administrative law judge must be issued within 20 days after the close of the hearing record. The board must issue its final decision within 30 days after receipt of the report of the administrative law judge and subsequent exceptions and arguments under section 14.61.*

*Subd. 4.* [MAJOR PRIZES.] *For purposes of this section, a "major prize" in a deal of pull-tabs is a prize of at least 50 times the face value of any pull-tab in the deal.*

*Subd. 5.* [COMPULSIVE GAMBLING HOTLINE NUMBER.] *An organization conducting lawful gambling must post at each point of sale a sign containing the toll-free telephone number established by the commissioner of human services in connection with the compulsive gambling program established under section 245.98. The sign must be kept in easily legible form and repair by the owner, lessee, or person having control thereof, and must either:*

- (1) be approved by the commissioner; or*
- (2) have lettering at least three-quarters of an inch in height, of block letter design.*

Sec. 22. Minnesota Statutes 1990, section 349.18, subdivision 1, is amended to read:

**Subdivision 1.** [LEASE OR OWNERSHIP REQUIRED.] An organization may conduct lawful gambling only on premises it owns or leases. Leases must be for a period of *at least* one year and must be on a form prescribed by the board. Copies of all leases must be made available to employees of the division and the division of gambling enforcement on request. A lease may not provide for payments determined directly or indirectly by the receipts or profits from lawful gambling. The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for lawful gambling. Any rule adopted by the board limiting the amount of rent to be paid may only be effective for leases entered into,

or renewed, after the effective date of the rule.

No person, distributor, manufacturer, lessor, or organization other than the licensed organization leasing the space may conduct any activity on the leased premises during times when lawful gambling is being conducted on the premises.

Sec. 23. Minnesota Statutes 1990, section 349.19, subdivision 2, is amended to read:

Subd. 2. [ACCOUNTS.] Gross receipts from lawful gambling by each organization at each permitted premises must be segregated from all other revenues of the conducting organization and placed in a separate account. All expenditures for expenses, taxes, and lawful purposes must be made from the separate account except in the case of expenditures previously approved by the organization's membership for emergencies as defined by board rule. The name and address of the bank and, the account number for that the separate account for that licensed premises, and the names of organization members authorized as signatories on the separate account must be provided to the board when the application is submitted. Changes in the information must be submitted to the board at least ten days before the change is made. Gambling receipts must be deposited into the gambling bank account within three days of completion of the bingo occasion, deal, or game from which they are received; and. Deposit records must be sufficient to allow determination of deposits made from each bingo occasion, deal, or game at each permitted premises. The person who accounts for gambling gross receipts and profits may not be the same person who accounts for other revenues of the organization.

Sec. 24. Minnesota Statutes 1990, section 349.19, subdivision 5, is amended to read:

Subd. 5. [REPORTS.] A licensed organization must report to the board and to its membership monthly, or quarterly in the case of a licensed organization which does not report more than \$1,000 in gross receipts from lawful gambling in any calendar quarter, on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling. *The report must include a reconciliation of the organization's profit carryover with its cash balance on hand.* If the organization conducts both bingo and other forms of lawful gambling, the figures for both must be reported separately. In addition, a licensed organization must report to the board monthly on its purchases of gambling equipment and must include the type, quantity, and dollar amount from each supplier separately. The reports must be on a form the board prescribes. Submission of the report required by section 349.154 satisfies the requirement for reporting monthly to the board on expenditure of net profits.

Sec. 25. Minnesota Statutes 1990, section 349.19, subdivision 9, is amended to read:

Subd. 9. [ANNUAL AUDIT; FILING REQUIREMENT.] An organization licensed under this chapter must have an annual financial audit of its lawful gambling activities and funds performed by an independent auditor accountant licensed by the state of Minnesota or performed by an independent accountant who has had prior approval of the board. The board commissioner of revenue shall by rule prescribe standards for the audit, which must provide for the reconciliation of the organization's gambling account or accounts with the organization's reports filed under subdivision 5 and section 349.154. A

complete, true, and correct copy of the audit report must be filed ~~with as prescribed by the board upon completion of the audit~~ commissioner of revenue.

Sec. 26. Minnesota Statutes 1990, section 349.19, is amended by adding a subdivision to read:

*Subd. 9a. [RECORDS.] An organization licensed under this chapter must maintain records that account for the assets, liabilities, and fund balance of the organization. The records must also account for the revenues, taxes, prize payouts, expenses, and lawful purpose expenditures of the organization. The records must include a perpetual inventory of games purchased but not yet played and games in play.*

Sec. 27. Minnesota Statutes 1990, section 349.19, is amended by adding a subdivision to read:

*Subd. 9b. [ACCOUNTING MANUAL.] The board must prepare and distribute to each organization licensed under this chapter a manual designed to facilitate compliance with section 26. The manual must include a clear description of the processes needed to maintain the records required in section 26. The board may contract for preparation of the manual.*

Sec. 28. Minnesota Statutes 1990, section 349.212, subdivision 4, is amended to read:

*Subd. 4. [PULL-TAB AND TIPBOARD TAX.] (a) There is imposed a tax on the sale of each deal of pull-tabs and tipboards sold by a licensed distributor. The rate of the tax is ~~two~~ 4-1/2 percent of the ideal gross of the pull-tab or tipboard deal. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the licensed distributor is imposed on the retail sales price less the tax imposed by this subdivision. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A and is exempt from all local taxes and license fees except a fee authorized under section 349.16, subdivision 4.*

*(b) The liability for the tax imposed by this section is incurred when the pull-tabs and tipboards are delivered by the distributor to the customer, to a common or contract carrier for delivery to the customer, or when received by the customer's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of the sale.*

The tax imposed by this subdivision is imposed on all sales of pull-tabs and tipboards, except the following:

- (1) sales to the governing body of an Indian tribal organization for use on an Indian reservation;*
- (2) sales to distributors licensed under this chapter;*
- (3) sales to distributors licensed under the laws of another state or of a province of Canada, as long as all statutory and regulatory requirements are met in the other state or province; and*
- (4) sales of promotional tickets as defined in section 349.12.*

*(c) Pull-tabs and tipboards sold to an organization that sells pull-tabs and tipboards under the exemption from licensing in section 349.214, subdivision 2, paragraph (b), are exempt from the tax imposed by this subdivision. A distributor must require an organization conducting exempt gambling to*

show proof of its exempt status before making a tax-exempt sale of pull-tabs or tipboards to such an organization. A distributor shall identify, on all reports submitted to the commissioner, all sales of pull-tabs and tipboards that are exempt from tax under this subdivision.

Sec. 29. Minnesota Statutes 1990, section 349A.02, subdivision 3, is amended to read:

Subd. 3. [POWERS AND DUTIES.] In operating the lottery the director shall exercise the following powers and duties:

- (1) adopt rules and game procedures;
- (2) issue lottery retailer contracts and rule on appeals of decisions relating to those contracts;
- (3) enter into lottery procurement contracts for the provision of goods and services to the lottery;
- (4) employ personnel as are required to operate the lottery;
- (5) enter into written agreements with one or more *states government-authorized lotteries, or with an organization created and controlled by those lotteries*, for the operation, marketing, and promotion of a joint lottery;
- (6) adopt and publish advertising and promotional materials consistent with section 349A.09; and
- (7) take all necessary steps to ensure the integrity of, and public confidence in, the state lottery.

Sec. 30. Minnesota Statutes 1990, section 349A.06, subdivision 3, is amended to read:

Subd. 3. [BOND.] The director shall require that each lottery retailer post a bond, *securities, or an irrevocable letter of credit*, in an amount as the director deems necessary, to protect the financial interests of the state. *If securities are deposited or an irrevocable letter of credit filed, the securities or letter of credit must be of a type or in the form provided under section 349A.07, subdivision 5, paragraphs (b) and (c).*

Sec. 31. Minnesota Statutes 1990, section 349A.06, subdivision 5, is amended to read:

Subd. 5. [RESTRICTIONS ON LOTTERY RETAILERS.] (a) A lottery retailer may sell lottery tickets only on the premises described in the contract.

(b) A lottery retailer must prominently display a certificate issued by the director on the premises where lottery tickets will be sold.

(c) A lottery retailer must keep a complete set of books of account, correspondence, and all other records necessary to show fully the retailer's lottery transactions, and make them available for inspection by employees of the division at all times during business hours. The director may require a lottery retailer to furnish information as the director deems necessary to carry out the purposes of this chapter, and may require an audit to be made of the books of account and records. The director may select an auditor to perform the audit and may require the retailer to pay the cost of the audit. The auditor has the same right of access to the books of account, correspondence, and other records as is given to employees of the division.

(d) A contract issued under this section may not be transferred or assigned.

(e) The director shall require that lottery tickets may be sold by retailers only for cash.

*(f) A lottery retailer must prominently post at the point of sale of lottery tickets the toll-free telephone number established by the commissioner of human services in connection with the compulsive gambling program established under section 245.98 in a manner approved by the commissioner.*

Sec. 32. Minnesota Statutes 1990, section 349A.06, subdivision 11, is amended to read:

Subd. 11. [~~REVOCATION CANCELLATION, SUSPENSION, AND REFUSAL TO RENEW LICENSES CONTRACTS.~~] (a) The director shall cancel the contract of any lottery retailer who:

- (1) has been convicted of a felony or gross misdemeanor;
- (2) has committed fraud, misrepresentation, or deceit;
- (3) has provided false or misleading information to the division; or
- (4) has acted in a manner prejudicial to public confidence in the integrity of the lottery.

(b) The director may cancel, suspend, or refuse to renew the contract of any lottery retailer who:

- (1) changes business location;
- (2) fails to account for lottery tickets received or the proceeds from tickets sold;
- (3) fails to remit funds to the director in accordance with the director's rules;
- (4) violates a law or a rule or order of the director;
- (5) fails to comply with any of the terms in the lottery retailer's contract;
- (6) fails to ~~comply with file a bond requirements, securities, or a letter of credit as required under this section~~ *subdivision 3*;
- (7) in the opinion of the director fails to maintain a sufficient sales volume to justify continuation as a lottery retailer; or
- (8) has violated section 340A.503, subdivision 2, clause (1), two or more times within a two-year period.

(c) The director may also cancel, suspend, or refuse to renew a lottery retailer's contract if there is a material change in any of the factors considered by the director under subdivision 2.

(d) A contract cancellation, suspension, or refusal to renew under this subdivision is a contested case under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a violation of law or rule.

(e) The director may temporarily suspend a contract without notice for any of the reasons specified in this subdivision provided that a hearing is conducted within seven days after a request for a hearing is made by a lottery retailer. Within 20 days after receiving the administrative law judge's report, the director shall issue an order vacating the temporary suspension or making any other appropriate order. If no hearing is requested within 30 days of the temporary suspension taking effect, the ~~director may issue an order making the suspension permanent~~ *suspension becomes permanent*



*unless the director vacates or modifies the order.*

Sec. 33. Minnesota Statutes 1990, section 349A.08, is amended by adding a subdivision to read:

*Subd. 9. [PRIVACY.] The phone number and street address of a winner of a lottery prize is private data on individuals under chapter 13.*

Sec. 34. Minnesota Statutes 1990, section 349A.09, subdivision 2, is amended to read:

**Subd. 2. [CONTENT OF ADVERTISING.]** (a) Advertising and promotional materials for the lottery adopted or published by the director must be consistent with the dignity of the state and may only:

(1) present information on how lottery games are played, prizes offered, where and how tickets may be purchased, when drawings are held, and odds on the games advertised;

(2) identify state programs supported by lottery net revenues;

(3) present the lottery as a form of entertainment; or

(4) state the winning numbers or identity of winners of lottery prizes.

(b) The director may not adopt or publish any advertising for the lottery which:

(1) presents directly or indirectly any lottery game as a potential means of relieving any person's financial difficulties;

(2) is specifically targeted with the intent to exploit a person, a specific group or an economic class of people, or a religious holiday;

(3) presents the purchase of a lottery ticket as a financial investment or a way to achieve financial security;

(4) uses the name or picture of a current elected state official to promote a lottery game;

(5) exhorts the public to bet by directly or indirectly misrepresenting a person's chance of winning a prize; or

(6) denigrates a person who does not buy a lottery ticket or unduly praises a person who does buy a ticket.

Sec. 35. Minnesota Statutes 1990, section 609.115, is amended by adding a subdivision to read:

**Subd. 8. [COMPULSIVE GAMBLING ASSESSMENT REQUIRED.]**  
(a) *If a person is convicted of a felony for theft under section 609.52, embezzlement of public funds under section 609.54, or forgery under section 609.625, 609.63, or 609.631, the probation officer shall determine in the report prepared under subdivision 1 whether or not compulsive gambling contributed to the commission of the offense. If so, the report shall contain the results of a compulsive gambling assessment conducted in accordance with this subdivision. The probation officer shall make an appointment for the defendant to undergo the assessment if so indicated.*

(b) *The compulsive gambling assessment report must include a recommended level of care for the defendant if the assessor concludes that the defendant is in need of compulsive gambling treatment. The assessment must be conducted by an assessor qualified under section 2 to perform these*

*assessments or to provide compulsive gambling treatment. An assessor providing a compulsive gambling 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 with a financial interest or referral relationship as authorized under rules adopted by the commissioner of human services under section 2.*

*(c) The commissioner of human services shall reimburse the county for the costs associated with a compulsive gambling assessment at a rate established by the commissioner up to a maximum of \$100 for each assessment.*

Sec. 36. Minnesota Statutes 1990, section 609.75, subdivision 4, is amended to read:

Subd. 4. [GAMBLING DEVICE.] A gambling device is a contrivance which for a consideration affords the player an opportunity to obtain something of value, other than free plays, automatically from the machine or otherwise, the award of which is determined principally by chance. "Gambling device" also includes ~~any~~ a video game of chance, as defined in ~~section 349.50, subdivision 8; that is not in compliance with sections 349.50 to 349.60.~~

Sec. 37. Minnesota Statutes 1990, section 609.75, is amended by adding a subdivision to read:

Subd. 8. [VIDEO GAME OF CHANCE.] A video game of chance is a game or device that simulates one or more games commonly referred to as poker, blackjack, craps, hi-lo, roulette, or other common gambling forms, though not offering any type of pecuniary award or gain to players. The term also includes any video game having one or more of the following characteristics:

*(1) it is primarily a game of chance, and has no substantial elements of skill involved;*

*(2) it awards game credits or replays and contains a meter or device that records unplayed credits or replays.*

Sec. 38. Minnesota Statutes 1990, section 609.755, is amended to read:

609.755 [ACTS OF OR RELATING TO GAMBLING.]

Whoever does any of the following is guilty of a misdemeanor:

(1) makes a bet; ~~or~~

(2) sells or transfers a chance to participate in a lottery; ~~or~~

(3) disseminates information about a lottery with intent to encourage participation therein; ~~or~~

(4) permits a structure or location owned or occupied by the actor or under the actor's control to be used as a gambling place; *or*

(5) operates a gambling device.

Sec. 39. Minnesota Statutes 1990, section 609.76, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANORS.] ~~(a)~~ Whoever does any of the following may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both:

- (1) maintains or operates a gambling place or operates a bucket shop;
- (2) intentionally participates in the income of a gambling place or bucket shop;
- (3) conducts a lottery, or, with intent to conduct a lottery, possesses facilities for doing so;
- (4) sets up for use for the purpose of gambling, or collects the proceeds of, any gambling device or bucket shop;
- (5) ~~with intent that it shall be so used except as provided in section 4,~~ manufactures, sells ~~or, offers for sale, or otherwise provides,~~ in whole or any part thereof, any gambling device including those defined in section 349.30, subdivision 2, ~~and any facility for conducting a lottery, except as provided by section 349.40;~~
- (6) ~~with intent that it be so used, manufactures, sells, or offers for sale any facility for conducting a lottery, except as provided by section 349.40; or~~
- (7) receives, records, or forwards bets or offers to bet or, with intent to receive, record, or forward bets or offers to bet, possesses facilities to do so; ~~or~~
- ~~(7) pays any compensation for game credits earned on or otherwise rewards, with anything of value other than free plays, players of video games of chance as defined in section 349.50, subdivision 8, or who directs an employee to pay any such compensation or reward.~~

~~(b) On conviction of a person for the crime established in paragraph (a), clause (7), the court shall impose a fine of not less than \$700.~~

Sec. 40. Minnesota Statutes 1990, section 609.761, is amended by adding a subdivision to read:

*Subd. 3. [ANCILLARY GAMES.] Sections 609.755 and 609.76 do not prohibit:*

*(1) the sale, possession, or purchase of tickets in connection with, or the advertising of, a lottery legally operated under the laws of another jurisdiction; or*

*(2) a promotional lottery, game of chance, contest, or activity conducted by a business, charitable, religious, social, or commercial organization if the lottery, game of chance, contest, or activity occurs no more than three times a year and is ancillary to the primary business or activity of the conducting organization.*

Sec. 41. [TRIBAL-STATE COMPACTS.]

*Sections 3, 4, and 36 to 39 do not affect the validity of, and must not be construed as prohibiting the state from entering into or participating in, a tribal-state compact with the governing body of an Indian tribe governing the conduct of video games of chance under the Indian Gaming Regulatory Act, United States Code, title 25, sections 2701 to 2721.*

Sec. 42. [REPORT.]

*The gambling control board shall develop a plan for requiring that all gambling equipment used in the state for lawful gambling, as defined in Minnesota Statutes, section 349.12, subdivision 24, be purchased from suppliers who contract with the state to supply the equipment. The options*

*evaluated in developing the plan must include:*

*(1) requiring organizations to purchase gambling equipment directly from the state; and*

*(2) requiring organizations to purchase gambling equipment directly from suppliers who contract with the state.*

*By February 1, 1992, the gambling control board shall report the plan to the committees of the legislature with jurisdiction over lawful gambling. The report must include recommendations on legislation necessary to implement the plan.*

**Sec. 43. [COMPULSIVE GAMBLING SURCHARGES.]**

*Until July 1, 1993, the permit fees in Minnesota Statutes, section 349.165, subdivision 3, are increased by the following amounts in order to fund the compulsive gambling treatment program established under Minnesota Statutes, section 245.98:*

- (1) \$290 for a class A permit;*
- (2) \$180 for a class B permit;*
- (3) \$150 for a class C permit; and*
- (3) \$110 for a class D permit.*

**Sec. 44. [APPROPRIATION.]**

*\$767,000 in fiscal year 1992 and \$756,000 in fiscal year 1993 is appropriated from the general fund to the commissioner of human services to implement the compulsive gambling treatment program established under Minnesota Statutes, section 245.98, and to reimburse counties for the cost of compulsive gambling assessments under section 35. Of the amounts appropriated in this section, not more than \$ . . . . . in each fiscal year may be spent for administrative expenses.*

*The director of the state lottery shall transfer \$375,000 in fiscal year 1992 and \$375,000 in fiscal year 1993 from the lottery fund to the general fund for the costs incurred for the compulsive gambling treatment program under Minnesota Statutes, section 245.98. The amounts in this paragraph:*

- (1) must be subtracted from the amounts available to the director for advertising under Minnesota Statutes, section 349A.10, subdivision 3, paragraph (c);*
- (2) must be transferred before calculation of the net proceeds of the lottery under Minnesota Statutes, section 349A.10, subdivision 5; and*
- (3) are not subject to the 15 percent limitation in section 349A.10, subdivision 3, paragraph (b).*

**Sec. 45. [REPEALER.]**

*Minnesota Statutes 1990, sections 349.154, subdivision 3; 349.212, subdivision 6; 349A.02, subdivision 5; and 349A.03, subdivision 3, are repealed.*

**Sec. 46. [EFFECTIVE DATE.]**

*Sections 6, 8 to 10, 16 to 20, 23, 25, 29, 31, 32 to 34, and 45 are effective the day following final enactment.*

*Section 28 is effective July 1, 1991, and applies to pull-tab and tipboard*

*deals sold on or after that date.*

*Sections 1, 2, 21, 22, 31, 35, and 43 are effective July 1, 1991.*

*Sections 12, 14, and 15 are effective August 1, 1991, and apply to licenses and permits issued on or after that date.*

*Section 27 is effective September 1, 1991, and the manual required in that section must be distributed by that date.*

*Sections 3, 4, 36 to 39, and 41 are effective January 1, 1992.*

*Sections 7, 24, and 26 are effective March 1, 1992.”*

Delete the title and insert:

“A bill for an act relating to lawful gambling; lotteries; expanding requirements relating to compulsive gambling; regulating manufacturers and distributors of gambling devices; changing certain requirements relating to record keeping, reports, audits, and expenditures of gambling profits by licensed gambling organizations; modifying certain licensing, training, and operating requirements for licensed gambling organizations; changing the rate of the tax on pull-tabs and tipboards; authorizing the director of the lottery to enter into joint lotteries outside the United States; expanding certain provisions relating to lottery retailers; designating certain data on lottery prize winners as private; prohibiting lottery advertising that exploits a religious holiday; clarifying the prohibition on video games of chance; imposing surcharges on lawful gambling premises permit fees; appropriating money; amending Minnesota Statutes 1990, sections 240.13, subdivision 2; 245.98, by adding a subdivision; 299L.01, subdivision 1; 349.12, subdivision 25, and by adding subdivisions; 349.15; 349.151, subdivision 4; 349.154, subdivision 2; 349.16, subdivisions 2 and 3; 349.163, subdivision 3; 349.165, subdivisions 1 and 3; 349.167, subdivisions 1, 2, and 4; 349.17, subdivisions 1 and 5; 349.172; 349.18, subdivision 1; 349.19, subdivisions 2, 5, 9, and by adding subdivisions; 349.212, subdivision 4; 349A.02, subdivision 3; 349A.06, subdivisions 3, 5, and 11; 349A.08, by adding a subdivision; 349A.09, subdivision 2; 609.115, by adding a subdivision; 609.75, subdivision 4, and by adding a subdivision; 609.755; 609.76, subdivision 1; 609.761, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299L; repealing Minnesota Statutes 1990, sections 349.154, subdivision 3; 349.212, subdivision 6; 349A.02, subdivision 5; and 349A.03, subdivision 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. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 1265: A bill for an act relating to water resources; allowing certain land to be used as a veterans cemetery under certain circumstances; amending Minnesota Statutes 1990, section 103F.369, subdivision 2, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 27, before the period, insert “*or an appropriate liner as determined by the board*”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 998: A bill for an act relating to weights and measures; adopting weights and measures standards recommended by the United States Department of Commerce, National Institute of Standards and Technology; defining the responsibilities, duties, and powers of the division of weights and measures; providing that the division have a director; amending Minnesota Statutes 1990, sections 239.01; 239.02; 239.05; 239.09; proposing coding for new law in Minnesota Statutes, chapter 239; repealing Minnesota Statutes 1990, sections 239.07; 239.08; and 239.37.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, line 20, delete "*director*" and insert "*department*"

Page 7, after line 36, insert:

*"This section is not intended to conflict with the bulk sale requirements of the department of agriculture. If a conflict occurs, the law and rules of the department of agriculture govern."*

Page 8, lines 13 and 14, delete "*packaged food*" and insert "*packaging*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 535: A bill for an act relating to insurance; accident and health; regulating assignments of benefits; amending Minnesota Statutes 1990, section 72A.201, subdivisions 3, 4, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 4 to 7, delete section 2

Page 7, delete lines 8 to 23 and insert:

*"Subd. 13. [PAYMENT OF HEALTH CARE CLAIMS.] Insurers issuing individual and group health insurance policies and all other third party payors shall reimburse the health care provider for all claims and indemnities payable under legal policies and contracts upon the proper filing of a claim, together with all necessary documentation, by reissuing full payment of the claim if the insurer fails to honor a valid assignment of benefits for the claim upon written notice by the health care provider. This subdivision does not apply to the state group insurance program and public employees insurance program authorized under chapter 43A, a nonprofit health service plan corporation regulated under chapter 62C, or a health maintenance organization regulated under chapter 62D."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "subdivisions" and insert "subdivision" and delete "4."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1128: A bill for an act relating to insurance; providing for replacement cost insurance coverage for personal property; prohibiting insurers from requiring more than one residential renter's insurance policy be written to cover a single household; amending Minnesota Statutes 1990, section 65A.10; proposing coding for new law in Minnesota Statutes, chapter 65A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 17, delete "*all of the*" and insert "*three*" and after "*household*" insert "*if all of the individuals are named insureds on the policy*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 918: A bill for an act relating to insurance; prohibiting certain agreements; amending Minnesota Statutes 1990, section 60A.08, 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 1990, section 60A.08, is amended by adding a subdivision to read:

*Subd. 14. [AGREEMENT TO RESCIND POLICY.] (a) If the insurer has knowledge of any claims against the insured that would remain unsatisfied due to the financial condition of the insured, the insurer and the insured may not agree to rescind the policy.*

*(b) Before entering into an agreement to rescind a policy, an insurer must make a good faith effort to ascertain: (1) the existence and identity of all claims against the policy; and (2) the financial condition of the insured.*

*(c) An agreement made in violation of this section is void and unenforceable."*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 274: A bill for an act relating to regulation of dangerous dogs; providing for designation of a warning symbol to inform children of the presence of a dangerous dog; amending Minnesota Statutes 1990, section 347.51, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, after “be” insert “uniform and”

Page 1, line 18, delete “sufficient” and insert “the number of”

Page 1, line 19, delete “to” and insert “requested by” and delete the second “each” and insert “the”

Page 1, line 20, after the period, insert “The county may charge the registrant a reasonable fee to cover its administrative costs and the cost of the warning symbol.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 601: A bill for an act relating to commerce; providing that credit agreements need not be signed by the creditor in certain situations; amending Minnesota Statutes 1990, section 513.33, 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 1990, section 513.33, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them:

(1) “credit agreement” means an agreement to lend or forbear repayment of money, goods, or things in action, to otherwise extend credit, or to make any other financial accommodation;

(2) “creditor” means a person who extends credit under a credit agreement with a debtor; and

(3) “debtor” means a person who obtains credit or seeks a credit agreement with a creditor or who owes money to a creditor; and

(4) “signed” has the meaning specified in section 336.1-201(39).

Sec. 2. [APPLICATION.]

*The intent of section 1 is to clarify the intent of the legislature in enacting section 513.33.”*

Delete the title and insert:

“A bill for an act relating to commerce; providing a definition of “signed” for purposes of credit agreements; amending Minnesota Statutes 1990, section 513.33, subdivision 1.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 1167: A bill for an act relating to taxation; requiring the metropolitan council to levy a tax for support of nonprofit arts organizations; providing for distribution of the proceeds as determined by the state board of the arts; amending Minnesota Statutes 1990, sections 129D.01; 129D.04,



subdivisions 1 and 2; 473.13, subdivisions 1 and 2; and 473.249, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 129D.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 2 to 4, delete sections 2 and 3

Page 4, line 2, delete "METROPOLITAN"

Page 4, delete lines 9 and 10

Page 4, line 11, delete "(2)" and insert "(1)"

Page 4, line 13, delete "(3)" and insert "(2)" and delete "the region"

Page 4, line 14, delete "11 arts council" and insert "from one of the regional arts councils"

Page 4, line 16, delete "(4)" and insert "(3)"

Page 4, line 18, delete "(5)" and insert "(4)"

Page 5, line 1, delete "by the metropolitan council"

Page 5, line 2, delete "473.249, subdivision 4" and insert "3"

Page 5, delete line 10 and insert "3."

Page 5, line 12, delete "metropolitan council" and insert "state treasurer"

Page 5, line 14, after "distributed" insert "by the state treasurer"

Pages 5 to 7, delete sections 5 to 8 and insert:

"Sec. 3. [129D.07] [PROPERTY TAX LEVY.]

*The state auditor shall annually levy a tax on all taxable property within the state at the rate of 1.077 percent of net tax capacity. The tax must be levied and collected as provided in chapters 275 and 276. The proceeds of the tax must be deposited in the general fund for use as follows:*

*(1) 95.67 percent must be used exclusively for the purposes set forth in section 2; and*

*(2) 4.33 percent must be distributed to the regional arts councils through the board of the arts acting as a fiscal agent for the regional arts forum.*

Sec. 4. Minnesota Statutes 1990, section 276.04, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF TAX STATEMENTS.] (a) The treasurer shall provide for the printing of the tax statements. The commissioner of revenue shall prescribe the form of the property tax statement and its contents. The statement must contain a tabulated statement of the dollar amount due to each taxing authority from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the state, county, township or municipality and school district must be separately stated. The amounts due other taxing districts, if any, may be aggregated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The statement shall include the following sentence, printed in upper case letters in boldface print: "THE STATE OF MINNESOTA DOES NOT

**RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT."**

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain the following information in the order given in this paragraph. The information must contain the current year tax information in the right column with the corresponding information for the previous year in a column on the left:

(1) the property's estimated market value as defined in section 272.03, subdivision 8;

(2) the property's gross tax, calculated by multiplying the property's gross tax capacity times the total ~~local~~ tax rate and adding to the result the sum of the aids enumerated in clause (3);

(3) a total of the following aids:

(i) education aids payable under chapters 124 and 124A;

(ii) local government aids for cities, towns, and counties under chapter 477A; and

(iii) disparity reduction aid under section 273.1398;

(4) for homestead residential and agricultural properties, the homestead and agricultural credit aid apportioned to the property. This amount is obtained by multiplying the total local tax rate by the difference between the property's gross and net tax capacities under section 273.13. This amount must be separately stated and identified as "homestead and agricultural credit." For purposes of comparison with the previous year's amount for the statement for taxes payable in 1990, the statement must show the homestead credit for taxes payable in 1989 under section 273.13, and the agricultural credit under section 273.132 for taxes payable in 1989;

(5) any credits received under sections 273.119; 273.123; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10; and

(6) the net tax payable in the manner required in paragraph (a).

The commissioner of revenue shall certify to the county auditor the actual or estimated aids enumerated in clauses (3) and (4) that local governments will receive in the following year. In the case of a county containing a city of the first class, for taxes levied in 1991, and for all counties for taxes levied in 1992 and thereafter, the commissioner must certify this amount by September 1."

Page 7, line 19, delete "to 4" and insert "and 2"

Page 7, line 20, delete "5 to 8" and insert "3 and 4"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "requiring the metropolitan"

Page 1, line 3, delete "council to levy a" and insert "imposing a statewide property"

Page 1, delete lines 7 and 8

Page 1, line 9, delete "subdivision" and insert "and 276.04, subdivision 2"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 614 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.
614	548				

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. 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	484				

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. 484; further, delete the title of H.F. No. 415 and insert the title of S.F. No. 484.

And when so amended H.F. No. 415 will be identical to S.F. No. 484, and further recommends that H.F. No. 415 be given its second reading and substituted for S.F. No. 484, 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. 41 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File

as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
41	72				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 41 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 41 and insert the language after the enacting clause of S.F. No. 72, the first engrossment; further, delete the title of H.F. No. 41 and insert the title of S.F. No. 72, the first engrossment.

And when so amended H.F. No. 41 will be identical to S.F. No. 72, and further recommends that H.F. No. 41 be given its second reading and substituted for S.F. No. 72, 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. 137 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
137	4				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 137 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 137 and insert the language after the enacting clause of S.F. No. 4, the first engrossment; further, delete the title of H.F. No. 137 and insert the title of S.F. No. 4, the first engrossment.

And when so amended H.F. No. 137 will be identical to S.F. No. 4, and further recommends that H.F. No. 137 be given its second reading and substituted for S.F. No. 4, 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. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 2: A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; requiring the commissioner of health to set overall limits on health care spending and make recommendations regarding health care system reform; creating a technology and benefits advisory committee; creating a

health care expenditures advisory committee; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 16B; 62A; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, lines 3 and 4, delete "HEALTH CARE PLAN DESIGN AND IMPLEMENTATION" and insert "BUREAU OF HEALTH CARE ACCESS"

Page 5, line 5, after "The" insert "*bureau of health care access in the*"

Page 5, line 7, after the period, insert "*The bureau of health care access is under the supervision of a deputy commissioner appointed by the commissioner of health.*"

Page 7, delete lines 4 to 6

Re-number the subdivisions in sequence

Page 8, line 4, after "of" insert "*15 members including*"

Page 9, line 5, delete "whose" and insert "*consisting of 15*" and delete "are"

Page 15, line 14, after the period, insert "*Section 8 is repealed effective July 1, 1995. Section 9 is repealed effective January 1, 1994.*"

Page 17, after line 22, insert:

"*Subd. 5. [STATE FUNDS MAY NOT BE USED FOR ABORTION.] State funds must not be used to pay for an abortion, except as allowed under section 256B.0625, subdivision 16.*"

Re-number the subdivisions in sequence

Page 45, line 30, delete ", the commissioner of health,"

Page 46, line 20, delete "commerce" and insert "health"

Page 47, after line 34, insert:

"Sec. 4. [62J.511] [OFFICE OF RURAL HEALTH.]

*The commissioner shall consolidate all departmental rural health programs and activities into an office of rural health.*"

Page 48, line 7, after the period, insert "*Section 4 is effective July 1, 1993.*"

Re-number the sections of article 5 in sequence

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Metropolitan Affairs, to which was re-referred

S.F. No. 598: A bill for an act relating to transportation; establishing state transportation goals and requiring periodic revisions of the state transportation plan; directing a study of rail-highway grade crossings; establishing penalties for violations of grade crossing safety laws; directing the commissioner to take certain actions relating to grade crossings; authorizing the commissioner of transportation to make grants and loans for the improvement of commercial navigation facilities; establishing special categories of roads and highways; authorizing local units of government to advance funds for the completion of highway projects; establishing a transportation utility; authorizing road authorities to enter into agreements for the construction, maintenance, and operation of toll facilities; creating a transportation services fund; specifying percentage of unrefunded motor fuel tax revenue that is attributable to use on forest roads; authorizing the commissioner of transportation to plan, acquire, construct, and equip light rail transit facilities, and limiting authority of regional rail authorities; authorizing transportation research; directing a study of highway corridors; extending the transportation study board and specifying duties; appropriating money; amending Minnesota Statutes 1990, sections 162.02, subdivision 3a; 162.09, subdivision 3a; 162.14, subdivision 6; 168.54, subdivisions 5 and 6; 169.09, subdivision 13; 169.14, by adding a subdivision; 169.26; 170.23; 171.13, subdivision 1, and by adding a subdivision; 171.185; 171.26; 171.36; 173.13, subdivision 4; 173.231; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 221.036, subdivision 14; 222.50, subdivision 7; 296.16, subdivision 1a; 296.421, subdivision 8; 299D.03, subdivision 5; 398A.04, subdivision 8; 473.399, by adding a subdivision; 473.3993, subdivisions 2 and 3, and by adding a subdivision; 473.3994; and 473.3996; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; 221; 444; and 473; proposing coding for new law as Minnesota Statutes, chapter 457A; repealing Laws 1988, chapter 603, section 6; and Laws 1989, chapter 339, section 21.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

#### "ARTICLE I

#### TRANSPORTATION PLANNING

Section 1. Minnesota Statutes 1990, section 174.01, is amended to read:  
174.01 [CREATION; POLICY.]

*Subdivision 1.* [DEPARTMENT CREATED.] In order to provide a balanced transportation system, ~~which system includes~~ *including* aeronautics, highways, motor carriers, ports, public transit, railroads and pipelines, a department of transportation is created. The department ~~shall be~~ *is* the principal agency of the state for development, implementation, administration, consolidation, and coordination of state transportation policies, plans and programs.

*Subd. 2.* [TRANSPORTATION GOALS.] *The goals of the state transportation system are as follows:*

*(1) to provide safe transportation for users throughout the state;*

(2) to provide multimodal transportation that enhances mobility and economic development and provides access to all persons and businesses in Minnesota while ensuring that there is no undue burden placed on any community;

(3) to provide a reasonable travel time for commuters;

(4) to provide for the economical, efficient, and safe movement of goods to and from markets by rail, highway, and waterway;

(5) to encourage tourism by providing appropriate transportation to Minnesota facilities designed to attract tourists;

(6) to provide transit services throughout the state to meet the needs of transit users;

(7) to promote productivity through system management and the utilization of technological advancements;

(8) to maximize the benefits received for each state transportation investment;

(9) to provide funding for transportation that, at a minimum, preserves the transportation infrastructure;

(10) to ensure that the planning and implementation of all modes of transportation are consistent with the environmental and energy goals of the state;

(11) to increase high occupancy vehicle use;

(12) to provide an air transportation system sufficient to encourage economic growth and allow all regions of the state the ability to participate in the global economy while limiting the environmental impacts to the fewest number of people practicable; and

(13) to increase transit use in the metropolitan area by giving highest priority to the transportation modes with the greatest people moving capacity.

Sec. 2. Minnesota Statutes 1990, section 174.03, is amended by adding a subdivision to read:

*Subd. 1a.* [REVISION OF STATE TRANSPORTATION PLAN.] *The commissioner shall revise the state transportation plan by July 1, 1993, and by July 1 of each odd-numbered year thereafter. Before final adoption of a revised plan, the commissioner shall hold a hearing to receive public comment on the plan. The revised state transportation plan must:*

(1) incorporate the goals of the state transportation system in section 174.01; and

(2) establish objectives, policies, and strategies for achieving those goals.

Sec. 3. Minnesota Statutes 1990, section 174.03, subdivision 2, is amended to read:

*Subd. 2.* [IMPLEMENTATION OF PLAN.] *After the adoption and each revision of the statewide transportation plan, the commissioner and the transportation regulation board shall take no action inconsistent with that the revised plan.*

ARTICLE 2  
RAILROAD CROSSINGS

Section 1. [RAIL-HIGHWAY CROSSING IMPROVEMENT.]

*Subdivision 1. [STATE RAIL CORRIDOR STUDY.] The commissioner of transportation shall conduct a study of railroad-highway grade crossing safety and improvement in Minnesota.*

*Subd. 2. [CONTENT OF STUDY.] The study must include:*

*(1) a method of determining the relative benefits of grade crossing protection and improvement to the railroad, to the road authority, and to the public, and cost-sharing guidelines;*

*(2) funding sources for grade crossing protection and improvement;*

*(3) grade crossing safety research needs; and*

*(4) recommendations for statutory changes to improve grade crossing safety.*

*Subd. 3. [REPORT.] The commissioner shall report to the governor and legislature no later than February 1, 1992, on the results of the study.*

Sec. 2. Minnesota Statutes 1990, section 169.26, is amended to read:

169.26 [SPECIAL STOPS AT RAILROADS.]

Subdivision 1. [REQUIREMENTS.] (a) When any person driving a vehicle approaches a railroad grade crossing under any of the circumstances stated in this paragraph, the driver shall stop the vehicle not less than ten feet from the nearest railroad track and shall not proceed until safe to do so. These requirements apply when:

(1) a clearly visible electric or mechanical signal device warns of the immediate approach of a railroad train;

(2) a crossing gate is lowered warning of the immediate approach or passage of a railroad train; or

(3) an approaching railroad train is plainly visible and is in hazardous proximity.

(b) The driver of a vehicle shall stop and remain ~~standing~~ *stopped* and not traverse the grade crossing when a human flagger signals the approach or passage of a train. No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals that the way is clear to proceed.

*(c) The fact that a moving train approaching a railroad grade crossing is visible from the crossing is prima facie evidence that it is not safe to proceed.*

*Subd. 1a. [VIOLATION.] (a) A peace officer as defined in section 169.725 may arrest the driver of a motor vehicle if the peace officer has probable cause to believe that the driver has operated the vehicle in violation of subdivision 1 within the past four hours.*

*(b) The owner or, in the case of a leased vehicle, the lessee of a motor vehicle is subject to the penalties in subdivision 2 if a motor vehicle owned or leased by that person is operated in violation of subdivision 1. This subdivision does not apply to a lessor of a motor vehicle if the lessor keeps a record of the name and address of the lessee. This subdivision does not*



*prohibit or limit the prosecution of a motor vehicle operator for violating subdivision 1. A violation of this paragraph does not constitute grounds for revocation or suspension of the owner's driver's license.*

Subd. 2. [PENALTY.] A person who violates this section is guilty of a misdemeanor and subject to the following penalties:

*(1) for the first offense, a fine of \$100 and four hours of community service;*

*(2) for the second offense, a fine of \$150 and eight hours of community service; and*

*(3) for the third and subsequent offenses, a fine of \$250 and 12 hours of community service.*

Subd. 3. [DRIVER TRAINING.] *All driver education courses approved by the commissioner of education and the commissioner of public safety must include instruction on railroad-highway grade crossing safety. The commissioner of education and the commissioner of public safety shall by rule establish minimum standards of course content relating to operation of vehicles at railroad-highway grade crossings.*

Subd. 4. [APPROPRIATION.] *The fines collected for a violation of subdivision 1 must be deposited in the state treasury and appropriated to the rail service improvement account under section 222.49 and used for public education on railroad grade crossing safety.*

Sec. 3. Minnesota Statutes 1990, section 171.13, subdivision 1, is amended to read:

Subdivision 1. [APPLICANTS.] *Except as otherwise provided in this section, the commissioner shall examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include a test of applicant's eyesight; ability to read and understand highway signs regulating, warning, and directing traffic; knowledge of traffic laws; knowledge of the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally; knowledge of railroad grade crossing safety; an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways, provided, further however, no driver's license shall be denied an applicant on the exclusive grounds that the applicant's eyesight is deficient in color perception. Provided, however, that war veterans operating motor vehicles especially equipped for handicapped persons, shall, if otherwise entitled to a license, be granted such license. The commissioner shall make provision for giving these examinations either in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant.*

Sec. 4. Minnesota Statutes 1990, section 171.13, is amended by adding a subdivision to read:

Subd. 1d. [RAILROAD CROSSING SAFETY.] *The commissioner shall include in each edition of the driver's manual published by the department a section relating to safe operation of vehicles at railroad grade crossings.*

Sec. 5. Minnesota Statutes 1990, section 219.074, is amended by adding a subdivision to read:

*Subd. 3. [CROSSING INVENTORY.] By December 31, 1993, the commissioner shall inventory all public and private grade crossings in the state and shall annually revise the inventory to reflect grade crossing changes made under this section.*

**Sec. 6. [219.165] [SAFETY RULES AT PRIVATE RAILROAD GRADE CROSSINGS.]**

*By December 31, 1992, the commissioner shall adopt rules establishing minimum safety standards at all private railroad grade crossings in the state.*

**Sec. 7. [219.384] [REMOVAL OF DANGEROUS OBSTRUCTIONS.]**

*Subdivision 1. [REMOVAL ORDERED.] If a railroad company, road authority, or abutting property owner fails to control the growth of trees or vegetation or the placement of structures or other obstructions on its right-of-way or property so as to interfere with the safety of the public traveling on a public or private grade crossing, the local governing body of the town or municipality where the grade crossing is located may, by notice, require the obstruction to be removed as necessary to provide an adequate view of oncoming trains at the crossings. The commissioner shall adopt rules establishing minimum standards for visibility at public and private grade crossings.*

*Subd. 2. [PENALTY.] A railroad company, road authority, or property owner that fails to comply with this section within 30 days after being notified in writing is subject to a fine of \$50 for each day that the condition is uncorrected.*

**Sec. 8. Minnesota Statutes 1990, section 219.402, is amended to read:  
219.402 [ADEQUATE CROSSING PROTECTION.]**

Crossing safety devices or improvements installed or maintained under this chapter as approved by the board, *or the commissioner*, whether by order or otherwise, are adequate and appropriate protection for the crossing.

**Sec. 9. Minnesota Statutes 1990, section 222.50, subdivision 7, is amended to read:**

**Subd. 7.** The commissioner may expend money from the rail service improvement account for the following purposes:

- (a) To pay interest adjustments on loans guaranteed under the state rail user loan guarantee program;
- (b) To pay a portion of the costs of capital improvement projects designed to improve rail service including construction or improvement of short segments of rail line such as side track, team track and connections between existing lines, and construction and improvement of loading, unloading, storage and transfer facilities of a rail user;
- (c) To acquire, maintain, manage and dispose of railroad right-of-way pursuant to the state rail bank program;
- (d) To provide for aerial photography survey of proposed and abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the in-place track; ~~or~~
- (e) To pay a portion of the costs of acquiring a rail line by a regional railroad authority established pursuant to chapter 398A; *or*

*(f) To promote public education in railroad grade crossing safety, in an amount not exceeding one percent of the money in the account in a fiscal year.*

All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the rail service improvement account.

### ARTICLE 3

#### PORT DEVELOPMENT ASSISTANCE

##### Section 1. [457A.01] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] For purposes of sections 1 to 6, the following terms have the meanings given them.*

*Subd. 2. [COMMERCIAL NAVIGATION FACILITY.] "Commercial navigation facility" means (1) terminals and docks used for the transfer of property or passengers between commercial vessels and land, and supporting equipment, structures, and transportation facilities, (2) disposal facilities for dredged material produced by port development projects, and (3) buildings and related structures and facilities used by commercial vessels under construction or repair. "Commercial navigation facility" does not include a commercial navigation facility not on the commercial navigation system or commercial navigation facilities that are the responsibility of the United States Army Corps of Engineers and the United States Coast Guard.*

*Subd. 3. [COMMERCIAL VESSEL.] "Commercial vessel" means a vessel used for the transportation of passengers or property. "Commercial vessel" does not include a vessel used primarily for recreational or sporting purposes.*

*Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of transportation.*

*Subd. 5. [COMMERCIAL NAVIGATION SYSTEM.] "Commercial navigation system" means (1) the commercially navigable waters of the Mississippi, the Minnesota, and the St. Croix rivers, (2) the commercial harbors on Minnesota's Lake Superior shoreline, and (3) the commercial navigation facilities on those waterways.*

*Subd. 6. [PERSON.] "Person" means an individual, a partnership, a corporation, an association, or other organization or entity that applies for assistance under this chapter.*

##### Sec. 2. [457A.02] [PROGRAM ESTABLISHED.]

*The commissioner shall administer the port development assistance program and may make grants and loans to and enter into assistance agreements with eligible recipients under section 3, subdivision 1.*

##### Sec. 3. [457A.03] [PORT ASSISTANCE.]

*Subdivision 1. [ELIGIBLE APPLICANTS.] A person, political subdivision, or port authority that owns a commercial navigation facility may apply to the commissioner for assistance under this chapter.*

*Subd. 2. [TYPES OF ASSISTANCE.] The commissioner may make loans for a project that will (1) expedite the movement of commodities and passengers on the commercial navigation system; or (2) enhance the commercial vessel construction and repair industry in Minnesota. The commissioner*

may make grants, or a combination of grants and loans for a project that additionally enhances economic development in and around the commercial navigation facility being assisted.

*Subd. 3. [STATE PARTICIPATION; LIMITATIONS.] The commissioner shall not provide assistance under this chapter in an amount that exceeds 50 percent of the non-federal share of a project. Assistance provided under this chapter may not be used to match other state funds. The commissioner shall not assume continuing funding responsibility for a commercial navigation facility project.*

**Sec. 4. [ASSISTANCE AGREEMENTS.]**

*Subdivision 1. [AGREEMENTS REQUIRED.] The commissioner and an assistance recipient shall enter into an agreement that specifies the project costs that will be paid with money under this chapter.*

*Subd. 2. [COSTS.] (a) The following costs are eligible for assistance:*

- (1) final engineering costs for a commercial navigation facility project;*
- (2) capital improvements to a commercial navigation facility; and*
- (3) costs of dredging necessary to open a new commercial navigation facility or to dispose of dredged material.*

*(b) The following costs may not be paid under this chapter:*

- (1) the recipient's administrative, insurance, and legal costs;*
- (2) costs of acquiring project permits;*
- (3) costs of preparing environmental documents, feasibility studies, or project designs;*
- (4) interest on money borrowed by the recipient or charged for late payment of project costs;*
- (5) costs related to the routine maintenance, repair, or operation of a commercial navigation facility;*
- (6) costs of dredging to maintain an existing channel; and*
- (7) costs for a project that involves only dredging.*

*Subd. 3. [INSURANCE; LIABILITY.] The recipient must provide a comprehensive general liability insurance policy that names the commissioner and officers, employees, and agents of the department as additional insureds and saves and holds the commissioner harmless from and against all liability, damage, loss, claims, demands, and actions related to the project.*

*Subd. 4. [PERFORMANCE AND PAYMENT BONDS.] A recipient must provide evidence of performance and payment bonds satisfying all applicable legal requirements for the full amount of all construction contracts let in connection with the project.*

*Subd. 5. [REPAYMENT.] An assistance agreement must require the recipient to repay all or part of any money received, as determined by the commissioner, if the project is not completed according to the terms of the assistance agreement or the project is converted, during the period of time specified in the assistance agreement, to a use that is inconsistent with the purposes of this chapter or with the terms of the assistance agreement or is not approved in writing by the commissioner.*

Sec. 5. [457A.05] [RULES.]

*The commissioner may adopt rules governing applications for assistance under this chapter including:*

*(1) procedures for establishing application deadlines and for notifying potential applicants of the deadlines;*

*(2) project eligibility criteria;*

*(3) information required to be submitted with applications;*

*(4) contents of assistance agreements; and*

*(5) any other requirement the commissioner deems necessary for the administration of this chapter.*

Sec. 6. [457A.06] [REVOLVING FUND.]

*Subdivision 1. [FUND ESTABLISHED.] A port development revolving fund is established in the state treasury. The fund consists of all money appropriated to the commissioner for the purposes of this chapter, all money received by the commissioner from repayment of loans made under this chapter, and all interest earned on money deposited in the fund.*

*Subd. 2. [APPROPRIATION.] Money in the port development revolving fund is appropriated to the commissioner for the purposes of this chapter.*

Sec. 7. [EFFECTIVE DATE.]

*Sections 1 to 6 are effective July 1, 1991.*

ARTICLE 4

LOCAL HIGHWAYS

Section 1. [162.021] [NATURAL PRESERVATION ROUTES.]

*Subdivision 1. [ESTABLISHMENT.] (a) The commissioner shall establish a natural preservation routes category within the county state-aid highway system.*

*(b) Natural preservation routes include those routes that possess particular scenic, environmental, or historical characteristics, such as routes along lakes or through forests, wetlands, or flood plains, that would be harmed by construction or reconstruction meeting the engineering standards under section 162.07 or the rules adopted under that section.*

*(c) The commissioner shall adopt rules establishing minimum construction and reconstruction standards that address public safety and reflect the function, reduced traffic volume, and slower speed on natural preservation routes. The rules may not establish standards for natural preservation routes that are higher than the standards for national forest highways within national forests and state park access roads within state parks. Design standards specifying the width of vehicle recovery areas on forest highways, forest and park roads, and on natural preservation routes must minimize harmful environmental impact.*

*Subd. 2. [SIGNS.] Signs must be posted at entry points to and at regular intervals along natural preservation routes. Signs posted must conform to the commissioner's manual of uniform traffic devices. Properly posted signs are prima facie evidence that adequate notice of a natural preservation route has been given to the motoring public.*

*Subd. 3. [LIABILITY.] Where a county state-aid highway has been designated a natural preservation route and signs have been posted under subdivision 2, the state and the county with jurisdiction over the road and their officers and employees are exempt from liability for any tort claim for injury to persons or property arising from travel on the highway and related to its design standards for construction or reconstruction.*

*Subd. 4. [PUBLIC INFORMATION.] A county proposing a project on a county state-aid highway that requires removal of the entire surface of the highway shall send to owners of property abutting the highway a written notice that describes the project and different design and construction alternatives available to the county. The county shall hold a public meeting to discuss design and construction alternatives.*

*Subd. 5. [DESIGNATION OF ROUTE.] A county state-aid highway may be designated as a natural preservation route only by resolution of the county board. A county board may designate a natural preservation route notwithstanding whether construction or reconstruction is proposed for the highway.*

**Sec. 2. [160.82] [STREETS AND HIGHWAYS WITHIN PARKS.]**

*Subdivision 1. [DEFINITION.] "Park road" means that portion of a street or highway located entirely within the park boundaries of a city, county, regional, or state park.*

*Subd. 2. [RESTRICTIONS.] A road authority may not make changes in the width, grade, or alignment of a park road, except changes required to permit the safe travel of vehicles at the speed lawfully designated for that park road, that would affect the wildlife habitat or aesthetic characteristics of the park road or its adjacent vegetation or terrain. A road authority may not make changes in the width, grade, or alignment of a park road that is a county state-aid highway or municipal state-aid street, except changes required by the minimum state-aid standard applicable to that road, that would affect the wildlife habitat or aesthetic characteristics of the park road or its adjacent vegetation or terrain.*

*Subd. 3. [LIABILITY.] A road authority making changes in a park road described in subdivision 1, and its officers and employees, are exempt from liability for any tort claim for injury to persons or property arising from travel on that park road and related to the design of that park road, where the design has been adopted to conform to this section.*

**Sec. 3. [160.83] [RUSTIC ROADS PROGRAM.]**

*Subdivision 1. [DEFINITION.] A "rustic road" is a road that is not on the state-aid system that has the following characteristics: outstanding natural features or scenic beauty; an average daily traffic volume of less than 150 vehicles per day; year-round use as a local access road; and maximum allowable speed of 45 miles per hour.*

*Subd. 2. [LOCAL AUTHORITY.] A road authority other than the commissioner may, by resolution, designate a road or highway under its jurisdiction a rustic road and the road authority may designate the type and character of vehicles that may be operated on the rustic road; designate the road or a portion of the road as a pedestrian way or bicycle way, or both; and establish priority of right-of-way, paint lines, and construct dividers to physically separate vehicular, bicycle, or pedestrian traffic.*

*Subd. 3. [JOINT DESIGNATION.] Two or more road authorities may*

*jointly designate a rustic road along a common boundary or into or through their jurisdictions. The road authorities may enter into agreements to divide the costs and responsibility for maintaining the rustic road.*

*Subd. 4. [COSTS.] A rustic road must be maintained by the road authority having jurisdiction over the road and is not eligible for state-aid funding. State money must not be spent to construct, reconstruct, maintain, or improve a rustic road.*

**Sec. 4. [161.361] [ADVANCE FUNDING FOR TRUNK HIGHWAY PROJECTS.]**

*Subdivision 1. [ADVANCE FUNDING.] A road authority other than the commissioner may by agreement with the commissioner make advances from any available funds to the commissioner to expedite construction of all or part of a trunk highway. Money may be advanced under this section only for projects already included in the commissioner's highway work program.*

*Subd. 2. [REPAYMENT.] Subject to the availability of state money, the commissioner shall repay without interest the amount advanced under subdivision 1, up to the state's share of project costs, at the time the project is scheduled for completion in the highway work program. The total amount of annual repayment to road authorities under this section must never exceed the amount stated in the department's debt management policy or \$10 million, whichever is less.*

**Sec. 5. Minnesota Statutes 1990, section 162.02, subdivision 3a, is amended to read:**

**Subd. 3a. [VARIANCES, RULES AND ENGINEERING STANDARDS.]** The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.021 or 162.07, subdivision 2. A political subdivision in which a county state-aid highway is located or is proposed to be located may submit a written request to the commissioner for a variance for that highway. The commissioner shall publish notice of the request in the state register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of the request. If a written objection to the request is received within 20 days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing. *For purposes of this subdivision, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.*

**Sec. 6. Minnesota Statutes 1990, section 162.09, subdivision 3a, is amended to read:**

**Subd. 3a. [VARIANCES, RULES AND ENGINEERING STANDARDS.]** The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.13, subdivision 2. A political subdivision in which a municipal state-aid street is located or is proposed to be located may submit a written request to the commissioner for a variance for that street. The commissioner shall publish notice of the request in the state register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of the request. If

a written objection to the request is received within 20 days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing. *For purposes of this subdivision, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.*

Sec. 7. Minnesota Statutes 1990, section 162.14, subdivision 6, is amended to read:

Subd. 6. [ADVANCES.] Any such city, except cities of the first class, may make advances from any funds available to it for the purpose of expediting the construction, reconstruction, improvement, or maintenance of its municipal state-aid street system; provided that such advances shall not exceed ~~40 percent of its last apportionment~~ *the city's total estimated apportionment for the three years following the year the advance is made.* Advances made by any such city shall be repaid out of subsequent apportionments made to such city in accordance with the commissioner's rules.

Sec. 8. Minnesota Statutes 1990, section 169.14, is amended by adding a subdivision to read:

*Subd. 5e. [SPEED LIMIT ON PARK ROADS.] A political subdivision may establish a speed limit on a park road within its boundaries except that a speed limit on a park road located entirely within a regional park may only be established by a county. A speed limit established under this subdivision must not be lower than 20 miles per hour, and no speed limit established under this subdivision may reduce existing speed limits by more than 15 miles per hour. A speed limit established under this subdivision is effective on the erection of appropriate signs designating the speed limit and indicating the beginning and end of the reduced speed zone. Any speed in excess of the posted speed is unlawful.*

Sec. 9. [444.30] [TRANSPORTATION UTILITY.]

*Subdivision 1. [DEFINITIONS.] For purposes of this section, the term "municipality" means a home rule charter or statutory city or a town. The term "governing body" means the town board with respect to towns.*

*Subd. 2. [AUTHORIZATION.] Any municipality may build, construct, reconstruct, repair, enlarge, improve, maintain, or in any other manner obtain transportation utilities, including grading, base construction, surfacing construction, curb and gutter, striping, signing, signalization, lighting, sidewalks, pedestrian pathways, landscaping, boulevard restoration, and other appurtenances and related facilities for the collection, transport, and disbursement of traffic, all hereinafter called facilities, and maintain and operate the facilities inside its corporate limits, and acquire by gift, purchase, lease, condemnation, or otherwise any and all land and easements required for that purpose. The authority hereby granted is in addition to all other powers with reference to the facilities otherwise granted by the laws of this state or by charter of any municipality.*

*Subd. 3. [FINANCING.] For the purpose of paying the cost of building, constructing, reconstructing, repairing, enlarging, improving, maintaining, or in other manner obtaining the facilities or any portion of them, a municipality may issue and sell its general obligations, which may be made payable primarily from taxes or from special assessments to be levied to*



pay the cost of the facilities or from net revenues derived from transportation charges or from other nontax revenues pledged for their payment under charter or other statutory authority, or from two or more of the sources; or it may issue special obligations, payable solely from taxes or special assessments or from revenues, or from two or more of the sources. Real estate tax revenues should be used only, and then on a temporary basis, to pay general or special obligations when the other revenues are insufficient to meet the obligations. All obligations shall be issued and sold in accordance with chapter 475. When special assessments are pledged for the payment of the obligations, they shall be authorized and issued in accordance with the provisions of chapter 429, or of the city's charter if it authorizes these obligations and the governing body determines to proceed under the charter. When net revenues are pledged to the payment of the obligations, together with or apart from taxes and special assessments, the pledge shall be made in accordance with the provisions of subdivision 4.

Subd. 4. [CHARGES; NET REVENUES.] To pay for the construction, reconstruction, repair, enlargement, improvement, or other obtainment and the maintenance, operation, and use of the facilities, the governing body of a municipality may impose just and equitable charges for the use and for the availability of the facilities and for connections with them and make contracts for the charges as provided in this section. Charges shall be as nearly as possible proportionate to the cost of transportation systems and may be fixed on the basis of traffic generated or by reference to a reasonable classification of the types of premises to which service is furnished, or by reference to the quantity, type, and loading of the traffic generated, or on any other equitable basis including, but without limitation, any combination of those referred to above. The governing body may make the charges a charge against the owner, lessee, occupant, or all of them and may provide and covenant for certifying unpaid charges to the county auditor with taxes against the property served for collection as other taxes are collected. In determining the reasonableness of the charges to be imposed, the governing body may give consideration to all costs of the establishment, operation, maintenance, depreciation, and necessary replacements of the system, and of improvements, enlargements, and extensions necessary to serve adequately the territory of the municipality including the principal and interest to become due on obligations issued or to be issued. When net revenues have been appropriated to the payment of the cost of the establishment, or of any specified replacement, improvement, enlargement, or extension, or to pay the principal and interest due on obligations to be issued for such purpose, no charges imposed to produce net revenues adequate for the purpose shall be deemed unreasonable by virtue of the fact that the project to be financed has not been commenced or completed, if proceedings for it are taken with reasonable dispatch and the project, when completed, may be expected to make service available to the premises charged which will have a value reasonably commensurate with the charges. All charges, when collected, and all moneys received from the sale of any facilities or equipment or any by-products, shall be placed in a separate fund, and used first to pay the normal, reasonable, and current costs of operating and maintaining the facilities. The net revenues received in excess of the costs may be pledged by resolutions of the governing body, or may be used though not so pledged, for the payment of principal and interest on obligations issued as provided in subdivision 3, or to pay the portion of the principal and interest as may be directed in the resolutions, and net revenues derived from any facilities whether or not financed by the issuance of the obligations, may be pledged

*or used to pay obligations issued for other facilities of the same types. In resolutions authorizing the issuance of either general or special obligations and pledging net revenues to them, the governing body may make covenants for the protection of holders of the obligations and taxpayers of the municipality as it deems necessary, including, but without limitation, a covenant that the municipality will impose and collect charges of the nature authorized by this section at the times and in the amounts required to produce, together with any taxes or special assessments designated as a primary source of payment of the obligations, net revenues adequate to pay all principal and interest when due on the obligations and to create and maintain reserves securing the payments as may be provided in the resolutions. When a covenant is made it shall be enforceable by appropriate action on the part of any holder of the obligations or any taxpayer of the municipality in a court of competent jurisdiction, and the obligations shall be deemed to be payable wholly from the income of the system whose revenues are so pledged, within the meaning of sections 475.51 and 475.58.*

*Subd. 5. [LEVY ASSESSMENTS.] The governing body of a municipality may also levy assessments against property within the municipal limits benefited by the transportation system under the procedure authorized by law or charter with reference to other assessments for benefits of local improvements, may transfer and use for the purposes hereof surplus funds of the municipality not specifically dedicated to another purpose, and may levy taxes on property within the municipal limits for the purposes hereof.*

## ARTICLE 5

### TOLL FACILITIES

#### Section 1. [160.83] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] The terms used in sections 1 to 6 have the meanings given them in this section and section 160.02.*

*Subd. 2. [BOT FACILITY.] "BOT facility" means a build-operate-transfer toll facility constructed, improved, or rehabilitated and operated by a private operator that holds title to the facility subject to a development agreement that provides that title will be transferred to the road authority on expiration of an agreed term.*

*Subd. 3. [BTO FACILITY.] "BTO facility" means a build-transfer-operate toll facility constructed, improved, or rehabilitated by a private operator who: (1) transfers any interest it may have in the toll facility to the road authority before operation begins; and (2) operates the toll facility for an agreed term under a lease, management, or toll-concession agreement.*

*Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of the department of transportation.*

*Subd. 5. [DEVELOPMENT AGREEMENT.] "Development agreement" means a written agreement between a road authority and a private operator that provides for the construction, improvement, rehabilitation, ownership, and operation of a toll facility.*

*Subd. 6. [PRIVATE OPERATOR.] "Private operator" means an individual, a corporation, a partnership, a cooperative or unincorporated association, a joint venture, or a consortium that constructs, improves, rehabilitates, owns, leases, operates, or manages a toll facility subject to sections 1 to 6.*

*Subd. 7. [ROAD AUTHORITY.] "Road authority" has the meaning given it in section 160.02, subdivision 9, and also refers to a joint powers authority formed under section 6.*

*Subd. 8. [TOLL FACILITY.] "Toll facility" means a bridge, causeway, or tunnel, and its approaches; a road, street, or highway; an appurtenant building, structure, or other improvement; land lying within applicable rights-of-way; and other appurtenant rights or hereditaments that together comprise a project for which a private operator is authorized to operate and impose tolls under sections 1 to 6.*

**Sec. 2. [160.84] [AUTHORITY.]**

*Subdivision 1. [ROAD AUTHORITY.] A road authority may solicit or accept proposals from and enter into development agreements with private operators for constructing, improving, rehabilitating, operating, and managing toll facilities wholly or partly within the road authority's jurisdiction. A road authority soliciting toll facility proposals must publish a notice of solicitation in the State Register.*

*Subd. 2. [PRIVATE OPERATORS.] Private operators are authorized to construct, improve, rehabilitate, own, lease, manage, and operate toll facilities subject to the terms of sections 1 to 6. Private operators may mortgage, grant security interests in, and pledge their interests in: (1) toll facilities and their components; (2) development, lease, toll concessions, and other related agreements; and (3) income, profits, and proceeds of the toll facility.*

*Subd. 3. [APPROVAL.] No road authority and private operator may enter into a development agreement without the prior approval of the commissioner and the governing body of each county and municipality through which the facility is to pass. A road authority and private operator in the metropolitan area, as defined in section 473.121, subdivision 2, must obtain the council approval required in section 473.167, subdivision 1.*

*Subd. 4. [DEVELOPMENT AGREEMENT.] (a) A development agreement for toll facilities may provide for any mode of ownership or operation approved by the road authority, including ownership by the private operator without reversion of title, operation of the facilities under leases or management contracts, or BOT or BTO facilities.*

*(b) A development agreement may permit the private operator to assemble funds from any available source, including federal, state, and local grants, bond proceeds, contributions, and pledges and to incorporate an existing road or highway, a bridge, and approach structures, and related improvements into the toll facility. The private operator shall pay the road authority the fair market value of any property incorporated into the facility or shall adjust toll charges to the public to reflect the value of the incorporated property.*

*(c) A development agreement may include grants of title, easements, rights-of-way, and leasehold estates necessary to the toll facility.*

*(d) A development agreement may authorize the private operator to charge variable rate tolls based on time of day, vehicle characteristics, or other factors approved by the road authority.*

*(e) A development agreement may include authorization by the road authority to the private operator to exercise powers possessed by the road authority with respect to similar facilities.*

*Subd. 5. [RIGHT-OF-WAY ACQUISITION.] A private operator may acquire right-of-way by donation, lease, or purchase. A road authority may acquire right-of-way by eminent domain and may donate, sell, or lease a right-of-way to a private operator.*

*Subd. 6. [RESTRICTION.] No toll facility may be used for any purpose other than the transportation purposes specified in the development agreement for the term of the agreement.*

*Subd. 7. [TOLL FACILITY ACQUIRED BY ROAD AUTHORITY.] A development agreement that requires transfer or reversion of a toll facility to a road authority must provide that the transfer be at no cost to the road authority. The private operator shall establish an escrow account with sufficient funds to ensure that the facility meets applicable construction and maintenance standards of the road authority upon reversion.*

*Subd. 8. [APPLICATION OF OTHER LAW.] A private operator must obtain all environmental, navigational, design, or safety approvals required if the toll facility were constructed or operated by a road authority.*

**Sec. 3. [DEVELOPMENT AGREEMENTS; MANDATORY PROVISIONS.]**

*A development agreement must include the following provisions:*

*(a) The toll facility must meet the road authority's standards of design and construction for roads and bridges of the same functional classification and must be constructed by contractors on the department's list of eligible contractors.*

*(b) The commissioner must review and approve the location and design of a bridge over navigable waters as if the bridge were constructed by a road authority. This does not diminish the private operator's responsibility for bridge safety.*

*(c) The private operator shall manage and operate the toll facility in cooperation with the road authority and subject to the development agreement.*

*(d) The toll facility is subject to regular inspections by the road authority and the commissioner.*

*(e) The road authority shall provide maintenance, snow removal, and police services to the toll facility and the private operator shall pay the road authority the cost of services provided.*

**Sec. 4. [COST RECOVERY.]**

*Subdivision 1. [USE OF TOLL REVENUES.] Toll revenues must be applied to repayment of indebtedness incurred for the toll facility; lease or toll concessions payments; costs of operation, administration, rehabilitation, and maintenance necessary to meet applicable standards of the commissioner; and reasonable reserves for future capital outlays. The enumeration of uses in this subdivision does not state priorities for the use of these revenues.*

*Subd. 2. [RESIDUAL TOLL REVENUES.] Residual toll revenues belong to the private operator, except for payments to a road authority under the development agreement or a related toll concession agreement.*

*Subd. 3. [CONTINUATION OF TOLLS.] After expiration of a lease for a BTO facility, or after title has reverted for a BOT facility, the road authority*

*may continue to charge tolls for the facility.*

*Subd. 4. [TOLLS PRESCRIBED.] A road authority may prescribe tolls on a toll facility only if the road authority reasonably determines that no feasible alternative to the toll facility exists to serve the traffic that uses the facility. Tolls prescribed by a road authority for a facility must permit the operator a reasonable return on both investment and capital.*

**Sec. 5. [LAW ENFORCEMENT.]**

*State and local law enforcement authorities have the same powers and authority on a toll facility within their respective jurisdictions as they have on any other highway, road, or street within their jurisdiction. Law enforcement officers have free access to the toll facility at any time to exercise such powers as though it were a public right-of-way. State and local traffic and motor vehicle laws apply to persons driving or occupying motor vehicles on the toll facility.*

**Sec. 6. [JOINT AUTHORITY.]**

*(a) Two or more road authorities with jurisdiction over a toll facility may enter into a joint powers agreement under Minnesota Statutes, section 471.59, to exercise the powers, duties, and functions of the road authorities related to the toll facility, including negotiation and administration of the development agreement and related lease and toll concession agreements. If all road authorities with jurisdiction over a toll facility concur, title to or authority over the facility may be tendered to the commissioner who may accept the title or authority pursuant to the development agreement and this section.*

*(b) If a facility is located within the jurisdiction of more than one road authority, a road authority may prescribe tolls only under a joint agreement entered into under paragraph (a). Tolls may be prescribed under a joint agreement only if all road authorities with jurisdiction over the facility are parties to the agreement.*

**Sec. 7. [TOLL FACILITY REPLACEMENT PROJECTS.]**

*When a highway project in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, has been scheduled in the department's six-year work program but is designated as a toll facility, the commissioner shall substitute in the work program a similar highway project in the metropolitan area.*

**ARTICLE 6**

**TRANSPORTATION SERVICES FUND**

**Section 1. [161.041] [TRANSPORTATION SERVICES FUND.]**

*Subdivision 1. [FUND CREATED.] A transportation services fund is created in the state treasury. The fund consists of all money required or made available by law to be deposited in the fund.*

*Subd. 2. [USES OF FUND.] Money in the transportation services fund may be expended by appropriation for any transportation purpose.*

**Sec. 2.** Minnesota Statutes 1990, section 168.54, subdivision 5, is amended to read:

**Subd. 5.** The proceeds of the fee imposed under the provisions of this section shall be collected by the commissioner of public safety and paid

into the ~~general~~ *transportation services* fund.

Sec. 3. Minnesota Statutes 1990, section 168.54, subdivision 6, is amended to read:

Subd. 6. The unobligated balances in excess of \$4,000 in said revolving fund as of June 30 of each fiscal year shall be canceled into the ~~general~~ *transportation services* fund.

Sec. 4. Minnesota Statutes 1990, section 169.09, subdivision 13, is amended to read:

Subd. 13. [ACCIDENT REPORTS CONFIDENTIAL.] All written reports and supplemental reports required under this section to be provided to the department of public safety shall be without prejudice to the individual so reporting and shall be for the confidential use of the department of public safety and other appropriate state, federal, county, and municipal governmental agencies for accident analysis purposes, except that the department of public safety or any law enforcement department of any municipality or county in this state shall, upon written request of any person involved in an accident or upon written request of the representative of the person's estate, surviving spouse, or one or more surviving next of kin, or a trustee appointed pursuant to section 573.02, disclose to the requester, the requester's legal counsel or a representative of the requester's insurer any information contained therein except the parties' version of the accident as set out in the written report filed by the parties or may disclose identity of a person involved in an accident when the identity is not otherwise known or when the person denies presence at the accident. No report shall be used as evidence in any trial, civil or criminal, arising out of an accident, except that the department of public safety shall furnish upon the demand of any person who has, or claims to have, made a report, or, upon demand of any court, a certificate showing that a specified accident report has or has not been made to the department of public safety solely to prove a compliance or a failure to comply with the requirements that the report be made to the department of public safety. Disclosing any information contained in any accident report, except as provided herein, is unlawful and a misdemeanor.

Nothing herein shall be construed to prevent any person who has made a report pursuant to this chapter from providing information to any persons involved in an accident or their representatives or from testifying in any trial, civil or criminal, arising out of an accident, as to facts within the person's knowledge. It is intended by this subdivision to render privileged the reports required but it is not intended to prohibit proof of the facts to which the reports relate. Legally qualified newspaper publications and licensed radio and television stations shall upon request to a law enforcement agency be given an oral statement covering only the time and place of the accident, the names, addresses, and dates of birth of the parties involved, whether a citation was issued, and if so, what it was for, and whether the parties involved were wearing seat belts, and a general statement as to how the accident happened without attempting to fix liability upon anyone, but said legally qualified newspaper publications and licensed radio and television stations shall not be given access to the hereinbefore mentioned confidential reports, nor shall any such statements or information so orally given be used as evidence in any court proceeding, but shall merely be used for the purpose of a proper publication or broadcast of the news.

When these reports are released for accident analysis purposes the identity of any involved person shall not be revealed. Data contained in these reports

shall only be used for accident analysis purposes, except as otherwise provided by this subdivision. Accident reports and data contained therein which may be in the possession or control of departments or agencies other than the department of public safety shall not be discoverable under any provision of law or rule of court.

Notwithstanding other provisions of this subdivision to the contrary, the commissioner of public safety shall give to the commissioner of transportation the name and address of a carrier subject to section 221.031 that is named in an accident report filed under subdivision 7 or 8. The commissioner of transportation may not release the name and address to any person. The commissioner shall use this information to enforce accident report requirements under chapter 221. In addition the commissioner of public safety may give to the United States Department of Transportation commercial vehicle accident information in connection with federal grant programs relating to safety.

The ~~department~~ commissioner of public safety may charge authorized persons a \$5 fee for a copy of an accident report. *Proceeds from the fee must be deposited into the transportation services fund.*

Sec. 5. Minnesota Statutes 1990, section 170.23, is amended to read:  
170.23 [ABSTRACTS; FEE; ADMISSIBLE IN EVIDENCE.]

The commissioner shall upon request furnish any person a certified abstract of the operating record of any person subject to the provisions of this chapter, and, if there shall be no record of any conviction of such person of violating any law relating to the operation of a motor vehicle or of any injury or damage caused by such person, the commissioner shall so certify. Such abstracts shall not be admissible as evidence in any action for damages or criminal proceedings arising out of a motor vehicle accident. A fee of \$5 shall be paid for each such abstract. The commissioner shall permit a person to inquire into the operating record of any person by means of the inquiring person's own computer facilities for a fee to be determined by the commissioner of at least \$2 for each inquiry. The commissioner shall furnish an abstract that is not certified for a fee to be determined by the commissioner in an amount less than the fee for a certified abstract but more than the fee for an inquiry by computer. Fees collected under this section must be paid into the state treasury with 90 percent of the money credited to the ~~trunk highway~~ transportation services fund and ten percent credited to the general fund.

Sec. 6. Minnesota Statutes 1990, section 171.185, is amended to read:

171.185 [COSTS PAID FROM ~~TRUNK HIGHWAY TRANSPORTATION SERVICES FUND.~~]

All costs incurred by the commissioner in carrying out the provisions of sections 171.182 to 171.184 shall be paid from the ~~trunk highway~~ transportation services fund.

Sec. 7. Minnesota Statutes 1990, section 171.26, is amended to read:

171.26 [MONEY CREDITED TO ~~TRUNK HIGHWAY TRANSPORTATION SERVICES FUND AND TO GENERAL FUND.~~]

All money received under the provisions of this chapter shall be paid into the state treasury with 90 percent of such money credited to the ~~trunk highway~~ transportation services fund, and ten percent credited to the general

fund, except as provided in section 171.29, subdivision 2.

Sec. 8. Minnesota Statutes 1990, section 171.36, is amended to read:

171.36 [LICENSE RENEWAL AND FEES.]

All licenses shall expire one year from date of issuance and may be renewed upon application to the commissioner. Each application for an original or renewal school license shall be accompanied by a fee of \$150 and each application for an original or renewal instructor's license shall be accompanied by a fee of \$50. The license fees collected under sections 171.33 to 171.41 shall be paid into the ~~trunk~~ *highway transportation services* fund. No license fee shall be refunded in the event that the license is rejected or revoked.

Sec. 9. Minnesota Statutes 1990, section 173.13, subdivision 4, is amended to read:

Subd. 4. The annual fee for each such permit or renewal thereof shall be as follows:

(1) If the advertising area of the advertising device does not exceed 50 square feet, the fee shall be ~~\$20~~ \$40.

(2) If the advertising area exceeds 50 square feet but does not exceed 300 square feet, the fee shall be ~~\$40~~ \$80.

(3) If the advertising area exceeds 300 square feet, the fee shall be ~~\$80~~ \$160.

(4) No fee shall be charged for a permit for official signs and notices as they are defined in section 173.02, except that a fee may be charged for a star city sign erected under section 173.085.

Sec. 10. Minnesota Statutes 1990, section 173.231, is amended to read:

173.231 [FEES.]

All fees collected under sections 173.07 and 173.13~~7~~ shall ~~shall~~ *must* be paid into the ~~trunk~~ *highway transportation services* fund.

Sec. 11. Minnesota Statutes 1990, section 221.036, subdivision 14, is amended to read:

Subd. 14. [~~TRUNK HIGHWAY TRANSPORTATION SERVICES FUND.~~] Penalties collected under this section must be deposited in the state treasury and credited to the ~~trunk~~ *highway transportation services* fund.

Sec. 12. [221.297] [DISPOSITION OF RECEIPTS.]

*All money deposited in the state treasury from fees and penalties under this chapter must be credited to the transportation services fund.*

Sec. 13. Minnesota Statutes 1990, section 296.16, subdivision 1a, is amended to read:

Subd. 1a. [INTENT; FOREST ROADS.] ~~\$675,000~~ *Approximately 0.116 percent* of the total annual unrefunded revenue from the gasoline fuel tax on all gasoline and special fuel received in, produced, or brought into this state, except gasoline and special fuel used for aviation purposes, is derived from the operation of motor vehicles on state forest roads and county forest access roads; ~~and. Of this sum, \$400,000 amount, 0.0605 percent is annually derived from motor vehicles operated on state forest roads and \$275,000 0.0555 percent is annually derived from motor vehicles operated on county~~



forest access roads in this state.

Sec. 14. Minnesota Statutes 1990, section 296.421, subdivision 8, is amended to read:

Subd. 8. [COMPUTATION AND DISTRIBUTION OF UNREFUNDED TAXES FOR FOREST ROADS.] The amount of unrefunded tax paid on gasoline and special fuel used to operate motor vehicles on forest roads, except gasoline and special fuel used for aviation purposes, is ~~\$675,000 annually~~ *0.116 percent of the total unrefunded revenue from the tax on all gasoline and special fuel received in, produced, or brought into the state, and this revenue* is appropriated from the highway user tax distribution fund and must be transferred and credited in equal installments on July 1 and January 1 to the state forest road account established in section 89.70. ~~\$275,000 of this amount~~ *An amount equal to 0.0555 percent of the unrefunded revenue* must be annually transferred to counties for management and maintenance of county forest roads.

Sec. 15. Minnesota Statutes 1990, section 299D.03, subdivision 5, is amended to read:

Subd. 5. [FINES AND FORFEITED BAIL MONEY.] (a) All fines and forfeited bail money, from traffic and motor vehicle law violations, collected from persons apprehended or arrested by officers of the state patrol, shall be paid by the person or officer collecting the fines, forfeited bail money or installments thereof, on or before the tenth day after the last day of the month in which these moneys were collected, to the county treasurer of the county where the violation occurred. Three-eighths of these receipts shall be credited to the general revenue fund of the county. The other five-eighths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited to the ~~trunk highway~~ *transportation services* fund. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts shall be credited to the general revenue fund of the county, one-third of the receipts shall be paid to the municipality prosecuting the offense, and one-third shall be transmitted to the state treasurer as provided in this subdivision. All costs of participation in a nationwide police communication system chargeable to the state of Minnesota shall be paid from appropriations for that purpose.

(b) Notwithstanding any other provisions of law, all fines and forfeited bail money from violations of statutes governing the maximum weight of motor vehicles, collected from persons apprehended or arrested by employees of the state of Minnesota, by means of stationary or portable scales operated by these employees, shall be paid by the person or officer collecting the fines or forfeited bail money, on or before the tenth day after the last day of the month in which the collections were made, to the county treasurer of the county where the violation occurred. Five-eighths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited ~~to the highway user tax distribution fund~~ *as follows: 62 percent to the transportation services fund; 29 percent to the county state-aid highway fund; and nine percent to the municipal state-aid street fund.* Three-eighths of these receipts shall be credited to the general revenue fund of the county.

Sec. 16. [EFFECTIVE DATE.]

*Sections 1 to 15 are effective July 1, 1991.*

## ARTICLE 7

## METROPOLITAN TRANSPORTATION DEVELOPMENT

## Section 1. [174.35] [LIGHT RAIL TRANSIT.]

*The commissioner of transportation may plan, acquire, construct, and equip light rail transit facilities in the metropolitan area as provided in sections 473.399 to 473.3996 and sections 1 to 9 and may exercise the powers granted in chapter 174 as necessary for this purpose. The commissioner shall review and approve all preliminary design, preliminary engineering, and final design plans for light rail transit facilities.*

Sec. 2. Minnesota Statutes 1990, section 297A.02, is amended by adding a subdivision to read:

*Subd. 5. [METROPOLITAN SALES TAX.] Notwithstanding subdivision 1, there is imposed an additional sales tax of . . . . of one percent on sales at retail that occur within the metropolitan counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and an additional compensating use tax of up to . . . . of one percent on uses of property within those metropolitan counties, the sale of which would be subject to the additional sales tax but for the fact the property was sold outside the metropolitan counties.*

*For purposes of this subdivision, sales that occur within the metropolitan counties do not include:*

*(1) the sale of tangible personal property that:*

*(i) without intermediate use, is shipped or transported outside the metropolitan counties by the purchaser and thereafter used in a trade or business or that is stored, processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property transported or shipped outside the metropolitan counties and thereafter used in a trade or business outside of the metropolitan counties, and that is not thereafter returned to a point within the metropolitan counties, except in the course of interstate or intrastate commerce (storage does not constitute intermediate use); or*

*(ii) the seller delivers to a common carrier for delivery outside the metropolitan counties, places in the United States mail or parcel post directed to the purchaser outside the metropolitan counties, or delivers to the purchaser outside the metropolitan counties by means of the seller's own delivery vehicles, and that is not thereafter returned to a point within the metropolitan counties, except in the course of interstate or intrastate commerce; or*

*(2) sales that would be described in section 297A.25, subdivisions 6 and 21, if the words "metropolitan counties" were substituted for the words "Minnesota" or "state of Minnesota" in those clauses.*

Sec. 3. Minnesota Statutes 1990, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. (a) Except as provided in paragraphs (b), (c), and (d), and (e), all revenues, including interest and penalties, derived from the excise and use taxes imposed by sections 297A.01 to 297A.44 shall be deposited by the commissioner in the state treasury and credited to the general fund.

(b) All excise and use taxes derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project, from and after the date on which a conditional commitment

for a loan guaranty for the project is made pursuant to section 41A.04, subdivision 3, shall be deposited in the Minnesota agricultural and economic account in the special revenue fund. The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account shall be reduced by any refunds and by the costs incurred by the department of revenue to administer and enforce the assessment and collection of the taxes.

(c) All revenues, including interest and penalties, derived from the excise and use taxes imposed on sales and purchases included in section 297A.01, subdivision 3, paragraphs (d) and (l), clauses (1) and (2), must be deposited by the commissioner in the state treasury, and credited as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance must be credited to the general fund.

(d) The revenues, including interest and penalties, derived from the taxes imposed on solid waste collection services as described in section 297A.45 shall be deposited by the commissioner in the state treasury and credited to the general fund to be used for funding solid waste reduction and recycling programs.

*(e) The revenues derived from the taxes imposed on sales in the metropolitan counties under section 297A.02, subdivision 5, must be deposited by the commissioner in the state treasury and distributed to the commissioner of transportation to be used for light rail transit purposes.*

Sec. 4. Minnesota Statutes 1990, section 473.373, subdivision 4a, is amended to read:

Subd. 4a. [MEMBERSHIP.] (a) The board consists of 11 members with governmental or management experience. Appointments are subject to the advice and consent of the senate. Terms of members are four years commencing on the first Monday in January of the first year of the term.

(b) The council shall appoint eight members; ~~one from each of the following agency districts:~~

~~(1) district A, consisting of council districts 1 and 2;~~

~~(2) district B, consisting of council districts 3 and 7;~~

~~(3) district C, consisting of council districts 4 and 5;~~

~~(4) district D, consisting of council districts 6 and 11;~~

~~(5) district E, consisting of council districts 8 and 10;~~

~~(6) district F, consisting of council districts 9 and 13;~~

~~(7) district G, consisting of council districts 12 and 14; and~~

~~(8) district H, consisting of council districts 15 and 16 as provided in section 473.141, subdivision 2, paragraph (d).~~

~~At least Six must be elected officials of statutory or home rule charter cities, towns, or counties. Two of these officials must be county board members, each from a different county, and four must be elected officials of cities or~~

towns- Service on the board of a person who is appointed as an elected official may continue only as long as the person holds the office. At least 30 days before the expiration of a term or upon the occurrence of a vacancy, the council shall request nominations for the position from relevant organizations of local elected officials, such as the association of metropolitan municipalities, the metropolitan intercounty association, the association of urban counties, and where applicable, the association of townships. Each relevant organization shall nominate at least two persons for each position. A local governmental unit that is not a member of an organization may submit nominations independently. The council shall make its appointments from the nominations submitted to it to the extent possible consistent with the other requirements of this paragraph and with the appointment of a board that fairly reflects the diverse areas and constituencies affected by transit.

(c) The governor shall appoint, in addition to the chair, two persons, one who is age 65 or older at the time of appointment, and one with a disability. These appointments must be made following the procedures of section 15.0597. In addition, at least 30 days before the expiration of a term or upon the occurrence of a vacancy in the office held by a senior citizen or a person with a disability, the governor shall request nominations from organizations of senior citizens and persons with disabilities. Each organization shall nominate at least two persons. The governor shall consider the nominations submitted.

(d) No more than three of the members appointed under paragraphs (b) and (c) may be residents of the same statutory or home rule city or town, and none may be a member of the joint light rail transit advisory committee established under section 473.3991.

Sec. 5. Minnesota Statutes 1990, section 473.3993, subdivision 2, is amended to read:

Subd. 2. [PRELIMINARY DESIGN PLAN.] “Preliminary design plan” means a light rail transit plan that ~~identifies~~ *includes*:

(1) preliminary plans for the physical design of facilities, *at approximately the ten percent engineering level*, including location, length, and termini of routes; general dimension, elevation, alignment, and character of routes and crossings; whether the track is elevated, on the surface, or below ground; approximate station locations; and related park and ride, parking, and other transportation facilities; and a plan for handicapped access; and

(2) preliminary plans for intermodal coordination with bus operations and routes; ridership; capital costs; operating costs and revenues; *and funding for final design, construction, and operation; and an implementation method.*

Sec. 6. Minnesota Statutes 1990, section 473.3993, is amended by adding a subdivision to read:

Subd. 2a. [PRELIMINARY ENGINEERING PLAN.] “*Preliminary engineering plan*” means a light rail transit engineering plan that includes plans for the physical design of the facilities at approximately the 30 percent engineering level; a funding plan for final design, construction, and operation; and an implementation method.

Sec. 7. Minnesota Statutes 1990, section 473.3993, subdivision 3, is amended to read:

Subd. 3. [FINAL DESIGN PLAN.] “Final design plan” means a light rail transit plan that includes the items in the preliminary design *and preliminary*

*engineering* plan for the facilities proposed for construction, but with greater detail and specificity. The final design plan must include, at a minimum:

(1) final plans for the physical design of facilities, including the right-of-way definition; environmental impacts and mitigation measures; intermodal coordination with bus operations and routes; and civil engineering plans for vehicles, track, stations, parking, and access, including handicapped access; and

(2) final plans for civil engineering for electrification, communication, and other similar facilities; operational rules, procedures, and strategies; capital costs; ridership; operating costs and revenues; financing for construction and operation; an implementation method; and other similar matters.

The final design plan must be stated with sufficient particularity and detail to allow the proposer to begin the acquisition and construction of operable facilities. If a turn-key implementation method is proposed, instead of civil engineering plans the final design plan must state detailed design criteria and performance standards for the facilities.

Sec. 8. Minnesota Statutes 1990, section 473.3994, is amended to read:  
473.3994 [LIGHT RAIL TRANSIT; ~~DESIGN FACILITY PLANS.~~]

*Subd. 1a.* [PRELIMINARY DESIGN PLANS.] *The regional transit board, in consultation with the joint light rail transit advisory committee, shall establish a procedure for preparing preliminary design plans for light rail transit facilities. The procedure must ensure that preliminary design plans implement the board's regional transit plan and qualify for federal funds in accordance with the board's plan, and that proposals for engineering and construction projects are prepared in a timely and cost-effective manner.*

*Subd. 2.* [PRELIMINARY DESIGN AND ENGINEERING PLANS; PUBLIC HEARING.] ~~Before preparing final design plans for a light rail transit facility, the~~ A political subdivision ~~proposing the~~ that has prepared preliminary design and preliminary engineering plans for a proposed facility must hold a public hearing on the physical design component of the preliminary design plans and the preliminary engineering plans. The proposer must provide appropriate public notice of the hearing and publicity to ensure that affected parties have an opportunity to present their views at the hearing.

*Subd. 3.* [PRELIMINARY DESIGN AND PRELIMINARY ENGINEERING PLANS; LOCAL APPROVAL.] At least 30 days before the hearing under subdivision 2, the proposer shall submit the ~~physical design component of the preliminary design~~ plans to the governing body of each statutory and home rule charter city, county, and town in which the route is proposed to be located. The city, county, or town shall hold a public hearing, except that a county board need not hold a hearing if the county board membership is identical to the membership of the regional railroad authority submitting the plan for review. Within 45 days after the hearing under subdivision 2, the city, county, or town shall review and approve or disapprove the plans for the route to be located in the city, county, or town. A local unit of government that disapproves the plans shall describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans in writing within 45 days after the hearing is deemed to be approval, unless an extension of time is agreed to by the city, county, or town and the proposer.

Subd. 4. [PRELIMINARY DESIGN AND PRELIMINARY ENGINEERING PLANS; REGIONAL TRANSIT BOARD REFERRAL.] If the governing body of one or more cities, counties, or towns disapproves the preliminary design or preliminary engineering plans within the period allowed under subdivision 3, the proposer may refer the plans, along with any comments of local jurisdictions, to the regional transit board. The board shall hold a hearing on the plans, giving the proposer, any disapproving local governmental units, and other persons an opportunity to present their views on the plans. The board may conduct independent study as it deems desirable and may mediate and attempt to resolve disagreements about the plans. Within 90 days after the referral, the board shall review the plans submitted by the proposer and may recommend amended plans to accommodate the objections presented by the disapproving local governmental units.

Subd. 5. [FINAL DESIGN PLANS.] (a) Before beginning construction, the proposer shall submit the physical design component of final design plans to the governing body of each statutory and home rule city, county, and town in which the route is proposed to be located. Within 60 days after the submission of the plans, the city, county, or town shall review and approve or disapprove the plans for the route located in the city, county, or town. A local unit of government that disapproves the plans shall describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans in writing within the time period is deemed to be approval, unless an extension is agreed to by the city, county, or town and the proposer.

(b) If the governing body of one or more cities, counties, or towns disapproves the plans within the period allowed under paragraph (a), the proposer may refer the plans, along with any comments of local jurisdictions, to the regional transit board. The board shall review the final design plans under the same procedure and with the same effect as provided in subdivision 4 for preliminary design plans.

Subd. 6. [COUNTY APPROVAL.] The proposer of a light rail transit facility in the metropolitan area ~~must~~ shall submit the preliminary and final design plans for the facility to the governing board of the county in which the route is proposed to be located for approval or disapproval. The proposer of the facility may not proceed with construction of the facility without the approval of the county.

Subd. 7. [COUNCIL REVIEW.] Before proceeding with construction of a light rail transit facility, ~~a regional rail authority established under chapter 398A~~ must the proposer of the facility shall submit preliminary design plans, preliminary engineering plans, and final design plans to the metropolitan council. The council ~~must~~ shall review the plans for consistency with the council's development guide and comment on the plans.

Subd. 8. [METROPOLITAN SIGNIFICANCE.] This section does not diminish or replace the authority of the council under section 473.173.

Sec. 9. Minnesota Statutes 1990, section 473.3996, is amended to read:  
473.3996 [LIGHT RAIL TRANSIT FACILITY DESIGN PLANS;  
REVIEW BY BOARD.]

Subdivision 1. [PRELIMINARY DESIGN AND ENGINEERING PLANS;  
BOARD REVIEW.] Before submitting the physical design component of final design plans of a light rail transit facility for local review under section

473.3994, subdivision 5, the proposer shall submit preliminary design *and preliminary engineering* plans to the regional transit board for review. The board shall review the ~~preliminary design~~ plans to determine the compatibility of the plans with other light rail transit plans and facilities in the metropolitan area, *the adequacy of the plans for operation and maintenance of facilities*, the adequacy of the plans for handicapped accessibility, and the conformity of the plans with the *council's transportation policy plan and the board's regional light rail transit plan* prepared under section 473.399. *The board shall submit the plans to the metropolitan transit commission for recommendations on specifications and other matters affecting operation and maintenance of facilities. The board shall submit the plans to the council for recommendations on the conformity of the plans with the council's transportation policy plan.* The board may comment on any aspect of the plans. The board has 90 days to complete its review, unless an extension of time is agreed to by the proposer. If the board determines that the plans do not satisfy the standards stated in this subdivision, the board shall recommend modifications in the plans that are necessary in order to satisfy the board. After adopting or amending the regional plan required by section 473.399, the board may again review any previously reviewed preliminary design plans and recommend modifications that are necessary to satisfy the board.

Subd. 2. [FINAL DESIGN PLANS; BOARD APPROVAL.] Before acquiring or constructing light rail transit facilities, other than land for right of way, the proposer shall submit final design plans to the regional transit board for review. The board shall review the final design plans under the same *procedure and schedule* and according to the same standards as provided for its review of preliminary design plans. The board shall either approve the plans, or if it determines that the plans do not satisfy the standards, disapprove the plans, in whole or in part, and recommend modifications in the plans that are necessary to secure approval. A proposer may not proceed with acquisition or construction of a light rail transit facility, other than land for right of way, unless the final design plans for the facility have been approved by the board. ~~Following approval of final design plans by the board, if a regional railroad authority wishes to select a bid or a response to a request for proposal that is more than ten percent higher than the capital costs indicated in the final design plans for the facility, the authority may not proceed with construction until it has resubmitted the final design plans to the transit board for further review and approval or disapproval. The board has ten working days to review and approve or disapprove and recommend modification, unless an extension of time is agreed to by the authority.~~

#### Sec. 10. [LIGHT RAIL FUNDING.]

*If funds are appropriated by the legislature or received from the proceeds of a metropolitan sales tax provided by section 2 for construction of light rail transit facilities, the funds must be used first for construction of the central corridor in accordance with section 11. A regional rail authority may on its own seek federal funds to design and construct a demonstration light rail facility and may construct a facility using a combination of federal and county funds as described in the light rail transit regional development plan as approved by the regional transit board.*

#### Sec. 11. [CENTRAL CORRIDOR FACILITIES.]

*Subdivision 1. [CONSTRUCTION.] The commissioner of transportation shall review and approve preliminary engineering plans, prepare final design*

*plans, and construct light rail transit facilities in the central corridor. The commissioner shall submit final design plans for review in the manner provided under Minnesota Statutes, sections 473.3994 and 473.3996.*

*Subd. 2. [TUNNEL.] The commissioner may not construct underground light rail transit facilities, except that the commissioner may enter into agreements providing for underground construction if the additional costs of underground construction are paid by the city or the regional railroad authority in which the facility is located.*

*Subd. 3. [OWNERSHIP.] By January 1, 1993, the commissioner shall present to the legislature a plan for transferring or sharing ownership in the land and facilities for light rail transit, and providing for maintenance of the facilities. The plan must be prepared in consultation with the regional transit board, the metropolitan transit commission, and affected local government units.*

*Subd. 4. [REPORT TO BOARD.] The commissioner shall report to the transportation study board on the status of the preliminary engineering plans, including cost estimates, for the central corridor by November 15, 1991.*

#### Sec. 12. [APPLICATION.]

*Sections 1 to 8 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.*

### ARTICLE 8

#### TRANSPORTATION STUDIES

##### Section 1. [161.53] [RESEARCH ACTIVITIES.]

*The commissioner may set aside for transportation research in each fiscal year up to one percent of the total amount of all funds appropriated to the commissioner other than county state-aid and municipal state-aid highway funds. The commissioner shall spend this money for (1) research to improve the design, construction, maintenance, management, and environmental compatibility of transportation systems; (2) research on transportation policies that enhance energy efficiency and economic development; (3) programs for implementing and monitoring research results; and (4) development of transportation education and outreach activities. The commissioner shall spend 0.15 percent of the research money, but not exceeding \$800,000 in any fiscal year, for research and related activities performed by the center for transportation studies of the University of Minnesota. The center shall establish a technology transfer and training center for Minnesota transportation professionals.*

##### Sec. 2. [DEPARTMENT OF TRANSPORTATION; CORRIDOR STUDIES.]

*Subdivision 1. [FINDING.] The legislature finds that a system of improved highways between regional centers in greater Minnesota and the Twin Cities metropolitan area is needed to promote economic development and to enhance commercial access, personal mobility, and traffic safety in Minnesota. It is therefore in the public interest to provide financing methods that accelerate construction of trunk highways linking regional centers in greater Minnesota with the Twin Cities metropolitan area.*

*Subd. 2. [STUDY.] The commissioner of transportation shall study and report to the governor and legislature on the feasibility of establishing a*



*comprehensive system of multilane divided highways connecting regional centers with the Twin Cities metropolitan area. The study must include:*

- (1) existing highways on corridors between regional centers and the metropolitan area;*
- (2) improvements needed to bring the highways to expressway standards and the cost of the improvements;*
- (3) the role of these improvements in the department of transportation's trunk highway programming priorities; and*
- (4) a schedule for completing the improvements.*

*The commissioner shall complete the study and submit the report not later than January 15, 1992.*

Sec. 3. [3.862] [TRANSPORTATION STUDY BOARD.]

*Subdivision 1. [BOARD EXTENDED; MEMBERSHIP.] The transportation study board created under Laws 1988, chapter 603, section 6, is hereby extended. The board shall consist of the following members:*

- (1) five members of the senate from both political parties, appointed by the senate committee on rules and administration subcommittee on committees; and*
- (2) five members of the house of representatives from both political parties, appointed by the speaker of the house. Appointments are for two-year terms beginning July 1 of each odd-numbered year. Vacancies must be filled in the same manner as the original appointments.*

*Subd. 2. [OFFICERS.] The board shall elect a chair and vice-chair from among its members. The chair must alternate biennially between a member of the house of representatives and a member of the senate. The vice-chair must be a house member when the chair is a senate member, and a senate member when the chair is a house member.*

*Subd. 3. [STAFF] The board may employ professional, technical, consulting, and clerical services. The board may use legislative staff to provide legal counsel, research, secretarial, and clerical assistance.*

*Subd. 4. [EXPENSES AND REIMBURSEMENT.] The members of the board may receive per diem when attending meetings and other commission business. Members, employees, and legislative staff must be reimbursed for expenses actually and necessarily incurred in the performance of their duties under the rules governing legislators and legislative employees.*

Sec. 4. [3.863] [DUTIES.]

*The transportation study board shall perform the following duties:*

- (1) review and participate with the house of representatives and senate transportation committees in developing recommendations for state transportation policies;*
- (2) monitor state transportation programs, expenditures, and activities;*
- (3) review and participate in the coordination of legislative initiatives that affect state and local transportation agencies; and*
- (4) propose special studies to the legislature and conduct studies at the direction of the legislature.*

Sec. 5. [3.864] [SPECIAL STUDIES.]

*Subdivision 1. [STUDIES.] The board shall conduct the studies in subdivisions 2 to 8 by January 1, 1993. The board may request the commissioner of transportation to conduct any of the studies and report to the board and the legislature.*

*Subd. 2. [HIGHWAY PLANNING PROCESS.] The board shall review the department of transportation's policies and procedures for identifying, evaluating, prioritizing, and implementing trunk highway development projects. The board shall not propose, identify, or otherwise select any specific project or category of projects. The board shall report to the legislature and the commissioner of transportation on the results of the study with recommendations to the commissioner of transportation on changes in the department's policies and procedures and to the legislature on changes in law governing those policies and procedures.*

*Subd. 3. [HIGHWAY JURISDICTION.] The board shall conduct a study of the functional classification of all streets and highways in Minnesota. The study shall include:*

*(1) development of a state jurisdiction plan, including:*

*(i) criteria for determining the functional class of every street and highway in the state;*

*(ii) identification of the appropriate jurisdiction of every street and highway, based on functional class; and*

*(iii) criteria for determining when jurisdiction should be based on factors other than functional class;*

*(2) recommendations for implementing the jurisdiction plan; and*

*(3) recommendations for changes in law to facilitate future jurisdiction transfers, including establishment of a highway jurisdiction board.*

*The board shall report to the legislature and the commissioner of transportation on the results of the study.*

*Subd. 4. [LIGHT RAIL TRANSIT.] The board shall review and report to the legislature on preliminary engineering plans for light rail transit adopted by the commissioner of transportation under article 7.*

*Subd. 5. [STATE-AID DISTRIBUTION.] The board shall study unresolved issues relating to distribution of the county state-aid highway fund and the municipal state-aid street fund. These issues may include, but are not limited to:*

*(1) formulas for distributing money;*

*(2) methods of measuring and quantifying the factors used in the formulas;*

*(3) the role of screening boards in the distribution of state-aid funds;*

*(4) methods to mitigate reductions in state aid resulting from changes in state-aid formulas and distribution procedures; and*

*(5) appropriate levels of state participation in the cost of constructing and maintaining county state-aid highways and municipal state-aid streets.*

*Subd. 6. [LOCAL PARTICIPATION IN TRUNK HIGHWAY PROJECTS.] The board shall study the role of local units of government in funding*

*trunk highway construction or reconstruction projects. The study must recommend guidelines for local participation and the types of projects for which participation is feasible and desirable.*

*Subd. 7. [INCREASED USE OF HIGH-OCCUPANCY VEHICLES.] The board shall study incentives for increasing the use of high-occupancy vehicles and shall evaluate:*

- (1) tax incentives to employees;*
- (2) tax incentives and other incentives to employers;*
- (3) parking charges designed to discourage single-occupant vehicles and promote high-occupancy vehicles;*
- (4) road pricing on freeways and other commuting routes;*
- (5) staggered work hours;*
- (6) expanded availability and reduced cost of regular-route transit; and*
- (7) increased use of demand-responsive transit to meet the needs of persons otherwise automobile dependent.*

*Subd. 8. [LOCAL FINANCING STUDY.] Before the 1992 legislative session, the board and the legislature shall study the use and effect of methods other than property tax revenues to finance local transportation improvements, including impact fees, transportation utility fees, and similar methods.*

**Sec. 6. [APPROPRIATION.]**

*§ . . . . . is appropriated from the highway user tax distribution fund to the transportation study board.*

**Sec. 7. [REPEALER.]**

*Laws 1988, chapter 603, section 6, is repealed.*

**Sec. 8. [EFFECTIVE DATE.]**

*Sections 1 to 7 are effective June 1, 1991."*

Delete the title and insert:

"A bill for an act relating to transportation; establishing state transportation goals and requiring periodic revisions of the state transportation plan; directing a study of rail-highway grade crossings; establishing penalties for violations of grade crossing safety laws; directing the commissioner to take certain actions relating to grade crossings; authorizing the commissioner of transportation to make grants and loans for the improvement of commercial navigation facilities; establishing special categories of roads and highways; authorizing local units of government to advance funds for the completion of highway projects; establishing a transportation utility; authorizing road authorities to enter into agreements for the construction, maintenance, and operation of toll facilities; creating a transportation services fund; specifying percentage of unrefunded motor fuel tax revenue that is attributable to use on forest roads; authorizing the commissioner of transportation to plan, acquire, construct, and equip light rail transit facilities; authorizing regional rail authorities to seek federal funds and construct a demonstration project; authorizing transportation research; directing a study of highway corridors; extending the transportation study board and specifying duties; appropriating money; amending Minnesota Statutes 1990, sections 162.02, subdivision

3a; 162.09, subdivision 3a; 162.14, subdivision 6; 168.54, subdivisions 5 and 6; 169.09, subdivision 13; 169.14, by adding a subdivision; 169.26; 170.23; 171.13, subdivision 1, and by adding a subdivision; 171.185; 171.26; 171.36; 173.13, subdivision 4; 173.231; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 221.036, subdivision 14; 222.50, subdivision 7; 296.16, subdivision 1a; 296.421, subdivision 8; 297A.02, by adding a subdivision; 297.44, subdivision 1; 299D.03, subdivision 5; 473.373, subdivision 4a; 473.3993, subdivisions 2 and 3, and by adding a subdivision; 473.3994; and 473.3996; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; 221; and 444; proposing coding for new law as Minnesota Statutes, chapter 457A; repealing Laws 1988, chapter 603, section 6.”

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

### **SECOND READING OF SENATE BILLS**

S.F. Nos. 743, 798, 237, 447, 950, 588, 928, 1050, 324, 689, 147, 688, 796, 139, 800, 880, 84, 1251, 1265, 998, 535, 1128, 918, 274 and 601 were read the second time.

### **SECOND READING OF HOUSE BILLS**

H.F. Nos. 614, 415, 41 and 137 were read the second time.

### **MOTIONS AND RESOLUTIONS**

Ms. Johnson, J.B. moved that the name of Mr. Frederickson, D.R. be added as a co-author to S.F. No. 837. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Mr. Frederickson, D.R. be added as a co-author to S.F. No. 966. The motion prevailed.

Mr. Frederickson, D.R. moved that the name of Mr. Sams be added as a co-author to S.F. No. 976. The motion prevailed.

Ms. Reichgott moved that her name be stricken as chief author, shown as a co-author and the name of Ms. Traub be added as chief author to S.F. No. 1005. The motion prevailed.

Mr. Johnson, D.E. moved that his name be stricken as a co-author to S.F. No. 1240. The motion prevailed.

Mr. Bertram moved that his name be stricken as a co-author to S.F. No. 1281. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Novak be added as a co-author to S.F. No. 306. The motion prevailed.

Mr. Chmielewski moved that the name of Mrs. Adkins be added as a co-author to S.F. No. 1040. The motion prevailed.

Mr. Moe, R.D. moved that H.F. No. 1209 be taken from the table. The motion prevailed.

H.F. No. 1209: A resolution memorializing the President and Congress to condemn the use of Soviet military force in the Baltic Republics and support the Baltic Republics for their self-determination.

**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. 1209 and that the rules of the Senate be so far suspended as to give H.F. No. 1209 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1209 was read the second time.

H.F. No. 1209 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 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Moe, R.D.	Renneke
Beckman	DeCramer	Johnston	Mondale	Riveness
Belanger	Dicklich	Kelly	Morse	Sams
Benson, D.D.	Finn	Kroening	Neuville	Samuelson
Benson, J.E.	Flynn	Laidig	Novak	Solon
Berg	Frank	Langseth	Olson	Spear
Berglin	Frederickson, D.J.	Larson	Pappas	Storm
Bernhagen	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Bertram	Gustafson	Luther	Piper	Traub
Brataas	Halberg	Marty	Pogemiller	Vickerman
Chmielewski	Hottinger	McGowan	Price	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Metzen	Reichgott	

So the resolution passed and its title was agreed to.

Mr. Riveness moved that S.F. No. 1068, No. 74 on General Orders, be stricken and laid on the table. The motion prevailed.

**CALENDAR**

S.F. No. 531: A bill for an act relating to waste; authorizing a water or sewer commission to issue bonds; amending Minnesota Statutes 1990, section 116A.24, subdivisions 2 and 3.

Was read the third time 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	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	Kroening	Morse	Sams
Benson, J.E.	Flynn	Laidig	Neuville	Samuelson
Berg	Frank	Langseth	Novak	Solon
Berglin	Frederickson, D.J.	Larson	Olson	Spear
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Storm
Bertram	Gustafson	Luther	Pariseau	Stumpf
Brataas	Halberg	Marty	Piper	Traub
Chmielewski	Hottinger	McGowan	Pogemiller	Vickerman
Cohen	Johnson, D.E.	Mehrkens	Price	Waldorf
Davis	Johnson, D.J.	Merriam	Ranum	

So the bill passed and its title was agreed to.

H.F. No. 598: A bill for an act relating to insurance; regulating agent

rehabilitations and cancellations of agency contracts by fire and casualty companies; amending Minnesota Statutes 1990, sections 60A.171; and 60A.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 58 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	Dicklich	Johnston	Mondale	Renneke
Benson, D.D.	Finn	Kelly	Morse	Sams
Benson, J.E.	Flynn	Kroening	Neuville	Samuelson
Berg	Frank	Laidig	Novak	Solon
Berglin	Frederickson, D.J.	Larson	Olson	Spear
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Storm
Bertram	Gustafson	Luther	Pariseau	Stumpf
Chmielewski	Halberg	Marty	Piper	Traub
Cohen	Hottinger	McGowan	Pogemiller	Vickerman
Davis	Johnson, D.E.	Mehrrens	Price	Waldorf
Day	Johnson, D.J.	Metzen	Ranum	
DeCramer	Johnson, J.B.	Moe, R.D.	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 732: A bill for an act relating to natural resources; offering an alternative to bond or deposit requirements on contracts for cutting timber; allowing reduction in value of letters of credit given as security for timber permits; amending Minnesota Statutes 1990, section 90.173; proposing coding for new law in Minnesota Statutes, chapter 90.

Was read the third time 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	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Kroening	Morse	Samuelson
Benson, J.E.	Flynn	Laidig	Neuville	Solon
Berg	Frank	Langseth	Novak	Spear
Berglin	Frederickson, D.J.	Larson	Olson	Storm
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Stumpf
Bertram	Gustafson	Luther	Piper	Traub
Brataas	Halberg	Marty	Pogemiller	Vickerman
Chmielewski	Hottinger	McGowan	Price	Waldorf
Cohen	Johnson, D.E.	Mehrrens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 328: A bill for an act relating to insurance; Medicare supplement; conforming state Medicare supplement policy requirements to federal law; requiring certain foreign travel coverages to be added to the basic plan; amending Minnesota Statutes 1990, sections 62A.31, subdivision 1; 62A.316; 62A.36, subdivision 1a; and 62A.43, subdivision 1.

Was read the third time 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	Dicklich	Kelly	Morse	Sams
Beckman	Finn	Kroening	Neuville	Samuelson
Belanger	Flynn	Laidig	Novak	Solon
Benson, J.E.	Frank	Langseth	Olson	Spear
Berg	Frederickson, D.J.	Larson	Pappas	Storm
Berglin	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Bernhagen	Gustafson	Luther	Piper	Traub
Bertram	Halberg	Marty	Pogemiller	Vickerman
Chmielewski	Hottinger	McGowan	Price	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Metzen	Reichgott	
Day	Johnson, J.B.	Moe, R.D.	Renneke	
DeCramer	Johnston	Mondale	Riveness	

So the bill passed and its title was agreed to.

S.F. No. 925: A bill for an act relating to insurance; medical expense benefits; including language translation services as medical expense benefits for insurance; amending Minnesota Statutes 1990, section 65B.44, 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 47 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kelly	Morse	Sams
Beckman	Finn	Kroening	Novak	Solon
Belanger	Flynn	Laidig	Pappas	Spear
Berglin	Frank	Langseth	Piper	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pogemiller	Stumpf
Bertram	Frederickson, D.R.	Luther	Price	Traub
Chmielewski	Halberg	Marty	Ranum	Vickerman
Cohen	Hottinger	Metzen	Reichgott	
Davis	Johnson, D.J.	Moe, R.D.	Renneke	
DeCramer	Johnson, J.B.	Mondale	Riveness	

Those who voted in the negative were:

Benson, D.D.	Day	Johnston	Mehrkens	Olson
Benson, J.E.	Gustafson	Larson	Merriam	Pariseau
Berg	Johnson, D.E.	McGowan	Neuville	Samuelson
Brataas				

So the bill passed and its title was agreed to.

S.F. No. 339: A bill for an act relating to taxation; providing that certain nonprofit organizations that provide athletic programs qualify for a sales tax exemption on their purchases.

Was read the third time 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	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	Kroening	Morse	Sams
Benson, J.E.	Flynn	Laidig	Neuville	Samuelson
Berg	Frank	Langseth	Novak	Solon
Berglin	Frederickson, D.J.	Larson	Olson	Spear
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Storm
Bertram	Gustafson	Luther	Pariseau	Stumpf
Brataas	Halberg	Marty	Piper	Traub
Chmielewski	Hottinger	McGowan	Pogemiller	Vickerman
Cohen	Johnson, D.E.	Mehrkens	Price	Waldorf
Davis	Johnson, D.J.	Merriam	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 473: A bill for an act relating to health; allowing nursing homes to transfer medical assistance certification among beds; amending Minnesota Statutes 1990, section 144A.071, 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	Day	Johnson, J.B.	Moe, R.D.	Renneke
Beckman	DeCramer	Johnston	Mondale	Riveness
Belanger	Dicklich	Kelly	Morse	Sams
Benson, D.D.	Finn	Kroening	Neuville	Samuelson
Benson, J.E.	Flynn	Laidig	Novak	Solon
Berg	Frank	Langseth	Olson	Spear
Berglin	Frederickson, D.J.	Larson	Pappas	Storm
Bernhagen	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Bertram	Gustafson	Luther	Piper	Traub
Brataas	Halberg	Marty	Pogemiller	Vickerman
Chmielewski	Hottinger	McGowan	Price	Waldorf
Cohen	Johnson, D.E.	Merriam	Ranum	
Davis	Johnson, D.J.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

H.F. No. 795: A bill for an act relating to counties; removing certain restrictions on county morgues; amending Minnesota Statutes 1990, sections 390.06 and 390.07.

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 64 and nays 0, as follows:

Those who voted in the affirmative were:



Adkins	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	Kroening	Morse	Sams
Benson, J.E.	Flynn	Laidig	Neuville	Samuelson
Berg	Frank	Langseth	Novak	Solon
Berglin	Frederickson, D.J.	Larson	Olson	Spear
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Storm
Bertram	Gustafson	Luther	Pariseau	Stumpf
Brataas	Halberg	Marty	Piper	Traub
Chmielewski	Hottinger	McGowan	Pogemiller	Vickerman
Cohen	Johnson, D.E.	Mehrkens	Price	Waldorf
Davis	Johnson, D.J.	Merriam	Ranum	

So the bill passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

## MOTIONS AND RESOLUTIONS

### RECONSIDERATION

Mr. Moe, R.D. moved that the vote whereby House Concurrent Resolution No. 3 was adopted by the Senate on April 11, 1991, be now reconsidered. The motion prevailed.

House Concurrent Resolution No. 3: 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.

Mr. Moe, R.D. moved to amend House Concurrent Resolution No. 3 as follows:

Page 1, lines 9 and 10, delete "12 o'clock, noon" and insert "1:00 p.m."

The motion prevailed. So the amendment was adopted.

Mr. Moe, R.D. moved that House Concurrent Resolution No. 3, as amended, be adopted. The motion prevailed. So the resolution, as amended, was adopted.

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. Novak from the Committee on Energy and Public Utilities, to which was referred

S.F. No. 781: A bill for an act relating to human services; permitting energy conservation activities to be funded through the Minnesota future resources fund; describing community action program grants; appropriating money; amending Minnesota Statutes 1990, sections 116P.13, subdivision 3; and 268.52, subdivision 2, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete sections 1 and 2

Page 3, delete lines 1 to 15 and insert:

*“Subd. 5. [COMMUNITY ACTION PROGRAM GRANTS.] (a) The commissioner shall make community action program grants to community action agencies, Indian reservation governments, and the Minnesota migrant council to enable them to help low-income individuals and families attain economic self-sufficiency. The recipient agencies shall assist low-income individuals and families by providing comprehensive support services and by making appropriate referrals to other service providers. Grants must be used to serve low-income individuals and families who are ineligible for, or otherwise cannot obtain, self-sufficiency services through governmental agencies.”*

Page 3, after line 29, insert:

*“(b) The commissioner may adopt rules to implement this subdivision.”*

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.

### **MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Morse moved that S.F. No. 842, No. 66 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

### **INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time and referred to the committees indicated.

Messrs. Bernhagen; Benson, D.D.; Frank and Price introduced—

S.F. No. 1422: A bill for an act relating to taxation; providing for the collection of delinquent personal property taxes; requiring a manufactured home tax permit; requiring certain reports by certain manufactured home park operators and dealers; imposing a penalty; amending Minnesota Statutes 1990, sections 271.06, subdivision 1; 271.09, subdivision 3; 273.123, subdivision 1; 274.19; 290A.03, subdivisions 6 and 13; 290A.04, subdivision 3; 290A.07, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapter 277; repealing Minnesota Statutes 1990, sections 272.50; 272.51; 272.52; 272.53; 277.02; 277.05; 277.06; 277.07; 277.08; 277.09; 277.10; 277.11; 277.12; and 277.13.

Referred to the Committee on Taxes and Tax Laws.

Mr. Renneke introduced—

S.F. No. 1423: A bill for an act relating to transportation; authorizing advance funding by local governments to expedite trunk highway projects; proposing coding for new law in Minnesota Statutes, chapter 161.

Referred to the Committee on Transportation.

Messrs. Benson, D.D. and Larson introduced—

S.F. No. 1424: A bill for an act relating to insurance; regulating the comprehensive health insurance plan; increasing access to the plan; providing tax credits to certain employers who provide qualified health insurance; establishing requirements for minimum benefits plans; requiring offers of additional coverages; amending Minnesota Statutes 1990, sections 62E.03; 62E.14, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62A; 62C; 62D; 62E; and 290.

Referred to the Committee on Commerce.

Ms. Ranum, Messrs. Hottinger and Neuville introduced—

S.F. No. 1425: A bill for an act relating to education; requiring post-secondary governing boards to report on cultural diversity.

Referred to the Committee on Education.

Messrs. Beckman, Vickerman, Renneke, Ms. Berglin and Mr. Sams introduced—

S.F. No. 1426: A bill for an act relating to health; requiring physicians and outpatient health clinics to publish fees and provide cost estimates and other information; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Messrs. Beckman, Vickerman, DeCramer, Renneke and Sams introduced—

S.F. No. 1427: A bill for an act relating to public safety; including certain commercial vehicle inspectors in the public safety officer's survivor benefit program; amending Minnesota Statutes 1990, section 299A.41, subdivision 4.

Referred to the Committee on Governmental Operations.

Messrs. Davis, Sams, Morse, Vickerman and Beckman introduced—

S.F. No. 1428: A bill for an act relating to agriculture; appropriating money for farm advocates within the farmer-lender mediation act.

Referred to the Committee on Finance.

Mr. Neuville introduced—

S.F. No. 1429: A bill for an act relating to education; authorizing the Waterville-Elysian and Morrystown school districts to combine according to the cooperation and combination program without a time period of cooperation; authorizing the districts to conduct the referendum on the combination; providing a schedule for cooperation and combination revenue; authorizing a temporary operating debt levy in the Morrystown school district.

Referred to the Committee on Education.

Mrs. Pariseau and Ms. Berglin introduced—

S.F. No. 1430: A bill for an act relating to manufactured homes; creating the office of ombudsman for manufactured home residents; authorizing the commissioner of finance to adopt rules for collection of fees from park owners; appropriating money; amending Minnesota Statutes 1990, sections 327C.01, subdivision 1; and 327C.12; proposing coding for new law in Minnesota Statutes, chapters 16A and 327C.

Referred to the Committee on Economic Development and Housing.

Mr. Price introduced—

S.F. No. 1431: A bill for an act relating to natural resources; modifying certain provisions regarding special receipts of the department of natural resources; amending Minnesota Statutes 1990, section 84.0855.

Referred to the Committee on Environment and Natural Resources.

Mr. Frederickson, D.J. introduced—

S.F. No. 1432: A bill for an act relating to utilities; prohibiting multiparty line telephone service to more than two subscribers per line; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Energy and Public Utilities.

Mr. Solon introduced—

S.F. No. 1433: A bill for an act relating to self-insurance; regulating custodial accounts; amending Minnesota Statutes 1990, sections 79A.02, subdivision 2, and by adding a subdivision; 79A.03, subdivisions 3, 7, and 9; 79A.04, subdivision 2; and 79A.06, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 79A; repealing Minnesota Rules, part 2780.0400, subparts 2, 3, 6, and 7.

Referred to the Committee on Commerce.

Messrs. Novak; Johnson, D.J. and Mrs. Brataas introduced—

S.F. No. 1434: A bill for an act relating to utilities; allowing electric utilities to extend electric lines to serve their own property and facilities; amending Minnesota Statutes 1990, section 216B.42, subdivision 2.

Referred to the Committee on Energy and Public Utilities.

Ms. Pappas, Messrs. Kelly, Metzen, Knaak and Marty introduced—

S.F. No. 1435: A bill for an act relating to education; permitting the Roseville area, St. Paul, and South St. Paul school districts to form joint powers agreement to integrate schools and programs; appropriating money.

Referred to the Committee on Education.

Messrs. Vickerman, Sams, Bertram and Renneke introduced—

S.F. No. 1436: A bill for an act relating to agriculture; prohibiting certain farming operations by corporations and limited partnerships; amending Minnesota Statutes 1990, section 500.24, subdivision 3.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Larson and Berg introduced—

S.F. No. 1437: A bill for an act relating to railroads; permitting the commissioner of transportation to authorize increased financing for regional rail authorities to acquire abandoned rail lines with high value rail; amending Minnesota Statutes 1990, section 222.50, subdivision 7.

Referred to the Committee on Transportation.

Mr. Pogemiller introduced—

S.F. No. 1438: A bill for an act relating to employment; providing a wage subsidy program for unemployed persons in a category with high unemployment; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Employment.

Mrs. Benson, J.E. introduced—

S.F. No. 1439: A bill for an act relating to the city of St. Cloud; authorizing the commissioner of administration to sell certain surplus lands to the city.

Referred to the Committee on Environment and Natural Resources.

Messrs. Cohen, Metzen, Belanger and Spear introduced—

S.F. No. 1440: A bill for an act relating to motor vehicles; providing for certain indemnities in lease agreements; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Judiciary.

Mr. Larson introduced—

S.F. No. 1441: A bill for an act relating to state building projects; requiring the commissioner of finance to issue bonds for a project authorized by the 1990 legislature.

Referred to the Committee on Finance.

Mrs. Benson, J.E.; Ms. Johnston, Mr. Neuville, Ms. Traub and Mr. Frederickson, D.J. introduced—

S.F. No. 1442: A bill for an act relating to education; authorizing a land exchange between the city of St. Cloud and St. Cloud State University.

Referred to the Committee on Environment and Natural Resources.

Ms. Reichgott, Messrs. Pogemiller and Johnson, D.J. introduced—

S.F. No. 1443: A bill for an act relating to tax increment financing; clarifying and modifying provisions relating to administration and enforcement of the tax increment financing law; clarifying effective dates; extending the application of provisions of the tax increment financing law for the city of Moorhead; providing for the computation of original net tax capacity of a district in the city of Fergus Falls; amending Minnesota Statutes 1990, sections 273.1399, subdivisions 1 and 3; 469.012, subdivision 8; 469.174,

subdivision 10; 469.176, subdivision 1; 469.1763, subdivisions 1, 2, 3, and 4; 469.177, subdivisions 1 and 8; 469.1771, subdivisions 2 and 4; 469.179, by adding a subdivision; and 469.1831, subdivision 4; Laws 1989, First Special Session chapter 1, article 14, section 16; and Laws 1990, chapter 604, article 7, section 31.

Referred to the Committee on Taxes and Tax Laws. Mr. Metzen questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Storm introduced—

S.F. No. 1444: A bill for an act proposing an amendment to the Minnesota Constitution; changing article IV, section 4, and article V, section 1; providing limits for legislative and executive service.

Referred to the Committee on Elections and Ethics.

Mr. Stumpf introduced—

S.F. No. 1445: A bill for an act relating to state government; appropriating money for the construction of a noncommercial television station tower in northwestern Minnesota.

Referred to the Committee on Finance.

Mr. Lessard introduced—

S.F. No. 1446: A bill for an act relating to conservation; defining old growth forest stand; adding old growth forest stands to those that may be placed in the conservation reserve program; amending Minnesota Statutes 1990, sections 103F.511, by adding a subdivision; and 103F.515, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. Davis introduced—

S.F. No. 1447: A bill for an act relating to agriculture; appropriating money for the state's portion of the interstate compact on grain marketing.

Referred to the Committee on Finance.

Mr. Metzen introduced—

S.F. No. 1448: A bill for an act relating to claims; appropriating money for payment of a claim for Keith Hennes.

Referred to the Committee on Finance.

Mr. Metzen introduced—

S.F. No. 1449: A bill for an act relating to economic development; requiring a study on the economic development and social impact of riverboat gambling.

Referred to the Committee on Gaming Regulation. Mr. Berg questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, April 15, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## THIRTY-THIRD DAY

St. Paul, Minnesota, Monday, April 15, 1991

The Senate met at 2:00 p.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Frank imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Robert Rolfes.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators answered to their names:

Adkins	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	Kroening	Morse	Sams
Benson, J.E.	Flynn	Laidig	Neuville	Samuelson
Berg	Frank	Langseth	Novak	Spear
Berglin	Frederickson, D.J.	Larson	Olson	Storm
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Stumpf
Bertram	Halberg	Luther	Pariseau	Traub
Brataas	Hottinger	Marty	Piper	Vickerman
Cohen	Hughes	McGowan	Pogemiller	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Price	
Davis	Johnson, D.J.	Merriam	Ranum	

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. Chmielewski, Gustafson, Knaak and Solon were excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 12, 1991

The Honorable Robert E. Vanasek  
Speaker of the House of Representatives

The Honorable Jerome M. Hughes



## President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1991 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1991	Date Filed 1991
	325	Res. No. 3	4:32 p.m. April 11	April 12
	646	23	4:30 p.m. April 11	April 12

Sincerely,  
Joan Anderson Growe  
Secretary of State

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 354, 578, 609, 934, 620, 722, 843, 1006, 1020 and 1182.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 11, 1991

**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 natural resources; providing a deadline for the legislative task force on minerals to submit its report; extending the availability of its appropriation.

Referred to the Committee on Finance.

H.F. No. 578: A bill for an act relating to Dakota county; permitting cities and towns to transfer assessment review duties to the county; proposing coding for new law in Minnesota Statutes, chapter 383D.

Referred to the Committee on Local Government.

H.F. No. 609: A bill for an act relating to veterans; authorizing the veterans homes board to rent certain facilities; authorizing expenditures of money; amending Minnesota Statutes 1990, section 198.003.

Referred to the Committee on Governmental Operations.

H.F. No. 934: A bill for an act relating to motor vehicles; prohibiting registration of vehicle for which salvage certificate of title is issued; amending Minnesota Statutes 1990, section 168A.152, subdivision 1.

Referred to the Committee on Transportation.

H.F. No. 620: A bill for an act relating to state lands; authorizing the sale of certain land in Cook county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 489.

H.F. No. 722: A bill for an act relating to the military; clarifying language about certain money appropriated for land acquisition; amending Minnesota Statutes 1990, section 190.25, subdivision 3.

Referred to the Committee on Finance.

H.F. No. 843: A bill for an act relating to waste; Western Lake Superior sanitary district; amending the definition of solid waste; changing the date for adoption of a budget; amending Minnesota Statutes 1990, sections 458D.02, subdivision 18; and 458D.08.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 796, now on General Orders.

H.F. No. 1006: A bill for an act relating to state lands; transferring state land to the city of Moose Lake.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 754, now on General Orders.

H.F. No. 1020: A bill for an act relating to state parks; authorizing handicapped permits for display on handicapped vehicle identifying certificates; amending Minnesota Statutes 1990, section 85.053, subdivisions 2 and 7.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 1182: A bill for an act relating to waters; acceptance of funds or property and acquisition of real property by the state board of water and soil resources; amending Minnesota Statutes 1990, section 103C.401, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

## REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 972 and 1232. The motion prevailed.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 844: A bill for an act relating to state lands; authorizing Otter Tail county to return donated state land to the donor's heir.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 7, delete the second comma and insert "*and*"

Page 1, line 8, delete "*and other law to the contrary,*"

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. 505: A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land in Washington county.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 7, delete "section 92.45, the"

Page 1, line 8, delete everything before "chapter"

Page 1, lines 9 and 11, delete "shall" and insert "may"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 376: A bill for an act relating to human services; extending the exemption from the Minnesota supplemental aid rate cap to allow payments at the case mix rate for certain medical assistance certified boarding care facilities and nursing homes declared institutions for mental disease; amending Minnesota Statutes 1990, section 256I.05, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 20, strike "The"

Page 2, strike line 21

Page 2, line 22, strike "clause" and delete the new language

Page 2, delete line 23

Page 2, line 24, delete the new language and strike the period

Page 3, after line 3, insert:

*"(d) The commissioner of human services shall take the following action in relation to certified boarding care facilities and nursing homes that have been declared institutions for mental diseases:*

*(1) All mental health and placement screenings and diagnostic assessments required under the federal Omnibus Budget Reconciliation Act (OBRA) must be completed by July 1, 1991, for all residents in institutions for mental diseases admitted prior to June 1, 1991. Residents determined to need relocation under the preadmission screening and annual resident review must be relocated to a more appropriate placement in accordance with the timelines established in the state's alternative disposition plan.*

*(2) By October 1, 1991, all institutions for mental diseases must be reviewed again by the commissioner to determine if they are still institutions for mental diseases, and the commissioner shall immediately revoke a declaration that a facility is an institution for mental diseases if the commissioner determines that the facility is not an institution for mental diseases.*

*(3) The commissioner shall provide to institutions for mental diseases training in the criteria used in assessing residents for determination of institutions for mental diseases status and the numbers of residents in each*

category.

*(4) For facilities whose status as an institution for mental diseases is not revoked by the commissioner by October 1, 1991, a facility-specific plan must be developed by the commissioner and the facility, in consultation with the appropriate consumer groups, to offer alternative services to enough residents by July 1, 1992, to allow the commissioner to revoke the facility's status as an institution for mental diseases."*

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "establishing requirements relating to"

Page 1, delete line 3

Page 1, line 4, delete everything before "medical"

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. 1241: A bill for an act relating to human services; developmental disabilities; designating the use of funds; clarifying the definition of related conditions; clarifying requirements for case management; establishing requirements for services and programs; requiring admission review teams for admissions to intermediate care facilities for persons with mental retardation or related conditions; amending Minnesota Statutes 1990, sections 246.18, subdivision 4, and by adding a subdivision; 252.27, subdivision 1a; 252.275; 252.28, subdivisions 1, 3, and by adding a subdivision; 252.32; and 256B.092; proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 1990, section 252.275, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, lines 25 to 27, reinstate the stricken language and delete the new language

Page 3, line 11, strike everything after "program"

Page 3, strike lines 12 and 13

Page 3, line 14, strike everything before "for" and insert "to provide support"

Page 3, line 15, before the period, insert "*to live as independently as possible in the community. An objective of the program is to reduce unnecessary use of intermediate care facilities for persons with mental retardation or related conditions and home and community-based services*"

Page 3, line 19, after "one-time" insert "living"

Page 3, line 20, delete "to" and insert "a home for"

Page 3, line 21, delete "the person's own home"

Page 9, line 27, delete "a" and after the comma, insert "nurturing,"

Page 9, line 28, delete "relationship with nurturing parents" and insert "relationships"

Page 10, line 3, delete everything after the period

Page 10, delete lines 4 to 6

Page 10, line 20, after "grants" insert "*except in cases where extreme hardship is demonstrated*"

Page 10, line 21, delete "trend in" and insert "*projected change in the average value in the United States Department of Labor Bureau of Labor Statistics consumer price index (all urban) for that year*"

Page 10, line 22, delete "family income"

Page 10, line 30, delete "recommended" and after "grant" insert "*requested by the family*"

Page 10, line 31, delete the new language and strike "will be used" and insert "*family intends to use the support grant and recommendations of the county*"

Page 11, line 34, after the period, insert "*During fiscal years 1992 and 1993, the maximum monthly grant awarded to families who are eligible for medical assistance shall be \$200 except in cases where extreme hardship is demonstrated.*"

Page 13, after line 18, insert:

"Sec. 9. Minnesota Statutes 1990, section 252.41, subdivision 9, is amended to read:

Subd. 9. [VENDOR.] "Vendor" means a ~~nonprofit legal entity~~ *an individual, corporation, partnership, voluntary association, or other organization* that:

(1) is licensed under sections 245A.01 to 245A.16 and 252.28, subdivision 2, to provide day training and habilitation services to adults with mental retardation and 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."

Page 16, line 34, after "commissioner" insert "*, including forms developed for interagency planning such as transition and individual family support plans*"

Page 19, line 16, after the semicolon, insert "and"

Page 19, delete lines 17 to 19

Page 19, line 20, delete "(3)" and insert "(2)"

Page 20, lines 5 and 6, strike "state hospital" and insert "*regional treatment center*"

Page 20, line 12, strike "nor"

Page 35, line 6, delete "provider" and insert "providers"

Page 35, after line 8, insert:

"Sec. 12. Minnesota Statutes 1990, section 256I.05, is amended by

adding a subdivision to read:

*Subd. 10. [FOSTER CARE.] Beginning July 1, 1992, the negotiated rate of a residence licensed as a foster home is limited to the rate set for room and board costs provided:*

*(1) the foster home is not the license holder's primary residence, or the license holder is not the primary caregiver to persons receiving services in the negotiated rate residence; and*

*(2) federal funding is available to pay for the cost of other necessary services.*

*For the purpose of this section, room and board costs mean costs of providing food and shelter for eligible persons, and includes the directly identifiable costs of:*

*(1) normal and special diet, food preparation, and food services;*

*(2) providing linen, bedding, laundering, and laundry supplies;*

*(3) housekeeping, including cleaning and lavatory supplies;*

*(4) maintenance and operation of the residence and grounds, including fuel, utilities, supplies, and equipment;*

*(5) the allocation of salaries related to these areas; and*

*(6) the lease or mortgage payment, property tax and insurance, furnishings, and appliances.*

**Sec. 13. [INSTRUCTION TO REVISOR.]**

*The revisor of statutes shall delete references to "individual habilitation plan" which appear in Minnesota Statutes, sections 120.17 and 256.045; and chapters 252 and 252A."*

Page 35, line 13, delete "10" and insert "11"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "authorizing for-profit organizations to provide day training and habilitation services;"

Page 1, line 13, delete "and" and insert "252.41, subdivision 9;" and before "proposing" insert "and 2561.05, by adding a subdivision;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1312: A bill for an act relating to general assistance; authorizing recipients who reside in negotiated rate facilities to save earnings in escrow; amending Minnesota Statutes 1990, section 256D.06, subdivision 1b.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1254: A bill for an act relating to human services; providing for allocation of detoxification transportation funds; amending Minnesota Statutes 1990, section 254A.17, subdivision 3.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1047: A bill for an act relating to human services; appropriating money for the New Chance demonstration project.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 985: A bill for an act relating to workers' compensation; regulating supplementary benefits; amending Minnesota Statutes 1990, section 176.132, subdivisions 1, 2, and 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1214: A bill for an act relating to workers' compensation; regulating coverage for family farm employees; amending Minnesota Statutes 1990, section 176.011, subdivision 11a.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 651: A bill for an act relating to insurance; requiring the registration of utilization review organizations; defining terms; requiring certificate to be issued by commissioner of commerce; establishing criteria for issuance of certificate; describing application process and fees; stating grounds for expiration, denial, and revocation of certificate; providing for waiver for some contracts with federal government; establishing reporting requirements; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 72A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 29, delete "*health maintenance organization,*"

Page 3, line 2, delete everything after the period

Page 3, delete lines 3 to 6

Page 3, line 7, before "*This*" insert "*Except as otherwise provided in section 11,*"

Pages 3 and 4, delete section 3 and insert:

“Sec. 3. [72A.57] [CERTIFICATE.]

*Subdivision 1. [ISSUANCE.] A private review agent may not conduct utilization review for health care provided in this state unless the commissioner has issued a certificate to the private review agent. The commissioner shall issue a certificate to an applicant that has met all the requirements of this section. A certificate issued under this section is not transferable.*

*Subd. 2. [REQUIREMENTS.] The commissioner shall issue a certificate to a private review agent only if the agent complies with the following requirements and documents to the satisfaction of the commissioner that the agent's utilization review includes the following criteria:*

*(1) the requirement that the private review agent provide patients and providers with its utilization review plan, including the specific review standards, procedures, and methods to be used in evaluating proposed or delivered health care including the patient's right to appeal the utilization review decision;*

*(2) the provisions by which patients and health care providers on behalf of patients may seek prompt reconsideration or appeal of adverse decisions by the private review agent;*

*(3) the type, qualifications, and number of personnel required to perform utilization review, including a requirement that only a licensed medical practitioner trained or comparably trained in the relevant specialty or sub-specialty be permitted to make a final determination that care provided or to be provided is not medically necessary;*

*(4) the requirement that no determination that care provided or to be provided is not medically necessary shall be made until an appropriately qualified reviewing medical practitioner has spoken to the patient's attending physician concerning this medical care or documented a good faith effort to contact the patient's attending physician;*

*(5) the requirement that a determination that care provided or to be provided is not medically necessary must include the written evaluation and findings of the reviewing medical practitioner;*

*(6) the requirement that a representative of the private review agent is reasonably accessible to patients, patient's family, and providers at least five days a week during normal business hours, by telephone or in person, and that payment must not be denied for treatment provided during a period when the review agent is not accessible;*

*(7) policies and procedures to ensure that all applicable state and federal laws to protect the confidentiality of individual medical records are followed;*

*(8) the requirement that no private review agent is permitted to enter a hospital to interview a patient unless approved in advance by the patient's attending physician and that the attending physician or a designee is entitled to attend the interview; and*

*(9) the requirement that a private review agent disclose an incentive payment provision contained in its contract with a business entity or third party payor based on reduction of services, reduction of length of stay, or treatment setting selected.”*

Page 5, lines 2 and 7, delete “shall” and insert “must”



Page 5, lines 3 and 9, delete "any"

Page 5, line 33, after the semicolon, insert "and"

Page 6, line 1, delete "; and" and insert a period

Page 6, delete lines 2 to 4 and insert:

*"The information required under this section is public information and shall not be given trade secret protection."*

Page 6, line 12, delete "otherwise" and after "is" insert "otherwise"

Page 6, line 20, delete "any" and insert "the"

Page 6, line 26, delete "any" and insert "an"

Page 6, delete lines 33 and 34 and insert "*comply with or violates sections 1 to 10.*"

Page 6, lines 35 and 36, delete "under this section"

Page 7, line 9, delete "13" and insert "14"

Page 7, line 10, after "patient" insert ", or representative of the patient,"

Page 7, line 12, delete everything after "with" and insert "*sections 1 to 10*"

Page 7, line 13, delete everything before "and"

Page 7, line 15, delete "*this section or rules*" and insert "*sections 1 to 10*"

Page 7, line 20, delete "*shall have the right to*" and insert "may"

Page 7, line 22, after the first "agent" insert "and"

Page 7, line 23, delete "*the section*" and insert "*sections 1 to 10*"

Page 7, lines 24 and 25, delete "*be deemed to*"

Page 7, line 29, delete "12" and insert "10"

Page 7, line 32, after the second comma, insert "or"

Page 8, delete section 11 and insert:

"Sec. 11. [72A.65] [EXEMPTION.]

*Sections 1 to 10 do not apply to private review agents and organizations that perform utilization review for health maintenance organizations regulated under chapter 62D.*"

Page 8, line 15, delete everything after "violates" and insert "*sections 1 to 10*"

Page 8, line 16, delete everything before "or" and delete "any"

Page 8, line 17, delete "*by this section*" and insert "*under section 4 or 6*"

Page 8, line 23, delete "12" and insert "10"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 327: A bill for an act relating to elections; authorizing certain school district elections to be held in odd-numbered years; amending Minnesota Statutes 1990, section 205A.04.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 1, delete "*change*" and insert "*shorten*"

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. 1153: A bill for an act relating to the legislature; leave of absences for service; making it clear that leaves of absence must be granted whenever attending to public business; amending Minnesota Statutes 1990, section 3.088, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1040: A bill for an act relating to local government; allowing Pine county to transfer money from the county welfare fund to the general fund to support a hospital.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1318: A bill for an act relating to real property; authorizing the recording of monuments on plats before actual placement; amending Minnesota Statutes 1990, sections 465.79, subdivisions 2 and 4; 505.02, subdivision 1; and 505.03, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 1059: A bill for an act relating to drivers' licenses; changing application procedures relating to making anatomical gifts; establishing an anatomical gift education program; appropriating money; amending Minnesota Statutes 1990, sections 171.06, subdivision 3; and 171.07, subdivision 5, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 3, after "*gift*" insert "*, or not to make an anatomical gift,*"

Page 3, line 16, delete the new language

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1195: A bill for an act relating to Ramsey county; removing the levy limit on library levies.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1122: A bill for an act relating to local government; permitting public officers to rent space in public facilities; amending Minnesota Statutes 1990, section 471.88, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, delete everything after "*public*" and insert a period

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. 1216: A bill for an act relating to state lands; transferring state land by private sale to the town board of the town of Lake in Roseau county.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 92.03, subdivision 1, is amended to read:

Subdivision 1. [SCHOOL LANDS.] The price of school lands must be at least \$5 an acre, including the value of timber reproduction. Sales of school lands must be *held* within the county containing the lands *or an adjacent county*. No more than 100,000 acres of school lands may be sold in one year. If a patent has been issued by the federal government to school land before 1864 and the taxes on it have been paid for at least 35 years, the commissioner of finance may reduce the minimum price of \$5 an acre by the taxes paid to make the land salable.

Sec. 2. Minnesota Statutes 1990, section 92.12, subdivision 4, is amended to read:

Subd. 4. [SALES.] The commissioner shall hold frequent sales of school and other state lands. The time and place of the sales must be publicly posted ~~on the front door of~~ *in* the courthouse in the county where the *lands are located and in the courthouse in the county where the sale is to take place* at least 30 days in advance, in addition to the regular notice of sale

provided by law. At this sale the commissioner shall sell lands the commissioner considers best for the public interest.

Sec. 3. Minnesota Statutes 1990, section 92.13, is amended to read:

92.13 [STATE LANDS, DATE OF SALE.]

The commissioner shall hold public sales of school and other state lands ~~in counties containing them~~ when it is advantageous to the state and to intending buyers and settlers.

Sec. 4. Minnesota Statutes 1990, section 92.14, is amended to read:

92.14 [SALE, NOTICE.]

Subdivision 1. [TIME.] ~~Before any sale is made,~~ The commissioner shall give four weeks' published notice of the ~~time and place~~ of sale at St. Paul ~~and, in each county containing land to be sold, and in the county where the sale will be held. The notice must describe each parcel of land to be sold.~~ If there is no newspaper published in the county, four weeks' posted notice in the county courthouse must be given. On or before the day of sale, the commissioner may withdraw any lands.

Subd. 2. [CONTENTS.] ~~The commissioner shall give public notice of each sale referred to in section 92.13 by four publications in a weekly newspaper printed and published at the county seat of the county containing the lands, and by four weekly publications in a daily newspaper published and printed in St. Paul.~~ The notice must contain the following information:

- (1) the time and place for the holding of the sales;
- (2) the limitations and requirements provided by law for purchasers of the lands;
- (3) the terms and conditions of payments required by law; and
- (4) the place where lists of lands to be offered for sale may be obtained.

Subd. 3. [ADDITIONAL ADVERTISING OF LAND SALES.] In addition to ~~posted~~ notice of land sales required by ~~subdivisions~~ *subdivision 1 and 2*, the commissioner shall publicize land sales in Minnesota and elsewhere to the greatest extent possible, consistent with appropriations available for that purpose.

Sec. 5. Minnesota Statutes 1990, section 92.67, subdivision 1, is amended to read:

Subdivision 1. [SALE REQUIREMENT.] Notwithstanding section 92.45 or any other law, at the request of a lessee or as otherwise provided in this section, the commissioner of natural resources shall sell state property bordering public waters that is leased for the purpose of a private cabin under section 92.46. *The commissioner may also sell other state property that is not necessary for public access to water and that has been included in plats of state property authorized for sale under this section.* Requests for sale must be made prior to December 31, 1992, and the commissioner shall complete all requested sales and sales arising from those requests by December 31, 1993, subject to subdivision 3, clause (d). The sale shall be made in accordance with laws providing for the sale of trust fund land except as modified by the provisions of this section. In 1990 and 1991 a request for sale may be withdrawn by a lessee at any time more than ten days before the day set for a sale. Property withdrawn from sale by its lessee is not subject to sale under this section until the lessee makes another

request. Property withdrawn from sale shall continue to be governed by other law.

Sec. 6. Laws 1986, chapter 449, section 6, is amended to read:

Sec. 6. [REPEALER.]

*Minnesota Statutes 1990, sections 2 92.67 and 3 of this act 92.68, are repealed on July 1, 1992 January 1, 1994.*

Sec. 7. [STATE LAND CONVEYANCE; LAKE.]

*(a) Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of natural resources, on behalf of the state, shall convey the land described in paragraph (c) to the town board of the town of Lake in Roseau county for no consideration.*

*(b) The conveyance must be in a form approved by the attorney general and must provide that the land reverts to the state if the land is not used for the purposes described in paragraph (d).*

*(c) The land to be conveyed is located in Roseau county, contains 32.33 acres, more or less, and is described as Lot 2 in Section 27, Township 163 North, Range 37 West.*

*(d) The described property is located adjacent to the town hall property. The town desires to expand its town hall and to manage and use the remaining property in its natural state or as a park.*

Sec. 8. [EFFECTIVE DATE.]

*Section 7 is effective the day following final enactment."*

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "allowing sales of certain state lands to be held in counties adjacent to the county where the land is located; allowing the commissioner of natural resources to sell certain state lands bordering public waters;"

Page 1, line 4, before the period, insert "amending Minnesota Statutes 1990, sections 92.03, subdivision 1; 92.12, subdivision 4; 92.13; 92.14; 92.67, subdivision 1; and Laws 1986, chapter 449, section 6"

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. 1110: A bill for an act relating to agriculture; abolishing refund of checkoff fee paid by paddy wild rice producers; amending Minnesota Statutes 1990, section 17.63.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 1174: A bill for an act relating to water; setting a minimum water use processing fee for water use permits issued for irrigation; amending Minnesota Statutes 1990, section 103G.271, subdivision 6.

Reports the same back with the recommendation that the bill do pass.  
Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 355: A bill for an act relating to animals; providing for disposition of certain animals taken into custody by public authorities; requiring bond or other security for expenses of care in certain cases; amending Minnesota Statutes 1990, sections 343.22, subdivisions 1 and 3; and 343.29, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 343.

Reports the same back with the recommendation that the bill do pass.  
Report adopted.

Mr. Berg from the Committee on Gaming Regulation, to which was referred

S.F. No. 496: A bill for an act relating to horse racing; providing for licensing of teleracing facilities; allowing for pari-mutuel wagering at teleracing facilities; amending Minnesota Statutes 1990, sections 240.01, subdivisions 1, 10, and by adding subdivisions; 240.03; 240.05, subdivision 1; 240.06, subdivision 1; 240.10; 240.11; 240.13, subdivisions 1, 2, 3, 4, 5, 6, and 8; 240.15, subdivision 6; 240.16, subdivision 1a; 240.19; 240.23; 240.25, subdivision 2; 240.27; 240.28, subdivision 1; and 240.29; proposing coding for new law in Minnesota Statutes, chapter 240; repealing Minnesota Statutes 1990, sections 240.01, subdivision 13; 240.13, subdivision 6a; and 240.14, subdivision 1a.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 4, delete "*operated*" and insert "*at which telerace simulcasting is conducted*"

Page 2, line 36, delete "*act*" and insert "*chapter*"

Page 3, line 1, delete "*more*" and insert "*less*"

Page 3, line 6, after "*are*" insert a colon

Page 3, line 7, delete the comma and insert a semicolon

Page 4, line 9, after "*for*" insert "*the*"

Page 5, line 30, delete "[240.091]" and insert "[240.091]"

Page 5, line 33, after the period, insert "*The commission may issue a total of not more than six class E licenses, of which not more than two may be issued before January 1, 1992.*"

Page 6, after line 16, insert:

*"(5) an irrevocable consent statement, to be signed by the applicant, that states that the applicant agrees to be bound by and subject to the authority of the commission, the rules adopted by the commission, and the laws of this state relating to the activity to be conducted; and"*

Page 6, line 17, delete "(5)" and insert "(6)"

Page 6, line 28, delete "; and" and insert a period

Page 6, delete lines 29 to 33

Page 7, line 1, delete "will" and insert "is proposed to" and delete "also"

Page 7, line 2, after "from" insert ": (1)"

Page 7, line 3, delete "will" and insert "is proposed to"

Page 7, line 4, delete "or from" and insert "(2)" and delete "it is" and insert "the facility is proposed"

Page 7, line 5, delete "or town" and insert a comma and delete "from" and insert "(3)"

Page 7, line 6, after "commission" insert "if one exists for the area" and after "or" insert ", if the facility is proposed to be located within the metropolitan area as defined in section 473.121, subdivision 2," and delete ", as the case may be"

Page 7, line 10, delete the comma and insert ". The" and delete "which shall" and insert "the investigations must"

Page 7, line 15, before "If" insert "(a)"

Page 7, line 18, delete the comma and insert "and"

Page 7, line 19, delete the third comma and insert a semicolon

Page 7, line 21, after "interest" insert a semicolon

Page 7, after line 25, insert:

"(b) As a condition of a class E license, the commission shall require that a person employed in the erection, construction, remodeling, or repairing of a telercing facility may not be paid a lesser rate of wages than the prevailing wage rate, as defined in section 177.42, subdivision 6, in the same or most similar trade or occupation in the area."

Page 8, line 1, after "shares" insert a comma

Page 8, lines 6 and 7, delete "Suspension and revocation of"

Page 8, line 7, delete "is" and insert "may be suspended or revoked"

Page 8, line 12, delete "must" and insert "shall"

Page 9, lines 24 and 26, delete "the" and insert "a"

Page 9, line 27, delete "its" and insert "the" and after "for" insert "comparable pools on"

Page 9, line 32, before "A" insert "The commission may not authorize" and delete "shall not be authorized"

Page 9, line 35, delete "its" and insert "the"

Page 10, line 3, after "racing" insert "the breed racing the majority of races"

Page 10, line 5, delete "shall" and insert "must"

Page 10, line 23, delete "or at the" and insert "and"

Page 10, line 26, delete "the"

Page 10, line 27, delete "shall be" and insert "are"

Page 11, line 33, delete "the" and insert "a"

- Page 11, line 35, delete “*take*” and insert “*takes*”
- Page 11, line 36, delete “*these*” and insert “*the*”
- Page 12, line 4, delete “*including*”
- Page 12, line 16, delete “*shall increase*” and insert “*is increased*”
- Page 12, line 23, delete “*shall be*” and insert “*is*”
- Page 12, line 27, delete “*shall*” and insert “*must*” and after “*except*” insert “*that*”
- Page 12, line 30, delete “*shall*” and insert “*must*”
- Page 12, line 32, delete “*of the breed involved in the telecast*”
- Page 12, line 33, after the first “*racing*” insert “*the breed racing the majority of races*”
- Page 13, line 1, delete the first “*for*”
- Page 13, line 2, delete “*pursuant to*” and insert “*under*”
- Page 13, lines 6, 30, and 36, delete “*Minnesota*” and insert “*this state*”
- Page 13, lines 26 and 32, delete “*shall*” and insert “*must*”
- Page 14, lines 2, 19, and 24, delete “*shall*” and insert “*must*”
- Page 14, line 4, delete “*provided, however,*” and insert “*except*”
- Page 14, line 7, delete “*Minnesota*” and insert “*this state*” and delete “*shall*” and insert “*must*”
- Page 14, line 20, delete “*which*” and insert “*that*” and delete “*;* *provided,*”
- Page 14, line 21, delete “*however*” and after the comma, insert “*except*”
- Page 15, line 30, delete “*its*” and insert “*the licensee’s*”
- Page 15, line 34, delete “*comprised of*” and insert “*featuring*”
- Page 16, line 3, after “*racing*” insert “*the breed racing the majority of races*”
- Page 16, line 5, delete “*shall*” and insert “*may*”
- Page 16, line 6, delete “*nor shall any*” and insert “*and a*”
- Page 16, line 7, after “*licensee*” insert “*may not*”
- Page 16, line 15, delete “*any*” and insert “*a*”
- Page 16, line 16, after “*race*” insert a comma
- Page 16, line 17, delete “*shall*” and insert “*must*”
- Page 16, line 26, after “*commission*” insert a comma
- Page 17, line 3, after “*racetrack*” insert “*for these pools*”
- Page 17, line 12, delete “*shall serve*” and insert “*serves*” and delete “*if it*”
- Page 17, line 13, delete “*were*”
- Page 17, line 20, delete “*shall*” in both places and insert “*must*”
- Page 17, line 24, after “*that*” insert “*a*”



Page 17, line 25, after "*simulcast*" insert a comma

Page 17, line 31, delete "*the licensee's*" and insert "a"

Page 17, line 32, delete "*shall be*" and insert "are"

Page 18, line 10, delete "*provided, however,*" and insert "*except*"

Page 18, line 12, delete "*Minnesota, shall*" and insert "*this state, must*"

Page 18, line 13, delete "*under*" and insert "in"

Page 18, line 31, delete "*shall have*" and insert "has" and delete "as"

Page 19, line 35, after "(i)" insert "*the operation of teleracing facilities; and*

(j)"

Page 20, lines 1 and 2, delete the new language

Page 22, line 19, reinstate the stricken comma

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Novak from the Committee on Energy and Public Utilities, to which was referred

S.F. No. 1399: A bill for an act relating to utilities; determining when reconciliation of actual assessments to public utilities and telephone companies must be completed; amending Minnesota Statutes 1990, sections 216B.62, subdivision 3; and 237.295, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1116: A bill for an act relating to counties; permitting counties to spend money for broadcast facilities; amending Minnesota Statutes 1990, section 375.164.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, reinstate the stricken "TELEVISION TRANSLATOR" and before the reinstated "TELEVISION" insert "NONCOMMERCIAL AND"

Page 1, line 13, reinstate the stricken language and after the reinstated "station" insert "*or a noncommercial television*" and delete "or"

Page 1, line 14, delete "*outside of*" and delete "or"

Page 1, line 15, delete "*radio*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1160: A bill for an act relating to local government; providing for the organization, administration, and operation of a hospital district in the county of Swift and the city of Benson.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 24 and 25

Page 2, delete line 1

Page 2, line 14, before the period, insert "*but shall not have taxing authority*"

Renumber the subdivisions in sequence

Page 5, line 25, delete the second "*district*" and insert "*city of Benson and the county of Swift*"

Page 5, line 27, delete "*or on behalf of*" and before the period, insert "*or by the city of Benson or the county of Swift on behalf of the preexisting hospital*"

Page 6, line 28, delete the second "*, or*"

Page 6, delete line 29

Page 6, line 30, delete everything before the semicolon

Page 11, line 12, delete "*and tax levy*"

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. 219: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water or natural wetlands in Anoka county.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 7, after "*282.018,*" insert "*subdivision 1,*"

Page 1, line 16, delete "*(10)*" and insert "*(9)*"

Page 2, delete lines 6 to 19

Page 2, delete lines 27 to 36

Page 3, delete lines 1 to 5

Page 3, delete lines 13 to 25

Page 3, delete lines 29 to 36

Page 4, delete lines 1 to 7

Page 4, delete lines 19 to 31

Page 4, delete lines 35 and 36

Page 5, delete lines 1 to 36

Page 6, delete lines 1 and 2

Page 6, line 3, delete “(8)” and insert “(7)”

Page 6, line 11, delete “(9)” and insert “(8)”

Page 6, line 16, delete “(10)” and insert “(9)”

Page 6, after line 21, insert:

“Sec. 2. [SALE OF TAX-FORFEITED LAND; ANOKA COUNTY.]

*(a) Notwithstanding Minnesota Statutes, section 282.018, subdivision 1, Anoka county may sell the tax-forfeited land bordering public water or natural wetlands that is described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.*

*(b) The land described in this section may be sold to the state for natural resource purposes or to the public. The commissioner of natural resources may exercise the option to purchase the land for the state until one year after the effective date of this section. Thereafter, the land may be offered for public sale under Minnesota Statutes, chapter 282. The conveyance must be in a form approved by the attorney general.*

*(c) The land that may be sold is described as:*

*Government Lot 1, Section 30, Township 34, Range 23 West, Anoka County, Minnesota.*

*(d) The county has determined that the county's land management interests would best be served if the land were sold as provided under this section.”*

Page 6, line 23, delete “Section 1 is” and insert “Sections 1 and 2 are”

Renumber the sections in sequence

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 489: A bill for an act relating to state lands; authorizing the sale of certain land in Cook county.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [COOK COUNTY; LAND SALE.]

*(a) Notwithstanding Minnesota Statutes, section 282.018, Cook county may sell the lands bordering public waters described in paragraph (c) in accordance with the remaining provisions of Minnesota Statutes, chapter 282.*

*(b) The conveyance must be in a form approved by the attorney general.*

*(c) The lands that may be sold are located in Cook county and are described as:*

*(1) Government Lot 1, Section 20, Township 61 North, Range 2 West;*

and

(2) *Government Lot 5 north of the Gunflint Trail, Section 33, Township 65 North, Range 3 West.*

(d) *The county has determined that the county's land management interests would best be served if the lands were privately owned.*

Sec. 2. [ST. LOUIS COUNTY; PRIVATE SALE.]

(a) *Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may offer for sale and sell, in the manner provided for the sale of other trust fund lands, the land described in paragraph (c), except that the value of the improvements on the land shall be appraised separately. The conveyance must be in a form approved by the attorney general.*

(b) *If at the sale of the land Duane D. Cihlar is the purchaser, he is not required to pay for the improvements upon furnishing an affidavit showing that the improvements were owned by him.*

*If a person other than Duane D. Cihlar purchases the land, the purchaser shall pay in cash to the state at the time of sale, in addition to all other required payments, the full amount for which the improvements are appraised. The amount received by the state for the improvements must be paid by the state treasurer, with the approval of the commissioner of finance, to Duane D. Cihlar or his successor in interest as compensation for the improvements. The money required for the payment is appropriated for this purpose.*

(c) *The commissioner may offer for sale and sell the land described as:*

*That part of the North 110 feet of the Southwest Quarter of the Northeast Quarter of Section 4, Township 61 North, Range 12 West, St. Louis county, Minnesota, lying westerly of the un-named creek, containing 2.6 acres, more or less.*

(d) *This land sale will resolve an inadvertent trespass revealed by a recent survey. The public interest will be best served when this trespass is resolved.*

Sec. 3. [EFFECTIVE DATE.]

*This act is effective the day following final enactment."*

Delete the title and insert:

*"A bill for an act relating to state lands; authorizing the sale of certain land in Cook county; authorizing the private sale of certain state lands in St. Louis county."*

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. 83: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in the city of Hitterdal in Clay county.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 23, insert:

“Sec. 2. [SALE OF TAX-FORFEITED LAND; COTTONWOOD COUNTY.]

*(a) Notwithstanding Minnesota Statutes, section 282.018, subdivision 1, Cottonwood county may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.*

*(b) The conveyances must be in a form approved by the attorney general.*

*(c) The land that may be conveyed is located in the city of Windom in Cottonwood county and is described as:*

*(1) Perkins Bluff Subdivision*

*City of Windom*

*Lot 11, Block 1*

*(2) Vold Addition*

*City of Windom*

*Lots 1, 2 and 3 Block 4*

*(d) The lots that border these lots either have residential homes built on them or are part of a residential property. It would be in the best interests of the taxpayers of the city and county to have these lots sold for private residential purposes. These lots have little or no potential for use as conservation land. The city has expressed concern that the lots be kept mowed and the weeds controlled.”*

Page 1, line 25, delete “Section 1” and insert “This act”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete “land that borders” and insert “lands bordering” and delete “the”

Page 1, delete line 4 and insert “Clay and Cottonwood counties.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Novak from the Committee on Energy and Public Utilities, to which was referred

S.F. No. 406: A bill for an act relating to energy; generation of electrical energy; prohibiting the issuance of certificates of need for new nuclear generating plants until the public utilities commission is satisfied that a safe method is available for the permanent disposal of nuclear waste; proposing coding for new law in Minnesota Statutes, chapter 216B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 16, delete “the commission”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1020: A bill for an act relating to the city of Saint Paul; exempting certain port authority activities from competitive bidding; amending Minnesota Statutes 1990, section 469.084, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1021: A bill for an act relating to port authorities; providing for extraterritorial exercise of port authority powers to assist economic development projects; authorizing affected governmental units to contribute funds in support of port authority financing; amending Minnesota Statutes 1990, section 469.062, 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 Redistricting, to which was referred

House Concurrent Resolution No. 2: A House concurrent resolution relating to legislative redistricting; establishing standards for redistricting plans.

Reports the same back with the recommendation that the resolution be amended as follows:

Page 1, line 17, delete "compact,"

Page 2, line 10, delete "compact,"

And when so amended the resolution do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Redistricting, to which was referred

House Concurrent Resolution No. 1: A House concurrent resolution relating to congressional redistricting; establishing standards for redistricting plans.

Reports the same back with the recommendation that the resolution be amended as follows:

Page 1, line 13, delete "compact,"

Page 2, line 1, delete "should" and insert "must"

Page 2, line 3, delete "compact,"

And when so amended the resolution do pass. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1164: A bill for an act relating to local government; permitting the city of Biwabik and the town of White to establish a joint east range

economic development authority.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 16, delete "four" and insert "three"

Page 2, line 17, after the period, insert "The seventh commissioner shall be appointed by joint agreement of a majority of the White town board and a majority of the Biwabik city council; the jointly appointed commissioner shall serve an initial term of six years."

Page 2, line 18, after "three," insert "and" and delete ", and six"

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. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 668: A bill for an act relating to economic development; establishing a small business development center program; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 11, insert:

"Sec. 2. [PLAN TO ENCOURAGE PRIVATE CONTRIBUTIONS.]

*The commissioner of trade and economic development shall develop a plan to encourage private contributions of funds to the small business development center program, targeting previous recipients of assistance under the program. The commissioner shall report on the plan to the chairs of the senate committee on economic development and housing and the house of representatives committee on economic development by January 15, 1992."*

Page 1, line 13, delete "\$1,000,000" and insert "\$ . . . . ."

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, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 479 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.
479	532				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 479 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 479 and insert the language after the enacting clause of S.F. No. 532, the first engrossment; further, delete the title of H.F. No. 479 and insert the title of S.F. No. 532, the first engrossment.

And when so amended H.F. No. 479 will be identical to S.F. No. 532, and further recommends that H.F. No. 479 be given its second reading and substituted for S.F. No. 532, 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. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 972: A bill for an act relating to agriculture; protecting aquaculture waters from irreversible degradation; requiring certain aquatic farms to have aquaculture use permits; regulating aquatic farm operations; requiring financial assurance to restore aquaculture waters; providing a procedure to prevent and minimize impacts from aquatic farms; prescribing best management practices and, if ineffective, permit modifications; defining aquaculture therapeutics as pesticides; defining aquaculture feed as commercial feed; amending Minnesota Statutes 1990, sections 18B.01, subdivision 18; and 25.33, subdivision 5; 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 5, line 15, delete everything after "(d)" and insert "*A person operating aquatic farms under state permits on May 1, 1991, must be issued a permit, subject to other provisions of sections 1 to 7, for the aquaculture waters being used as part of the operation. The person must submit an application for a new permit by*"

Page 5, delete lines 16 to 18

Page 6, line 8, delete "20" and insert "five"

Page 8, line 31, delete "extend" and insert "extent"

Page 10, line 5, delete "7" and insert "8"

Page 10, line 24, after "shall" insert "annually"

And when so amended the bill do pass. Mr. Lessard questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 240: A bill for an act relating to counties; providing for the contents and public availability of the county financial statement; amending Minnesota Statutes 1990, section 375.17.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 279.09, is amended to read:  
279.09 [PUBLICATION OF NOTICE AND LIST.]



The county auditor shall cause the notice and list of delinquent real property to be published ~~once in each of two consecutive weeks~~ *twice* in the newspaper designated. The first publication ~~of which~~ shall be made on or before March 20 immediately following the filing of such list with the court administrator of the district court. *The second publication shall occur during the fourth week following the first publication.* The auditor shall deliver such list to the publisher of the newspaper designated, at least 20 days before the date upon which the list shall be published for the first time.

Sec. 2. Minnesota Statutes 1990, section 281.13, is amended to read:  
281.13 [NOTICE OF EXPIRATION OF REDEMPTION.]

Every person holding a tax certificate after expiration of three years after the date of the tax sale under which the same was issued, may present such certificate to the county auditor; and thereupon the auditor shall prepare, under the auditor's hand and official seal, a notice, directed to the person or persons in whose name such lands are assessed, specifying the description thereof, the amount for which the same was sold, the amount required to redeem the same, exclusive of the costs to accrue upon such notice, and the time when the redemption period will expire. If, at the time when any tax certificate is so presented, such lands are assessed in the name of the holder of the certificate, such notice shall be directed also to the person or persons in whose name title in fee of such land appears of record in the office of the county recorder. The auditor shall deliver such notice to the party applying therefor, who shall deliver it to the sheriff of the proper county for service. Within 20 days after receiving it, the sheriff shall serve such notice upon the persons to whom it is directed, if to be found in the sheriff's county, in the manner prescribed for serving a summons in a civil action; if not so found, then upon the person in possession of the land, and make return thereof to the auditor. In the case of land held in joint tenancy the notice shall be served upon each joint tenant. If one or more of the persons to whom the notice is directed cannot be found in the county, and there is no one in possession of the land, of each of which facts the return of the sheriff so specifying shall be prima facie evidence, service shall be made upon those persons that can be found and service shall also be made by ~~three~~ *two* weeks' published notice, proof of which publication shall be filed with the auditor.

When the records in the office of the county recorder show that any lot or tract of land is encumbered by an unsatisfied mortgage or other lien, and show the post office address of the mortgagee or lienee, or if the same has been assigned, the post office address of the assignee, the person holding such tax certificate shall serve a copy of such notice upon such mortgagee, lienee, or assignee by certified mail addressed to such mortgagee, lienee, or assignee at the post office address of the mortgagee, lienee, or assignee as disclosed by the records in the office of the county recorder, at least 60 days prior to the time when the redemption period will expire.

The notice herein provided for shall be sufficient if substantially in the following form:

“NOTICE OF EXPIRATION OF REDEMPTION

Office of the County Auditor

County of . . . . ., State of Minnesota.

To . . . . .

You are hereby notified that the following described piece or parcel of land, situated in the county of . . . . ., and State of Minnesota, and known and described as follows: . . . . ., is now assessed in your name; that on the . . . . . day of May, . . . . ., at the sale of land pursuant to the real estate tax judgment, duly given and made in and by the district court in and for said county of . . . . ., on the . . . . . day of March, . . . . ., in proceedings to enforce the payment of taxes delinquent upon real estate for the year . . . . . for said county of . . . . ., the above described piece or parcel of land was sold for the sum of \$ . . . . ., and the amount required to redeem such piece or parcel of land from such sale, exclusive of the cost to accrue upon this notice, is the sum of \$ . . . . ., and interest at the rate of . . . . . percent per annum from said . . . . . day of . . . . ., to the day such redemption is made, and that the tax certificate has been presented to me by the holder thereof, and the time for redemption of such piece or parcel of land from such sale will expire 60 days after the service of this notice and proof thereof has been filed in my office.

Witness my hand and official seal this . . . . . day of . . . . .

(OFFICIAL SEAL)

County Auditor of . . . . . County, Minnesota.”

Sec. 3. Minnesota Statutes 1990, section 375.17, is amended to read: 375.17 [PUBLICATION OF FINANCIAL STATEMENTS.]

Annually, not later than the first Tuesday after the first Monday in March, the county board shall make a full and accurate statement of the receipts and expenditures of the preceding year, which shall contain a statement of the assets and liabilities, a summary of receipts, disbursements, and balances of all county funds together with a detailed statement of each fund account, under the form and style prescribed by and on file with the state auditor. The prescribed form and any changes or modifications of it shall so far as practical be uniform for all counties and be approved by the attorney general and the state printer. Before June 1 the board shall publish the statement, *or a summary of the statement in a form as prescribed by the state auditor*, for one issue in a duly qualified legal newspaper in the county. ~~The board may refrain from publishing an itemized account of amounts paid out, to whom and for what purpose to the extent that the published proceedings of the county board contain the information, if all disbursements aggregating \$5,000 or more to any person are set forth in a schedule of major disbursements showing amounts paid out, to whom and for what purpose and are made a part of, and published with, the financial statement. The county board may refrain from publishing the names and amounts of salaries and expenses paid to employees but shall publish the totals of disbursements for salaries and expenses. The county board may refrain from publishing the names of persons receiving poor relief or direct relief and the amounts paid to each, but the totals of the disbursements for those purposes must be published.~~ In addition to the publication in the newspaper designated by the board as the official newspaper for publication of the financial statement, the statement *or summary* shall be published in one other

newspaper, if one of general circulation is located in a different municipality in the county than the official newspaper. The county board shall call for separate bids for each publication. *If the county board elects to publish the full statement, the county board may:*

(1) *refrain from publishing an itemized account of amounts paid out, to whom, and for what purpose, to the extent that the published proceedings of the county board contain the information, if all disbursements aggregating \$100 or more to any person are set forth in a schedule of major disbursements showing amounts paid out, to whom, and for what purpose, and are made part of and published with the financial statement;*

(2) *refrain from publishing the names and amounts of salaries and expenses paid to employees but shall publish the totals of disbursements for salaries and expenses; and*

(3) *refrain from publishing the names of persons receiving poor relief or direct relief and the amounts paid to each, but the totals of disbursements for those purposes must be published. The financial statement must be filed with the county auditor's office for public inspection. If a provision of this section is inconsistent with section 393.07, the provisions of that section shall prevail. The financial statement must be filed with the county auditor for public inspection."*

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "clarifying certain publication and notice requirements;"

Page 1, line 4, delete "section" and insert "sections 279.09; 281.13; and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1295: A bill for an act relating to Ramsey county; creating a Ramsey county consolidation study commission; setting its duties; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 6, delete "CONSOLIDATION" and insert "LOCAL SERVICES"

Page 1, line 7, delete "consolidation" and insert "local services"

Page 1, line 8, delete "consolidation" and insert "the service delivery"

Page 1, line 11, delete "a" and insert "improving cost effectiveness of local government services including the possible"

Page 1, line 12, delete everything after "study"

Page 1, line 13, delete "government" and delete "its" and insert "the"

Page 2, line 5, after the period, insert "No measure shall be adopted without a 60 percent affirmative vote of the commission."

Page 2, line 6, after "of" insert "or whose principal place of business is located in"

Page 2, line 26, delete “*employers*” and insert “*employees*”

Page 2, line 31, after “*chair*” insert “*who is not an elected official or public employee and who is not one of the above members of the commission*”

Page 2, line 34, after “*agency*” insert “*or another appropriate state or metropolitan agency*”

Page 3, delete section 2

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete “*consolidation*” and insert “*local services*” and delete the second semicolon and insert a period

Page 1, delete line 4

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 953: A bill for an act relating to courts; providing for fees for law libraries; amending Minnesota Statutes 1990, section 134A.09, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, after “*county*” insert “*and Ramsey county*”

Page 1, line 11, delete “*Hennepin county*”

Page 1, delete lines 18 to 20

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 1238: A bill for an act relating to the city of Richfield; authorizing the city to advance money to the commissioner of transportation to expedite construction of a frontage road within the city; authorizing an agreement between the commissioner and the city; authorizing the city to issue bonds and requiring the commissioner to pay interest on the bonds up to a certain amount.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 20, after the period, insert “*Before entering into the contract, the project must be scheduled in the commissioner’s work program and must meet state environmental requirements.*”

Page 2, line 2, delete “*the commissioner*” and insert “*if it is demonstrated that the construction cost of a remote frontage road is less than the construction cost of a frontage road immediately adjacent to highway I-494, the commissioner may authorize payment in addition to the principal amount but not to exceed 100 percent of the project cost including interest.*”

Page 2, delete lines 3 to 5

Page 2, line 6, delete "highway I-494."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 1175: A bill for an act relating to motor carriers; adopting federal out-of-service criteria for motor carriers; amending Minnesota Statutes 1990, sections 221.031, by adding a subdivision; and 221.605, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 20, insert:

"Sec. 3. [COMMON CARRIER SERVICE; ENFORCEMENT MORATORIUM.]

*Subdivision 1. [MORATORIUM.] Until June 1, 1992, the commissioner of transportation shall not bring an enforcement action, and the transportation regulation board shall not issue a cease and desist order under Minnesota Statutes, section 221.293, against a holder of an irregular route common carrier permit on the grounds that the carrier is providing service as a regular route common carrier, as defined in Minnesota Statutes, section 221.011, subdivision 9, if the service is:*

*(1) transportation of commodities described in the carrier's irregular route common carrier permit order over a route or in a territory authorized in the order; and*

*(2) a continuation of service provided by the carrier to customers served at any time during the 12 months preceding the effective date of this act.*

*Subd. 2. [EXPANSION OF OPERATIONS PROHIBITED.] Nothing in this section shall be construed to prohibit the commissioner of transportation or the transportation regulation board from enforcing the provisions of Minnesota Statutes or rules governing service provided by the holder of an irregular route common carrier permit that does not conform to the requirements of subdivision 1, clause (1) or (2).*

Sec. 4. [EFFECTIVE DATE.]

*Section 3 is effective the day following final enactment."*

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "imposing an enforcement moratorium in certain irregular route permit situations;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1080: A bill for an act relating to economic development; creating Advantage Minnesota, Inc.; requiring a study; appropriating money for matching funds; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 2, after the period, insert “*At least three of the members appointed by the governor must reside outside the metropolitan area defined in section 473.121, subdivision 2.*”

Page 2, line 6, after the period, insert “*The executive committee is subject to section 471.705 except when security, trade secret, potential client lists, pending proposals, negotiations, employee matters, or labor relations information are discussed.*”

Page 3, after line 21, insert:

“*Subd. 8. [AUDITS BY LEGISLATIVE AUDITOR.] The legislative auditor shall conduct annual financial audits as provided in sections 3.971 to 3.978, and program audits at the request of the legislative audit commission, of Advantage Minnesota, Inc. The corporation shall provide its accounts and records at the request of the legislative auditor for purposes of conducting the audits.*”

Page 3, line 23, delete “\$250,000” and insert “\$ . . . . .”

Page 3, line 24, delete “\$500,000” and insert “\$ . . . . .”

Page 3, line 27, after “basis” insert “by cash contributions”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1384: A bill for an act relating to economic development; establishing the Minnesota marketplace program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, delete “*The commissioner of*”

Page 1, delete line 9

Page 1, line 10, delete “*by contracting with*” and delete “*to meet*” and insert “*may assist Minnesota businesses with meeting*”

Page 1, line 12, delete “to”

Page 4, line 5, delete “\$1,470,530” and insert “\$ . . . . .”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1332: A resolution memorializing Congress to carefully consider the proposed free trade agreement with Mexico.

Reports the same back with the recommendation that the resolution be amended as follows:

Page 1, line 21, after “should” insert “examine the need to”

And when so amended the resolution do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1149: A bill for an act relating to the building code; clarifying the basis of building code review fees; amending Minnesota Statutes 1990, section 16B.61, subdivision 1a.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, reinstate the stricken language

Page 1, line 12, delete the new language

Page 2, line 7, delete "EFFECTIVE DATE" and insert "RULEMAKING"

Page 2, delete lines 8 and 9 and insert:

*"The commissioner shall adopt"*

Page 2, line 11, delete "1320.0600" and insert "1302.0600"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 821: A bill for an act relating to state government; authorizing a study to develop models for STARS regions; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 9, 19, and 24, delete "shall" and insert "must"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 988: A bill for an act relating to public employees; excluding the salaries of doctors of osteopathy from certain limitations; amending Minnesota Statutes 1990, section 43A.17, subdivision 9.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 919: A bill for an act relating to government operations; amending provisions to adopt emergency game and fish rules; providing alternative methods of publishing game and fish rules; deleting obsolete references to publication under the game and fish laws; authorizing the commissioner to protect wild animals by emergency rule; authorizing the commissioner to set seasons and limits for migratory birds and waterfowl; authorizing the

commissioner to allow or prohibit hunting and fishing on certain state lands; amending Minnesota Statutes 1990, sections 3.846, subdivisions 1 and 4; 14.03, subdivision 3; 14.29, subdivision 2, and by adding a subdivision; 14.38, subdivision 6; 84.944, subdivision 1; 84A.02; 86A.06; 86B.211; 97A.045, subdivision 2; 97A.051, subdivisions 1, 2, and 4; 97A.081; 97A.141, by adding a subdivision; 97B.731, subdivision 1; and 97C.805, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 97A and 97B.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 768: A bill for an act relating to state government; providing for gender balance in multimember agencies; amending Minnesota Statutes 1990, section 15.0597, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 1071: A bill for an act relating to higher education; creating the higher education board; merging the state university, community college, and technical college systems; appropriating money; amending Minnesota Statutes 1990, section 179A.10, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 136E.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 18 to 26

Page 2, line 4, delete "initial"

Page 2, delete line 5

Page 2, line 6, delete everything before "term"

Renumber the subdivisions in sequence

Page 2, line 13, delete "ESTABLISHMENT" and insert "PURPOSE"

Page 2, line 14, delete "is established to" and insert "shall"

Page 2, delete lines 31 and 32

Page 3, line 32, delete the comma and insert "and"

Page 4, line 3, delete everything after "179A" and insert a period

Page 4, delete lines 4 to 6

Page 4, after line 9, insert:

"Subd. 4. [OCCUPATIONAL AND VOCATIONAL PROGRAM INFORMATION.] *In its biennial budget request, the board shall provide to the governor and legislature information on its occupational and vocational programs specifying revenues, expenditures, trends for expenditures, expenditures for instructional equipment, and other relevant information related*



*to those programs. The board shall provide the governor and legislature in its biennial budget request information on the accountability measures it uses to determine the efficiency and effectiveness of the occupational and vocational programs."*

Renumber the subdivisions in sequence

Page 5, line 29, after the period, insert "*Notwithstanding section 1, the initial higher education board consists of three members each from the state board of technical colleges, state board for community colleges, and the state university board, appointed by their respective boards and three members appointed by the governor. The members appointed by boards must have served for at least one year on the board from which they were appointed. The governor shall appoint the student member July 1, 1993. To the extent possible, the initial board must have the geographic balance required by section 1.*"

Page 5, line 36, delete everything after the period

Page 6, line 1, delete "*personnel services of*" and delete "*to*"

Page 6, line 2, delete "*hire*" and insert "*shall cooperate with the chancellor to expedite hiring*"

Page 6, line 14, delete "*, giving*" and insert "*. The board shall give*"

Page 6, line 16, delete "*within the same region*" and after the period, insert "*The board, in cooperation with the department of employee relations and the department of administration, shall give special attention to the need to integrate administrative functions of the educational institutions it governs, including: (1) personnel, labor, and compensation policies; (2) purchases of supplies; and (3) management of property, and construction and repair of facilities.*"

Page 6, line 17, after "*shall*" insert "*, in cooperation with the commissioner of employee relations,*"

Page 6, delete lines 21 to 28

Page 6, line 29, delete "*8*" and insert "*7*"

Page 6, delete lines 32 to 36

Page 7, delete line 1

Page 7, line 2, delete "*10*" and insert "*8*"

Page 7, line 8, delete "*11*" and insert "*9*"

Page 7, after line 15, insert:

*"Subd. 10. [INITIAL ADVISORY COUNCIL APPOINTMENTS.] Notwithstanding section 2, the initial members of the higher education board candidate advisory council must be appointed so that an equal number will have terms expiring in two, four, and six years."*

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 Redistricting, to which was referred

S.F. No. 1330: A bill for an act relating to the Minneapolis park and recreation board; providing for two members appointed by the Minneapolis park and recreation board on the Minneapolis reapportionment commission; establishing standards for park board redistricting.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 6, delete "*A population quota*" and insert "*The ideal population*"

Page 2, lines 9 and 10, delete "*population quota*" and insert "*ideal population*"

Page 2, line 11, before "*contiguous*" insert "*a convenient*" and delete "*compact*"

Page 2, after line 21, insert:

*"(4) The districts must not dilute the voting strength of racial or language minority populations. Where a concentration of a racial or language minority makes it possible, the districts must increase the probability that members of the minority will be elected.*

*(5) The districts should attempt to preserve communities of interest where that can be done in compliance with the preceding standards."*

Page 2, line 22, delete "(4)" and insert "(6)"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Redistricting, to which was referred

S.F. No. 1169: A bill for an act relating to elections; establishing additional standards for county and city redistricting plans regarding population equality, protection of minority populations, and preservation of communities of interest; amending Minnesota Statutes 1990, sections 205.84, subdivision 1; and 375.025, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, before "In" insert "*Notwithstanding any home rule charter or ordinance to the contrary, every home rule charter or statutory city of the first or second class must be divided into wards. Each ward is entitled to elect a single member of the city council.*"

Page 1, line 13, strike the first "as" and insert "*substantially*" and strike "as practicable"

Page 1, line 14, strike "compact," and insert "*convenient*"

Page 1, line 14, delete from "No" through page 1, line 17, to "*split.*" and insert "*The population of a ward must not deviate from the ideal by more than five percent, plus or minus.*"

Page 1, line 24, after "member" insert "*in a statutory city*"

Page 1, line 25, strike from the comma through page 1, line 26, to "term"

Page 1, after line 26, insert:

"Sec. 2. Minnesota Statutes 1990, section 205A.12, subdivision 2, is amended to read:

Subd. 2. [ELECTION.] ~~Except in a school district located wholly or partly within a city of the first class, Every school district whose population is 20,000 or more must be divided into as many separate election districts as there are members of the board. Each district is entitled to elect a single member. In school districts whose population is less than 20,000,~~ upon resolution of the board, made on its own motion or on presentation of a petition substantially in the form required in section 205A.13, signed by at least 50 electors of the district or ten percent of the number of votes cast in the most recent regular school board election, whichever is larger, the board shall adopt a proposal to divide the district into as many separate election districts as there are members of the board, which proposal must be submitted to an election under this chapter. If the election is initiated by petition, the resolution calling the election must be adopted within six months after the date of receipt of the petition. Only one election within any two-year period may be held under this section.

Sec. 3. Minnesota Statutes 1990, section 205A.12, subdivision 4, is amended to read:

Subd. 4. [ELECTION DISTRICT BOUNDARIES.] Each ~~proposed~~ election district must be ~~as~~ substantially equal in population as ~~practicable~~ and must be composed of ~~compact, convenient~~ contiguous territory. *The population of a district must not deviate from the ideal by more than five percent, plus or minus, unless the result would force a voting precinct to be split. The districts must not dilute the voting strength of racial or language minority populations. Where a concentration of a racial or language minority population makes it possible, the districts must increase the probability that members of the minority will be elected. The districts should attempt to preserve communities of interest where that can be done in compliance with the preceding standards.* The district may utilize the most recent federal decennial census figures available or may conduct a special census for this purpose. The board shall designate each election district by number."

Page 2, line 9, after "of" insert "convenient"

Page 2, line 9, strike from "as" through page 2, line 11, to "involved"

Page 2, line 11, strike "as nearly" and insert "substantially" and strike "as possible"

Page 2, line 12, strike "No district shall vary in population more than" and delete "five" and strike "percent"

Page 2, line 13, strike everything before the comma and insert "The population of a district must not deviate from the ideal by more than five percent, plus or minus"

Page 2, after line 33, insert:

"Sec. 5. [EFFECTIVE DATE.]

*This act is effective for the state primary election in 1992 and thereafter, except for the provisions requiring home rule charter and statutory cities to be divided into wards, and school districts to be divided into separate*

*election districts, which are effective for the 1994 primary election and thereafter."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "requiring certain cities and school districts to use single-member districts for elections;"

Page 1, line 3, after "for" insert "school district,"

Page 1, line 7, after the semicolon, insert "205A.12, subdivisions 2 and 4;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Dahl from the Committee on Education, to which was re-referred

S.F. No. 414: A bill for an act relating to alcohol and drug abuse; establishing statewide and local prevention programs; establishing family resource center pilot projects; requiring plans; requiring children to attend school through age 17; establishing school prevention programs; providing for research and evaluation; requiring studies; appropriating money; amending Minnesota Statutes 1990, sections 120.101, subdivisions 5 and 9; 120.105; 123.35, subdivision 8; 124.26, subdivision 1b; 126.031, subdivision 1; 145.924; 254A.16, by adding subdivisions; 254A.17, subdivision 1, and by adding a subdivision; and 260.015, subdivision 19; proposing coding for new law in Minnesota Statutes, chapters 144 and 245.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 8 to 10, delete sections 1 to 5

Page 11, line 3, delete "*and support services*"

Page 11, delete section 7

Renumber the sections of article 3 in sequence

Amend the title as follows:

Page 1, line 5, delete everything after the semicolon

Page 1, line 6, delete "17;"

Page 1, line 9, delete everything after "sections"

Page 1, delete line 10

Page 1, line 12, after "subdivisions;" insert "and"

Page 1, line 13, delete "and 260.015, subdivision 19;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Dahl from the Committee on Education, to which was referred

S.F. No. 1402: A bill for an act relating to higher education; authorizing a study of alternative uses for the Waseca campus of the University of Minnesota; authorizing alternative governance for the Waseca campus; authorizing transfer of certain Waseca campus property; 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. Dahl from the Committee on Education, to which was referred

S.F. No. 824: A bill for an act relating to education; clarifying the status of foreign exchange students who have graduated from high school; limiting foreign exchange student participation in the post-secondary enrollment options program; amending Minnesota Statutes 1990, sections 123.35, by adding a subdivision; and 123.3514, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 1, line 22, delete "*student*" and insert "*pupil*"

Page 2, after line 6, insert:

"Sec. 2. Minnesota Statutes 1990, section 124.17, is amended by adding a subdivision to read:

*Subd. 1c. [FOREIGN EXCHANGE PUPILS.] Notwithstanding section 123.35, subdivision 8c, or any other law to the contrary, a foreign exchange pupil enrolled in a district under a cultural exchange program may be counted as a resident pupil for the purposes of chapters 124 and 124A and section 275.125 even if the pupil has graduated from high school or the equivalent."*

Page 2, line 8, delete "*the day following final*" and insert "*retroactively to July 1, 1990.*"

Page 2, delete line 9

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete everything before "123.3514,"

Page 1, line 8, before the period, insert "; and 124.17, by adding a subdivision"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Dahl from the Committee on Education, to which was referred

S.F. No. 563: A bill for an act relating to nursing; creating a midlevel practitioner education account; establishing grant programs for nurse education; requiring feasibility studies; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 25, after the second "*practitioner*" insert ", *nurse anesthetist, advanced clinical nurse specialist,*"

Page 2, line 1, delete "*Nurse-midwife*" and insert "*Nurse-midwife, nurse practitioner, nurse anesthetist, or advanced clinical nurse*"

*specialist’ ”*

Page 2, line 3, after “nurse-midwives” insert “, nurse practitioners, nurse anesthetists, or advanced clinical nurse specialists, respectively”

Page 2, delete lines 4 to 6

Page 3, after line 8, insert:

“Sec. 2. [136A.1357] [RURAL PHYSICIAN ASSISTANT EDUCATION ACCOUNT.]

*Subdivision 1. [CREATION OF ACCOUNT.] A rural physician assistant education account is established. The higher education coordinating board shall use money from the account to establish a loan forgiveness program for rural physician assistants agreeing to practice in designated rural areas, as defined in section 136A.1351.*

*Subd. 2. [ELIGIBILITY.] To be eligible to participate in the program, a prospective physician assistant must submit a letter of interest to the higher education coordinating board prior to or while attending a program of study designed to prepare for practice as a physician assistant. Before completing the first year of this program, a prospective physician assistant must sign a contract to agree to serve at least two years following graduation from the program in a designated rural area for each year of study.*

*Subd. 3. [LOAN FORGIVENESS.] The higher education coordinating board may accept up to eight applicants per year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of study, up to a maximum of two years, an agreed amount, not to exceed \$7,000, as a qualified loan. For each two years that a participant serves as a physician assistant registered with the state board of medical examiners in a designated rural area, up to a maximum of four years, the higher education coordinating board shall pay an amount equal to one year of qualified loans and the interest accrued on these loans. Participants who move their practice from one designated rural area to another remain eligible for loan repayment.*

*Subd. 4. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the required minimum commitment of service in a designated rural area, the higher education coordinating board shall collect from the participant the amount paid by the board under the loan forgiveness program. The higher education coordinating board shall deposit the money collected in the physician assistant education account. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevented fulfillment of the service commitment.”*

Page 4, line 5, delete “4” and insert “5”

Page 4, after line 5, insert:

“\$25,000 is appropriated from the general fund to the higher education coordinating board to make a grant to an eligible institution, as defined in Minnesota Statutes, section 136A.101, subdivision 4, to establish and administer a program to train physician assistants.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete “nursing” and insert “health care”

Page 1, line 3, before the semicolon, insert "and a physician assistant education account"

Page 1, line 4, before the first semicolon, insert "and physician assistant training"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Dahl from the Committee on Education, to which was re-referred

S.F. No. 573: A bill for an act relating to local government; permitting the creation of library tax districts; proposing coding for new law in Minnesota Statutes, chapter 471.

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 1990, section 134.001, is amended by adding a subdivision to read:

*Subd. 8. [REGIONAL PUBLIC LIBRARY DISTRICT.] "Regional public library district" means a governmental unit formed according to this chapter to operate multicounty public library services.*

Sec. 2. [134.201] [REGIONAL LIBRARY DISTRICT.]

*Subdivision 1. [ESTABLISHMENT.] A regional public library district may be established according to this section. The geographic boundaries shall be those established by the state board of education according to section 134.34, subdivision 3.*

*Subd. 2. [FORMATION.] A regional public library district may be formed:*

*(1) by approval of a majority of the city councils and boards of county commissioners of the cities and counties that finance regional public library system services and represent a majority of the population to be served; or*

*(2) by a majority of those voting on the issue in the entire area to be served by the district in a referendum called after petitions for the referendum have been filed in each of the units. Petitions must be signed by eligible voters in a number not less than five percent of the number of persons who voted in the last general election in each city and county that is a party to the system contract or agreement.*

*A city that is not participating in a regional public library system may join the district by majority vote of the city council or by referendum according to clause (2).*

*Subd. 3. [TERMINATION.] A regional public library system may be terminated at any time after the district has been in operation for three years. The system may be terminated according to subdivision 2, clause (1) or (2).*

*Subd. 4. [BOARD.] The board of the regional public library district shall be composed of one member from each county in the district's service area and one member from each county for each ten percent or a major fraction thereof of the district's population. The board of county commissioners of each county in the district shall appoint one member who may be a county*

*commissioner or other elected official. Additional board members shall be elected at large from a county at a regular election. The term of a member shall be four years, with the terms of an initial board to expire in two years for one-half of the members. The board shall organize itself according to section 134.11, subdivision 1. The board has the powers and duties set forth in section 134.11, subdivision 2.*

*Subd. 5. [GENERAL LEVY AUTHORITY.] The board may levy for public library service in addition to all other levies authorized for cities or counties. The amount levied shall be spread on all taxable property in the district at a uniform tax rate. However, for the first three years after the district is established, the board may, at its discretion, establish levies that are not uniform in order to make adjustments more gradually while attaining uniformity.*

*Subd. 6. [LIBRARY BUILDINGS.] In addition to the levy authorized in subdivision 5 and all other levies authorized for cities and counties, a city or county served by a library district may levy for the construction, acquisition, maintenance, and operation of library buildings. A district that meets federal and state requirements for a regional library basic system support grant is eligible to receive a grant. The board of a district may issue bonds, without an election, according to chapter 475, or levy according to this section a special capital levy for capital improvements for a library building. A district may purchase or lease a building to be used for library purposes from a city or a county.*

*Subd. 7. [BORROW MONEY.] The board of a district may borrow money and issue tax anticipation certificates as needed to provide library services or for library buildings.*

*Subd. 8. [TRANSITION PROVISIONS.] If a regional public library system is reorganized into a regional public library district, a transition period shall exist. The transition period shall begin at the time the regional public library system board adopts a resolution that recommends formation of a district to its participants and that sets an effective date for the district. During the transition period, approval of the boards of county commissioners or a referendum according to subdivision 2 may occur, the district board shall be appointed, and planning for administrative changes may occur. The regional public library system board shall continue until the district board members assume their duties. The initial district board members appointed by the board of county commissioners shall be from among the members of the regional public library system board.*

*Subd. 9. [ASSUMPTION OF ASSETS, LIABILITIES, AND CONTRACTS.] Upon assumption of responsibilities by the regional public library district board, the regional public library system assets, liabilities, and existing contracts, including contracts negotiated under chapter 179A, shall become the assets, liabilities, and contracts of the regional public library district board.*

Sec. 3. Minnesota Statutes 1990, section 134.351, subdivision 4, is amended to read:

*Subd. 4. [GOVERNANCE.] In any area where the boundaries of a proposed multicounty, multitype library system coincide with the boundaries of the regional library system, the regional library system board shall be designated as the governing board for the multicounty, multitype library system. In any area where a proposed multicounty, multitype library system*



encompasses more than one regional library system, the governing board of the multicounty, multitype library system shall consist of nine members appointed by the cooperating regional library system boards from their own membership in proportion to the population served by each cooperating regional library system. *The board members of a regional public library district may serve on the board of a multicounty, multitype library system when a regional public library system is replaced by a regional public library district.* In each multicounty, multitype library system there shall be established an advisory committee consisting of two representatives of public libraries, two representatives of school media services, one representative of special libraries, one representative of public supported academic libraries, and one representative of private academic libraries. The advisory committee shall recommend needed policy to the system governing board."

Amend the title as follows:

Page 1, line 3, delete "library tax" and insert "regional public library"

Page 1, line 3, before "proposing" insert "amending Minnesota Statutes 1990, sections 134.001, by adding a subdivision; and 134.351, subdivision 4;"

Page 1, line 4, delete "471" and insert "134"

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. Dahl from the Committee on Education, to which was referred

S.F. No. 417: A bill for an act relating to education; making technical corrections to certain statutes and laws; amending Minnesota Statutes 1990, sections 120.06, subdivision 1; 120.062, subdivision 8a, and by adding a subdivision; 120.0752, subdivision 2; 120.101, subdivision 4; 120.17, subdivision 3b; 121.612, subdivisions 2 and 5; 123.3514, subdivisions 6 and 6b; 123.932, subdivisions 3 and 4; 124.14, subdivision 1; 124.195, subdivisions 10 and 11; 124.214, subdivisions 2 and 3; 124.225; 124.244, subdivision 3; 124.83, subdivisions 1 and 5; 124A.036, subdivision 5; 124A.24; 124B.03, subdivision 2; 125.60, subdivision 3; 127.27, subdivisions 2, 4, 5, and 10; 127.29; 127.30, subdivisions 1 and 3; 127.31, subdivision 2; 275.065, subdivision 6; 275.125, subdivisions 5b, 5c, 18, and 20; and 275.16; proposing coding for new law in Minnesota Statutes, chapter 121; repealing Minnesota Statutes 1990, section 124.225, subdivisions 3, 4b, 7c, 8b, 8i, and 8j.

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 1990, section 120.062, subdivision 8a, is amended to read:

Subd. 8a. [~~WAIVER OF EXCEPTIONS TO DEADLINES.~~] (a) Notwithstanding subdivision 4, upon agreement of the resident and nonresident school districts, a pupil may submit an application to a nonresident district after January 15 for enrollment beginning the following school year. The pupil, the pupil's parent or guardian, the district of residence, and the district of attendance must observe, in a prompt and efficient manner, the application

and notice procedures in subdivisions 4 and 6, except that the application and notice deadlines do not apply.

(b) Notwithstanding subdivision 4, if, as a result of *entering into, modifying, or terminating* an agreement under section 122.541 or 122.535 ~~entered into after January 1~~, a pupil is assigned *after December 1* to a different school, the pupil, *the pupil's siblings, or any other pupil residing in the pupil's residence* may submit an application to a nonresident district ~~after January 1 but at any time before June July 1~~ for enrollment beginning the following school year. The ~~pupil applicant, the pupil's applicant's parent or guardian, the district of residence, and the district of attendance~~ must observe, in a prompt and efficient manner, the application and notice procedures in subdivisions 4 and 6, except that the application and notice deadlines do not apply.

(c) *Notwithstanding subdivision 4, a pupil who becomes a resident of a school district after December 1 may submit an application to a nonresident district not later than 30 days after receiving notice from the resident district of the pupil's enrollment options under this section. The notice from the resident district shall be in writing and provided to the pupil's parent or guardian or, if the pupil does not reside with a parent or guardian, to the pupil.*

Sec. 2. Minnesota Statutes 1990, section 120.0752, subdivision 2, is amended to read:

Subd. 2. The pupil's parent or guardian must receive the approval of the school board of the nonresident district and the school board of the resident district. ~~The approval shall be on a form provided by the department of education. The superintendent of the nonresident district shall forward a copy of this form to the department of education within ten days of its approval. If the student withdraws from the nonresident district the superintendent of that district shall report the fact to the department of education. The nonresident school board shall notify the resident school board of the approval.~~

Sec. 3. Minnesota Statutes 1990, section 121.612, subdivision 2, is amended to read:

Subd. 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 *and nonpublic* schools through public-private partnerships. The foundation shall be a non-profit organization. The board of directors of the foundation and foundation activities are under the direction of the state board of education.

Sec. 4. Minnesota Statutes 1990, section 121.612, subdivision 5, is amended to read:

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, grants, and in-kind goods or services from nonstate sources for the purposes of the foundation, *without complying with section 7.09, subdivision 1*;
- (4) contract with consultants; ~~and~~

(5) expend money for awards and other forms of recognition and appreciation; and

(6) determine procedures and expenditures for awards and recognitions to teachers, students, donors, and other people who are not employees of the executive branch.

Sec. 5. Minnesota Statutes 1990, section 123.932, subdivision 3, is amended to read:

Subd. 3. [NONPUBLIC SCHOOL DEFINED.] "Nonpublic school" means any school ~~within the state other than a public school, church or religious organization, or home school~~ wherein a resident of Minnesota may legally fulfill the compulsory ~~school attendance~~ instruction requirements of section 120.101, ~~which is located within the state,~~ and which meets the requirements of Title VI of the Civil Rights Act of 1964 (Public Law Number 88-352). *It does not mean a public school.*

Sec. 6. Minnesota Statutes 1990, section 124.14, subdivision 1, is amended to read:

Subdivision 1. The state board shall supervise distribution of school aids and grants in accordance with law. It may make rules consistent with law for the distribution to enable districts to perform efficiently the services required by law and further education in the state, including reasonable requirements for the reports and accounts to it as will assure accurate and lawful apportionment of aids. State and federal aids and discretionary or entitlement grants distributed by the state board shall not be subject to the contract approval procedures of the commissioner of administration or to chapter ~~46~~ 16A or 16B. The commissioner of education shall adopt internal procedures for administration and monitoring of aids and grants.

Sec. 7. Minnesota Statutes 1990, section 124.195, subdivision 3a, is amended to read:

Subd. 3a. [APPEAL.] The commissioner may revise the payment dates and percentages in subdivision 3 ~~and Laws 1986, First Special Session chapter 4, article 5, section 9~~ for a district if it is determined that there is an emergency or there are serious cash flow problems in the district that cannot be resolved by issuing warrants or other forms of indebtedness. The commissioner shall establish a process and criteria for school districts to appeal the payment dates and percentages established in subdivision 3 ~~and Laws 1986, First Special Session chapter 4 article 5, section 9.~~

Sec. 8. Minnesota Statutes 1990, section 124.195, subdivision 10, is amended to read:

Subd. 10. [AID PAYMENT PERCENTAGE.] Except as provided in subdivisions 8 ~~and~~, 9, and 11, each fiscal year, all education aids and credits in this chapter and chapters 121, 123, 124A, 124B, 125, 126, 134, and section 273.1392, ~~except post-secondary vocational~~ shall be paid at 85 percent of the estimated entitlement during the fiscal year of the entitlement, unless a higher rate has been established according to section 121.904, subdivision 4d. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement shall be paid as the final adjustment payment according to subdivision 6.

Sec. 9. Minnesota Statutes 1990, section 124.195, subdivision 11, is amended to read:

Subd. 11. [NONPUBLIC AIDS.] The state shall pay aid according to sections 123.931 to 123.947 for pupils attending nonpublic schools by ~~October 31 of each fiscal year.~~ *as follows:*

(1) *an advance payment by November 30 equal to 85 percent of the estimated entitlement for the current fiscal year; and*

(2) *a final payment by October 31 of the following fiscal year, adjusted for actual data.*

If a payment advance to meet cash flow needs is requested by a district and approved by the commissioner, the state shall pay basic transportation aid according to section 124.225, ~~subdivision 8b~~ attributable to pupils attending nonpublic schools by October 31. ~~This subdivision applies to both the final adjustment payment for the prior fiscal year and the payment for the current fiscal year, as established in subdivision 10.~~

Sec. 10. Minnesota Statutes 1990, 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, 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. 11. Minnesota Statutes 1990, section 124.214, subdivision 2, is amended to read:

Subd. 2. [ABATEMENTS.] Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the net tax capacity of any school district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the local tax rate as determined by the county auditor based upon the original net tax capacity is applied upon the changed net tax capacities, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the school district during the preceding year. Each year, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 275.48. The abatement adjustment shall be recognized as revenue in the fiscal year in which it is received. The amount of the abatement adjustment shall be the product of:

(1) the net revenue loss as certified by the county auditor, times

(2) the ratio of:

(a) the sum of the amounts of the district's certified levy in the preceding ~~October~~ year according to the following:

(i) section 124A.23 if the district receives general education aid according to that section, *or section 124B.20, if the education district of which the*

*district is a member receives general education aid according to that section;*

(ii) section 275.125, subdivisions 5 and 5c, if the district receives transportation aid according to section 124.225;

(iii) section 124.243, if the district receives capital expenditure facilities aid according to that section;

(iv) section 124.244, if the district receives capital expenditure equipment aid according to that section;

(v) section 124.83, if the district receives health and safety aid according to that section;

(vi) ~~section 275.125, subdivision 8, clauses (a) and (b)~~ sections 124.2713, 124.2714, and 124.2715, if the district receives ~~community education aid for community education programs~~ according to ~~section 124.271~~ any of those sections; and

(vii) section 275.125, subdivision 8b, if the district receives early childhood family education aid according to section 124.2711; and

~~(viii) section 275.125, subdivision 6f, if the district receives exceptional need aid according to section 124.217;~~

(b) to the total amount of the district's certified levy in the preceding October, plus or minus auditor's adjustments.

Sec. 12. Minnesota Statutes 1990, section 124.214, subdivision 3, is amended to read:

Subd. 3. [EXCESS TAX INCREMENT.] If a return of excess tax increment is made to a school district pursuant to section 469.176, subdivision 2, or upon decertification of a tax increment district, the school district's aid and levy limitations must be adjusted for the fiscal year in which the excess tax increment is paid under the provisions of this subdivision.

(a) An amount must be subtracted from the school district's aid for the current fiscal year equal to the product of:

(1) the amount of the payment of excess tax increment to the school district, times

(2) the ratio of:

(A) the sum of the amounts of the school district's certified levy for the fiscal year in which the excess tax increment is paid according to the following:

(i) section 124A.23, if the district receives general education aid according to that section, *or section 124B.20, if the education district of which the district is a member receives general education aid according to that section;*

(ii) section 275.125, subdivisions 5 and 5c, if the school district receives transportation aid according to section 124.225;

(iii) section 124.243, if the district receives capital expenditure facilities aid according to that section;

(iv) section 124.244, if the district receives capital expenditure equipment aid according to that section;

(v) section 124.83, if the district receives health and safety aid according

to that section;

(vi) ~~section 275.125, subdivision 8, clauses (a) and (b) sections 124.2713, 124.2714, and 124.2715, if the district receives community education aid for community education programs according to section 124.274 any of those sections; and~~

(vii) section 275.125, subdivision 8b, if the district receives early childhood family education aid according to section 124.2711; ~~and~~

(viii) ~~section 275.125, subdivision 6f, if the district receives exceptional need aid according to section 124.217;~~

(B) to the total amount of the school district's certified levy for the fiscal year, plus or minus auditor's adjustments.

(b) An amount must be subtracted from the school district's levy limitation for the next levy certified equal to the difference between:

- (1) the amount of the distribution of excess increment, and
- (2) the amount subtracted from aid pursuant to clause (a).

If the aid and levy reductions required by this subdivision cannot be made to the aid for the fiscal year specified or to the levy specified, the reductions must be made from aid for subsequent fiscal years, and from subsequent levies. The school district shall use the payment of excess tax increment to replace the aid and levy revenue reduced under this subdivision.

This subdivision applies only to the total amount of excess increments received by a school district for a calendar year that exceeds \$25,000.

Sec. 13. Minnesota Statutes 1990, section 124.244, subdivision 3, is amended to read:

Subd. 3. [CAPITAL EXPENDITURE EQUIPMENT AID.] A district's capital expenditure equipment aid is the difference between the capital expenditure equipment revenue and the capital expenditure equipment levy. If a district does not levy the entire amount permitted, capital expenditure equipment aid must be reduced in proportion to the actual amount levied. Capital expenditure equipment aid must not be reduced as a result of a reduction of its capital expenditure equipment levy under section 121.912 or 124.2445.

Sec. 14. Minnesota Statutes 1990, section 124.2725, subdivision 8, is amended to read:

Subd. 8. [PERMANENT REVENUE.] (a) *For the fourth year of combination and thereafter, for a district that combines after one year of cooperation, or for the third year of combination and thereafter, for a district that combines after two years of cooperation,* a combined district that is not a member of an education district that receives revenue under section 124.2721 may levy the lesser of

- (i) \$50 times the actual pupil units in the combined district; or
- (ii) \$50,000.

(b) A combined district that is a member of an education district receiving revenue under section 124.2721 ~~must~~ may not receive revenue under this subdivision.

Sec. 15. Minnesota Statutes 1990, section 124.83, subdivision 1, is

amended to read:

Subdivision 1. [HEALTH AND SAFETY PROGRAM.] To receive health and safety revenue *for any fiscal year* a district, including an intermediate district, must submit to the commissioner of education an application for aid and levy by ~~June 1 in the previous school year~~ *the date determined by the commissioner*. 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. 16. Minnesota Statutes 1990, section 124.83, subdivision 5, is amended to read:

Subd. 5. [HEALTH AND SAFETY AID.] A district's health and safety aid is the difference between its health and safety revenue and its health and safety levy. If a district does not levy the entire amount permitted, health and safety aid must be reduced in proportion to the actual amount levied. *Health and safety aid may not be reduced as a result of reducing a district's health and safety levy according to section 121.912.*

Sec. 17. Minnesota Statutes 1990, section 124A.036, subdivision 5, is amended to read:

Subd. 5. [ALTERNATIVE ATTENDANCE PROGRAMS.] The general education aid for districts must be adjusted for each pupil, excluding a handicapped pupil as defined in section 120.03 or a nonhandicapped pupil as defined by section 120.181, attending a nonresident district under sections 120.062, 120.075, 120.0751, 120.0752, 123.3515, 124C.45 to 124C.48, and 126.22. The adjustments must be made according to this subdivision.

(a) General education aid paid to a resident district must be reduced by an amount equal to the general education revenue exclusive of compensatory revenue attributable to the pupil in the resident district.

(b) General education aid paid to a district serving a pupil in programs listed in this subdivision shall be increased by an amount equal to the general education revenue exclusive of compensatory revenue attributable to the pupil in the nonresident district.

(c) If the amount of the reduction to be made from the general education aid of the resident district is greater than the amount of general education aid otherwise due the district, the excess reduction must be made from other state aids due the district.

(d) The district of residence shall pay tuition to a district *or an area learning center, operated according to paragraph (e)*, providing special instruction and services to a handicapped pupil, as defined in section 120.03, *or a pupil, as defined in section 120.181*, who is enrolled in a program listed in this subdivision. The tuition shall be equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for debt service and for capital expenditure facilities and equipment, and debt service but not including any amount for transportation, minus (2) the amount of special education aid, attributable to that pupil, that is received by the district providing special instruction and services.

(e) An area learning center operated by an educational cooperative service unit, intermediate district, education district, or a joint powers cooperative may elect through the action of the constituent boards to charge tuition for

~~nonhandicapped~~ pupils rather than to calculate general education aid adjustments under paragraph (a), (b), or (c). The tuition must be equal to the *greater of the average general education revenue per pupil unit attributable to the student pupil, or the average per pupil cost of operating the area learning center actual cost of providing the instruction, excluding transportation costs, if the pupil meets the requirements of section 120.03 or 120.181 whichever is less.*

Sec. 18. Minnesota Statutes 1990, section 124A.24, is amended to read:  
 124A.24 [GENERAL EDUCATION LEVY EQUITY.]

If a district's general education levy is determined according to section 124A.23, subdivision 3, an amount must be deducted from state aid authorized in this chapter and ~~chapter~~ *chapters 124 and 124B*, receivable for the same school year, and from other state payments receivable for the same school year authorized in chapter 273. The aid in section 124.646 must not be reduced.

The amount of the deduction equals the difference between:

- (1) the general education tax rate, according to section 124A.23, times the district's adjusted net tax capacity used to determine the general education aid for the same school year; and
- (2) the district's general education revenue, excluding supplemental revenue, for the same school year, according to section 124A.22.

However, for fiscal year 1989, the amount of the deduction shall be one-fourth of the difference between clauses (1) and (2); for fiscal year 1990, the amount of the deduction shall be one-third of the difference between clauses (1) and (2); for fiscal year 1991, the amount of the deduction shall be one-half of the difference between clauses (1) and (2); for fiscal year 1992, the amount of the deduction shall be four-sixths of the difference between clauses (1) and (2); and for fiscal year 1993, the amount of the deduction shall be five-sixths of the difference between clauses (1) and (2).

Sec. 19. Minnesota Statutes 1990, section 124B.03, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM LEVY.] (a) The amount of general education revenue certified by an education district board under section 124B.10 may be increased in any amount that is approved by the voters of the education district at a referendum called for the purpose. The referendum may be called by the education district board or must be called by the education district board upon written petition of qualified voters of the education district. The referendum must be held on the first Tuesday after the first Monday in November. The ballot shall state the maximum amount of the increased levy as a percentage of net tax capacity, the amount that will be raised by that local tax rate in the first year it is to be levied, and that the local tax rate must be used to finance school operations. The ballot shall designate a specific number of years for which the referendum authorization applies. The ballot may contain a text with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the levy proposed by (petition to) the board of . . . . ., Education District No. . . . ., be approved?"

(b) If approved, the amount provided by the approved local tax rate applied to the net tax capacity for the year before the year the levy is certified is



authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the education district at a later referendum.

(c) The education district board shall prepare and deliver by first class mail at least 15 days but no more than 30 days prior to the day of the election to each taxpayer at the address listed on each member district's current year's assessment roll, a notice of the referendum and the proposed levy increase. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the education district.

(d) The notice must include the following statement: "In 1989, the legislature reduced property taxes for education by increasing the state share of funding for education. However, state aid for cities and townships was reduced by a corresponding amount. As a result, property taxes for cities and townships may increase. Passage of this referendum will result in an increase in your property taxes."

(e) A referendum on the question of revoking or reducing the increased levy amount authorized under paragraph (a) may be called by the education district board and must be called by the education district board upon the written petition of qualified voters of the education district. A levy approved by the voters of the education district under paragraph (a) must be made at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one election may be held to revoke or reduce a levy for any specific year and for later years.

(f) A petition authorized by paragraph (a) or (e) shall be effective if signed by a number of qualified voters in excess of 15 percent of the average number of voters at the two most recent districtwide school elections in all the member school districts. A referendum invoked by petition must be held on the day specified in paragraph (a).

(g) The approval of 50 percent plus one of those voting on the question is required to pass a referendum.

(h) ~~Within 30~~ *At least 15 days after before the referendum, the education district holds a referendum according to this subdivision, the education district shall notify submit a copy of the notice required under paragraph (c) to the commissioner of education of. Within 15 days after the results of the referendum have been certified by the education district board, or in the case of a recount, after the certification of the results of the recount by the canvassing board, the education district shall notify the commissioner of education of the results of the referendum.*

(i) The department shall allocate the amount certified by the education district board under paragraph (a) or subdivision 1 proportionately among the member districts based on net tax capacity. The member districts shall levy the amount allocated.

(j) Each year, a member district shall transfer referendum revenue to the education district board according to this subdivision. By June 20 and November 30 of each year, an amount must be transferred equal to:

(1) 50 percent times

(2) the amount certified in this subdivision minus homestead and agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

Sec. 20. Minnesota Statutes 1990, section 124C.03, subdivision 14, is amended to read:

Subd. 14. [GRANT SCHEDULE.] The commissioner of the state planning agency ~~must shall~~ award initial grants by April 1, 1990. ~~Beginning in 1991, grants must be awarded by July September 1~~ of each year. Grants may be awarded for a period not to exceed 24 months.

Sec. 21. Minnesota Statutes 1990, section 124C.49, is amended to read:  
124C.49 [DESIGNATION AS CENTER.]

The commissioner of education, in cooperation with the state board of education, shall establish a process for state designation and approval of area learning centers that meet the provisions of sections 124C.45 to 124C.48.

~~The four area learning centers designated in 1988 as exemplary shall be subject to the state approval process beginning July 1, 1990.~~

~~Area learning center designation shall begin July 1, 1988.~~

Sec. 22. Minnesota Statutes 1990, section 125.12, subdivision 6b, is amended to read:

Subd. 6b. [UNREQUESTED LEAVE OF ABSENCE.] The school board may place on unrequested leave of absence, without pay or fringe benefits, as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. The unrequested leave shall be effective at the close of the school year. In placing teachers on unrequested leave, the board shall be governed by the following provisions:

(a) The board may place probationary teachers on unrequested leave first in the inverse order of their employment. No teacher who has acquired continuing contract rights shall be placed on unrequested leave of absence while probationary teachers are retained in positions for which the teacher who has acquired continuing contract rights is licensed;

(b) Teachers 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 the school district. In the case of equal seniority, the order in which teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed shall be negotiable;

(c) Notwithstanding the provisions of clause (b), no teacher shall be entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the board of teaching, unless that exercise of seniority results in the placement on unrequested leave of absence of another teacher who also holds a provisional license in the same field. The provisions of this clause shall not apply to vocational education licenses;

(d) Notwithstanding clauses (a), (b) and (c), if the placing of a probationary teacher on unrequested leave before a teacher who has acquired continuing rights, the placing of a teacher who has acquired continuing contract rights on unrequested leave before another teacher who has acquired continuing contract rights but who has greater seniority, or the restriction imposed by the provisions of clause (c) would place the district in violation of its affirmative action program, the district may retain the probationary teacher, the teacher with less seniority, or the provisionally licensed teacher;

(e) Teachers placed on unrequested leave of absence shall be reinstated to the positions from which they have been given leaves of absence or, if not available, to other available positions in the school district in fields in which they are licensed. Reinstatement shall be in the inverse order of placement on leave of absence. No teacher shall be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field remains on unrequested leave. The order of reinstatement of teachers who have equal seniority and who are placed on unrequested leave in the same school year shall be negotiable;

(f) No appointment of a new teacher shall be made while there is available, on unrequested leave, a teacher who is properly licensed to fill such vacancy, unless the teacher fails to advise the school board within 30 days of the date of notification that a position is available to that teacher who may return to employment and assume the duties of the position to which appointed on a future date determined by the board;

(g) A teacher placed on unrequested leave of absence may engage in teaching or any other occupation during the period of this leave;

(h) The unrequested leave of absence shall not impair the continuing contract rights of a teacher or result in a loss of credit for previous years of service;

(i) ~~The unrequested leave of absence of a teacher who is placed on unrequested leave of absence prior to January 1, 1978 and who is not reinstated shall continue for a period of two years after which the right to reinstatement shall terminate. The unrequested leave of absence of a teacher who is placed on unrequested leave of absence on or after January 1, 1978 and who is not reinstated shall continue for a period of five years, after which the right to reinstatement shall terminate; provided the teacher's right to reinstatement shall also terminate if the teacher fails to file with the board by April 1 of any year a written statement requesting reinstatement;~~

(j) The same provisions applicable to terminations of probationary or continuing contracts in subdivisions 3 and 4 shall apply to placement on unrequested leave of absence;

(k) (j) Nothing in this subdivision shall be construed to impair the rights of teachers placed on unrequested leave of absence to receive unemployment compensation if otherwise eligible.

Sec. 23. Minnesota Statutes 1990, section 125.60, subdivision 3, is amended to read:

Subd. 3. [REINSTATEMENT.] Except as provided in subdivisions 6a and 6b, a teacher on an extended leave of absence pursuant to this section shall have the right to be reinstated to a position for which the teacher is licensed at the beginning of any school year which immediately follows a year of the

extended leave of absence, unless the teacher fails to give the required notice of intention to return or is discharged or placed on unrequested leave of absence or the contract is terminated pursuant to section 125.12 or 125.17 while the teacher is on the extended leave. The board shall not be obligated to reinstate any teacher who is on an extended leave of absence pursuant to this section, unless the teacher advises the board of the intention to return before February 1 in the school year preceding the school year in which the teacher wishes to return or by February 1 in the calendar year in which the leave is scheduled to terminate. ~~The board shall notify the commissioner within 30 days of being notified that a teacher intends to return from an extended leave.~~

Sec. 24. Minnesota Statutes 1990, section 126.22, subdivision 4, is amended to read:

Subd. 4. [PUPIL ENROLLMENT.] Any eligible pupil ~~under subdivision 2~~ may apply to enroll in an eligible program ~~under subdivision 3, using the form specified in section 120.0752, subdivision 2. Notwithstanding section 120.0752,~~ Approval of the resident district is not required for an eligible pupil ~~under subdivision 2~~ to enroll in a nonresident district that has an eligible program ~~under subdivision 3~~ or an area learning center established under section 124C.45.

Sec. 25. Minnesota Statutes 1990, section 275.065, subdivision 6, is amended to read:

Subd. 6. [PUBLIC HEARING; ADOPTION OF BUDGET AND LEVY.] Between November 15 and December 20, the governing bodies of the city and county shall each hold a public hearing to adopt its final budget and property tax levy for taxes payable in the following year, and the governing body of the school district shall hold a public hearing to adopt its property tax levy for taxes payable in the following year.

At the hearing, the taxing authority, other than a school district, may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy, and the school district may amend the proposed property tax levy and must adopt a final property tax levy.

The property tax levy certified under section 275.07 by a city, county, or school district must not exceed the proposed levy determined under subdivision 1, except by an amount up to the sum of the following amounts:

(1) the amount of a school district levy whose voters approved a referendum to increase taxes under section 124A.03, subdivision 2, *124B.03, subdivision 2*, or 124.82, subdivision 3, after the proposed levy was certified;

(2) the amount of a city or county levy approved by the voters under section 275.58 after the proposed levy was certified;

(3) the amount of a levy to pay principal and interest on bonds issued or approved by the voters under section 475.58 after the proposed levy was certified;

(4) the amount of a levy to pay costs due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a;

(5) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a; and

(6) the amount of an increase in levy limits certified to the taxing authority by the commissioner of revenue or the commissioner of education after the proposed levy was certified.

At the hearing the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax revenues are being increased must be discussed. During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions prior to adoption of any measures by the governing body. The governing body, other than the governing body school districts, shall adopt its final property tax levy prior to adopting its final budget.

The hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No hearing may be held on a Sunday. The county auditor shall provide for the coordination of hearing dates for all taxing authorities within the county.

By August 1, the county auditor shall notify the clerk of each school district within the county of the dates that the county board has designated for its hearing and any continuation under subdivision 3. By August 15, each school board shall certify to the county auditors of the counties in which the school district is located the dates on which it elects to hold its hearings and any continuations under subdivision 3. If a school board does not certify the dates by August 15, the auditor will assign the hearing date. The dates elected or assigned must not conflict with the county hearing dates. By August 20, the county auditor shall notify the clerks of the cities within the county of the dates on which the county and school districts have elected to hold their hearings. At the time a city certifies its proposed levy under subdivision 1 it shall certify the dates on which it elects to hold its hearings and any continuations under subdivision 3. The city must not select dates that conflict with those elected by or assigned to the counties and school districts in which the city is located.

The hearing dates so elected or assigned must be designated on the notices required under subdivision 3.

This subdivision does not apply to towns and special taxing districts.

Sec. 26. Minnesota Statutes 1990, section 275.125, subdivision 4, is amended to read:

Subd. 4. [MISCELLANEOUS LEVY AUTHORIZATIONS.] (a) A school district may levy the amounts necessary to make payments for bonds issued and for interest thereon, including the bonds and interest thereon, issued as authorized by Minnesota Statutes 1974, section 275.125, subdivision 3, clause (7)(C); the amounts necessary for repayment of debt service loans and capital loans; the amounts necessary to pay the district's obligations under section 6.62; the amount authorized for liabilities of dissolved districts pursuant to section 122.45; the amounts necessary to pay the district's obligations under section 268.06, subdivision 25; the amounts necessary to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.08; the amounts necessary to pay the district's obligations under section 127.05; the amounts authorized by section 122.531; the amounts necessary to pay the district's obligations under section 122.533; and for severance pay required by ~~this section~~ *sections 120.08, subdivision 3, and section 122.535, subdivision 6.*

(b) An education district that negotiates a collective bargaining agreement

for teachers under section 122.937 may certify to the department of education the amount necessary to pay all of the member districts' obligations and the education district's obligations under section 268.06, subdivision 25.

The department of education must allocate the levy amount proportionately among the member districts based on adjusted net tax capacity. The member districts must levy the amount allocated.

(c) Each year, a member district of an education district that levies under this subdivision must transfer the amount of revenue certified under paragraph (b) to the education district board according to this subdivision. By June 20 and November 30 of each year, an amount must be transferred equal to:

(1) 50 percent times

(2) the amount certified in paragraph (b) minus homestead and agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

Sec. 27. Minnesota Statutes 1990, 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 for any instructional purposes and it determines that the capital expenditure facilities revenues authorized under section 124.243 are insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use. The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building 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. *A district may not levy under this subdivision for the purpose of leasing or renting a district-owned building to itself.*

Sec. 28. Minnesota Statutes 1990, section 275.125, subdivision 18, is amended to read:

Subd. 18. [LEVY INFORMATION.] By September 15 of each year each district shall notify the commissioner of education of the proposed levies in compliance with the levy limitations of this section and chapters 124, 124A, ~~and 124B~~, 136C, ~~and 136D~~. By January 15 of each year each district shall notify the commissioner of education of the final levies certified. The commissioner of education shall prescribe the form of these notifications and may request any additional information necessary to compute certified levy amounts.

Sec. 29. Minnesota Statutes 1990, section 275.125, subdivision 20, is amended to read:

Subd. 20. [ESTIMATES.] The computation of levy limitations pursuant to this section and ~~chapter~~ *chapters 124, 124A, 124B, 136C, and 136D* shall be based on estimates where necessary. If as a result of using estimates for these computations the amount of any levy is different from the amount which could actually have been levied if actual data had been available, levy limitations in the first year when the actual data is known shall be adjusted to reflect for this difference. The amount of any adjustment to levy limitations pursuant to this subdivision shall be recognized as revenue in the school year when the levy for which the levy limitation is so adjusted is recognized as revenue.

Sec. 30. Minnesota Statutes 1990, section 275.16, is amended to read:  
275.16 [COUNTY AUDITOR TO FIX AMOUNT OF LEVY.]

If any such municipality shall return to the county auditor a levy greater than permitted by *chapters 124, 124A, 124B, 136C, and 136D* and sections 275.124 to 275.16, such county auditor shall extend only such amount of taxes as the limitations herein prescribed will permit; provided, if such levy shall include any levy for the payment of bonded indebtedness or judgments, such levies for bonded indebtedness or judgments shall be extended in full, and the remainder of the levies shall be reduced so that the total thereof, including levies for bonds and judgments, shall not exceed such amount as the limitations herein prescribed will permit.

Sec. 31. Minnesota Statutes 1990, section 297A.256, is amended to read:  
297A.256 [EXEMPTIONS FOR CERTAIN NONPROFIT GROUPS.]

Notwithstanding the provisions of this chapter, the following sales made by a "nonprofit organization" are exempt from the sales and use tax.

(a)(1) All sales made by an organization for fundraising purposes if that organization exists solely for the purpose of providing educational or social activities for young people primarily age 18 and under. This exemption shall apply only if the gross annual sales receipts of the organization from fundraising do not exceed \$10,000.

(2) A club, association, or other organization of elementary or secondary school students organized for the purpose of carrying on sports, educational, or other extracurricular activities is a separate organization from the school district or school for purposes of applying the \$10,000 limit. This paragraph does not apply if the sales are derived from admission charges or from activities for which the money must be deposited with the school district treasurer under section 123.38, subdivision 2, or be recorded in the same manner as other revenues or expenditures of the school district under section 123.38, subdivision 2b, *except that it does apply to extracurricular activities that are not under the control of the school board.*

(b) All sales made by an organization for fundraising purposes if that organization is a 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 and no part of the net earnings inure to the benefit of any private shareholders. This exemption shall apply only if the gross annual sales receipts of the organization from fundraising do not exceed \$10,000.

(c) The gross receipts from the sales of tangible personal property at, admission charges for, and sales of food, meals, or drinks at fundraising events sponsored by a nonprofit organization when the entire proceeds,

except for the necessary expenses therewith, will be used solely and exclusively for charitable, religious, or educational purposes. This exemption does not apply to admission charges for events involving bingo or other gambling activities or to charges for use of amusement devices involving bingo or other gambling activities. For purposes of this clause, a "nonprofit organization" means any unit of government, corporation, society, association, foundation, or institution organized and operated for charitable, religious, educational, civic, fraternal, senior citizens' or veterans' purposes, no part of the net earnings of which enures to the benefit of a private individual.

If the profits are not used solely and exclusively for charitable, religious, or educational purposes, the entire gross receipts are subject to tax.

Each nonprofit organization shall keep a separate accounting record, including receipts and disbursements from each fundraising event. All deductions from gross receipts must be documented with receipts and other records. If records are not maintained as required, the entire gross receipts are subject to tax.

The exemption provided by this section does not apply to any sale made by or in the name of a nonprofit corporation as the active or passive agent of a person that is not a nonprofit corporation.

The exemption for fundraising events under this section is limited to no more than 24 days a year. Fundraising events conducted on premises leased or occupied for more than four days but less than 30 days do not qualify for this exemption.

Sec. 32. Minnesota Statutes 1990, section 354.094, subdivision 1, is amended to read:

Subdivision 1. [SERVICE CREDIT CONTRIBUTIONS.] A member granted an extended leave of absence pursuant to section 125.60 or 136.88 may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter, for each year of the leave provided the member and the employing board make the required employer contribution in any proportion they may agree upon, during the period of the leave which shall not exceed five years. ~~The state shall not pay employer contributions into the fund for any year for which a member is on extended leave.~~ The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42 for the salary received during the year immediately preceding the extended leave. Payments for the years for which a member is receiving service credit while on extended leave shall be made on or before the later of June 30 of each fiscal year for which service credit is received or within 30 days after first notification of the amount due, if requested by the member, is given by the association. No payment is permitted after the following September 30. Payments received after June 30 must include six percent interest from June 30 through the end of the month in which payment is received.

Sec. 33. Laws 1991, chapter 2, article 2, section 2, is amended to read:

## Sec. 2. APPROPRIATION REDUCTIONS

The general fund appropriations in Laws 1989, chapter 329, as amended by Laws 1990, chapter 562, articles 6, 7, and 9,



are reduced by the listed amounts. All reductions are for fiscal year 1991 only.

(a) Transportation aid for enrollment options	<del>(25,400)</del> (25,300)
(b) Summer special education aid	<del>(759,800)</del> (727,900)
(c) Secondary vocational handicapped aid	<del>(1,500,400)</del> (1,836,400)
(d) Assurance of mastery aid	<del>(849,000)</del> (659,300)
(e) Individualized learning and development aid	<del>(429,000)</del> (350,500)
(f) Adult graduation aid	<del>(426,000)</del> (527,000)
(g) Health and developmental screening aid	<del>(1,360,800)</del> (1,232,900)
(h) Secondary vocational cooperative aid	<del>(5,300)</del> (200)
(i) <del>Cooperation and combination aid</del>	<del>(2,900)</del>
(j) <del>PER process aid</del>	<del>(500)</del>
(k) <del>Tobacco use prevention aid</del>	<del>(2,700)</del> (2,300)
(l) <del>(j) Career teacher aid</del>	(222,600)
(m) <del>(k) Educational cooperative service unit loans</del>	(500,000)
(n) <del>(l) Adult education - basic skills evaluation</del>	(75,000)
(o) <del>(m) Department of education</del>	(136,000)
None of this reduction shall be taken from the appropriations for the Faribault academies.	
(p) <del>(n) Minnesota center for arts education</del>	(200,000)
(q) <del>(o) Task force on mathematics, science, technology, and international education</del>	(33,000)

Sec. 34. [INSTRUCTION TO REVISOR.]

*In the next edition of Minnesota Statutes, the revisor of statutes shall recodify:*

(1) section 124C.01 as a section in chapter 120;

(2) sections 124C.22 to 124C.25 as sections in chapter 120, 121, or 126;

(3) sections 124C.26 to 124C.31 as sections in chapter 120, 121, or 125;

(4) section 124C.61 as a section in chapter 126;

(5) section 275.125, subdivisions 5, 5a, 5b, 5c, 5e, 5f, 5g, and 5h, as section 124.226; and

(6) section 275.125, subdivisions 4, 6a, 6e, 6h, 6i, 8c, 8e, 9, 9a, 9b, 9c, 10, 11d, 11e, 11f, 12a, 14a, 15, 17, 18, 20, and 21, as a section in chapter 124.

*The revisor shall change all cross-references to the recodified subdivisions and sections.*

Sec. 35. [REPEALER.]

*Subdivision 1. [GENERAL PROVISIONS.] Minnesota Statutes 1990, sections 123.932, subdivision 4; 124.473; 124A.02, subdivision 19; 124C.21; 275.125, subdivisions 1, 4a, and 8d; 354.094, subdivisions 1a and 1b, are repealed.*

*Subd. 2. [MECC REPEAL.] Minnesota Statutes 1990, sections 119.01; 119.02; 119.03; 119.04, subdivisions 1, 2, and 3; 119.05; 119.06; 119.07; 119.08; and 119.09, are repealed.*

*The repeal of the sections in this subdivision shall not be construed to mean that the commissioner of finance, on behalf of the state of Minnesota, does not have the right to seek any legal remedy to enforce the rights granted in any agreements entered into according to the sections repealed."*

Delete the title and insert:

"A bill for an act relating to education; making noncontroversial clarifications and modifications to certain school district and department of education provisions; amending Minnesota Statutes 1990, sections 120.062, subdivision 8a; 120.0752, subdivision 2; 121.612, subdivisions 2 and 5; 123.932, subdivision 3; 124.14, subdivision 1; 124.195, subdivisions 3a, 10, and 11; 124.2139; 124.214, subdivisions 2 and 3; 124.244, subdivision 3; 124.2725, subdivision 8; 124.83, subdivisions 1 and 5; 124A.036, subdivision 5; 124A.24; 124B.03, subdivision 2; 124C.03, subdivision 14; 124C.49; 125.12, subdivision 6b; 125.60, subdivision 3; 126.22, subdivision 4; 275.065, subdivision 6; 275.125, subdivisions 4, 11d, 18, and 20; 275.16; 297A.256; and 354.094, subdivision 1; and Laws 1991, chapter 2, article 2, section 2; repealing Minnesota Statutes 1990, sections 119.01; 119.02; 119.03; 119.04, subdivisions 1, 2, and 3; 119.05; 119.06; 119.07; 119.08; 119.09; 123.932, subdivision 4; 124.473; 124A.02, subdivision 19; 124C.21; 275.125, subdivisions 1, 4a, and 8d; and 354.094, subdivisions 1a and 1b."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Dahl from the Committee on Education, to which was referred

S.F. No. 152: A bill for an act relating to education; permitting a referendum on combining school districts before formal cooperation begins; amending Minnesota Statutes 1990, section 122.243, 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. [COMBINATION VOTE, ELGIN-MILLVILLE AND PLAINVIEW.]

*Notwithstanding Minnesota Statutes, section 122.241, subdivision 1, independent school district No. 806, Elgin-Millville, and independent school district No. 810, Plainview, may combine under Minnesota Statutes, sections 122.241 to 122.248, without first cooperating. These districts may submit the referendum required in Minnesota Statutes, section 122.243, subdivision 2, to the voters no more than 18 months prior to the proposed effective date of the combination. The referendum may include a proposal to issue general obligation bonds for capital expenditures.*

*The following provisions apply to these districts:*

*(1) the plan submitted under Minnesota Statutes, section 122.242, subdivision 9, must include the proposed capital expenditures for the construction, remodeling, or improvement of buildings or sites for educational facilities and the methods, including, but not limited to, the issuance of general education bonds by the combined district, to finance those expenditures;*

*(2) state board approval of the plan specified in Minnesota Statutes, section 122.243, subdivision 1, must be in conjunction with the commissioner’s approval of the proposed construction required by Minnesota Statutes, sections 121.148 and 121.15; and*

*(3) the question on the ballot must be substantially in the following form:*

*“Should Independent School District No. 806, Elgin-Millville, and Independent School District No. 810, Plainview, be combined into a new independent school district in accordance with a state approved plan for combination, with each district being authorized to issue and sell general obligation bonds in respective amounts not exceeding a combined aggregate amount of \$ . . . . . to finance the acquisition and betterment of school buildings?”*

Sec. 2. [GENERAL OBLIGATION BONDS.]

*Notwithstanding the provisions of Minnesota Statutes, section 475.58, if a referendum in section 1, including the proposal to issue general obligation bonds, is approved, the districts are each authorized to issue general obligation bonds in respective amounts not exceeding the aggregate amount approved.*

Sec. 3. [REVENUE.]

*If independent school district No. 806, Elgin-Millville, and independent school district No. 810, Plainview, combine according to section 1, cooperation and combination revenue is governed by this section.*

*(a) The cooperation and combination revenue provided in Minnesota Statutes, section 124.2725, must be provided over the first four years of combination. The percentage used to determine the levy in Minnesota Statutes, section 124.2725, subdivision 3, is:*

- (1) 100 percent for the first year of combination;*
- (2) 75 percent for the second year of combination;*
- (3) 50 percent for the third year of combination; and*
- (4) 25 percent for the fourth year of combination.*

*(b) The additional aid provided in Minnesota Statutes, section 124.2725, subdivision 6, must be provided in the first two years of combination.*

*(c) The permanent revenue provided in Minnesota Statutes, section 124.2725, subdivision 8, is available after the fourth year of combination.*

Sec. 4. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective the day following the final enactment."*

Delete the title and insert:

"A bill for an act relating to education; authorizing the Elgin-Millville and Plainview school districts to combine according to the cooperation and combination program without a time period of cooperation; authorizing the districts to conduct the referendum on the combination and to issue bonds; providing a schedule for cooperation and combination revenue."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1417: A bill for an act relating to natural resources; providing for a study of the consolidated conservation areas; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 11, after the period, insert "*The natural resources research institute shall establish and consult with an advisory committee made up of residents of counties where conservation lands are located, conservation groups, and the department of natural resources.*"

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. 871: A bill for an act relating to the city of New Brighton; permitting the city to acquire granular carbon without a bond.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 958: A bill for an act relating to state lands; authorizing sale of tax-forfeited lands and an easement in St. Louis county.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 24, delete "92.45" and insert "282.018"

Page 2, line 25, delete ", or"

Page 2, line 26, delete everything before the comma

Page 3, line 5, delete "fee" and insert "feet"

Page 4, line 19, delete "92.45" and insert "282.018"

Page 5, line 7, delete "92.45" and insert "282.018"

Page 5, line 8, delete ", or"

Page 5, line 9, delete everything before the comma

Page 7, line 23, delete "Notwithstanding any law to the contrary,"

Page 8, lines 22 and 23, delete "sections 92.45, 103F.535, and" and insert "section"

Page 9, line 3, delete "Government Lot 1; and"

Page 9, after line 16, insert:

"Sec. 12. [PRIVATE SALE OF TAX-FORFEITED LAND; BOIS FORTE TRIBE.]

*(a) Notwithstanding Minnesota Statutes, section 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, St. Louis county may convey by private sale the tax-forfeited parcel described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.*

*(b) The land described in paragraph (c) may be sold by private sale to the Bois Forte Tribe. The conveyance must be in a form approved by the attorney general.*

*(c) The parcel that may be conveyed is located in St. Louis county and is described as Government Lot 1 in Section 27, Township 62 North, Range 16 West.*

*(d) The Bois Forte Tribe has plans to use this parcel for economic development and the county finds this use appropriate."*

Page 9, line 19, delete "sections 92.45 and" and insert "section"

Page 10, after line 4, insert:

"Sec. 14. [SUBJECT TO ZONING REGULATIONS.]

*Lands that may be conveyed pursuant to sections 1 to 13 must continue to be subject, as a condition of the conveyance, to St. Louis county zoning and land use management ordinances and regulations."*

Page 10, line 6, delete "12" and insert "14"

Renumber the sections in sequence

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1008: A bill for an act relating to state government; requiring certain notice of proposed executive reorganization orders; amending Minnesota Statutes 1990, section 16B.37, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 887: A bill for an act relating to economic development; creating a commission on economic development policy; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 19, delete everything after "*governor*" and insert a semicolon

Page 1, delete lines 20 and 21

Page 2, line 18, delete everything after the period

Page 2, delete lines 19 to 21

Page 3, line 10, delete "*commissioner of*"

Page 3, line 11, delete everything before "*shall*" and insert "*legislative coordinating commission*"

Page 3, delete section 2

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete the semicolon and insert a period

Page 1, delete line 4

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 449: A bill for an act relating to retirement; Duluth teachers retirement fund association and St. Paul teachers retirement fund association; proposing coding for new law in Minnesota Statutes, chapter 354A; repealing Laws 1985, chapter 259, sections 2 and 3; and Laws 1990, chapter 570, article 7, section 4.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1340: A bill for an act relating to retirement; judges retirement fund; modifying the procedures for the payment of social security and retirement fund contributions; appropriating money to the supreme court for the payment of social security and retirement fund employer contributions; amending Minnesota Statutes 1990, sections 355.392, subdivisions 2 and 3; and 490.123, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 679: A bill for an act relating to retirement; public employees retirement association; granting the equivalent of two months maternity leave to a certain St. Louis county employee.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 861: A bill for an act relating to commerce; removing or modifying certain bond requirements; amending Minnesota Statutes 1990, sections 6.26; 10.38; 46.08, subdivision 1; 84.01, subdivision 4; 115A.06, subdivision 12; 116.03, subdivision 4; 233.08; 234.06; 241.08, subdivision 1; 246.15, subdivision 1; 257.05, subdivision 1; 280.27; 281.38; 299C.08; 299D.01, subdivision 4; 299D.03, subdivision 1; 340A.316; 375.03; 386.06; 388.01; 390.05; 398.10; 473.375, subdivision 5; 480.09, subdivision 2; 480.11, subdivision 1; and 488A.20, subdivision 2; repealing Minnesota Statutes 1990, sections 60B.08; 84.081, subdivision 2; 160.24, subdivision 5; 166.04; 196.02, subdivision 2; 234.07; 246.03; 340A.302, subdivision 4; 383A.20, subdivision 8; and 514.52.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 794: A bill for an act relating to retirement; St. Paul teachers retirement fund association; special postretirement adjustment for certain pre-1978 retirees.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 86: A bill for an act relating to education; providing for the arbitration of disputes concerning the proposed termination, discharge, or demotion of teachers following the probationary period; amending Minnesota Statutes 1990, sections 125.12, subdivision 4, and by adding a subdivision; 125.17, subdivision 5, and by adding a subdivision; 179A.04, subdivision 3; and 179A.20, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, line 12, delete "or"

Page 7, line 14, before the period, insert "; or

*(4) be a neutral individual who is learned in the law and admitted to practice in Minnesota, who is qualified by experience to conduct these hearings, and who is without bias to either party"*

Page 8, line 16, after "manner" insert "nor challenge the termination

*or discharge through a grievance procedure required by this subdivision"*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 970: A bill for an act relating to game and fish; extending the date by which fish houses and dark houses must be removed from certain state waters; amending Minnesota Statutes 1990, section 97C.355, subdivision 7.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, after "(1)" insert "*February 28,*" and delete "*U.S. Route 2, February 28*" and insert "*a line starting at the Minnesota-North Dakota border and formed by rights-of-way of Trunk Highway No. 200, then east along Trunk Highway No. 200 to U.S. Route No. 2, then east along U.S. Route No. 2 to the Minnesota-Wisconsin border*"

Page 1, line 15, after "(2)" insert "*March 15,*" and delete "*, March 15*"

Page 1, line 18, strike "extend" and insert "*change*"

Page 1, line 20, strike "international boundary" and insert "*state*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 1232: A bill for an act relating to taxation; property; exempting certain wetlands; amending Minnesota Statutes 1990, section 272.02, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, delete from "*Further,*" through page 1, line 13, to "*wetlands.*"

Page 1, lines 14 and 15, delete "*in the metropolitan area*"

Page 3, lines 24 and 25, delete the new language and insert "*provided it is preserved in its natural condition;*"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Mr. Davis questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 306: A bill for an act relating to state lands; authorizing exchange of real property.

Reports the same back with the recommendation that the bill be amended



as follows:

Page 1, line 8, delete everything after the comma

Page 1, line 9, delete "*exchange board*,"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 76: A bill for an act relating to transportation; designating trunk highway No. 61 and the Lake City rest area as disabled American veterans highway and rest area; amending Minnesota Statutes 1990, section 161.14, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 17, insert:

"Sec. 2. Minnesota Statutes 1990, section 168.12, subdivision 2c, is amended to read:

Subd. 2c. [NATIONAL GUARD; SPECIAL LICENSE PLATE.] The registrar shall issue special license plates to any applicant who is a regularly enlisted ~~or~~, commissioned, *or retired* member of the Minnesota national guard, other than an inactive ~~or retired~~ member *who is not a retired member*, and is an owner or joint owner of a passenger automobile, van, or pickup truck included within the definition of a passenger automobile upon payment of a fee of \$10, payment of the registration tax required by law, and compliance with other laws of this state relating to registration and licensing of motor vehicles and drivers. The adjutant general shall design these special plates subject to the approval of the registrar. No applicant shall be issued more than two sets of plates for vehicles owned or jointly owned by the applicant. The adjutant general shall estimate the number of special plates that will be required and submit the estimate to the registrar.

Special plates issued under this subdivision may only be used during the period that the owner or joint owner of the vehicle is an active *or retired* member of the Minnesota national guard as specified in this subdivision. When the person to whom the special plates were issued is no longer an active *or retired* member of the Minnesota national guard, the special plates must be removed from the vehicle and returned to the registrar. Upon return of the special plates, the owner or purchaser of the vehicle is entitled to receive regular plates for the vehicle without cost for the remainder of the registration period for which the special plates were issued. While the person is an active *or retired* member of the Minnesota national guard, plates issued pursuant to this subdivision may be transferred to another motor vehicle owned or jointly owned by that person upon payment of a fee of \$5.

*For purposes of this subdivision, "retired member" means a person placed on the roll of retired officers or roll of retired enlisted members in the office of the adjutant general under section 192.18 and who is not deceased.*

All fees collected under the provisions of this subdivision shall be paid into the state treasury and credited to the highway user tax distribution fund.

The registrar may adopt rules under the administrative procedure act to govern the issuance and use of the special plates authorized by this subdivision.

Sec. 3. Minnesota Statutes 1990, section 168.12, is amended by adding a subdivision to read:

*Subd. 2d. [READY RESERVE; SPECIAL LICENSE PLATE.] The registrar shall issue special license plates to an applicant who is not eligible for special license plates under subdivision 2c, who is a member of the United States armed forces ready reserve as described in United States Code, title 10, section 268, and is an owner or joint owner of a passenger automobile, van, or pickup truck, on paying a fee of \$10, paying the registration tax required by law, and complying with other laws of this state relating to registration and licensing of motor vehicles and drivers. The commissioner of veterans affairs shall design these special plates subject to the approval of the registrar. No applicant may be issued more than two sets of plates for vehicles owned or jointly owned by the applicant. The commissioner of veterans affairs shall estimate the number of special plates that will be required and submit the estimate to the registrar.*

*Special plates issued under this subdivision may only be used during the period that the owner or joint owner of the vehicle is a member of the ready reserve. When the person is no longer a member, the special plates must be removed from the vehicle and returned to the registrar. On returning the special plates, the owner or purchaser of the vehicle is entitled to receive regular plates for the vehicle without cost for the rest of the registration period for which the special plates were issued. While the person is a member of the ready reserve, plates issued under this subdivision may be transferred to another motor vehicle owned or jointly owned by that person on paying a fee of \$5.*

*The fees collected under this subdivision must be paid into the state treasury and credited to the highway user tax distribution fund.*

*The registrar may adopt rules under the administrative procedure act to govern the issuance and use of the special plates authorized by this subdivision.*

Sec. 4. Minnesota Statutes 1990, 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.

(f) For a Persian Gulf war veteran, the special plates must bear the inscription "GULF WAR VET" and the letters "G" and "W" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number. For the purposes of this section, "Persian Gulf war veteran" means a person who served on active duty after August 1, 1990, in a branch of the armed forces of the United States or United Nations during Operation Desert Shield, Operation Desert Storm, or other military operation in the Persian Gulf area combat zone as designated in United States Presidential Executive Order No. 12744, dated January 21, 1991.

#### Sec. 5. [EFFECTIVE DATE.]

*Sections 1 to 4 are effective the day following final enactment."*

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "authorizing special license plates for certain military personnel;"

Page 1, line 5, delete "section" and insert "sections"

Page 1, line 6, before the period, insert "; 168.12, subdivision 2c, and by adding a subdivision; and 168.123, subdivision 2"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 968: A bill for an act relating to human services; family preservation; clarifying requirements for grants to counties; authorizing grants for family-based crisis services; amending Minnesota Statutes 1990, sections 256F.01; 256F.02; 256F.03, subdivision 5; 256F.04; 256F.05; 256F.06; 256F.07, subdivisions 1, 2, and 3; and 257.3579.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, before "state" insert "*public policy of this*" and delete "*of Minnesota affirms*" and insert "*is to ensure*"

Page 1, line 15, strike "are entitled to"

Page 2, line 29, delete the colon

Page 2, line 31, delete the first "to"

Page 2, lines 35 and 36, delete "*focused on teaching*" and insert "*that teach*"

Page 3, line 9, delete the first "or" and insert a comma and after the second "*home*" insert a comma

Page 3, line 11, before "*arranged*" insert "*are*" and after "*or*" insert "*are*"

Page 3, line 12, delete the second "*the*" and insert "*a*"

Page 4, line 29, after "*Minnesota*" insert "*counties and Indian child welfare grants,*"

Page 7, delete lines 17 to 19 and insert "*the minority family heritage act, sections 257.071 and 259.255; the Minnesota minority family preservation act, section 260.181, subdivision 3; the Minnesota Indian family preservation act, sections 257.35 to 257.356; and the Indian Child*"

Page 7, line 33, delete "*shall*" and insert "*must*"

Page 7, delete line 34 and insert "*heritage act, sections 257.071 and 259.255; the Minnesota minority family preservation act, section 260.181,*"

Page 7, line 35, delete "*and*" and insert a comma

Page 7, line 36, after "257.35" insert "*to 257.356*"

Page 8, line 20, delete "*shall*" and insert "*must*"

Pages 8 and 9, delete section 10

Page 9, line 10, delete "*Funds*" and insert "*Money*" and delete "*shall*" and insert "*, including section 256F.08, must*"

Page 9, after line 17, insert:

"Sec. 11. [APPROPRIATIONS.]

*\$750,000 for fiscal year 1992 and \$1,250,000 for fiscal year 1993 is appropriated from the general fund to the commissioner of human services for families first grants under section 10."*

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "appropriating money;"

Page 1, line 7, after the first semicolon, insert "and" and delete "; and" and insert a period

Page 1, delete line 8

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. 1005: A bill for an act relating to education; establishing a program and financial incentives to provide coordinated services for children whose emotional/behavioral problems interfere with learning; expanding the membership of local coordinating councils responsible for mental health services for children; appropriating money; amending Minnesota Statutes 1990, section 245.4873, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 124C.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 14, delete "agencies" and insert "county board"

Page 2, delete line 15

Page 2, line 16, delete everything before "in"

Page 2, line 18, delete from "If" through page 2, line 21, to "councils."

Page 3, line 24, delete from "each" through page 3, line 25, to "council" and insert "the district and the county board"

Page 4, line 19, delete from "The" through page 4, line 22, to "agreement."

And when so amended the bill do pass and be re-referred to the Committee on Education. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 990: A bill for an act relating to human services; requiring training of child care providers to include training in cultural sensitivity; amending Minnesota Statutes 1990, section 245A.14, by adding a subdivision.

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 1990, section 245A.14, is amended by adding a subdivision to read:

*Subd. 7. [CULTURAL DYNAMICS TRAINING FOR CHILD CARE PROVIDERS.] (a) The ongoing training required of licensed group and family child care providers shall include training in the cultural dynamics of childhood development and child care as an option.*

*(b) The cultural dynamics training must include, but not be limited to, the following: awareness of the value and dignity of different cultures and how different cultures complement each other; awareness of the emotional, physical, and mental needs of children and families of different cultures; knowledge of current and traditional roles of women and men in different cultures, communities, and family environments; and awareness of the diversity of child rearing practices and parenting traditions.*

*(c) The commissioner shall amend current rules relating to the initial training of the licensed providers included in paragraph (a) to require*

*cultural dynamics training upon determining that sufficient curriculum is developed statewide.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1, paragraph (a), is effective August 1, 1992."*

Delete the title and insert:

"A bill for an act relating to human services; requiring training of child care providers to include training in cultural sensitivity; amending Minnesota Statutes 1990, section 245A.14, by adding a subdivision."

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. 1242: A bill for an act relating to human services; clarifying division of costs for state and counties for certain benefits and services; providing for a county share in emergency general assistance, emergency assistance, and negotiated rate payments; amending reporting requirements for the federal food stamp program; clarifying requirements for child care services; amending Minnesota Statutes 1990, sections 256.01, subdivision 11, and by adding a subdivision; 256.025, subdivisions 1, 3, and 4; 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 256D.03, subdivisions 2 and 2a; 256D.05, subdivisions 1, 2, and 6; 256D.051, subdivisions 1, 1a, 3a, 6, and 8; 256D.052, subdivision 3; 256D.07; 256D.10; 256D.101, subdivisions 1 and 3; 256D.36, subdivision 1; 256H.02; 256H.03; 256H.05; 256H.22, subdivision 2, and by adding a subdivision; and 393.07, subdivisions 10 and 10a; proposing coding for new law in Minnesota Statutes, chapters 256 and 256H; repealing Minnesota Statutes 1990, sections 256D.051, subdivisions 1b, 3c, and 16; 256D.052, subdivision 4; 256D.09, subdivision 4; and 256D.101, 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 1990, section 256.01, subdivision 11, is amended to read:

Subd. 11. [CENTRALIZED DISBURSEMENT SYSTEM.] The state agency may establish a system for the centralized disbursement of ~~(1) assistance payments to recipients of aid to families with dependent children, (2) emergency assistance payments to needy families with dependent children as defined in Minnesota Statutes 1976, section 256.12, and (3) the benefit documents for food stamp recipients food coupons, assistance payments, and related documents.~~ The state agency shall adopt rules and set guidelines for the operation of the statewide system. If required by federal law or regulations promulgated thereunder, or by state law, or by rule of the state agency, each county shall pay to the state treasurer that portion of assistance for which the county is responsible. Benefits shall be issued by the state or county and funded under this section according to section 256.025, subdivision 3, and subject to section 256.017.

Sec. 2. Minnesota Statutes 1990, section 256.01 is amended by adding a subdivision to read:

*Subd. 11a. [CONTRACTING WITH FINANCIAL INSTITUTIONS.] The state agency may contract with banks or other financial institutions to provide services associated with the processing of public assistance checks and may pay a service fee for these services, provided the fee charged does not exceed the fee charged to other customers of the institution for similar services.*

**Sec. 3. [256.023] [ONE HUNDRED PERCENT COUNTY ASSISTANCE.]**

*The commissioner of human services may maintain client records and issue public assistance benefits that are over state and federal standards or that are not required by state or federal law, providing the cost of benefits is paid by the counties to the department of human services. Payment methods for this section shall be according to section 256.025, subdivision 3.*

Sec. 4. Minnesota Statutes 1990, section 256.025, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given them.

(b) "Base amount" means the calendar year 1990 county share of county agency expenditures for all of the programs specified in subdivision 2.

(c) "County agency expenditure" means the total expenditure or cost incurred by the county of financial responsibility for the benefits and services for each of the programs specified in subdivision 2. The term includes the federal, state, and county share of costs for programs in which there is federal financial participation. For programs in which there is no federal financial participation, the term includes the state and county share of costs. The term excludes county administrative costs, unless otherwise specified.

(d) "Nonfederal share" means the sum of state and county shares of costs of the programs specified in subdivision 2.

(e) The "county share of county agency expenditures growth amount" is the *yearly* amount by which the county share of county agency expenditures in ~~calendar~~ years *subsequent to 1991 to 1997, but before 2001*, has increased over the base amount.

Sec. 5. Minnesota Statutes 1990, section 256.025, subdivision 3, is amended to read:

~~Subd. 3. [PAYMENT METHODS.] The state shall pay counties, according to the reporting cycle established by the commissioner, all federal funds available for the services and benefits distributed under subdivision 2 together with an amount of state funds equal to the state share of expenditures, except as provided for in section 256.017. (a) Beginning July 1, 1991, the state will reimburse counties for the county share of county agency expenditures for benefits and services distributed under subdivision 2 and funded by the human services account established under section 273.1392.~~

*(b) Payments under subdivision 4 are only for client benefits and services distributed under subdivision 2 and do not include reimbursement for county administrative expenses.*

*(c) The state and the county agencies shall pay for assistance programs as follows:*

*(1) Where the state issues payments for the programs, the county shall*

*monthly advance to the state, as required by the department of human services, the portion of program costs not met by federal and state funds. The advance shall be an estimate that is based on actual expenditures from the prior period and that is sufficient to compensate for the county share of disbursements as well as state and federal shares of recoveries;*

*(2) Where the county agencies issue payments for the programs, the state shall monthly advance to counties all federal funds available for those programs together with an amount of state funds equal to the state share of expenditures; and*

*(3) Payments made under this paragraph are subject to section 256.017. Adjustment of any overestimate or underestimate in advances shall be made by the state agency in any succeeding month.*

Sec. 6. Minnesota Statutes 1990, section 256.025, subdivision 4, is amended to read:

Subd. 4. [PAYMENT SCHEDULE.] *Except as provided for in subdivision 3, beginning July 1, 1991, the state will reimburse counties, according to the following payment schedule, for the county share of county agency expenditures for the programs specified in subdivision 2.*

(a) Beginning July 1, 1991, the state will reimburse or pay the county share of county agency expenditures according to the reporting cycle as established by the commissioner, for the programs identified in subdivision 2. Payments for the period of January 1 through July 31, for calendar years 1991, 1992, and 1993 shall be made on or before July 10 in each of those years. Payments for the period August through December for calendar years 1991, 1992, and 1993 shall be made on or before the third of each month thereafter through December 31 in each of those years.

(b) Payment for 1/24 of the base amount and the January 1994 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before January 3, 1994. For the period of February 1, 1994, through July 31, 1994, payment of the base amount shall be made on or before July 10, 1994, and payment of the growth amount over the base amount shall be made on or before the third of each month. Payments for the period August 1994 through December 1994 shall be made on or before the third of each month thereafter through December 31, 1994.

(c) Payment for the county share of county agency expenditures during January 1995 shall be made on or before January 3, 1995. Payment for 1/24 of the base amount and the February 1995 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before February 3, 1995. For the period of March 1, 1995, through July 31, 1995, payment of the base amount shall be made on or before July 10, 1995, and payment of the growth amount over the base amount shall be made on or before the third of each month. Payments for the period August 1995 through December 1995 shall be made on or before the third of each month thereafter through December 31, 1995.

(d) Monthly payments for the county share of county agency expenditures from January 1996 through February 1996 shall be made on or before the third of each month through February 1996. Payment for 1/24 of the base amount and the March 1996 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before March 1996. For the period of April 1, 1996, through July



31, 1996, payment of the base amount shall be made on or before July 10, 1996, and payment of the growth amount over the base amount shall be made on or before the third of each month. Payments for the period August 1996 through December 1996 shall be made on or before the third of each month thereafter through December 31, 1996.

(e) Monthly payments for the county share of county agency expenditures from January 1997 through March 1997 shall be made on or before the third of each month through March 1997. Payment for 1/24 of the base amount and the April 1997 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before April 3, 1997. For the period of May 1, 1997, through July 31, 1997, payment of the base amount shall be made on or before July 10, 1997, and payment of the growth amount over the base amount shall be made on or before the third of each month. Payments for the period August 1997 through December 1997 shall be made on or before the third of each month thereafter through December 31, 1997.

(f) Monthly payments for the county share of county agency expenditures from January 1998 through April 1998 shall be made on or before the third of each month through April 1998. Payment for 1/24 of the base amount and the May 1998 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before May 3, 1998. For the period of June 1, 1998, through July 31, 1998, payment of the base amount shall be made on or before July 10, 1998, and payment of the growth amount over the base amount shall be made on or before the third of each month. Payments for the period August 1998 through December 1998 shall be made on or before the third of each month thereafter through December 31, 1998.

(g) Monthly payments for the county share of county agency expenditures from January 1999 through May 1999 shall be made on or before the third of each month through May 1999. Payment for 1/24 of the base amount and the June 1999 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before June 3, 1999. For the period of June 1, 1999, through July 31, 1999, payment shall be made on or before July 10, 1999. Payments for the period August 1999 through December 1999 shall be made on or before the third of each month thereafter through December 31, 1999.

(h) Effective January 1, 2000, monthly payments for the county share of county agency expenditures shall be made subsequent to the first of each month.

Payments under this subdivision are subject to the provisions of section 256.017.

Sec. 7. Minnesota Statutes 1990, section 256.82, subdivision 1, is amended to read:

Subdivision 1. [~~MONTHLY DIVISION OF COSTS AND PAYMENTS.~~] 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. The state share of the nonfederal portion of county agency expenditures shall be 85 percent and the county share shall be 15 percent. ~~Payments to counties for costs incurred shall include~~

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. *Benefits shall be issued to recipients by the state or county and funded according to section 256.025, subdivision 3, subject to provisions of section 256.017.* Beginning July 1, 1991, the state will reimburse counties according to the payment schedule in section 256.025 for the county share of county agency expenditures under this subdivision from January 1, 1991, on. Payment to counties under this subdivision is subject to the provisions of section 256.017. Adjustment of any overestimate or underestimate made by any county shall be paid upon the direction of the state agency in any succeeding month.

Sec. 8. Minnesota Statutes 1990, section 256.871, subdivision 6, is amended to read:

Subd. 6. [REPORTS OF ESTIMATED EXPENDITURES; PAYMENTS.] The county agency shall submit to the state agency reports required under section 256.01, subdivision 2, paragraph (17). Fiscal reports shall estimate expenditures for each succeeding month in such form as required by the state agency. ~~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. The state share of the nonfederal portion of county agency expenditures shall be ten percent and the county share shall be 90 percent. Payments to counties for costs incurred shall include an amount of state funds equal to ten percent of the difference between the total estimated cost and the federal funds available. The state share of the nonfederal portion of eligible expenditures shall be ten percent and the county share shall be 90 percent. Benefits shall be issued to recipients by the state or county and funded according to section 256.025, subdivision 3, subject to provisions of section 256.017.~~ Beginning July 1, 1991, the state will reimburse counties according to the payment schedule set forth in section 256.025 for the county share of county agency expenditures made under this subdivision from January 1, 1991, on. Payment to counties under this subdivision is subject to the provisions of section 256.017. Adjustment of any overestimate or underestimate made by any county shall be paid upon the direction of the state agency in any succeeding month.

Sec. 9. Minnesota Statutes 1990, section 256.935, subdivision 1, is amended to read:

Subdivision 1. On the death of any person receiving public assistance through aid to dependent children, the county agency shall pay an amount for funeral expenses not exceeding \$370 and actual cemetery charges. No funeral expenses shall be paid if the estate of the deceased is sufficient to pay such expenses or if the children, or spouse, who were legally responsible for the support of the deceased while living, are able to pay such expenses; provided, that the additional payment or donation of the cost of cemetery lot, interment, religious service, or for the transportation of the body into or out of the community in which the deceased resided, shall not limit payment by the county agency as herein authorized. Freedom of choice in the selection of a funeral director shall be granted to persons lawfully authorized to make arrangements for the burial of any such deceased recipient. In determining the sufficiency of such estate, due regard shall be had for the nature and marketability of the assets of the estate. The county agency may grant funeral expenses where the sale would cause undue loss to the estate. Any amount paid for funeral expenses shall be a prior claim

against the estate, as provided in section 524.3-805, and any amount recovered shall be reimbursed to the agency which paid the expenses. The commissioner shall specify requirements for reports, including fiscal reports, according to section 256.01, subdivision 2, paragraph (17). The state share of county agency expenditures shall be 50 percent and the county share shall be 50 percent. ~~The state shall reimburse the county for 50 percent of county agency expenditures made for funeral expenses. Benefits shall be issued to recipients by the state or county and funded according to section 256.025, subdivision 3, subject to provisions of section 256.017.~~

Beginning July 1, 1991, the state will reimburse counties according to the payment schedule set forth in section 256.025 for the county share of county agency expenditures made under this subdivision from January 1, 1991, on. Payment to counties under this subdivision is subject to the provisions of section 256.017.

Sec. 10. Minnesota Statutes 1990, section 256D.03, subdivision 2, is amended to read:

Subd. 2. After December 31, 1980, state aid shall be paid to county agencies for 75 percent of all general assistance and work readiness grants up to the standards of sections 256D.01, subdivision 1a, and 256D.051, and according to procedures established by the commissioner, except as provided for under section 256.017 and except that, until January 1, 1991, state aid is reduced to 65 percent of all work readiness assistance if the county agency does not make occupational or vocational literacy training available and accessible to recipients who are eligible for assistance under section 256D.051. ~~Benefits shall be issued to recipients by the state or county and funded according to section 256.025, subdivision 3.~~

Beginning July 1, 1991, the state will reimburse counties according to the payment schedule in section 256.025 for the county share of county agency expenditures made under this subdivision from January 1, 1991, on. Payment to counties under this subdivision is subject to the provisions of section 256.017.

Sec. 11. Minnesota Statutes 1990, section 256D.03, subdivision 2a, is amended to read:

Subd. 2a. [COUNTY AGENCY OPTIONS.] Any county agency may, from its own resources, make payments of general assistance and work readiness assistance: (a) at a standard higher than that established by the commissioner without reference to the standards of section 256D.01, subdivision 1; or (b) to persons not meeting the eligibility standards set forth in section 256D.05, subdivision 1, or 256D.051 but for whom the aid would further the purposes established in the general assistance or work readiness program in accordance with rules adopted by the commissioner pursuant to the administrative procedure act. *The Minnesota department of human services may maintain client records and issue these payments, providing the cost of benefits is paid by the counties to the department of human services in accordance with sections 256.01 and 256.025, subdivision 3.*

Sec. 12. Minnesota Statutes 1990, section 256D.05, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] (a) Each person or family whose income and resources are less than the standard of assistance established by the commissioner and who is a resident of the state shall be eligible for and entitled to general assistance if the person or family is:

(1) a person who is suffering from a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days 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 professionally certified illness, injury, incapacity, or the age of another member of the household;

(3) a person who has been placed in, and is residing 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 county agency through its director or designated representative;

(4) a person who resides in a shelter facility described in subdivision 3;

(5) a person not described in clause (1) or (3) who is diagnosed by a licensed physician, licensed psychologist, or other qualified professional, as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment;

(6) ~~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; provided that within 60 days of the initial denial of the application by the social security administration, the person produces medical evidence in support of the person's application; or a person who has been terminated from either program and has an appeal from that termination pending. A person whose benefits are terminated for failure to produce any medical evidence within 60 days of the denial of the application, is eligible as soon as medical evidence in support of the application for the social security disability program or the program of supplemental security income for the aged, blind, and disabled is produced. Except for a person whose application is based in whole or in part on mental illness or chemical dependency, a person whose application for either program is denied and who does not pursue an appeal is eligible under this paragraph based on a new application only if the new application concerns a different disability or alleges new or aggravated symptoms of the original disability~~ *a person who has an application pending for, or is appealing termination of benefits from, the social security disability program or the program of supplemental security income for the aged, blind, and disabled, provided the person has a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment;*

(7) 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;

(8) ~~a person who has been assessed by a qualified professional or a vocational specialist as not being likely to obtain permanent employment. The assessment must consider the recipient's age, physical and mental health, education, trainability, prior work experience, and the local labor market, following participation in the work readiness program, completion of an individualized employability assessment by the work readiness service provider, and consultation between the county agency and the work readiness~~

*service provider, the county agency determines is not employable. For purposes of this item, a person is considered employable if the county agency determines that there exist positions of employment in the local labor market, regardless of the current availability of openings for those positions, that the person is capable of performing. Eligibility under this category must be reassessed at least annually by the county agency and must be based upon the results of a new individualized employability assessment completed by the work readiness service provider. The recipient shall, if otherwise eligible, continue to receive general assistance while the annual individualized employability assessment is completed by the work readiness service provider, rather than receive work readiness payments under section 256D.051. Subsequent eligibility for general assistance is dependent upon the county agency determining, following consultation with the work readiness service provider, that the person is not employable, or the person meeting the requirements of another general assistance category of eligibility;*

(9) a person who is determined by the county agency, in accordance with emergency and permanent rules adopted by the commissioner, to be learning disabled, *provided that if a rehabilitation plan for the person is developed or approved by the county agency, the person is following the plan;*

(10) 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 county 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 county agency. *For purposes of this clause, "legally emancipated" means a person under the age of 18 years who: (i) has been married; (ii) is on active duty in the uniformed services of the United States; (iii) has been emancipated by a court of competent jurisdiction; or (iv) is otherwise considered emancipated under Minnesota law, and for whom county social services has not determined that a social services case plan is necessary, for reasons other than that the child has failed or refuses to cooperate with the county agency in developing the plan;*

(11) a woman in the last trimester of pregnancy who does not qualify for aid to families with dependent children. A woman who is in the last trimester of pregnancy who is currently receiving aid to families with dependent children may be granted emergency general assistance to meet emergency needs;

(12) a person ~~whose need for general assistance will not exceed 30 days~~ *who is eligible for displaced homemaker services, programs, or assistance under section 268.96, but only if that person is enrolled as a full-time student;*

(13) a person who lives more than two hours round-trip traveling time from any potential suitable employment; and

(14) a person who is involved with protective or court-ordered services that prevent the applicant or recipient from working at least four hours per day-; and

(15) a family as defined in section 256D.02, subdivision 5, which is ineligible for the aid to families with dependent children program. *If all children in the family are six years of age or older, or if suitable child care*

*is available for children under age six at no cost to the family, all the adult members of the family must register for and cooperate in the work readiness program under section 256D.051. If one or more of the children is under the age of six and suitable child care is not available without cost to the family, all the adult members except one adult member must register for and cooperate with the work readiness program under section 256D.051. The adult member who must participate in the work readiness program is the one having earned the greater of the incomes, excluding in-kind income, during the 24-month period immediately preceding the month of application for assistance. When there are no earnings or when earnings are identical for each adult, the applicant must designate the adult who must participate in work readiness and that designation must not be transferred or changed after program eligibility is determined as long as program eligibility continues without an interruption of 30 days or more. 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 as provided by the termination provisions of section 256D.051, subdivision 1a, paragraph (b). The time limits of section 256D.051, subdivision 1, do not apply to persons eligible under this clause.*

(b) Persons or families who are not state residents but who are otherwise eligible for general assistance may receive emergency general assistance to meet emergency needs.

(c) *As a condition of eligibility under paragraph (a), clauses (1), (3), (5), (8), and (9), the recipient must complete an interim assistance agreement and must apply for other maintenance benefits as specified in section 256D.06, subdivision 5, and must comply with efforts to determine the recipient's eligibility for those other maintenance benefits.*

(d) *The burden of providing documentation for a county agency to use to verify eligibility for general assistance or work readiness is upon the applicant or recipient. The county agency shall use documents already in its possession to verify eligibility, and shall help the applicant or recipient obtain other existing verification necessary to determine eligibility which the applicant or recipient does not have and is unable to obtain.*

Sec. 13. Minnesota Statutes 1990, section 256D.05, subdivision 2, is amended to read:

Subd. 2. [USE OF FEDERAL FUNDS.] Notwithstanding any law to the contrary, if any person otherwise eligible for general assistance would, but for state statutory restriction or limitation, be eligible for a *funded* federally aided assistance program providing benefits equal to or greater than those of general assistance, the person shall be eligible for that federally aided program and ineligible for general assistance; provided, however, that (a) nothing in this section shall be construed to extend eligibility for federally aided programs to persons not otherwise eligible for general assistance; (b) this section shall not be effective to the extent that federal law or regulation require new eligibility for federal programs to persons not otherwise eligible for general assistance; and (c) nothing in this section shall deny general assistance to a person otherwise eligible who is determined ineligible for a substitute federally aided program.

Sec. 14. Minnesota Statutes 1990, section 256D.05, subdivision 6, is amended to read:

Subd. 6. [ASSISTANCE FOR PERSONS WITHOUT A VERIFIED RESIDENCE.] (a) For applicants or recipients of general assistance, emergency general assistance, or work readiness assistance who do not have a verified residence address, the county agency may provide assistance using one or more of the following methods:

(1) the county agency may provide assistance in the form of vouchers or vendor payments and provide separate vouchers or vendor payments for food, shelter, and other needs;

(2) the county agency may divide the monthly assistance standard into weekly payments, whether in cash or by voucher or vendor payment; ~~or, if actual need is greater than the standards of assistance established under section 256D.01, subdivision 1a, issue assistance based on actual need.~~ Nothing in this clause prevents the county agency from issuing voucher or vendor payments for emergency general assistance in an amount less than the standards of assistance; and

(3) the county agency may determine eligibility and provide assistance on a weekly basis. Weekly assistance can be issued in cash or by voucher or vendor payment and can be determined either on the basis of actual need or by prorating the monthly assistance standard.

(b) An individual may verify a residence address by providing a driver's license; a state identification card; a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address; or other written documentation approved by the commissioner.

(c) If the county agency elects to provide assistance on a weekly basis, the agency may not provide assistance for a period during which no need is claimed by the individual. The individual must be notified, each time weekly assistance is provided, that subsequent weekly assistance will not be issued unless the individual claims need. The advance notice required under section 256D.10 does not apply to weekly assistance issued under this paragraph.

(d) The county agency may not issue assistance on a weekly basis to an applicant or recipient who has professionally certified mental illness or mental retardation or a related condition, or to an assistance unit that includes minor children, unless requested by the assistance unit.

Sec. 15. Minnesota Statutes 1990, section 256D.051, subdivision 1, is amended to read:

Subdivision 1. [WORK REGISTRATION.] (a) ~~A person, family, or married couple~~ *Except as provided in this subdivision, persons who are residents of the state and whose income and resources are less than the standard of assistance established by the commissioner, but who are not categorically eligible under section 256D.05, subdivision 1, are eligible for the work readiness program for a maximum period of three consecutive calendar months during any 12 consecutive calendar month period, subject to the provisions of paragraph (d) and subdivision 3. The person's three-month eligibility period begins on the first day of the calendar month following the date of application for assistance or following the date all eligibility factors are met, whichever is later, and ends on the last day of the third consecutive calendar month, whether or not the person has received benefits*

*for all three months. The person is not eligible to receive work readiness benefits during the nine calendar months immediately following the three-month eligibility period; however, the person may voluntarily continue to participate in work readiness services for up to three additional consecutive months immediately following the last month of benefits to complete the provisions of the person's employability development plan. Prior to terminating work readiness assistance the county agency must assess the person's eligibility for general assistance under section 256D.05 to the extent possible, using information in the case file, and determine the person's eligibility for general assistance. A determination that the person is not eligible for general assistance must be stated in the notice of termination of work readiness benefits.*

(b) Persons, families, and married couples who are not state residents but who are otherwise eligible for work readiness assistance may receive emergency assistance to meet emergency needs.

(c) *Except for family members who must participate in work readiness services under the provisions of section 256D.05, subdivision 1, clause (14), any person who would be defined for purposes of the food stamp program as being enrolled at least half-time in an institution of higher education is ineligible for the work readiness program.*

(d) *The commissioner shall, at the beginning of the third quarter of each fiscal year, review the amount spent for work readiness assistance and increase the period of eligibility specified in paragraph (a) accordingly. If the amount of funding available for the remaining two quarters of the fiscal year is sufficient to provide a maximum of four or more months of assistance to all current recipients and four or more months of assistance to all new recipients projected to need assistance during the final two quarters, the commissioner shall increase the period of eligibility in paragraph (a) for current and new recipients to four or more months so that the maximum possible available funding is expended. The commissioner shall increase the number of months of assistance by whole months only.*

(e) *Notwithstanding the provisions of sections 256.045 and 256D.10, during the pendency of an appeal, work readiness payments and services shall not continue to a person who appeals the termination of benefits due to exhaustion of the period of eligibility specified in paragraph (a) or (d).*

Sec. 16. Minnesota Statutes 1990, section 256D.051, subdivision 1a, is amended to read:

Subd. 1a. [WORK READINESS PAYMENTS.] (a) *Except as provided in this subdivision, grants of work readiness shall be determined using the standards of assistance, exclusions, disregards, and procedures which are used in the general assistance program. Work readiness shall be granted in an amount that, when added to the nonexempt income actually available to the assistance unit, the total amount equals the applicable standard of assistance.*

(b) ~~Work readiness payments must be provided to persons determined eligible for the work readiness program as provided in this subdivision except when the special payment provisions in subdivision 1b are utilized. The initial payment must be prorated to provide assistance for the period beginning with the date the completed application is received by the county agency or the date the assistance unit meets all work readiness eligibility factors, whichever is later, and ending on the final day of that month. The amount of the first~~



payment must be determined by dividing the number of days to be covered under the payment by the number of days in the month, to determine the percentage of days in the month that are covered by the payment, and multiplying the monthly payment amount by this percentage. Subsequent payments must be paid monthly on the first day of each month. Except as provided in section 256D.05, subdivision 6, work readiness assistance must be paid on the first day of each month.

At the time the county agency notifies the assistance unit that it is eligible for family general assistance or work readiness assistance and by the first day of each month of services, the county agency must inform all mandatory registrants in the assistance unit that they must attend an orientation within 30 days comply with all work readiness requirements that month, and that work readiness eligibility will end at the end of the month in which the orientation is scheduled unless the registrants attend orientation comply with work readiness requirements specified in the notice. A registrant who fails, without good cause, to comply with requirements during this time period, including attendance at orientation, will lose family general assistance or work readiness eligibility without notice under section 256D.101, subdivision 1, paragraph (b). The registrant shall, however, be sent a notice, on or before the date that no later than five days after eligibility ends, which informs the registrant that family general assistance or work readiness eligibility has ended in accordance with this section for failure to comply with work readiness requirements. The notice shall set forth the factual basis for such determination and advises advise the registrant of the right to reinstate eligibility upon a showing of good cause for the failure to meet the requirements. Subsequent assistance must not be issued unless the person completes an application, is determined eligible, and attends an orientation complies with the work readiness requirements that had not been complied with, or demonstrates that the person had good cause for failing to comply with the requirement. The time during which the person is ineligible under these provisions is counted as part of the person's period of eligibility under subdivision 1.

(c) Notwithstanding the provisions of section 256D.01, subdivision 1a, paragraph (d), when one member of a married couple has exhausted the three months of work readiness eligibility in a 12-month period and the other member has one or more months of eligibility remaining within the same 12-month period, the standard of assistance applicable to the member who remains eligible is the first adult standard in the aid to families with dependent children program.

(d) Notwithstanding sections 256.045 and 256D.10, during the pendency of an appeal, work readiness payments and services shall not continue to a person who appeals the termination of benefits under paragraph (b).

Sec. 17. Minnesota Statutes 1990, section 256D.051, subdivision 2, is amended to read:

Subd. 2. [COUNTY AGENCY DUTIES.] (a) The county agency shall provide to registrants a work readiness program. The work readiness program must include:

(1) orientation to the work readiness program;

(2) an individualized employability assessment and an individualized employability development plan that includes assessment of literacy, ability to communicate in the English language, eligibility for displaced homemaker

~~services under section 268.96,~~ educational *and* employment history, and that estimates the length of time it will take the registrant to obtain employment. The employability assessment and development plan must be completed in consultation with the registrant, must assess the registrant's assets, barriers, and strengths, and must identify steps necessary to overcome barriers to employment. *A copy of the employability development plan must be provided to the registrant;*

(3) referral to available accredited remedial or skills training programs designed to address registrant's barriers to employment;

(4) referral to available programs including the Minnesota employment and economic development program;

(5) a job search program, including job seeking skills training; and

(6) other activities, to the extent of available resources designed by the county agency to prepare the registrant for permanent employment.

The work readiness program may include a public sector or nonprofit work experience component only if the component is established according to section 268.90.

In order to allow time for job search, the county agency may not require an individual to participate in the work readiness program for more than 32 hours a week. The county agency shall require an individual to spend at least eight hours a week in job search or other work readiness program activities.

(b) The county agency shall prepare an annual plan for the operation of its work readiness program. The plan must be submitted to and approved by the commissioner of jobs and training. The plan must include:

(1) a description of the services to be offered by the county agency;

(2) a plan to coordinate the activities of all public entities providing employment-related services in order to avoid duplication of effort and to provide services more efficiently;

(3) a description of the factors that will be taken into account when determining a client's employability development plan; ~~and~~

(4) provisions to assure that applicants and recipients are evaluated for eligibility for general assistance prior to termination from the work readiness program; *and*

*(5) provisions to ensure that the county agency's employment and training service provider provides each recipient with an orientation, employability assessment, and employability development plan as specified in paragraph (a), clauses (1) and (2), within 30 days of the recipient's application for assistance.*

Sec. 18. Minnesota Statutes 1990, section 256D.051, subdivision 3, is amended to read:

Subd. 3. [REGISTRANT DUTIES.] In order to receive work readiness assistance, a registrant shall: (1) cooperate with the county agency in all aspects of the work readiness program; (2) accept any suitable employment, including employment offered through the job training partnership act, ~~Minnesota employment and economic development act,~~ and other employment and training options; and (3) participate in work readiness activities assigned by the county agency. The county agency may terminate assistance

to a registrant who fails to cooperate in the work readiness program, as provided in subdivision 3e 1a.

Sec. 19. Minnesota Statutes 1990, section 256D.051, subdivision 3a, is amended to read:

Subd. 3a. [PERSONS REQUIRED TO REGISTER FOR AND PARTICIPATE IN THE WORK READINESS PROGRAM.] Each person in a work readiness assistance unit who is 18 years old or older must register for and participate in the work readiness program. A child person in the assistance unit who is at least 16 years old but less than 19 years old and who is not a full-time secondary school student is required to register and participate. A student who was enrolled as a full-time student during the last school term must be considered a full-time student during summers and school holidays. If an assistance unit includes children under age six and suitable child care is not available at no cost to the family, one adult member of the assistance unit is exempt from registration for and participation in the work readiness program. The county agency shall designate the adult who must register. The registrant must be the adult who is the principal wage earner, having earned the greater of the incomes, except for income received in-kind, during the 24 months immediately preceding the month of application for assistance. When there are no earnings or when earnings are identical for each parent, the applicant must designate the principal wage earner, and that designation must not be transferred after program eligibility is determined as long as assistance continues without interruption.

Sec. 20. Minnesota Statutes 1990, section 256D.051, subdivision 6, is amended to read:

Subd. 6. [SERVICE COSTS.] The commissioner shall reimburse 92 percent of county agency expenditures for providing work readiness services including direct participation expenses and administrative costs, except as provided in section 256.017; and reimbursement from the state appropriation must not exceed an average of \$260 each year for each registrant who has completed an employment development plan for direct expenses incurred by the registrant for transportation, clothes, and tools necessary for employment. Beginning July 1, 1991, the state will reimburse counties, up to the limit of state appropriations, according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision from January 1, 1991, on. State work readiness funds shall be used only to pay the county agency's and work readiness service provider's actual costs of providing participant support services, direct program services, and program administrative costs for persons who participate in work readiness services. Beginning January 1, 1991, the average reimbursable cost per recipient must not exceed \$283 annually. Beginning July 1, 1991, the annual reimbursable cost for providing work readiness services to a recipient for whom an individualized employability development plan is not completed must not exceed \$60 for the work readiness services, and \$223 for necessary recipient support services such as transportation or child care needed to participate in work readiness services. If an individualized employability development plan has been completed, the annual reimbursable cost for providing work readiness services must not exceed \$283 for all services and costs necessary to implement the plan, including the costs of training, employment search assistance, placement, work experience, on-the-job training, other appropriate activities, the administrative and program costs incurred in providing these services, and necessary recipient support services such as tools, clothing,

*and transportation needed to participate in work readiness services. Beginning July 1, 1991, the state will reimburse counties, up to the limit of state appropriations, according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991. Payment to counties under this subdivision is subject to the provisions of section 256.017. After paying direct expenses as needed by individual registrants, the county agency may use any remaining money to provide additional services as needed by any registrant including employability assessments and employability development plans, education, orientation, employment search assistance, placement, other work experience, on-the-job training, and other appropriate activities and the administrative costs incurred providing these services.*

Sec. 21. Minnesota Statutes 1990, section 256D.051, subdivision 8, is amended to read:

Subd. 8. [VOLUNTARY QUIT.] A person who is required to participate in work readiness services is not eligible for general assistance or work readiness payments or services if, without good cause, the person refuses a legitimate offer of, or quits, suitable employment within 60 days before the date of application. A person who is required to participate in work readiness services and, without good cause, voluntarily quits suitable employment or refuses a legitimate offer of suitable employment while receiving general assistance or work readiness payments or services shall be terminated from the general assistance or work readiness program and disqualified for two months according to rules adopted by the commissioner as specified in subdivision 1a.

Sec. 22. Minnesota Statutes 1990, section 256D.052, subdivision 3, is amended to read:

Subd. 3. [SERVICES PROVIDED.] Within the limits of the state appropriation the county agency must provide ~~child care~~ and transportation to enable people to participate in literacy training under this section. The state shall reimburse county agencies for the costs of providing transportation under this section up to the amount of the state appropriation. Counties must make every effort to ensure that child care is available as needed by recipients who are pursuing literacy training.

Sec. 23. Minnesota Statutes 1990, section 256D.052, subdivision 4, is amended to read:

Subd. 4. [PAYMENT OF WORK READINESS.] The county agency must provide assistance under section 256D.051 to persons who:

(1) participate in a literacy program assigned under subdivision 2. To "participate" means to attend regular classes, complete assignments, and make progress toward literacy goals; or

(2) are not assigned to literacy training because there is no program available or accessible to them.

*Notwithstanding contrary provisions of section 256D.051, subdivision 1, a person eligible for assistance under this section is not subject to the three-month eligibility limit or any other limited eligibility period established by the commissioner. Work readiness payments may be terminated for persons who fail to attend the orientation and participate in the assessment and development of the employment development plan.*

Sec. 24. Minnesota Statutes 1990, section 256D.07, is amended to read:

## 256D.07 [TIME OF PAYMENT OF ASSISTANCE.]

An applicant for general assistance or general assistance medical care authorized by section 256D.03, subdivision 3, shall be deemed eligible if the application and the verification of the statement on that application demonstrate that the applicant is within the eligibility criteria established by sections 256D.01 to 256D.21 and any applicable rules of the commissioner. Any person requesting general assistance or general assistance medical care shall be permitted by the county agency to make an application for assistance as soon as administratively possible and in no event later than the fourth day following the date on which assistance is first requested, and no county agency shall require that a person requesting assistance appear at the offices of the county agency more than once prior to the date on which the person is permitted to make the application. The application shall be in writing in the manner and upon the form prescribed by the commissioner and attested to by the oath of the applicant or in lieu thereof shall contain the following declaration which shall be signed by the applicant: "I declare that this application has been examined by me and to the best of my knowledge and belief is a true and correct statement of every material point." On the date that general assistance is first requested, the county agency shall inquire and determine whether the person requesting assistance is in immediate need of food, shelter, clothing, assistance for necessary transportation, or other emergency assistance pursuant to section 256D.06, subdivision 2. A person in need of emergency assistance shall be granted emergency assistance immediately, and necessary emergency assistance shall continue ~~until either the person is determined to be ineligible for general assistance or the first grant of general assistance is paid to the person for up to 30 days following the date of application.~~ A determination of an applicant's eligibility for general assistance shall be made by the county agency as soon as the required verifications are received by the county agency and in no event later than 30 days following the date that the application is made. Any verifications required of the applicant shall be reasonable, and the commissioner shall by rule establish reasonable verifications. General assistance shall be granted to an eligible applicant without the necessity of first securing action by the board of the county agency. The first month's grant must be computed to cover the time period starting with the date a signed application form is received by the county agency or from the date that the applicant meets all eligibility factors, whichever occurs later. ~~The first grant may be reduced by the amount of emergency general assistance provided to the applicant.~~

If upon verification and due investigation it appears that the applicant provided false information and the false information materially affected the applicant's eligibility for general assistance or general assistance medical care provided pursuant to section 256D.03, subdivision 3, or the amount of the applicant's general assistance grant, the county agency may refer the matter to the county attorney. The county attorney may commence a criminal prosecution or a civil action for the recovery of any general assistance wrongfully received, or both.

Sec. 25. Minnesota Statutes 1990, section 256D.10, is amended to read:

256D.10 [HEARINGS PRIOR TO REDUCTION; TERMINATION; SUSPENSION OF GENERAL ASSISTANCE GRANTS.]

No grant of general assistance except one made pursuant to ~~sections~~ section 256D.06, subdivision 2; 256D.051, subdivisions 1, paragraph (e), and 1a,

*paragraph (b)*; or 256D.08, subdivision 2, shall be reduced, terminated or suspended unless the recipient receives notice and is afforded an opportunity to be heard prior to any action by the county agency.

Nothing herein shall deprive a recipient of the right to full administrative and judicial review of an order or determination of a county agency as provided for in section 256.045 subsequent to any action taken by a county agency after a prior hearing.

Sec. 26. Minnesota Statutes 1990, section 256D.101, subdivision 1, is amended to read:

Subdivision 1. [NOTICE REQUIREMENTS.] (a) At the time a registrant is registered for the work readiness program, and ~~at least every 30 days on the first day of each month of services~~ after that, the county agency shall provide, in advance, a clear, written description of the specific tasks and assigned duties ~~the registrant which the mandatory registrant~~ must complete to receive *general assistance* or work readiness pay. The notice must explain that the registrant will be terminated from the work readiness program ~~unless the registrant has completed the specific tasks and assigned duties. The notice must inform the registrant that at the end of the month~~ if the registrant fails without good cause to comply with work readiness requirements ~~more than once every six months; the registrant will be terminated from the work readiness program and disqualified from receiving assistance for one month if it is the registrant's first disqualification within the preceding six months; or for two months if the registrant has been previously disqualified within the preceding six months, and must include the name, location, and telephone number of a person or persons the registrant may contact to discuss the registrant's work readiness compliance obligations.~~

(b) ~~If after the initial certification period the county agency determines that a registrant has failed to comply with work readiness requirements, the county agency shall notify the registrant of the determination. Notice must be hand delivered or mailed to the registrant within three days after the agency makes the determination but no later than the date work readiness pay was scheduled to be paid. For a recipient who has failed to provide the county agency with a mailing address, the recipient must be assigned a schedule by which a recipient is to visit the agency to pick up any notices. For a recipient without a mailing address, notices must be deemed delivered on the date of the registrant's next scheduled visit with the county agency. The notification shall be in writing and shall state the facts that support the county agency's determination. For the first time in a six-month period that the registrant has failed without good cause to comply with program requirements, the notification shall inform the registrant that the registrant may lose eligibility for work readiness pay and must specify the particular actions that must be taken by the registrant to achieve compliance and reinstate work readiness payments. The notice must state that the recipient must take the specified actions by a date certain, which must be at least five working days following the date the notification is mailed or delivered to the registrant; must explain the ramifications of the registrant's failure to take the required actions by the specified date; and must advise the registrant that the registrant may request and have a conference with the county agency to discuss the notification. A registrant who fails without good cause to comply with requirements of the program more than once in a six-month period must be notified of termination.~~

Sec. 27. Minnesota Statutes 1990, section 256D.101, subdivision 3, is amended to read:

Subd. 3. [BENEFITS AFTER NOTIFICATION.] Assistance payments otherwise due to the registrant under section 256D.051 may not be paid after the notification required in subdivision 1 has been provided to the registrant unless, before the date stated in the notification, the registrant takes the specified action necessary to achieve compliance ~~or, within five days after the effective date stated in the notice, files an appeal of the grant reduction, suspension, or termination. If, by the required date, the registrant does take the specified action necessary to achieve compliance, both the notification required by subdivision 1 and the notice required by subdivision 2 shall be canceled and all benefits due to the registrant shall be paid promptly. If, by the required date, the registrant files an appeal of the grant termination, benefits otherwise due to the registrant shall be continued pending the outcome of the appeal. An appeal of a proposed termination shall be brought under section 256.045, except that the timelines specified in this section shall apply, notwithstanding the requirements of section 256.045, subdivision 3. Appeals of proposed terminations from the work readiness program shall be heard within 30 days of the date that the appeal was filed.~~

Sec. 28. Minnesota Statutes 1990, section 256D.111, is amended to read:

256D.111 [REGISTRATION FOR WORK; ~~DISQUALIFICATION~~ TERMINATION.]

Subd. 5. [RULEMAKING.] The commissioner shall adopt rules and is authorized to adopt emergency rules:

(a) providing for the ~~disqualification~~ *termination* from the receipt of *general assistance* or work readiness assistance for a recipient who has been determined to have failed to comply with work requirements or the requirements of the work readiness program;

(b) providing for the use of vouchers or vendor payments with respect to the family of a ~~disqualified~~ *recipient terminated for failure to comply with requirements of the work readiness program*; and

(c) providing that at the time of the approval of an application for assistance, the county agency gives to the recipient a written notice in plain and easily understood language describing the recipient's job registration, search, and acceptance obligations, and the disqualification that will be imposed for a failure to comply with those obligations.

Sec. 29. Minnesota Statutes 1990, section 256D.36, subdivision 1, is amended to read:

Subdivision 1. [STATE PARTICIPATION.] (a) [ELIGIBILITY.] Commencing January 1, 1974, the commissioner shall certify to each county agency the names of all county residents who were eligible for and did receive aid during December, 1973, pursuant to a categorical aid program of old age assistance, aid to the blind, or aid to the disabled. *The amount of supplemental aid for each individual eligible under this section shall be calculated according to the formula in title II, section 212(a) (3) of Public Law Number 93-66, as amended.*

(b) [DIVISION COSTS.] From and after January 1, 1980, until January 1, 1981, the state shall pay 70 percent and the county shall pay 30 percent of the supplemental aid calculated for each county resident certified under this section who is an applicant for or recipient of supplemental security income. After December 31, 1980, the state share of aid paid shall be 85 percent and the county share shall be 15 percent. ~~The amount of supplemental~~

~~aid for each individual eligible under this section shall be calculated according to the formula in title II, section 242 (a) (3) of Public Law Number 93-66, as amended. Benefits shall be issued to recipients by the state or county and funded according to section 256.025, subdivision 3, subject to provisions of 256.017.~~

Beginning July 1, 1991, the state will reimburse counties according to the payment schedule in section 256.025 for the county share of county agency expenditures for financial benefits to individuals under this subdivision from January 1, 1991, on. Payment to counties under this subdivision is subject to the provisions of section 256.017.

Sec. 30. Minnesota Statutes 1990, section 393.07, subdivision 10, is amended to read:

Subd. 10. [FEDERAL FOOD STAMP PROGRAM.] (a) The county welfare board shall establish and administer the food stamp program pursuant to rules of the commissioner of human services, the supervision of the commissioner as specified in section 256.01, and all federal laws and regulations. The commissioner of human services shall monitor food stamp program delivery on an ongoing basis to ensure that each county complies with federal laws and regulations. Program requirements to be monitored include, but are not limited to, number of applications, number of approvals, number of cases pending, length of time required to process each application and deliver benefits, number of applicants eligible for expedited issuance, length of time required to process and deliver expedited issuance, number of terminations and reasons for terminations, client profiles by age, household composition and income level and sources, and the use of phone certification and home visits. The commissioner shall determine the county-by-county and statewide participation rate. ~~The commissioner shall report on the monitoring activities on a county-by-county basis in a report presented to the legislature by July 1 each year. This monitoring activity shall be separate from the management evaluation survey sample required under federal regulations.~~

(b) On July 1 of each year, the commissioner of human services shall determine a statewide and county-by-county food stamp program participation rate. The commissioner may designate a different agency to administer the food stamp program in a county if the agency administering the program fails to increase the food stamp program participation rate among families or eligible individuals, or comply with all federal laws and regulations governing the food stamp program. The commissioner shall review agency performance annually to determine compliance with this paragraph.

(c) A person who commits any of the following acts has violated section 256.98 and is subject to both the criminal and civil penalties provided under that section:

(1) Obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, or intentional concealment of a material fact, food stamps to which the person is not entitled or in an amount greater than that to which that person is entitled; or

(2) Presents or causes to be presented, coupons for payment or redemption knowing them to have been received, transferred or used in a manner contrary to existing state or federal law; or

(3) Willfully uses or transfers food stamp coupons or authorization to



purchase cards in any manner contrary to existing state or federal law.

Sec. 31. Minnesota Statutes 1990, section 393.07, subdivision 10a, is amended to read:

Subd. 10a. [EXPEDITED ISSUANCE OF FOOD STAMPS.] The commissioner of human services shall continually monitor the expedited issuance of food stamp benefits to ensure that each county complies with federal regulations and that households eligible for expedited issuance of food stamps are identified, processed, and certified within the time frames prescribed in federal regulations. ~~By July 1 each year the commissioner of human services shall present a report to the governor and the legislature regarding its monitoring of expedited issuance and the degree of compliance with federal regulations on a county-by-county basis.~~

County food stamp offices shall screen and issue food stamps to applicants on the day of application. Applicants who meet the federal criteria for expedited issuance and have an immediate need for food assistance shall receive either:

- (1) a manual Authorization to Participate (ATP) card; or
- (2) the immediate issuance of food stamp coupons.

The local food stamp agency shall conspicuously post in each food stamp office a notice of the availability of and the procedure for applying for expedited issuance and verbally advise each applicant of the availability of the expedited process.

Sec. 32. [REPEALER.]

*Minnesota Statutes 1990, sections 256D.051, subdivisions 1b and 3c; 256D.09, subdivision 4; and 256D.101, subdivision 2, are repealed.*

Sec. 33. [EFFECTIVE DATE.]

*Sections 1 to 11 and 29 are effective the day after final enactment, except as indicated in section 4. Sections 12 to 27 and 32 are effective July 1, 1991.*

Delete the title and insert:

“A bill for an act relating to human services; clarifying division of costs for state and counties for certain benefits and services; changing eligibility requirements for general assistance and work readiness; amending reporting requirements for the federal food stamp program; amending Minnesota Statutes 1990, sections 256.01, subdivision 11, and by adding a subdivision; 256.025, subdivisions 1, 3, and 4; 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 256D.03, subdivisions 2 and 2a; 256D.05, subdivisions 1, 2, and 6; 256D.051, subdivisions 1, 1a, 2, 3, 3a, 6, and 8; 256D.052, subdivisions 3 and 4; 256D.07; 256D.10; 256D.101, subdivisions 1 and 3; 256D.111; 256D.36, subdivision 1; and 393.07, subdivisions 10 and 10a; proposing coding for new law in Minnesota Statutes, chapters 256; repealing Minnesota Statutes 1990, sections 256D.051, subdivisions 1b and 3c; 256D.09, subdivision 4; and 256D.101, subdivision 2.”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1418: A bill for an act relating to health; establishing health and safety standards for residential care home; requiring licenses; imposing penalties; amending Minnesota Statutes 1990, sections 144A.51, subdivision 5; 144A.53, subdivision 1; and 157.031, subdivisions 2, 3, 4, and 9; proposing coding for new law as Minnesota Statutes, chapter 144B; repealing Minnesota Statutes 1990, section 157.031, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, delete "144B.10 to 144B.18" and insert "144B.09 to 144B.16"

Page 3, line 6, delete "144B.18" and insert "144B.16"

Page 3, line 16, delete everything after the comma and insert "*where adult residents are provided sleeping accommodations and two or more meals per day and where supportive services are provided or offered to all residents by the facility. A "residential care home" does not include:*

*(1) a board and lodging establishment licensed under chapter 157 and also licensed by the commissioner of human services under chapter 245A;*

*(2) a boarding care home or a supervised living facility licensed under chapter 144;*

*(3) a home care provider licensed under chapter 144A; and*

*(4) any housing arrangement which consists of apartments containing a separate kitchen or kitchen equipment that will allow residents to prepare meals and where supportive services may be provided, on an individual basis, to residents in their living units either by the management of the residential care home or by home care providers under contract with the home's management."*

Page 3, delete lines 17 and 18

Page 3, line 21, delete "social"

Page 3, line 22, delete "and recreational opportunities,"

Page 3, line 24, delete "cleaning rooms,"

Page 3, line 25, delete everything after the first comma and insert "*and personal shopping assistance.*"

Page 4, lines 1 and 3, delete "144B.18" and insert "144B.16"

Page 4, delete section 5

Page 4, line 17, delete "144B.04" and insert "144B.03"

Page 5, lines 8, 19, and 33, delete "144B.18" and insert "144B.16"

Page 5, line 20, delete "144B.05" and insert "144B.04"

Page 5, line 28, delete "144B.06" and insert "144B.05"

Page 5, line 34, delete "144B.04" and insert "144B.03"

Page 6, line 13, delete "144B.07" and insert "144B.06"

Page 6, line 15, delete "144B.09" and insert "144B.08"

Page 6, line 21, delete "144B.18" and insert "144B.16"

Page 6, line 22, delete "144B.08" and insert "144B.07"

Page 6, line 26, delete "of" and insert "or"

Page 6, line 29, delete "operational control of" and insert "legal responsibility to operate"

Page 7, lines 7 and 20, delete "144B.18" and insert "144B.16"

Page 7, line 12, delete "144B.09" and insert "144B.08"

Page 7, line 31, delete "144B.04" and insert "144B.03"

Page 8, line 19, delete "144B.18" and insert "144B.16"

Page 8, line 20, delete "144B.10" and insert "144B.09"

Page 9, line 6, delete "144B.11" and insert "144B.10"

Page 9, lines 10 and 15, delete "144B.18" and insert "144B.16"

Page 11, line 19, delete "144B.12" and insert "144B.11"

Page 11, lines 25 and 30, delete "144B.18" and insert "144B.16"

Page 12, line 15, delete "144B.13" and insert "144B.12"

Page 13, line 7, delete "144B.15" and insert "144B.13"

Page 13, line 14, delete "144B.16" and insert "144B.14"

Page 13, line 23, delete "144B.11" and insert "144B.10"

Page 13, line 24, delete "144B.17" and insert "144B.15"

Page 13, line 33, delete "144B.18" and insert "144B.16"

Page 13, line 36, delete "144B.18" and insert "144B.16"

Page 14, after line 7, insert:

"Sec. 19. [144B.17] [ADVISORY WORK GROUP.]

*The commissioner shall convene a work group to advise, consult with, and make recommendations to the commissioner regarding the development of rules required under sections 3 to 18. The work group must include consumers and providers of the services described in sections 3 to 18 and other interested parties."*

Page 14, lines 23 and 28, delete "144B.18" and insert "144B.16"

Page 15, line 4, delete "144B.18" and insert "144B.16"

Page 15, after line 17, insert:

"Sec. 24. [REPORT TO THE LEGISLATURE.]

*By February 1, 1992, the commissioner shall report to the legislature on the implementation of sections 3 to 18. This report must include a description of the provisions included in rules required under sections 3 to 18, and an estimate of the expected fiscal impact to the state of adopting those rules."*

Page 15, line 22, delete "15, 17 to 19" and insert "14, 16 to 18" and delete "24" and insert "25"

Page 15, line 23, delete "16" and insert "15"

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 4, after the second semicolon, insert "requiring a report;"

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. 1231: A bill for an act relating to human services; authorizing the commissioner of human services to waive the requirement that emergency mental health services be provided by a provider other than the provider of fire and public safety emergency services; establishing conditions for a waiver; amending Minnesota Statutes 1990, sections 245.469, subdivision 2; and 245.4879, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 11, delete "two" and insert "four" and after "training" insert "annually"

Page 2, line 12, after "services" insert "approved by the commissioner"

Page 2, line 16, delete "and"

Page 2, line 19, after "received" insert "; and

*(4) the local social services agency agrees to monitor the frequency and quality of emergency services"*

Page 2, line 22, after "available" insert "on call" and after "for" insert "an emergency assessment and crisis intervention services, and must be available for"

Page 3, line 16, delete "two" and insert "four" and after "training" insert "annually"

Page 3, line 17, after "services" insert "approved by the commissioner"

Page 3, line 21, delete "and"

Page 3, line 24, after "received" insert "; and

*(4) the local social services agency agrees to monitor the frequency and quality of emergency services"*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1203: A bill for an act relating to human services; changing the effective date for separate billing by certified registered nurse anesthetists; appropriating money; amending Minnesota Statutes 1990, section 256.969, subdivision 6a.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1383: A bill for an act relating to vocational rehabilitation; establishing grant programs for special employability and supported education services for persons with serious and persistent mental illness; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268A.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Novak from the Committee on Energy and Public Utilities, to which was referred

S.F. No. 1112: A bill for an act relating to energy; providing incentives for renewable energy sources of utility power; amending Minnesota Statutes 1990, sections 216B.03; 216B.164, subdivision 3; and 272.02, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 3, delete sections 1 and 2 and insert:

"Section 1. Minnesota Statutes 1990, section 216B.164, subdivision 4, is amended to read:

Subd. 4. [PURCHASES; WHEELING.] (a) Except as otherwise provided in paragraph (c), this subdivision ~~shall apply~~ *applies* to all qualifying facilities having 40 kilowatt capacity or more as well as qualifying facilities as defined in subdivision 3 which elect to be governed by its provisions.

(b) The utility to which the qualifying facility is interconnected shall purchase all energy and capacity made available by the qualifying facility. The qualifying facility ~~shall must~~ be paid the utility's full avoided capacity and energy costs ~~as negotiated by the parties or set by the commission,~~ *including the value of environmental costs avoided by the qualifying facility and those social costs considered appropriate by the commission. To the extent possible, the commission shall quantify and value all environmental and social costs associated with each method of electricity generation.*

(c) *The commission shall set avoided-cost rates for electricity generated by renewable energy using the concept of long-term levelized forecasts for the marginal cost of energy.*

(d) For all qualifying facilities having 30 kilowatt capacity or more, the utility shall, at the qualifying facility's or the utility's request, provide wheeling or exchange agreements wherever practicable to sell the qualifying facility's output to any other Minnesota utility having generation expansion anticipated or planned for the ensuing ten years. The commission shall establish the methods and procedures to insure that, except for reasonable wheeling charges and line losses, the qualifying facility receives the full avoided energy and capacity costs of the utility ultimately receiving the output."

Page 8, line 31, delete "3" and insert "2"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "216B.03;"

Page 1, line 5, delete "3" and insert "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.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1250: A bill for an act relating to human services; medical assistance and general assistance medical care; clarifying payment rates for hospitals; clarifying coverage of services and eligibility requirements; clarifying the role of independent actuaries; amending Minnesota Statutes 1990, sections 256.045, subdivision 10; 256.936, by adding a subdivision; 256.9365, subdivisions 1 and 3; 256.9685, subdivision 1; 256.9686, subdivisions 1 and 6; 256.969, subdivisions 1, 2, 2c, 3a, 6a, and by adding a subdivision; 256.9695, subdivisions 1 and 5; 256B.031, subdivision 4; 256B.055, subdivisions 10 and 12; 256B.057, subdivisions 1, 2, 3, 4, and by adding a subdivision; 256B.0575; 256B.0625, subdivisions 4, 9, 12, 13, 17, 24, 25, 28, 30, and by adding subdivisions; 256B.063; 256B.08, by adding a subdivision; 256B.19, by adding a subdivision; 256B.25, subdivision 3; and 256D.03, subdivisions 3 and 4.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 13 and 14, delete section 9

Page 15, delete section 11

Renumber the sections of article 1 in sequence

Page 16, after line 16, insert:

"Section 1. Minnesota Statutes 1990, section 256B.031, is amended by adding a subdivision to read:

*Subd. 11. [LIMITATION ON REIMBURSEMENT TO PROVIDERS NOT AFFILIATED WITH A PREPAID HEALTH PLAN.] A prepaid health plan may limit any reimbursement it may be required to pay to providers not employed by or under contract with the prepaid health plan to the medical assistance rates paid by the commissioner of human services to providers for services to recipients not enrolled in a prepaid health plan."*

Page 16, line 29, after "of" insert "a change in" and delete "or policy"

Page 17, line 1, before the period, insert ", except for medical assistance and general assistance medical care made on behalf of a recipient pursuant to a court order"

Pages 19 and 20, delete section 7

Page 26, delete sections 16 and 17

Page 26, line 31, delete "an enrolled, dispensing physician" and insert "by a physician enrolled in the medical assistance program as a dispensing physician"

Page 27, lines 16 to 18, delete the new language

Page 27, line 19, reinstate the stricken language

Page 27, line 24, after the comma, insert "*products for the treatment of lice,*"

Page 29, line 12, delete "*medically*"

Pages 29 and 30, delete section 19

Page 30, lines 8 and 9, delete the new language

Page 31, line 11, before "Medical" insert "(a)"

Page 31, delete section 24 and insert:

*"(b) A federally qualified health center that is beginning initial operation shall submit an estimate of budgeted costs and visits for the initial reporting period in the form and detail required by the commissioner. A federally qualified health center that is already in operation shall submit an initial report using actual costs and visits for the initial reporting period. Within 90 days of the end of its reporting period, a federally qualified health center shall submit, in the form and detail required by the commissioner, a report of its operations, including allowable costs actually incurred for the period and the actual number of visits for services furnished during the period, and other information required by the commissioner. Federally qualified health centers that file Medicare cost reports shall provide the commissioner with a copy of the most recent Medicare cost report filed with the Medicare program intermediary for the reporting year which support the costs claimed on their cost report to the state."*

Page 32, line 5, delete everything after "*copayment*"

Page 32, delete line 6

Page 32, line 7, delete everything before "*in*"

Page 32, line 9, delete the colon and insert "*, for*"

Page 32, line 10, delete everything after "*room*" and insert a period

Page 32, delete lines 11 to 13

Page 32, line 14, delete everything before "*If*"

Page 32, line 18, delete everything after "*section*"

Page 32, line 19, delete "*room*"

Pages 34 and 35, delete section 28

Page 36, line 13, after "for" insert "*one month prior to application if the person was eligible under paragraph (a), clause (1) or (2), and*"

Page 37, line 36, after the third comma, insert "*products for the treatment of lice,*"

Page 39, line 7, delete "*chiropractic services,*"

Page 39, delete lines 18 to 26

Page 39, line 31, delete the period and insert a semicolon

Renumber the clauses in sequence

Page 40, line 6, delete "(6), (8), and (10)" and insert "*and (7)*"

Page 43, line 14, delete "(a)"

Page 43, line 16, delete "*sections 16, 17, and 25*" and insert "*section*

21”

Page 43, delete line 21

Page 43, line 24, delete “30” and insert “25”

Renumber the sections of article 2 in sequence

Page 43, after line 27, insert:

### “ARTICLE 3

#### HUMAN SERVICES BUDGET CHANGES

Section 1. Minnesota Statutes 1990, section 254B.04, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] (a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, persons eligible for medical assistance benefits under sections 256B.055 and 256B.056 or who meet the income standards of section 256B.056, subdivision 4, and persons eligible for general assistance medical care under section 256D.03, subdivision 3, are entitled to chemical dependency fund services. *State money appropriated for this paragraph must be placed in a separate account established for this purpose.*

(b) A person not entitled to services under paragraph (a), but with family income that is less than 60 percent of the state median income for a family of like size and composition, shall be eligible to receive chemical dependency fund services within the limit of funds available after persons entitled to services under paragraph (a) have been served. A county may spend money from its own sources to serve persons under this paragraph. *State money appropriated for this paragraph must be placed in a separate account established for this purpose.*

(c) Persons whose income is between 60 percent and 115 percent of the state median income shall be eligible for chemical dependency services on a sliding fee basis, within the limit of funds available, after persons entitled to services under paragraph (a) and persons eligible for services under paragraph (b) have been served. Persons eligible under this paragraph must contribute to the cost of services according to the sliding fee scale established under subdivision 3. A county may spend money from its own sources to provide services to persons under this paragraph. *State money appropriated for this paragraph must be placed in a separate account established for this purpose.*

(d) *Notwithstanding paragraphs (b) and (c), state money appropriated to serve persons who are not entitled to services under paragraph (a) must be expended for chemical dependency treatment services for persons who are eligible for services but not entitled to services under paragraph (a) and who have children in their household, are pregnant, or are younger than 19 years old. These persons may have household incomes up to 115 percent of the state median income. State money appropriated for this paragraph must be placed in a separate account established for this purpose. Any money in addition to the amounts necessary to serve the persons identified in this paragraph must be expended according to the provisions of paragraphs (b) and (c).*

Sec. 2. Minnesota Statutes 1990, section 256B.501, subdivision 11, is amended to read:



Subd. 11. [INVESTMENT PER BED LIMITS, INTEREST EXPENSE LIMITATIONS, AND ARMS-LENGTH LEASES.] (a) The provisions of Minnesota Rules, part 9553.0075, except as modified under this subdivision, shall apply to newly constructed or established facilities that are certified for medical assistance on or after May 1, 1990.

(b) For purposes of establishing payment rates under this subdivision and Minnesota Rules, parts 9553.0010 to 9553.0080, the term "newly constructed or newly established" means a facility (1) for which a need determination has been approved by the commissioner under sections 252.28 and 252.291; (2) whose program is newly licensed under Minnesota Rules, parts 9525.0215 to 9525.0355, and certified under Code of Federal Regulations, title 42, section 442.400, et seq.; and (3) that is part of a proposal that meets the requirements of section 252.291, subdivision 2, paragraph (2). The term does not include a facility for which a need determination was granted solely for other reasons such as the relocation of a facility; a change in the facility's name, program, number of beds, type of beds, or ownership; or the sale of a facility, unless the relocation of a facility to one or more service sites is the result of a closure of a facility under section 252.292, in which case clause (3) shall not apply. The term does include a facility that converts more than 50 percent of its licensed beds from class A to class B residential or class B institutional to serve persons discharged from state regional treatment centers on or after May 1, 1990, in which case clause (3) does not apply.

(c) Newly constructed or newly established facilities that are certified for medical assistance on or after May 1, 1990, shall be allowed the capital asset investment per bed limits as provided in clauses (1) to (4).

(1) The 1990 calendar year investment per bed limit for a facility's land must not exceed \$5,700 per bed for newly constructed or newly established facilities in Hennepin, Ramsey, Anoka, Washington, Dakota, Scott, Carver, Chisago, Isanti, Wright, Benton, Sherburne, Stearns, St. Louis, Clay, and Olmsted counties, and must not exceed \$3,000 per bed for newly constructed or newly established facilities in other counties.

(2) The 1990 calendar year investment per bed limit for a facility's depreciable capital assets must not exceed \$44,800 for class B residential beds, and \$45,200 for class B institutional beds.

(3) The investment per bed limit in clause (2) must not be used in determining the three-year average percentage increase adjustment in Minnesota Rules, part 9553.0060, subpart 1, item C, subitem (4), for facilities that were newly constructed or newly established before May 1, 1990.

(4) The investment per bed limits in clause (2) shall be adjusted annually beginning January 1, 1991, and each January 1 following, as provided in Minnesota Rules, part 9553.0060, subpart 1, item C, subitem (2).

(d) A newly constructed or newly established facility's interest expense limitation as provided for in Minnesota Rules, part 9553.0060, subpart 3, item F, on capital debt for capital assets acquired during the interim or settle-up period, shall be increased by 2.5 percentage points for each full .25 percentage points that the facility's interest rate on its mortgage is below the maximum interest rate as established in Minnesota Rules, part 9553.0060, subpart 2, item A, subitem (2). For all following rate periods, the interest expense limitation on capital debt in Minnesota Rules, part 9553.0060, subpart 3, item F, shall apply to the facility's capital assets

acquired, leased, or constructed after the interim or settle-up period. If a newly constructed or newly established facility is acquired by the state, the limitations of this paragraph and Minnesota Rules, part 9553.0060, subpart 3, item F, shall not apply.

(e) If a newly constructed or newly established facility is leased with an arms-length lease as provided for in Minnesota Rules, part 9553.0060, subpart 7, the lease agreement shall be subject to the following conditions:

(1) the term of the lease, including option periods, must not be less than 20 years;

(2) the maximum interest rate used in determining the present value of the lease must not exceed the lesser of the interest rate limitation in Minnesota Rules, part 9553.0060, subpart 2, item A, subitem (2), or 16 percent; and

(3) the residual value used in determining the net present value of the lease must be established using the provisions of Minnesota Rules, part 9553.0060.

(f) All leases of the physical plant of an intermediate care facility for the mentally retarded shall contain a clause that requires the owner to give the commissioner notice of any requests or orders to vacate the premises 90 days before such vacation of the premises is to take place. In the case of unlawful detainer actions, the owner shall notify the commissioner within three days of notice of an unlawful detainer action being served upon the tenant. The only exception to this notice requirement is in the case of emergencies where immediate vacation of the premises is necessary to assure the safety and welfare of the residents. In such an emergency situation, the owner shall give the commissioner notice of the request to vacate at the time the owner of the property is aware that the vacating of the premises is necessary. This section applies to all leases entered into after May 1, 1990. Rentals set in leases entered into after that date that do not contain this clause are not allowable costs for purposes of medical assistance reimbursement.

(g) A newly constructed or newly established facility's preopening costs are subject to the provisions of Minnesota Rules, part 9553.0035, subpart 12, and must be limited to only those costs incurred during one of the following periods, whichever is shorter:

(1) between the date the commissioner approves the facility's need determination and 30 days before the date the facility is certified for medical assistance; or

(2) the 12-month period immediately preceding the 30 days before the date the facility is certified for medical assistance.

*(h) The development of any newly constructed or newly established facility as defined in this subdivision and projected to be operational after July 1, 1991, by the commissioner of human services shall be delayed until July 1, 1993, except for: (1) those facilities authorized by the commissioner as a result of a closure of a facility according to section 252.292 prior to January 1, 1991; (2) those facilities developed as a result of a receivership of a facility according to section 245A.12; or (3) facilities other than those specified in clauses (1) and (2), provided and to the extent that the total state cost of the newly constructed or newly established facilities does not exceed \$ . . . . . for the biennium ending June 30, 1993, including*

*\$ . . . . . for new state-operated community facilities and \$ . . . . . for other new facilities. When approving development of new facilities under clause (3), the commissioner shall give equal consideration to facilities without regard to bed capacity. This paragraph does not apply to state-operated community facilities authorized in section 252.50.*

Sec. 3. Minnesota Statutes 1990, section 256I.04, is amended by adding a subdivision to read:

*Subd. 3. [MORATORIUM ON THE DEVELOPMENT OF NEGOTIATED RATE BEDS.] County agencies shall not enter into agreements for new general assistance or Minnesota supplemental aid negotiated rate beds except for: (1) adult foster homes licensed by the commissioner of human services under Minnesota Rules, parts 9555.5105 to 9555.6265, or facilities licensed under Minnesota Rules, parts 9525.0215 to 9525.0355, provided the foster home or facility is needed to meet the census reduction targets for persons with mental retardation or related conditions at regional treatment centers; (2) to ensure compliance with the federal Omnibus Budget Reconciliation Act alternative disposition plan requirements for inappropriately placed persons with mental retardation or related conditions or mental illness; (3) facilities other than those allowed under clauses (1) and (2), provided and to the extent that the total state cost of the new negotiated rate facility agreements does not exceed \$ . . . . . for the new negotiated rate facility agreements; or (4) to allow up to eight additional general assistance or Minnesota supplemental aid negotiated rate facility beds for adult foster homes licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, to enable the commissioner to comply with the terms of a settlement offer made by the commissioner prior to January 1, 1991. Agreements for new beds are subject to the approval of the commissioner. This moratorium expires June 30, 1993.*

Sec. 4. Minnesota Statutes 1990, section 256I.05, is amended by adding a subdivision to read:

*Subd. 1a. [RATES FOR UNCERTIFIED BOARDING CARE HOMES.] Effective July 1, 1992, the maximum rate for a boarding care home not certified to receive medical assistance is equal to 47 percent of the average nursing home level "A" rate in effect for the geographic area in which the boarding care home is located. This is effective until June 30, 1993. A noncertified boarding care home licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, is exempt from this rate limit. The commissioner shall study the numbers of facilities and residents that will be affected by the limit in this subdivision, the number of facilities likely to close because of the limit, the available alternatives for affected residents, methods of relocating or securing alternative placements for residents, and other effects of the limit. The commissioner shall provide a report to the legislature by January 1, 1992, on the commissioner's findings and recommendations relating to the rate limit.*

Sec. 5. Minnesota Statutes 1990, section 256I.05, subdivision 2, is amended to read:

*Subd. 2. [MONTHLY RATES; EXEMPTIONS.] (a) The maximum negotiated rate does not apply to a residence that on August 1, 1984, was licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, and licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0690. For residences in this clause that have less than five percent of their licensed boarding care capacity reimbursed by the medical assistance*

program, rate increases shall be provided according to section 256B.431, subdivision 4, paragraph (c).

(b) The maximum negotiated rate does not apply to a residence that on August 1, 1984, was licensed by the commissioner of human services under Minnesota Rules, parts 9525.0520 to 9525.0660, but funded as a negotiated rate residence under general assistance or Minnesota supplemental aid. Rate increases for these residences are subject to the provisions of subdivision 7.

(c) ~~The following residences are exempt from the limit on negotiated rates and must be reimbursed for documented actual costs, until an alternative reimbursement system covering services excluding room and board maintenance services is developed by the commissioner:~~

~~(1) a residence that is not certified to participate in the medical assistance program, that was licensed as a boarding care facility by March 1, 1985, and does not receive supplemental program funding under Minnesota Rules, parts 9535.2000 to 9535.3000 or 9553.0010 to 9553.0080;~~

(2) A residence certified to participate in the medical assistance program, licensed as a boarding care facility or a nursing home, and declared to be an institution for mental disease by January 1, 1989, *residences are exempt from the limit on negotiated rates and must be reimbursed for documented actual costs, until an alternative reimbursement system covering services excluding room and board maintenance services is developed by the commissioner.* Effective January 1, 1989, the actual documented cost for these residences is the individual's appropriate medical assistance case mix rate until the commissioner develops a comprehensive system of rates and payments for persons in all negotiated rate residences. The exclusion from the rate limit for residences under this clause expires July 1, 1991. The commissioner of human services, in consultation with the counties in which these residences are located, shall review the status of each certified nursing home and board and care facility declared to be an institution for mental disease. This review shall include the cost effectiveness of continued payment for residents through general assistance or Minnesota supplemental aid; the appropriateness of placement of general assistance or supplemental aid clients in these facilities; the effects of Public Law Number 100-203 on these facilities; and the role of these facilities in the mental health service delivery system. The commissioner shall make recommendations to the legislature by January 1, 1990, regarding the need to continue the exclusion of these facilities from the negotiated rate maximum and the future role of these facilities in serving persons with mental illness.

#### Sec. 6. [DEMONSTRATION PROJECTS.]

*The commissioner shall demonstrate the development of family foster care services for persons with developmental disabilities in order to achieve regional treatment center census reduction or to develop alternative placements for persons inappropriately placed in nursing homes. For all persons participating in this demonstration that receive services funded by the enhanced waived services fund, the costs of waived services shall not exceed an average of \$120 per person per day in fiscal year 1993.*

*The commissioner shall demonstrate a family choice option for 100 persons with developmental disabilities and their families in fiscal year 1992 and for 200 persons and their families in fiscal year 1993. For all persons authorized by the commissioner to receive services under the family choice*

*option, the cost of services funded by the Title XIX home- and community-based waiver are limited to an average of \$35 per person per day in fiscal year 1992 with annual cost adjustments as authorized by the legislature.*

**Sec. 7. [STUDY OF UNMET NEEDS OF PERSONS WITH PRADER-WILLI SYNDROME.]**

*The commissioner of human services shall study the special needs of persons with Prader-Willi syndrome, the adequacy of the existing system of services to meet the needs, and alternative methods of addressing unmet needs and improving existing services. Among other appropriate issues, the commissioner shall consider whether there is a need for new specialized residential programs, or specialized respite care services for clients living with relatives or in other community settings, or both. The commissioner shall provide a report to the legislature by December 1, 1991, that contains the results of the study, including recommendations for agency and legislative action the commissioner determines is needed to address unmet needs and improve services."*

Amend the title as follows:

Page 1, line 10, after "3a," insert "and" and delete ", and by"

Page 1, line 11, delete "adding a subdivision" and delete "subdivisions" and insert "subdivision" and delete "and 5"

Page 1, line 12, delete "subdivisions" and insert "subdivision" and delete "and"

Page 1, line 13, delete "12"

Page 1, line 14, delete "9,"

Page 1, line 15, delete "12," and delete "17," and after "adding" insert "a"

Page 1, line 16, delete "subdivisions" and insert "subdivision"

Page 1, line 18, delete everything before "and"

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. 844, 505, 985, 1214, 327, 1153, 1040, 1318, 1122, 1216, 1174, 355, 1399, 1160, 219, 489, 83, 406, 1020, 1021, 240, 1295, 953, 1175, 1332, 988, 919, 768, 1330, 1169, 824, 417, 152, 871, 958, 1008, 887, 449, 679, 861, 794, 86, 970, 306, 990, 1231 and 1203 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. No. 479 was read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Mehrkens moved that his name be stricken as a co-author to S.F. No. 850. The motion prevailed.

Mr. Price moved that the name of Mr. Larson be added as a co-author to S.F. No. 1027. The motion prevailed.

Ms. Berglin moved that the name of Mr. Storm be added as a co-author to S.F. No. 1047. The motion prevailed.

Mr. Kelly moved that the name of Mr. Morse be added as a co-author to S.F. No. 1172. The motion prevailed.

Mr. Neuville moved that the name of Mrs. Pariseau be added as a co-author to S.F. No. 1404. The motion prevailed.

Mrs. Pariseau moved that the name of Mr. Frank be added as a co-author to S.F. No. 1430. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Frank be added as a co-author to S.F. No. 1443. The motion prevailed.

Mr. Metzen moved that the name of Mr. Price be added as a co-author to S.F. No. 1449. The motion prevailed.

Mr. Frederickson, D.J. moved that S.F. No. 112 be withdrawn from the Committee on Commerce and re-referred to the Committee on Governmental Operations. The motion prevailed.

Ms. Flynn moved that S.F. No. 1379 be withdrawn from the Committee on Metropolitan Affairs and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Kelly moved that S.F. No. 1021, on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Hottinger moved that S.F. No. 1203, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Luther moved that S.F. No. 1169, on General Orders, be stricken and re-referred to the Committee on Elections and Ethics. The motion prevailed.

Mr. Sams moved that S.F. No. 1174, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Moe, R.D. moved that House Concurrent Resolution No. 1 be laid on the table. The motion prevailed.

Mr. Moe, R.D. moved that House Concurrent Resolution No. 2 be laid on the table. The motion prevailed.

Mr. Moe, R.D. moved that House Concurrent Resolution No. 5 be taken from the table. The motion prevailed.

House Concurrent Resolution No. 5: A House concurrent resolution adopting Permanent Joint Rules of the House of Representatives and Senate.

Mr. Johnson, D.E. moved to amend House Concurrent Resolution No. 5 as follows:

Page 11, after line 4, insert:

***“EMPLOYEE CAMPAIGN ACTIVITY PROHIBITED***

*Rule 3.04. No legislative employee may engage in campaign activity on taxpayers' time. Campaign activity shall include, but is not limited to, mailings of campaign committees, fundraising, strategy sessions, and campaign material design and dissemination.”*

Mr. Moe, R.D. moved that House Concurrent Resolution No. 5 be re-referred to the Committee on Rules and Administration. The motion

prevailed.

Mr. Moe, R.D. moved that Senate Resolution No. 40 be taken from the table. The motion prevailed.

Senate Resolution No. 40: A Senate resolution adopting permanent rules of the Senate.

Mr. Luther moved to amend Senate Resolution No. 40 as follows:

Page 25, delete lines 28 to 36 and insert:

*“Any person may submit to the Chair of the Committee on Rules and Administration a complaint that members have violated the open meeting requirements of Minnesota Statutes, section 3.055. A member of the Senate may submit the complaint either orally or in writing; others must submit the complaint in writing. Whether the complaint was written or oral, the Chair of the Committee on Rules and Administration shall immediately forward it in writing to the Special Committee on Ethical Conduct without disclosing the identity of the complainant. The complaint must not be further disclosed, except to the members against whom the complaint was made, unless the complaint was made by a member of the Senate in writing under oath, in which case the investigatory procedures of this rule apply.”*

The motion prevailed. So the amendment was adopted.

Mr. Waldorf moved to amend Senate Resolution No. 40 as follows:

Page 11, lines 18 to 25, delete the new language and reinstate the stricken language

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 32, as follows:

Those who voted in the affirmative were:

Beckman	Bertram	Johnson, D.E.	Larson	Olson
Belanger	Brataas	Johnson, D.J.	Lessard	Pariseau
Benson, D.D.	Davis	Johnston	Marty	Renneke
Benson, J.E.	Day	Kroening	McGowan	Stumpf
Berg	Frederickson, D.R.	Laidig	Mehrkens	Vickerman
Bernhagen	Halberg	Langseth	Neuville	Waldorf

Those who voted in the negative were:

Adkins	Frank	Merriam	Piper	Samuelson
Berglin	Frederickson, D.J.	Metzen	Pogemiller	Spear
Cohen	Hottinger	Moe, R.D.	Price	Storm
DeCramer	Hughes	Mondale	Ranum	Traub
Dicklich	Johnson, J.B.	Morse	Reichgott	
Finn	Kelly	Novak	Riveness	
Flynn	Luther	Pappas	Sams	

The motion did not prevail. So the amendment was not adopted.

**RECONSIDERATION**

Having voted on the prevailing side, Mr. Frank moved that the vote whereby the Waldorf amendment to Senate Resolution No. 40 failed on April 15, 1991, be now reconsidered.

The question was taken on the adoption of the motion of Mr. Frank.

The roll was called, and there were yeas 30 and nays 32, as follows:

Those who voted in the affirmative were:

Beckman	Bertram	Halberg	Langseth	Olson
Belanger	Brataas	Johnson, D.E.	Larson	Pariseau
Benson, D.D.	Davis	Johnson, D.J.	Lessard	Renneke
Benson, J.E.	Day	Johnston	McGowan	Stumpf
Berg	Frank	Kelly	Mehrkens	Vickerman
Bernhagen	Frederickson, D.R.	Laidig	Neuville	Waldorf

Those who voted in the negative were:

Adkins	Frederickson, D.J.	Merriam	Piper	Samuelson
Berglin	Hottinger	Metzen	Pogemiller	Spear
Cohen	Hughes	Moe, R. D.	Price	Storm
Dahl	Johnson, J.B.	Mondale	Ranum	Traub
DeCramer	Kroening	Morse	Reichgott	
Finn	Luther	Novak	Riveness	
Flynn	Marty	Pappas	Sams	

The motion did not prevail.

Mr. Luther moved the adoption of Senate Resolution No. 40.

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 43 and nays 20, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Kelly	Mondale	Riveness
Beckman	Frederickson, D.J.	Kroening	Morse	Sams
Belanger	Frederickson, D.R.	Langseth	Novak	Samuelson
Berglin	Halberg	Lessard	Pappas	Spear
Cohen	Hottinger	Luther	Piper	Storm
Dahl	Hughes	Marty	Pogemiller	Stumpf
DeCramer	Johnson, D.E.	Merriam	Price	Traub
Dicklich	Johnson, D.J.	Metzen	Ranum	
Finn	Johnson, J.B.	Moe, R. D.	Reichgott	

Those who voted in the negative were:

Benson, D.D.	Bertram	Frank	McGowan	Pariseau
Benson, J.E.	Brataas	Johnston	Mehrkens	Renneke
Berg	Davis	Laidig	Neuville	Vickerman
Bernhagen	Day	Larson	Olson	Waldorf

The motion prevailed. So the resolution was adopted.

## INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. DeCramer introduced—

S.F. No. 1450: A bill for an act relating to counties; permitting county boards to appropriate necessary funds to be used for a radio or television broadcast facility; amending Minnesota Statutes 1990, section 375.164.

Referred to the Committee on Local Government.

Mses. Berglin, Piper, Mrs. Brataas, Messrs. Mondale and Luther introduced—

S.F. No. 1451: A bill for an act relating to health; modifying the definition of and requirements related to review organizations; amending Minnesota



Statutes 1990, sections 145.61, subdivisions 4a, 5, and by adding a subdivision; 145.63, subdivision 1; and 145.64.

Referred to the Committee on Health and Human Services.

Messrs. Bernhagen and Renneke introduced—

S.F. No. 1452: A bill for an act relating to taxation; property; allowing a special levy for McLeod county; providing for a levy limit base adjustment for McLeod county.

Referred to the Committee on Taxes and Tax Laws.

Mr. Day introduced—

S.F. No. 1453: A bill for an act relating to tax increment financing; exempting certain districts from the reduction in state tax increment financing aid; amending Minnesota Statutes 1990, section 273.1399, by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Mr. Bertram introduced—

S.F. No. 1454: A bill for an act relating to state employment; payroll direct deposit and deductions; permitting payment of money by payroll deduction to credit unions as well as payment by direct deposit to credit unions or financial institutions; amending Minnesota Statutes 1990, section 16A.133, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Renneke, Belanger, Mrs. Pariseau and Mr. Benson, D.D. introduced—

S.F. No. 1455: A bill for an act relating to state property; authorizing the rental of state land for public purposes under certain conditions; authorizing lease-purchase agreements and leases with option to buy; amending Minnesota Statutes 1990, section 16B.24, subdivisions 5 and 6.

Referred to the Committee on Governmental Operations.

Mr. Solon introduced—

S.F. No. 1456: A bill for an act relating to drivers' licenses; requiring certain notice on uniform traffic ticket; providing penalty for failure to respond to summons and complaint on uniform traffic ticket; prohibiting issuance of warrant on person failing to pay fine for parking violation; establishing system for collecting unpaid fines; allocating driver's license reinstatement fees; amending Minnesota Statutes 1990, sections 169.99, by adding a subdivision; 171.16, subdivision 3, and by adding subdivisions; 171.20, subdivision 1; and 171.29, by adding subdivisions.

Referred to the Committee on Transportation.

Mr. Merriam introduced—

S.F. No. 1457: A bill for an act relating to public waters; requiring filter strips along wooded areas; proposing coding for new law in Minnesota

Statutes, chapter 103G.

Referred to the Committee on Environment and Natural Resources.

Mr. Waldorf introduced—

S.F. No. 1458: A bill for an act relating to retirement; the Minnesota state retirement system; the public employees retirement association; the Minneapolis teachers retirement fund association; the Minneapolis employees retirement fund; making various changes reflecting benefits, administration, and investment practices; amending Minnesota Statutes 1990, sections 11A.24, subdivision 1; 352.01, subdivisions 2b, 11, 13, and by adding a subdivision; 352.113, subdivision 1; 352.12, subdivision 1; 352.22, subdivision 3; 352C.033; 353.01, subdivisions 2b, 6, 10, 16, and 20; 353.27, subdivisions 4, 7, 12, 12a, and by adding subdivisions; 353.28, subdivision 6; 353.29, subdivision 4; 353.31, subdivision 1; 353.34, subdivision 1; 353.46, subdivision 4; 353.64, by adding a subdivision; 353A.01, subdivision 1; 353A.02, subdivision 16, and by adding a subdivision; 353A.03; 353A.06; 353A.08, subdivision 1; 353C.06, subdivision 3; 353C.07, subdivision 1; 353C.08, subdivision 2; 353C.09; 353D.01, subdivision 2; 353D.02; 353D.04; 353D.05, subdivision 2; 353D.07, subdivisions 2 and 3; 353D.12, subdivision 1; 356.371, subdivision 3; 356.71; 356.86, subdivisions 2 and 4; 356.87; 422A.03, subdivision 1; 422A.05, subdivision 2c; 422A.09, subdivision 3; 422A.13, subdivision 2; 422A.16, subdivisions 1 and 3; 490.124, subdivision 11; Laws 1990, chapter 570, article 8, section 14, subdivision 1; and repealing Minnesota Statutes 1990, sections 353.33, subdivision 5a; and 353C.07, subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Storm and Vickerman introduced—

S.F. No. 1459: A bill for an act relating to human services; authorizing loans to mental health residential programs for physical accessibility improvements; creating an exception to the maximum negotiated rates for residential programs receiving accessibility loans; amending Minnesota Statutes 1990, sections 256I.05, subdivision 2; and 462A.05, by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Messrs. Storm and Vickerman introduced—

S.F. No. 1460: A bill for an act relating to human rights; prohibiting housing discrimination against disabled persons because of their familial status; amending Minnesota Statutes 1990, section 363.12, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Storm and Vickerman introduced—

S.F. No. 1461: A bill for an act relating to human services; authorizing grants for research and development of new approaches to services for persons who are both mentally ill and chemically dependent; appropriating money.

Referred to the Committee on Health and Human Services.

Mr. Bertram introduced—

S.F. No. 1462: A bill for an act relating to natural resources; authorizing limited leasing of a tract of land within Lake Maria state park.

Referred to the Committee on Environment and Natural Resources.

Messrs. Novak; Johnson, D.J. and Gustafson introduced—

S.F. No. 1463: A bill for an act relating to utilities; authorizing public utilities commission to hear, determine, and redress discriminatory treatment by municipally owned utilities against nonresidents; amending Minnesota Statutes 1990, section 216B.17, subdivision 6.

Referred to the Committee on Energy and Public Utilities.

Mr. McGowan and Ms. Traub introduced—

S.F. No. 1464: A bill for an act relating to municipal elections; changing the effective date of municipal ordinances affecting the year of an election; authorizing a referendum on the ordinance; amending Minnesota Statutes 1990, section 205.07, subdivision 1, and by adding a subdivision.

Referred to the Committee on Elections and Ethics.

Messrs. Laidig, Cohen and Mondale introduced—

S.F. No. 1465: A bill for an act relating to education; authorizing construction at Northeast Metro Technical College.

Referred to the Committee on Education.

Ms. Piper, Messrs. Novak, Dicklich, Mrs. Benson, J.E. and Mr. Finn introduced—

S.F. No. 1466: A bill for an act relating to energy; creating an advisory task force on low-income energy assistance to establish an energy assistance foundation; providing for a start-up fund from unclaimed deposits; authorizing the department of human services to adopt rules; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Energy and Public Utilities.

Mr. Samuelson introduced—

S.F. No. 1467: A bill for an act relating to utilities; requiring utility to file with its tariff a plan for extended residential electric service to allow ten-year period for a residential customer to pay the excess costs attributed to the extension; amending Minnesota Statutes 216B.42, by adding a subdivision.

Referred to the Committee on Energy and Public Utilities.

Mr. Samuelson introduced—

S.F. No. 1468: A bill for an act relating to taxation; sales tax; modifying the accelerated payment of June sales tax liability; amending Minnesota Statutes 1990, section 289A.60, subdivision 15.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Marty, Merriam, Belanger and Renneke introduced—

S.F. No. 1469: A bill for an act relating to taxes; abolishing the authority of metropolitan regional rail authorities to levy a property tax for light rail transit; amending Minnesota Statutes 1990, section 398A.04, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Frederickson, D.R. introduced—

S.F. No. 1470: A bill for an act relating to public safety; providing for revocation of driver's licenses and permits, motor vehicle registration certificates, and motor vehicle certificates of title when persons pay for issuance of these documents with bad checks; proposing coding for new law in Minnesota Statutes, chapter 299A.

Referred to the Committee on Transportation.

Mr. Johnson, D.E. introduced—

S.F. No. 1471: A bill for an act relating to crimes; imposing a penalty for assaulting department of agriculture inspectors; amending Minnesota Statutes 1990, section 609.2231, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Morse, Langseth and Hottinger introduced—

S.F. No. 1472: A bill for an act relating to traffic regulations; authorizing the use of flashing green lights on authorized emergency vehicles; amending Minnesota Statutes 1990, section 169.64, by adding a subdivision.

Referred to the Committee on Transportation.

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. Frank from the Committee on Metropolitan Affairs, to which was referred

S.F. No. 1329: A bill for an act relating to transportation; creating a paratransit advisory council; 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. Minnesota Statutes 1990, section 171.01, is amended by adding a subdivision to read:

*Subd. 24. [SPECIAL TRANSPORTATION SERVICE.] “Special transportation service” means motor vehicle transportation provided on a regular*

*basis by a public or private entity or person that is designed primarily to serve individuals who are elderly, handicapped, or disabled and who are unable to use regular means of transportation but do not require ambulance service, as defined in section 144.801, subdivision 4. Special transportation service includes but is not limited to service provided by specially equipped buses, vans, taxis, and volunteers driving private automobiles.*

Sec. 2. Minnesota Statutes 1990, section 171.02, subdivision 2, is amended to read:

Subd. 2. [DRIVER'S LICENSE CLASSIFICATIONS, ENDORSEMENTS, EXEMPTIONS.] Drivers' licenses shall be classified according to the types of vehicles which may be driven by the holder of each type or class of license. The commissioner may, as appropriate, subdivide the classes listed in this subdivision and issue licenses classified accordingly. No class of license shall be valid to operate a motorcycle, school bus, *special transportation service vehicle*, tank vehicle, double-trailer or triple-trailer combination, vehicle transporting hazardous materials, or bus, unless so endorsed. There shall be four general classes of licenses as follows:

(a) Class C; valid for:

(1) all farm trucks as defined in section 168.011, subdivision 17, operated by (i) the owner, (ii) an immediate family member of the owner, (iii) an employee of the owner not primarily employed to operate the farm truck, within 150 miles of the farm, or (iv) an employee of the owner employed during harvest to operate the farm truck for the first, continuous transportation of agricultural products from the production site or on-farm storage site to any other location within 50 miles of that site;

(2) fire trucks and emergency fire equipment, whether or not in excess of 26,000 pounds gross vehicle weight, operated by a firefighter while on duty, or a tiller operator employed by a fire department who drives the rear portion of a midmount aerial ladder truck;

(3) recreational equipment as defined in section 168.011, subdivision 25, that is operated for personal use; and

(4) all single unit vehicles except vehicles with a gross vehicle weight of 26,001 or more pounds, vehicles designed to carry more than 15 passengers including the driver, and vehicles that carry hazardous materials.

The holder of a class C license may also tow vehicles under 10,000 pounds gross vehicle weight.

(b) Class CC; valid for:

(1) operating class C vehicles;

(2) with a hazardous materials endorsement, transporting hazardous materials in class C vehicles; ~~and~~

(3) with a school bus endorsement, operating school buses designed to transport 15 or fewer passengers, including the driver; *and*

(4) *with a special transportation service vehicle endorsement, operating a motor vehicle providing special transportation service.*

(c) Class B; valid for all vehicles in class C, class CC, and all other single unit vehicles including, with a passenger endorsement, buses.

(d) Class A; valid for any vehicle or combination thereof.

Sec. 3. Minnesota Statutes 1990, section 171.10, subdivision 2, is amended to read:

Subd. 2. [ENDORSEMENTS ADDED.] Any person, after applying for or receiving a driver's license and prior to the expiration year of the license, who wishes to have a motorcycle, school bus, *special transportation service vehicle*, tank vehicle, passenger, double-trailer or triple-trailer, or hazardous materials vehicle endorsement added to the license, shall, after taking the necessary examination, apply for a duplicate license and make payment of the proper fee.

Sec. 4. Minnesota Statutes 1990, section 171.13, subdivision 5, is amended to read:

Subd. 5. [FEE FOR VEHICLE ENDORSEMENT.] Any person applying to secure a motorcycle, school bus, *special transportation service vehicle*, tank vehicle, passenger, double-trailer or triple-trailer, or hazardous materials vehicle endorsement on the person's driver's license shall pay a \$2.50 examination fee at the place of application.

Sec. 5. Minnesota Statutes 1990, section 171.321, is amended to read:

171.321 [QUALIFICATIONS OF SCHOOL BUS AND SPECIAL TRANSPORTATION SERVICE DRIVERS.]

Subdivision 1. No person shall drive a school bus when transporting school children to or from school or upon a school related trip or activity without having a valid class A, class B, or class CC driver's license with a school bus endorsement except that a person possessing a valid driver's license but not a school bus endorsement may drive a vehicle with a seating capacity of ten or less persons used as a school bus but not outwardly equipped or identified as a school bus.

*Subd. 1a. No person shall drive a motor vehicle providing special transportation service without having a valid class A, class B, or class CC driver's license with a special transportation service vehicle endorsement.*

Subd. 2. (a) The commissioner of public safety shall prescribe rules governing the qualifications of individuals to drive school buses *and motor vehicles providing special transportation services*.

(b) The commissioner of public safety, in conjunction with the commissioner of education, shall adopt a training program for school bus drivers. Adoption of the program is not subject to chapter 14. The program must provide for initial classroom and behind-the-wheel training, and annual in-service training. The program must provide training in defensive driving, human relations, emergency and accident procedures, vehicle maintenance, traffic laws, and use of safety equipment. The program must provide that the training will be conducted by the contract operator for a school district, the school district, the commissioner of education, a licensed driver training school, or by another person or entity approved by both commissioners.

*(c) The commissioner of public safety shall adopt a training program for special transportation service vehicle drivers. Adoption of the program is not subject to chapter 14. The program must provide for the same types of training as are listed in paragraph (b) of this subdivision, together with training in interaction with persons with disabilities and regulations governing special transportation service.*

Subd. 3. [STUDY OF APPLICANT.] Before issuing or renewing a school

bus or special transportation service vehicle endorsement, the commissioner shall conduct a criminal records check of the applicant. The commissioner may also conduct ~~the a~~ records check at any time while a person is so licensed. The check shall consist of a criminal records check of the state criminal records repository. If the applicant has resided in Minnesota for less than five years, the records check shall also include a criminal records check of information from the state law enforcement agencies in the states where the ~~person~~ applicant resided during the five years before moving to Minnesota, and of the national criminal records repository including the criminal justice data communications network. The applicant's failure to cooperate with the commissioner in conducting ~~the a~~ records check is reasonable cause to deny an application or cancel a school bus or special transportation vehicle endorsement. The commissioner may not release the results of ~~the a~~ records check to any person except the applicant.

Sec. 6. [256B.74] [ADVISORY COUNCIL ON PARATRANSIT.]

*Subdivision 1. [CREATION; MEMBERSHIP.] The regional transit board shall establish a paratransit advisory council under section 15.059, consisting of the following members:*

*(1) two members representing the regional transit board, appointed by the chair of the board;*

*(2) two members representing the department of human services, appointed by the commissioner of human services;*

*(3) one member representing the department of transportation, appointed by the commissioner of transportation;*

*(4) one member representing the metropolitan transit commission, appointed by the commission's chair;*

*(5) one member representing the council on disability, appointed by the council;*

*(6) one member representing nonprofit providers, appointed by the commissioner of human services;*

*(7) one member representing for-profit providers, appointed by the commissioner of human services;*

*(8) one member representing the senior community, appointed by the commissioner of human services;*

*(9) one member representing the metropolitan area, appointed by the chair of the metropolitan council; and*

*(10) two members representing users of paratransit, appointed by the chair of the board.*

*The council shall expire December 31, 1991.*

*Subd. 2. [ADMINISTRATION.] The regional transit board and the department of human services shall provide staff and administrative services for the council. The organizations whose representatives are listed in subdivision 1, clauses (4) to (8), shall provide information, staff, and technical assistance for the council as needed.*

*Subd. 3. [STUDIES.] The council shall conduct a feasibility study of the consolidation and coordination of the existing metro mobility service trips*

*with the existing department of human services medical assistance service trips in the metropolitan area. The council shall seek consultation from affected persons and organizations not represented by members appointed under subdivision 1, including but not limited to day training and habilitation centers, nursing facilities, and intermediate care facilities for the mentally retarded.*

*Subd. 4. [REPORT.] The commissioner of human services and the chair of the regional transit board shall submit a joint consolidation and coordination feasibility report and recommendations to the legislature and the governor not later than December 31, 1991.*

*Subd. 5. [DEFINITION.] For the purposes of this section, "metropolitan area" has the meaning given it in section 473.121, subdivision 2.*

**Sec. 7. [APPLICATION.]**

*Section 6 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."*

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing special transportation service; clarifying certain driver's license requirements, classifications, and fees;"

Page 1, line 3, after the semicolon, insert "amending Minnesota Statutes 1990, sections 171.01, by adding a subdivision; 171.02, subdivision 2; 171.10, subdivision 2; 171.13, subdivision 5; and 171.321;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Metropolitan Affairs, to which was referred

S.F. No. 1323: A bill for an act relating to metropolitan government; providing for the appointments and terms of the metropolitan council; assigning duties relating to transit; transferring transit duties to the department of transportation; amending Minnesota Statutes 1990, sections 174.01; 398A.04, subdivision 8; 473.123, subdivisions 2a, 3, and 4; 473.373; 473.375, subdivisions 8, 11, 13, 14, and 15; 473.377; 473.38; 473.382; 473.384; 473.385, subdivision 2; 473.386; 473.387; 473.388; 473.39; 473.391; 473.392; 473.399, subdivision 3; 473.3991, subdivisions 1 and 4; 473.3994; 473.3996; 473.404, subdivisions 2 and 6; 473.446; proposing coding for new law in Minnesota Statutes, chapter 174; repealing Minnesota Statutes 1990, sections 473.373, subdivision 6; 473.375, subdivision 7; 473.38, subdivision 3; 473.384, subdivision 9; 473.388, subdivision 6; and 473.3994, 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 1990, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the



legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range  
Effective  
July 1, 1987

\$57,500-\$78,500

- Commissioner of finance;
- Commissioner of education;
- Commissioner of transportation;
- Commissioner of human services;
- Commissioner of revenue;
- Commissioner of public safety;
- Executive director, state board of investment;
- Commissioner of gaming;
- Director of the state lottery;

\$50,000-\$67,500

- Commissioner of administration;
- Commissioner of agriculture;
- Commissioner of commerce;
- Commissioner of corrections;
- Commissioner of jobs and training;
- Commissioner of employee relations;
- Commissioner of health;
- Commissioner of labor and industry;
- Commissioner of natural resources;
- Commissioner of trade and economic development;
- Chief administrative law judge; office of administrative hearings;
- Commissioner, pollution control agency;
- Commissioner, state planning agency;
- Director, office of waste management;
- Commissioner, housing finance agency;
- Executive director, public employees retirement association;
- Executive director, teacher's

- retirement association;
- Executive director, state retirement system;
- Chair, metropolitan council;
- ~~Chair, regional transit board;~~

\$42,500-\$60,000

- Commissioner of human rights;
- Commissioner, department of public service;
- Commissioner of veterans' affairs;
- Commissioner, bureau of mediation services;
- Commissioner, public utilities commission;
- Member, transportation regulation board;
- Ombudsman for corrections;
- Ombudsman for mental health and retardation.

Sec. 2. Minnesota Statutes 1990, section 15A.081, subdivision 7, is amended to read:

Subd. 7. [METROPOLITAN OFFICERS.] The governor shall set the salary rate within the range set forth below for the following 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
<i>Chair, regional transit board</i>	<i>\$15,000-\$25,000</i>
Chair, metropolitan waste control commission	\$25,000-\$67,500

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. 3. Minnesota Statutes 1990, section 473.123, subdivision 2a, is amended to read:

Subd. 2a. [TERMS.] Following each apportionment of council districts, as provided under subdivision 3a, council members must be appointed from newly drawn districts as provided in subdivision 3a. The terms of members are as follows: members representing ~~even-numbered~~ *the first, fourth, seventh, tenth, thirteenth, and sixteenth* districts for terms ending the first Monday in January of the year ending in the numeral ~~"7"~~ *"9"*; members representing ~~odd-numbered~~ *the second, fifth, eighth, eleventh, and fourteenth* districts for terms ending the first Monday in January of the year ending in the numeral ~~"5 7."~~ *Members representing the third, sixth, ninth, twelfth, and fifteenth districts for terms ending the first Monday in January in the year ending in the numeral "5."* Thereafter ~~the term of each member is four years, with terms ending the first Monday in January, except that all terms expire on the effective date of the next apportionment. A member shall continue to serve the member's district until a successor is appointed~~

and qualified; except that, following each apportionment, the member shall continue to serve at large until the governor appoints 16 council members, one from each of the newly drawn council districts as provided under subdivision 3a, to serve terms as provided under this section. The appointment to the council must be made by the first Monday in March of the year in which the term ends.

Sec. 4. Minnesota Statutes 1990, section 473.123, subdivision 3, is amended to read:

Subd. 3. [MEMBERSHIP; APPOINTMENT; QUALIFICATIONS.] (a) Sixteen members must be appointed by the governor from districts defined by this section. Each council member must reside in the council district represented. Each council district must be represented by one member of the council. *Every effort must be made to have each county in the metropolitan area represented with at least one resident on the council.*

(b) In addition to the notice required by section 15.0597, subdivision 4, notice of vacancies and expiration of terms must be published in newspapers of general circulation in the metropolitan area and the appropriate districts. The governing bodies of the statutory and home rule charter cities, counties, and towns having territory in the district for which a member is to be appointed must be notified in writing. The notices must describe the appointments process and invite participation and recommendations on the appointment.

(c) The governor shall create a nominating committee, composed of seven metropolitan citizens appointed by the governor, to nominate persons for appointment to the council from districts. Three of the committee members must be local elected officials. Following the submission of applications as provided under section 15.0597, subdivision 5, the nominating committee shall conduct public meetings, after appropriate notice, to accept statements from or on behalf of persons who have applied or been nominated for appointment and to allow consultation with and secure the advice of the public and local elected officials. The committee shall hold the meeting on each appointment in the district or in a reasonably convenient and accessible location in the part of the metropolitan area in which the district is located. The committee may consolidate meetings. Following the meetings, the committee shall submit to the governor a list of nominees for each appointment. The governor is not required to appoint from the list.

(d) Before making an appointment, the governor ~~shall~~ *must* consult with all members of the legislature from the council district for which the member is to be appointed.

(e) Appointments to the council are subject to the advice and consent of the senate as provided in section 15.066.

(f) Members of the council must be appointed to reflect fairly the various demographic, political, and other interests in the metropolitan area and the districts.

(g) Members of the council must be persons knowledgeable about urban and metropolitan affairs.

Sec. 5. Minnesota Statutes 1990, section 473.123, subdivision 4, is amended to read:

Subd. 4. [CHAIR; APPOINTMENT, DUTIES.] (a) The chair of the metropolitan council shall be appointed by the governor as the 17th voting

member thereof by and with the advice and consent of the senate to serve ~~at the pleasure of the governor~~ *a term ending the first Monday in January 1997 and each sixth year thereafter.* Senate confirmation shall be as provided by section 15.066. The chair shall be a person experienced in the field of municipal and urban affairs with administrative training and executive ability.

(b) The chair of the metropolitan council shall preside at the meetings of the metropolitan council and shall act as principal executive officer. The chair shall organize the work of the metropolitan council, appoint all officers and employees thereof, subject to the approval of the metropolitan council, and be responsible for carrying out all policy decisions of the metropolitan council. The chair's salary shall be as provided in section 15A.081. The chair shall be eligible for expenses in the same manner and amount as state employees.

Sec. 6. [473.1631] [LEGISLATIVE REVIEW.]

*All metropolitan agencies shall file their budgets with the secretary of the senate and the clerk of the house of representatives on January 15 of each year for review by the committees of each body that have jurisdiction over the metropolitan agencies.*

Sec. 7. Minnesota Statutes 1990, section 473.303, subdivision 3, is amended to read:

Subd. 3. [CHAIR.] The chair of the commission shall be appointed by the council and shall be the ninth member of the commission and shall meet all qualifications established for members, except the chair need only reside within the metropolitan area. *The chair shall be subject to senate confirmation as provided by section 15.066.* The chair shall preside at all meetings of the commission, if present, and shall perform all other duties and functions assigned by the commission or by law. The commission may appoint from among its members a vice-chair to act for the chair during temporary absence or disability.

Sec. 8. Minnesota Statutes 1990, section 473.373, subdivision 4a, is amended to read:

Subd. 4a. [MEMBERSHIP.] (a) The board consists of 11 members with governmental or management experience *appointed by the metropolitan council.* ~~Appointments are subject to the advice and consent of the senate.~~ Terms of members are four years commencing on the first Monday in January of the first year of the term.

(b) The council shall appoint eight members, ~~one from each of the following agency districts:~~

- (1) district A, consisting of council districts 1 and 2;
- (2) district B, consisting of council districts 3 and 7;
- (3) district C, consisting of council districts 4 and 5;
- (4) district D, consisting of council districts 6 and 11;
- (5) district E, consisting of council districts 8 and 10;
- (6) district F, consisting of council districts 9 and 13;
- (7) district G, consisting of council districts 12 and 14; and
- (8) district H, consisting of council districts 15 and 16 *as provided in*

*section 473.141, subdivision 2, paragraph (d).*

At least Six must be elected officials of statutory or home rule charter cities, towns, or counties. ~~Two of these officials must be county board members, each from a different county, and four must be elected officials of cities or towns.~~ Service on the board of a person who is appointed as an elected official may continue only as long as the person holds the office. At least 30 days before the expiration of a term or upon the occurrence of a vacancy, the council shall request nominations for the position from relevant organizations of local elected officials, such as the association of metropolitan municipalities, the metropolitan intercounty association, the association of urban counties, and where applicable, the association of townships. Each relevant organization shall nominate at least two persons for each position. A local governmental unit that is not a member of an organization may submit nominations independently. The council shall make its appointments from the nominations submitted to it to the extent possible consistent with the other requirements of this paragraph and with the appointment of a board that fairly reflects the diverse areas and constituencies affected by transit.

(c) The ~~governor~~ *metropolitan council* shall appoint, in addition to the chair, two persons, one who is age 65 or older at the time of appointment, and one with a disability. These appointments must be made following the procedures of section 15.0597. In addition, at least 30 days before the expiration of a term or upon the occurrence of a vacancy in the office held by a senior citizen or a person with a disability, the ~~governor~~ *metropolitan council* shall request nominations from organizations of senior citizens and persons with disabilities. Each organization shall nominate at least two persons. The ~~governor~~ *metropolitan council* shall consider the nominations submitted.

(d) No more than three of the members appointed under paragraphs (b) and (c) may be residents of the same statutory or home rule city or town, and none may be a member of the joint light rail transit advisory committee established under section 473.3991.

Sec. 9. Minnesota Statutes 1990, section 473.373, subdivision 5, is amended to read:

Subd. 5. [CHAIR.] *The chair is subject to senate confirmation as provided by section 15.066.* The duties of the chair are:

(a) to preside over all board meetings attended;

(b) to serve as ~~the principal~~ a transit spokesperson within the metropolitan area before the legislature, other state and regional agencies, local units of government, and the general public;

(c) to present to the ~~governor and the legislature, after approval by the council, for its review and approval~~ the board's financial plan for public transit in the metropolitan area;

(d) to convene and preside at an annual regional transit conference of transit providers, operators, and users; and

(e) to perform other duties assigned by law or by the board.

Sec. 10. Minnesota Statutes 1990, section 473.375, subdivision 8, is amended to read:

Subd. 8. [GIFTS; GRANTS.] The board may apply for, accept and disburse gifts, grants, or loans from the United States, the state, or from any

person on behalf of itself or any of its contract recipients, for any of its purposes. It may enter into an agreement required for the gifts, grants, or loans and may hold, use, and dispose of money or property received therefrom according to the terms of the gift, grant, or loan. The board may not be a recipient of federal operating or capital assistance distributed by formula or block grant.

No political subdivision within the metropolitan area may apply for federal transit assistance unless its application has been submitted to and approved by the ~~board~~ *metropolitan council*.

Sec. 11. Minnesota Statutes 1990, section 473.375, subdivision 14, is amended to read:

Subd. 14. [COORDINATION.] The board *with the approval of the metropolitan council* shall coordinate transit operations within the metropolitan area and shall establish a transit information program to provide transit users with accurate information on transit schedules and service.

Sec. 12. Minnesota Statutes 1990, section 473.375, subdivision 15, is amended to read:

Subd. 15. [PERFORMANCE STANDARDS.] The board *with the approval of the metropolitan council* may establish performance standards for recipients of financial assistance.

Sec. 13. Minnesota Statutes 1990, section 473.38, is amended by adding a subdivision to read:

*Subd. 1a. [BUDGET; COUNCIL REVIEW AND APPROVAL.] The board must submit its budget to the council on August 15 of each year for review and approval by the council. The council shall act to approve or disapprove by October 1 of each year.*

Sec. 14. Minnesota Statutes 1990, section 473.38, subdivision 2, is amended to read:

Subd. 2. [FINANCIAL PLAN; COUNCIL APPROVAL.] Along with its annual budget, each even-numbered year the board shall prepare a financial plan for the succeeding three calendar years, in half-year segments. The financial plan must be consistent with the board's implementation plan and must contain the elements specified in section 473.1623, subdivision 3. The financial plan must contain schedules of user charges and any changes in user charges planned or anticipated by the board during the period of the plan. The financial plan must contain a proposed request for state financial assistance for the succeeding biennium. The board shall submit the financial plan to the council for review and approval or disapproval. The council may approve or disapprove in whole or in part. ~~The council may disapprove only for inconsistency with the policy plan of the council.~~

Sec. 15. Minnesota Statutes 1990, section 473.404, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The transit commission consists of five members appointed by the ~~transit board~~ *metropolitan council*. One member must be a resident of the city of Minneapolis, one must be a resident of the city of St. Paul, two must reside in the service area of the commission outside Minneapolis and St. Paul, and one may reside anywhere in the metropolitan area. At least one of the members from outside of Minneapolis and St. Paul must reside in the commission's full-peak and off-peak service area, as

defined for tax purposes in section 473.446. ~~Appointments are~~ *Appointment of the chair is* subject to the advice and consent of the senate *as provided by section 15.066.*

Sec. 16. Minnesota Statutes 1990, section 473.404, subdivision 6, is amended to read:

Subd. 6. [REMOVAL; VACANCIES.] Members may be removed by the ~~transit board~~ *council* only for cause in the manner specified in chapter 351. If the office of a member becomes vacant, under the conditions specified in chapter 351, the vacancy must be filled in the same manner in which the appointment to that office was made.

Sec. 17. Minnesota Statutes 1990, section 473.553, subdivision 3, is amended to read:

Subd. 3. [CHAIR.] The chair shall be appointed by the governor as the seventh voting member and shall meet all of the qualifications of a member, except the chair need only reside outside the metropolitan area. *The chair is subject to senate confirmation as provided by section 15.066.* The chair shall preside at all meetings of the commission, if present, and shall perform all other duties and functions assigned by the commission or by law. The commission may appoint from among its members a vice-chair to act for the chair during temporary absence or disability.

Sec. 18. Minnesota Statutes 1990, 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;

(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 *with the advice and consent of the senate as provided in section 15.066*. The chair may be removed at the pleasure of the governor.

Sec. 19. [TRANSPORTATION STUDY.]

*The metropolitan council in cooperation with the commissioner of transportation shall study and report to the legislature before February 1, 1992, on the role the department of transportation can play to improve and enhance the provision of an integrated transit system in the metropolitan area, with emphasis on the integration of transit alternatives with highway planning and development, and the role of the department in its relationship to the metropolitan council in promoting transit services as part of the metropolitan transportation system.*

Sec. 20. [LIBRARY SERVICES STUDY.]

*The metropolitan council shall study and report to the legislature by February 15, 1993, on the need for and the feasibility of a separate metropolitan agency to plan and coordinate library services in the metropolitan area or whether library services may be adequately provided through the regional library system under chapter 134 or the existing metropolitan agency structure.*

Sec. 21. [SOLID WASTE DISPOSAL STUDY.]

*The council shall study and report to the legislature by February 15, 1993, on the need for and the feasibility of a separate metropolitan agency to coordinate and review county planning for solid waste material disposal and for the disbursement of any federal and state funding for solid waste management in the metropolitan area, with emphasis on coordination of solid waste management activities in the metropolitan area with the authority of the waste management board under chapter 115A.*

Sec. 22. [SURFACE WATER RUNOFF STUDY.]

*The council shall study and report to the legislature by February 15, 1993, on the need for and the feasibility of a separate metropolitan agency to ensure compliance with federal law relating to surface water runoff or whether compliance may be adequately achieved through the existing metropolitan agency structure.*

Sec. 23. [EFFICIENCY STUDY.]

*The chair of the metropolitan council shall report to the standing committees of each body of the legislature having jurisdiction over metropolitan agencies by February 15 of each year on the level of staffing at the council in relationship to the duties and responsibilities of the council, detailing the avoidance of waste and inefficiency and duplication of efforts by staff members.*

Sec. 24. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective on January 1, 1993. The provisions of*



*section 9 relating to the districts of the regional transit board are effective for board districts formulated following the redistricting of the metropolitan council districts which take effect on the first Monday in January, 1993.*

Sec. 25. [APPLICATION.]

*Sections 1 to 24 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 government; providing for the appointments and terms of the metropolitan council; assigning duties relating to transit; providing for a part-time chair of the regional transit board; clarifying the districts of the regional transit board; requiring metropolitan agencies to file budgets with the legislature; providing for senate confirmation for the chairs of certain metropolitan agencies; requiring metropolitan council approval of certain regional transit board activity; requiring studies; amending Minnesota Statutes 1990, sections 15A.081, subdivisions 1 and 7; 473.123, subdivisions 2a, 3, and 4; 473.303, subdivision 3; 473.373, subdivisions 4a and 5; 473.375, subdivisions 8, 14, and 15; 473.38, subdivision 2, and by adding a subdivision; 473.404, subdivisions 2 and 6; 473.553, subdivision 3; and 473.604, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 473."

And when so amended the bill do pass. Amendments adopted. Report adopted.

## SECOND READING OF SENATE BILLS

S.F. Nos. 1329 and 1323 were read the second time.

## MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Riveness moved that his name be stricken as chief author, and the name of Ms. Johnston be added as chief author to S.F. No. 528. The motion prevailed.

## ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:30 p.m., Wednesday, April 17, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## THIRTY-FOURTH DAY

St. Paul, Minnesota, Wednesday, April 17, 1991

The Senate met at 12:30 p.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

The roll was called, and the following Senators answered to their names:

Adkins	DeCramer	Johnson, J.B.	Metzen	Reichgott
Beckman	Dicklich	Johnston	Moe, R.D.	Renneke
Belanger	Finn	Kelly	Mondale	Riveness
Benson, D.D.	Flynn	Kroening	Morse	Sams
Benson, J.E.	Frank	Laidig	Neuville	Samuelson
Berg	Frederickson, D.J.	Langseth	Novak	Solon
Berglin	Frederickson, D.R.	Larson	Olson	Spear
Bernhagen	Gustafson	Lessard	Pappas	Storm
Bertram	Halberg	Luther	Pariseau	Stumpf
Brataas	Hottinger	Marty	Piper	Traub
Cohen	Hughes	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Price	Waldorf
Day	Johnson, D.J.	Merriam	Ranum	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

### MEMBERS EXCUSED

Messrs. Davis and Knaak were excused from the Session of today.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 252 and 734.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 15, 1991

Mr. President:

I have the honor to announce the passage by the House of the following

Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 187: A bill for an act relating to mental health; authorizing competent persons to make advance declarations regarding mental health treatment; requiring certain notices to be given to the designated agency; amending Minnesota Statutes 1990, sections 253B.03; 253B.18, subdivisions 4b and 5; and 253B.19, subdivision 2.

Senate File No. 187 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 15, 1991

Mr. Spear moved that the Senate do not concur in the amendments by the House to S.F. No. 187, 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. 21, 274, 299, 726, 456, 471, 594, 611, 696, 772, 1299 and 807.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 15, 1991

### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 21: A bill for an act relating to waste management; requiring air emission permits for new or expanded infectious waste incinerators; requiring environmental impact statements for the incinerators until new rules are adopted; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 274: A bill for an act relating to commerce; motor vehicle sales and distribution; regulating franchises; proscribing certain acts; providing remedies; amending Minnesota Statutes 1990, sections 80E.04, subdivision 1, and by adding a subdivision; 80E.05; 80E.06, subdivision 2; 80E.12; and 80E.13.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 241, now on General Orders.

H.F. No. 299: A bill for an act relating to state government; describing conditions of certain employee interchange programs; authorizing the continuation of surviving spouse benefits for local police and salaried firefighter relief associations in the event of remarriage; amending Minnesota Statutes

1990, section 15.53, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 352 and 423A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 377.

H.F. No. 726: A bill for an act relating to real property; providing for cause of action on an interest in real property of a married person when the property was conveyed by the person's spouse before March 1, 1977; amending Minnesota Statutes 1990, section 519.101.

Referred to the Committee on Judiciary.

H.F. No. 456: A bill for an act relating to adoption; clarifying the requirements for consents; amending Minnesota Statutes 1990, section 259.24, subdivision 5.

Referred to the Committee on Judiciary.

H.F. No. 471: A resolution memorializing the International Special Olympics Committee in support of the 1991 International Special Olympics Games.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 436, now on the Consent Calendar.

H.F. No. 594: A bill for an act relating to foreign money claims; enacting the uniform foreign-money claims act; proposing coding for new law in Minnesota Statutes, chapter 548.

Referred to the Committee on Judiciary.

H.F. No. 611: A bill for an act relating to retirement; local police and salaried firefighters relief associations; authorizing the payment of a refund to the designated beneficiary of certain decedents; proposing coding for new law in Minnesota Statutes, chapter 423A.

Referred to the Committee on Governmental Operations.

H.F. No. 696: A bill for an act relating to education; revising membership requirements for joint vocational technical boards; authorizing joint vocational technical boards to appoint additional members; amending Minnesota Statutes 1990, section 136C.61, subdivision 1; and by adding a subdivision.

Referred to the Committee on Education.

H.F. No. 772: A bill for an act relating to agriculture; changing the composition of county extension committees; amending Minnesota Statutes 1990, section 38.36, subdivision 1.

Referred to the Committee on Agriculture and Rural Development.

H.F. No. 1299: A bill for an act relating to agriculture; abolishing refund of checkoff fee paid by paddy wild rice producers; changing the definition of restricted seed potato growing area; amending Minnesota Statutes 1990, sections 17.63; and 21.1196, subdivision 1.

Referred to the Committee on Finance.

H.F. No. 807: A bill for an act relating to commerce; requiring real estate brokers and salespersons to receive instruction in fair housing laws; amending Minnesota Statutes 1990, section 82.22, subdivisions 6 and 13.

Referred to the Committee on Rules and Administration for comparison

with S.F. No. 689, now on General Orders.

### REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 1069, 342, 1248, 462, 480, 546, 3 and the report pertaining to appointments. The motion prevailed.

Mr. Dahl from the Committee on Education, to which was referred

S.F. No. 748: A bill for an act relating to education; allowing Minnesota pupils to enroll in districts located in counties in other states that border Minnesota and non-Minnesota pupils to enroll in Minnesota districts under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 120.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 13, delete "*pay tuition*" and insert "*reimburse the nonresident district,*"

Page 2, line 14, delete "*to a nonresident district*"

Page 2, line 20, delete "*January*" and insert "*July*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Dahl from the Committee on Education, to which was referred

S.F. No. 174: A bill for an act relating to education; revising certain open enrollment deadlines; amending Minnesota Statutes 1990, section 120.062, subdivisions 4, 6, and 8a.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 2 and 3, delete section 3

Amend the title as follows:

Page 1, line 4, delete everything after "*subdivisions*" and insert "*4 and 6.*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Dahl from the Committee on Education, to which was referred

S.F. No. 836: A bill for an act relating to education; allowing nonstate funds for construction on the St. Cloud State University campus.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, delete "*donated or*" and after "*leased*" insert "*and then donated*"

Page 1, line 16, after the period, insert "*The term of the lease shall not exceed five years.*"

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. 510: A bill for an act relating to agriculture; changing the egg law; imposing a penalty; amending Minnesota Statutes 1990, sections 29.21, by adding subdivisions; 29.22; 29.23; 29.235; 29.26; and 29.27; proposing coding for new law in Minnesota Statutes, chapter 29.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 17, after the period, insert "*Equipment in use before the effective date of sections 1 to 16 that does not meet the design and fabrication requirements of sections 1 to 16 may remain in use if it is in good repair, capable of being maintained in a sanitary condition, and is capable of maintaining a temperature of 50 degrees Fahrenheit (10 degrees celsius) or less.*"

Page 5, line 19, delete "45" and insert "50"

Page 5, line 20, delete "7" and insert "10"

Page 5, line 25, delete "40" and insert "45"

Page 5, line 26, delete "4" and insert "7" and after the period, insert "*After August 1, 1992, eggs offered for retail sale must be held at a temperature not to exceed 40 degrees Fahrenheit (4 degrees celsius). Equipment in use prior to August 1, 1991, is not subject to this requirement.*"

Page 5, line 28, delete "*an egg production house to or*"

Page 5, line 29, delete "*between*"

Page 5, line 31, delete "45" and insert "50" and delete "7" and insert "10"

Page 6, delete lines 12 and 13 and insert:

*"Pasteurized eggs must be used in uncooked or undercooked food or food containing unpasteurized eggs must be processed under a method"*

Pages 6 and 7, delete section 14

Page 8, line 23, delete "*Subdivision 1. [MISDEMEANOR.]*"

Page 8, line 33, delete the new language

Page 8, delete lines 34 to 36 and insert "*Each day a violation continues is a separate*"

Page 9, delete lines 2 to 7

Page 9, line 9, delete "*Changes in fees in*" and delete "*are*" and insert "*is*"

Re-number 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. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 708: A bill for an act relating to retirement; contributions and benefit computation for members of the Richfield police relief association; amending Laws 1965, chapter 458, sections 2 and 4.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [UNIT VALUE.]

*“Unit” means, for the Richfield police relief association, that fractional part of the average monthly salary, including amounts paid as college incentive pay, of a first grade patrol officer for the 12 months of the previous calendar year, as determined by the articles of incorporation of the association, which fractional part shall never be less than 1/90 nor greater than 1/75 of average monthly salary.*

Sec. 2. Laws 1965, chapter 458, section 2, is amended to read:

Sec. 2. An amount equal to ~~six~~ *eight* percent of the regular monthly salary of the highest paid ~~patrolman~~ *patrol officer* in the city police department, exclusive of all moneys for special assignments, allowances, or longevity payments, shall be deducted from the monthly salary of each police officer of the city and shall be paid into the ~~police men's~~ *police* pension fund of the city. *Amounts paid as college incentive pay are included in the calculation of regular monthly salary and subject to deductions.*

Sec. 3. Laws 1965, chapter 458, section 4, is amended to read:

Sec. 4. No member of the police department of the city shall be eligible to receive a service pension until he reaches the age of ~~55~~ *50* years.

Sec. 4. Laws 1965, chapter 458, section 4, is amended by adding a section to read:

*Sec. 4a. For members retiring at age 55, the unit used in computing pensions is 1/75 of the average monthly salary, including amounts paid as college incentive pay, of a first grade patrol officer for the 12 months of the previous calendar year. For members retiring at ages between 50 and 55, the unit is the following fractional part of the average monthly salary, including amounts paid as college incentive pay, of a first grade patrol officer for the 12 months of the previous calendar year:*

Age	Fractional part
50	1/80
51	1/79
52	1/78
53	1/77
54	1/76

*No member of the Richfield police relief association shall be subject to a reduction of accrued benefits for deferring the receipt of a service pension.*

Sec. 5. [REPEALER.]

*Laws 1957, chapter 455, section 2, subdivision 3, is repealed.*

Sec. 6. [EFFECTIVE DATE.]

*Sections 1 to 5 are effective upon an affirmative vote by the Richfield police relief association to consolidate with the public employees retirement association under Minnesota Statutes, section 353A.04, and on approval of sections 1 to 5 by the Richfield city council and compliance with Minnesota Statutes, section 645.021. Sections 1 and 2 are retroactive to January 1, 1990. Retroactive benefit payments under section 1 are payable in a lump sum as soon as practicable after the effective date, but are not payable to an estate."*

Amend the title as follows:

Page 1, delete line 5 and insert "2, 4, and by adding a section; repealing Laws 1957, chapter 455, section 2, subdivision 3."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 775: A bill for an act relating to pensions and retirement; recodifying, correcting, and amending certain laws relating to the Minneapolis police relief association; proposing coding for new law as Minnesota Statutes, chapter 423B.

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 1953, chapter 127, section 1, is amended by adding a subdivision to read:

*Subd. 2b. [SURVIVING SPOUSE MEMBER.] "Surviving spouse member" means the person who was the legally married spouse of the member, residing with the decedent, and who was married while or prior to the time the decedent was on the payroll of the police department, and who, in case the deceased member was a pensioner or deferred pensioner, was legally married to the member at least one year before the decedent's retirement from the police department. The term does not include the surviving spouse who has deserted a member or who has not been dependent upon the member for support, nor does it include the surviving common law spouse of a member.*

Sec. 2. Laws 1965, chapter 493, section 3, as amended by Laws 1983, chapter 88, section 5, is amended to read:

Sec. 3. [INCORPORATION, GOVERNMENT BY BOARD.]

*Subdivision 1. [MEMBERS, TERMS, ELECTIONS.] The association shall become incorporated. It shall be governed by a board of nine members. ~~The mayor, chief of police, and city comptroller/treasurer of the city shall be ex officio members of the board.~~ The Minneapolis city council shall appoint two persons to serve as members. Those members shall be appointed for a term of two years. All city appointments will be effective from January 1 in the odd-numbered years through December 31 in the even-numbered years. The other members of the board shall be elected by the members of the association. Those elected to the first board shall be elected for terms of*



one, two, three, four, five years respectively; thereafter election shall be for a term of five years. Each elective member of the board shall hold office until his successor is elected and has qualified. Any vacancy in the office of an elective member of the board shall be filled by a special election called for that purpose. Any member so elected shall hold office for the balance of the term for which his predecessor was elected. Those members of the board shall continue to serve their present terms as provided by this section and the articles of incorporation and bylaws of the association. In 1983, the retired members shall separately from among themselves elect one member to serve on the board to serve a three-year term. This position shall continue to be filled by a retired member as in the same manner as provided for other elective members of the board; however, the election of this position shall be held every three years. In the years 1987, 1991, 1995, and 1999 when elections are held for board members, those board positions held by active members shall end and those board positions shall be filled by retired members from an election conducted amongst only the retired members, the term of office for those positions will be three years.

*Beginning in 1991, the surviving spouse members of the relief association must elect from among themselves one surviving spouse member to serve as a member of the board for a three-year term. With the exception of a three-year term, the provisions of this section applicable to elective members of the board must govern the manner in which this position will be filled.*

In the other years when elections are held to fill a board position of an active member only active members will vote. As long as there remains at least one active member on active duty with the Minneapolis police department, there shall be a member of the board of directors from the active ranks in accordance with the election procedures outlined in this section. The affairs of the association shall be regulated by its articles of incorporation and bylaws.

*Subd. 2. [CONTINUATION OF BOARD.] Notwithstanding the provisions of Minnesota Statutes, section 423A.01, subdivision 2, or any other law, the board of trustees and its successors established pursuant to subdivision 1 shall continue to govern the association until there are no more than 100 members of the police pension fund. The fund must thereafter become a trust fund in accordance with Minnesota Statutes, section 423A.01, subdivision 2.*

Sec. 3. Laws 1949, chapter 406, section 6, subdivision 3, as amended by Laws 1953, chapter 127, section 6; Laws 1965, chapter 493, section 3; and Laws 1983, chapter 88, section 11, is amended to read:

Subd. 3. [DISABLED MEMBERS.] Any active member who becomes disabled from performing his duties as a member of the police department of the city by reason of sickness or accident, if off the payroll of the police department, having exhausted all accumulated vacation, overtime, and sick leave credits due him, is entitled to receive from the association during his disability such benefits as the bylaws of the association provide, but such benefits shall not extend beyond a six-months period except when an active member is disabled because of an injury sustained while on duty. Such benefits may extend for an indefinite time during disability. The bylaws may provide that an active member shall have completed a minimum number of years of service in order to be entitled to such benefits. Before any such benefits shall be paid or allowed, notice of the disability and application

for benefits on account thereof shall be made to the secretary of the association within 90 days after such sickness or disability.

*The bylaws may provide that such active member's periods of disability up to one year may be included in computing the member's total years of service for pension purposes.*

Sec. 4. Laws 1949, chapter 406, section 4, subdivisions 2 and 3, as amended by Laws 1953, chapter 127, section 4; Laws 1965, chapter 534, section 1; Laws 1967, chapter 825, section 1; Laws 1969, chapter 258, section 1; Laws 1973, chapter 272, section 1; Laws 1975, chapter 428, section 1; Laws 1983, chapter 88, section 7; and Laws 1987, chapter 372, article 2, section 6, is amended to read:

Sec. 7. [MINNEAPOLIS, CITY OF; POLICEMEN'S PENSIONS.]

The policemen's pension fund shall be used only for the payment of:

(a) Service, disability or dependency pensions;

(b) Salaries of the secretary of the association in an amount not to exceed 30 percent of the base salary of a top-grade patrolman ~~and~~, of the president of the association in an amount not to exceed ten percent of the base salary of a top-grade patrolman, *and of the other elected members of the board of trustees in an amount not to exceed three units;*

(c) Expenses of officers and employees of the association in connection with the protection of the fund;

(d) All expenses of operating and maintaining the association;

(e) Hospital and medical insurance for pensioners who have completed 20 years or more of service or permanent disabilitants and surviving spouses of deceased active members, disabilitants, or service pensioners who have completed 20 years or more of service of one unit per month, such one unit to be added to the pension otherwise provided for herein; provided that a pensioner or surviving spouse may in writing authorize a deduction from their pension for an insurance plan adopted by the association;

(f) Health and welfare benefits of one unit per month in addition to other benefits for members who retire after July 1, 1980, and have completed 20 years or more of service or members who are permanent disabilitants; and

(g) Other expenses authorized by law.

Sec. 5. [EFFECTIVE DATE.]

*Sections 1 to 4 are effective the day after compliance with Minnesota Statutes, section 645.021, by a majority of the Minneapolis city council."*

Amend the title as follows:

Page 1, delete lines 2 to 5 and insert "relating to pensions and retirement; adding members to the board of the Minneapolis police relief association; amending Laws 1949, chapter 406, sections 4, subdivisions 2 and 3; and 6, subdivision 3, as amended; Laws 1953, chapter 127, section 1, by adding a subdivision; and Laws 1965, chapter 493, section 3, as amended."

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. 837: A bill for an act relating to natural resources; amending certain provisions concerning mineral exploration, exploratory boring, and data acquired in connection therewith; amending Minnesota Statutes 1990, sections 13.793, subdivision 2; 103I.601, subdivision 4; and 103I.605, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 28, delete "*of the lease and,*" and insert a period

Page 2, line 29, after the comma, insert "*the data*"

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. 814: A bill for an act relating to public safety; authorizing the commissioner of public safety to develop a pilot program to require an ignition interlock device as a condition of a limited license for a driver whose license has been canceled and denied; requiring the commissioner to certify interlock devices; providing penalties for misuse or tampering and for failure to use the device; proposing coding for new law in Minnesota Statutes, chapter 171.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, delete lines 11 to 13

Page 3, delete section 2

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1069: A bill for an act relating to human rights; limiting certain defenses; amending Minnesota Statutes 1990, section 363.02, subdivision 5.

Reports the same back with the recommendation that the bill do pass. Mr. Stumpf questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1034: A bill for an act relating to civil actions; increasing penalties for retaliation by employers under the child abuse and vulnerable adults reporting acts; amending Minnesota Statutes 1990, sections 626.556, subdivision 4a; and 626.557, subdivision 17.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 899: A bill for an act relating to torts; providing immunity against tort liability for claims arising out of the use of highways that provide access to timber; amending Minnesota Statutes 1990, sections 3.736, subdivision 3; 87.025; and 466.03, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 13, delete "*highway*" and insert "*logging road*"

Pages 3 and 4, delete section 2

Page 4, line 5, before "*Any*" insert "[LOGGING ROADS.]"

Page 4, line 6, delete "*highway*" and insert "*logging road*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "87.025;"

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. 268: A bill for an act relating to human rights; lengthening the statute of limitations for human rights act violations; amending Minnesota Statutes 1990, sections 363.06, subdivision 3; and 363.116.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 691: A bill for an act relating to probate; authorizing the court to set aside certain transactions made prior to establishment of a guardianship or conservatorship; amending Minnesota Statutes 1990, section 525.56, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, after "*void*" insert "*except as against a bona fide transferee for value*"

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. 822: A bill for an act relating to the environment; responsible person for removal and remediation of hazardous waste; providing that the state, an agency of the state, or a political subdivision that acquires property through eminent domain or through negotiated purchase following the filing of eminent domain petition, or any person acquiring from the condemning authority, is not liable as a responsible person solely because of the acquisition; clarifying the status of mortgagees and contract for deed vendors as responsible persons; amending Minnesota Statutes 1990, section 115B.03,

by adding subdivisions.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 873: A bill for an act relating to human services; establishing penalty provisions relating to those found to have wrongfully obtained assistance; limiting the availability of general assistance to those disqualified from the aid to families with dependent children program; expanding fraud prevention investigation programs; providing for a federally mandated penalty for intentionally falsifying a public assistance application; requiring courts to consider that a person will be disqualified from receiving public assistance, when determining the sentence for a person convicted of theft by wrongfully obtaining public assistance; clarifying appeal filing times for medical assistance providers; amending Minnesota Statutes 1990, sections 256.98, by adding a subdivision; 256.983; 256B.064, subdivision 2; 256D.05, by adding a subdivision; 609.52, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 3, after "*for*" insert "*food stamp*"

Page 4, line 4, delete "*chapters 256, 256B, 256D, 256I, and*" and insert "*chapter*"

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. 1206: A bill for an act relating to crimes; creating the gross misdemeanor offense of assaulting a public employee who is engaged in mandated duties; amending Minnesota Statutes 1990, section 609.2231, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 753: A bill for an act relating to traffic safety; permitting evidence of DWI convictions to be admitted as evidence in certain civil proceedings; amending Minnesota Statutes 1990, section 169.94, 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 1990, section 169.121, subdivision 6, is amended to read:

Subd. 6. [PRELIMINARY SCREENING TEST.] When a peace officer has reason to believe from the manner in which a person is driving, operating, controlling, or acting upon departure from a motor vehicle, or has driven, operated, or controlled a motor vehicle, that the driver may be violating or

has violated subdivision 1, the officer may require the driver to provide a sample of the driver's breath for a preliminary screening test using a device approved by the commissioner of public safety for this purpose. The results of this preliminary screening test shall be used for the purpose of deciding whether an arrest should be made and whether to require the tests authorized in section 169.123, but shall not be used in any court action except (1) to prove that a test was properly required of a person pursuant to section 169.123, subdivision 2; or (2) in a civil action arising out of the operation or use of the motor vehicle. Following the screening test additional tests may be required of the driver pursuant to the provisions of section 169.123.

The driver who refuses to furnish a sample of the driver's breath is subject to the provisions of section 169.123 unless, in compliance with section 169.123, the driver submits to a blood, breath or urine test to determine the presence of alcohol or a controlled substance.

Sec. 2. Minnesota Statutes 1990, section 169.121, is amended by adding a subdivision to read:

*Subd. 10a. [CIVIL ACTION; PUNITIVE DAMAGES.] In a civil action involving a motor vehicle accident, evidence that the accident was caused by a driver (1) with a blood alcohol concentration of .10 or more, or (2) who was under the influence of alcohol or a controlled substance and refused to take a test required under section 169.123, subdivision 2, is sufficient for the trier of fact to consider an award of punitive damages under the standards and procedures of section 549.20. A criminal charge or conviction is not a prerequisite to consideration of punitive damages under this subdivision.*

Sec. 3. Minnesota Statutes 1990, section 169.94, is amended to read:

169.94 [RECORD OF CONVICTION.]

Subdivision 1. [NOT ADMISSIBLE AS EVIDENCE; EXCEPTION.] (a) *Except as provided in paragraph (b), no record of the conviction of any person for any violation of this chapter shall be admissible as evidence in any court in any civil action.*

*(b) In any civil action arising out of a motor vehicle accident in which there is evidence that the accident was caused by a driver whose driving capacity was impaired, evidence that the driver has been convicted of violating section 169.121 or 169.129 is admissible, subject to any limitations imposed by the applicable Rules of Evidence.*

Subd. 2. [NOT TO AFFECT CREDIBILITY AS WITNESS.] *Except as provided in subdivision 1, paragraph (b), the conviction of a person upon a charge of violating any provision of this chapter or other traffic rule less than a felony shall not affect or impair the credibility of such person as a witness in any civil or criminal proceeding.*

Sec. 4. [EFFECTIVE DATE.]

*This act is effective August 1, 1991, and applies to convictions entered and civil actions commenced on or after that date."*

Delete the title and insert:

"A bill for an act relating to traffic safety; permitting evidence of DWI convictions to be admitted as evidence in certain civil proceedings; amending Minnesota Statutes 1990, sections 169.121, subdivision 6, and by adding

a subdivision; and 169.94.”

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. 762: A bill for an act relating to health; eliminating restrictions on disclosing birth record of a child born to an unmarried woman; amending Minnesota Statutes 1990, section 144.225, subdivision 1; repealing Minnesota Statutes 1990, section 144.225, subdivisions 2 and 4; and Minnesota Rules, part 4600.1300.

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 1990, section 144.225, subdivision 2, is amended to read:

Subd. 2. ~~[INFORMATION DATA ABOUT CERTAIN BIRTHS.] Disclosure of information pertaining to~~ (a) *Except as otherwise provided in this subdivision, data pertaining to the birth of a child, including the original certificate of birth and the certified copy, are public data. At the time of the birth of a child to a woman who was not married to the child's father when the child was conceived nor when the child was born or information from which it can be ascertained, shall be made only to the guardian of the person, the person to whom the record pertains when the person is 18 years of age or older, a parent of the person born to a mother who was not married to the child's father when the child was conceived nor when the child was born as provided by section 144.218, subdivision 1, or upon order of a court of competent jurisdiction, the mother may designate on the birth registration form whether data pertaining to the birth will be confidential data as defined in section 13.02, subdivision 3. Notwithstanding the designation of the data as confidential, it may be disclosed to a parent or guardian of the child, to the child when the child is 18 years of age or older, or pursuant to a court order. If the data are not designated as confidential, the data are public.*

(b) *If a child is adopted, data pertaining to the child's birth are governed by the provisions relating to adoption records, including sections 13.10, subdivision 5; 144.1761; 144.218, subdivision 1; and 259.49. The birth and death records of the commissioner of health shall be open to inspection by the commissioner of human services and it shall not be necessary for the commissioner of human services to obtain an order of the court in order to inspect records or to secure certified copies of them.*

Sec. 2. Minnesota Statutes 1990, section 144.225, subdivision 4, is amended to read:

Subd. 4. ~~[ACCESS TO RECORDS FOR RESEARCH PURPOSES.]~~ The state registrar may permit persons performing medical research access to the information restricted in subdivision 2 if those persons agree in writing not to disclose private or confidential data on individuals.”

Amend the title as follows:

Page 1, line 2, delete “eliminating” and insert “modifying”

Page 1, line 4, after the semicolon, insert "allowing the woman to designate whether data will be confidential;"

Page 1, delete lines 5 to 7 and insert "section 144.225, subdivisions 2 and 4."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1244: A bill for an act relating to commerce; real estate brokers; clarifying exceptions to licensing requirements; amending Minnesota Statutes 1990, section 82.18.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1198: A bill for an act relating to insurance; accident and health; requiring coverage for mental or nervous disorders treatment provided by licensed mental health professionals; amending Minnesota Statutes 1990, section 62A.152, subdivisions 2 and 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

S.F. No. 875: A bill for an act relating to commerce; requiring an abstract holder to provide a written notice under certain circumstances; amending Minnesota Statutes 1990, section 386.375, 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 1990, section 386.375, subdivision 6, is amended to read:

Subd. 6. [OFFER TO TRANSFER.] Any person holding an abstract of title pertaining to real estate located in Minnesota shall, before ~~March 1, 1988~~ *August 1, 1991*, make a reasonable effort to contact the mortgagor or fee owner of the property and make a written offer to transfer the abstract of title to the mortgagor or fee owner. A person holding an abstract of title has made a reasonable effort to contact the mortgagor or fee owner if the person has sent an offer by United States mail, postage prepaid, to the last address of the mortgagor or fee owner shown in the person's records. *A person violating this subdivision is subject to a penalty of up to \$100 for each violation.*"

Delete the title and insert:

"A bill for an act relating to commerce; requiring an abstract holder to offer to transfer an abstract of title to the mortgagor or fee owner; amending Minnesota Statutes 1990, section 386.375, subdivision 6."

And when so amended the bill do pass. Amendments adopted. Report adopted.



Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1315: A bill for an act relating to commerce; real estate appraisers; amending Minnesota Statutes 1990, sections 82B.02, subdivisions 8 and 12; 82B.05, subdivision 1; 82B.11; 82B.13, subdivision 1, and by adding subdivisions; 82B.14; 82B.15, subdivision 3; 82B.17; 82B.18; and 82B.19, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 82B; repealing Minnesota Statutes 1990, sections 82B.05, subdivision 2; 82B.13, subdivision 2; and 82B.225.

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 1990, section 82B.02, subdivision 8, is amended to read:

Subd. 8. [~~LICENSED REAL ESTATE APPRAISER.~~] “~~Licensed~~ Real estate appraiser” means a person who develops and communicates real estate appraisals and who holds a current, valid license issued for licensed appraisal level I or H under this chapter; ~~including an appraiser employed by a state agency.~~

Sec. 2. Minnesota Statutes 1990, section 82B.02, subdivision 12, is amended to read:

Subd. 12. [STANDARDS OF PROFESSIONAL PRACTICE.] “Standards of professional practice” means the uniform standards of professional appraisal practice ~~adopted by~~ of the Appraisers Standards Board of the Appraisal Foundation *in effect as of January 1, 1989 1991*, or other version of these standards the commissioner may by order designate.

Sec. 3. Minnesota Statutes 1990, section 82B.05, subdivision 1, is amended to read:

Subdivision 1. [~~CREATION MEMBERS.~~] The real estate appraiser advisory board consists of 15 members appointed by the commissioner of commerce. Three of the members must be public members, four must be consumers of appraisal services, and eight must be licensed real estate appraisers of whom not less than two members shall be level H. ~~Mere membership in an organization does not make a person the organization's representative on the board state real property appraisers, federal residential real property appraisers, or certified federal residential real property appraisers and not less than two members shall be certified federal general real property appraisers.~~

Sec. 4. Minnesota Statutes 1990, section 82B.11, is amended to read:

82B.11 [CLASSES OF LICENSE.]

Subdivision 1. [GENERALLY.] There are ~~two~~ five classes of license for licensed real estate appraisers.

Subd. 2. [~~LEVEL I STATE REAL PROPERTY APPRAISER.~~] ~~The licensed level I residential~~ When a net income capitalization analysis is not required by the uniform standards of professional appraisal practice, a state real estate property appraiser is a person meeting the requirements for licensing relating to the appraisal of ~~may appraise~~ residential real property or agricultural acreage when a net income capitalization analysis is not required by the uniform standards of professional appraisal practice property.

Subd. 3. [~~LEVEL II FEDERAL RESIDENTIAL REAL PROPERTY APPRAISER.~~] ~~The licensed level II real estate appraiser is a person meeting the requirements for licensing relating to the appraisal of all types of real property. A federal residential real property appraiser may appraise non-complex one to four residential units having a transaction value less than \$1,000,000 and complex one to four residential units having a transaction value less than \$250,000.~~

Subd. 4. [CERTIFIED FEDERAL RESIDENTIAL REAL PROPERTY APPRAISER.] *A certified federal residential real property appraiser may appraise one to four residential units without regard to transaction value or complexity.*

Subd. 5. [CERTIFIED FEDERAL GENERAL REAL PROPERTY APPRAISER.] *A certified federal general real property appraiser may appraise all types of real property.*

Subd. 6. [TEMPORARY PRACTICE.] *The commissioner shall issue a license for temporary practice as a real estate appraiser under subdivision 3, 4, or 5 to a person certified or licensed by another state if:*

*(1) the property to be appraised is part of a federally-related transaction and the person is licensed to appraise property limited to the same transaction value or complexity provided in subdivision 3, 4, or 5;*

*(2) the appraiser's business is of a temporary nature; and*

*(3) the appraiser registers with the commissioner to obtain a temporary license prior to conducting appraisals within the state.*

Sec. 5. Minnesota Statutes 1990, section 82B.13, subdivision 1, is amended to read:

Subdivision 1. [~~LEVEL I CLASSIFICATION STATE REAL PROPERTY APPRAISER OR FEDERAL RESIDENTIAL REAL PROPERTY APPRAISER.~~] ~~As a prerequisite to taking the examination for licensing as a licensed level I state real estate property appraiser or federal residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least 75 classroom hours of courses. The courses must consist of 60 hours of general real estate appraisal principles and 15 hours related to standards of professional appraisal practice and the provisions of this chapter.~~

Sec. 6. Minnesota Statutes 1990, section 82B.13, is amended by adding a subdivision to read:

Subd. 4. [CERTIFIED FEDERAL RESIDENTIAL REAL PROPERTY APPRAISER.] *As a prerequisite to taking the examination for licensing as a certified federal residential real property appraiser, applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least 165 classroom hours of courses, including 15 hours related to the standards of professional appraisal practice and the provisions of this chapter, with particular emphasis on the appraisal of one to four unit residential properties.*

Sec. 7. Minnesota Statutes 1990, section 82B.13, is amended by adding a subdivision to read:

Subd. 5. [CERTIFIED FEDERAL GENERAL REAL PROPERTY APPRAISER.] *As a prerequisite to taking the examination for licensing as a certified federal general real property appraiser, an applicant must present*

*evidence satisfactory to the commissioner that the person has successfully completed at least 165 classroom hours of courses, including 15 hours related to the standards of professional appraisal practice and the provisions of this chapter, with particular emphasis on the appraisal of nonresidential properties.*

Sec. 8. Minnesota Statutes 1990, section 82B.14, is amended to read:

**82B.14 [EXPERIENCE REQUIREMENT.]**

(a) ~~An original A license as a level II licensed real estate appraiser under section 82B.11, subdivision 3, 4, or 5,~~ may not be issued to a person who does not have the equivalent of two years of experience in real property appraisal supported by adequate written reports or file memoranda. This experience, or the equivalent of this experience, must be acquired within a period of five years immediately preceding the filing of the application for licensing.

(b) Each applicant for license as a ~~level II licensed real estate appraiser under section 82B.11, subdivision 3, 4, or 5,~~ shall give under oath a detailed listing of the real estate appraisal reports or file memoranda for each year for which experience is claimed by the applicant. Upon request, the applicant shall make available to the commissioner for examination, a sample of appraisal reports that the applicant has prepared in the course of appraisal practice.

Sec. 9. Minnesota Statutes 1990, section 82B.15, subdivision 3, is amended to read:

Subd. 3. **[PROCEDURE.]** Service of process under this section may be made by ~~filing a copy of the process with the commissioner or a representative, but is not effective unless: under the provisions of section 45.028.~~

~~(1) the plaintiff, who may be the commissioner in an action or proceeding started by the commissioner, sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the address as shown by the records at the office of the commissioner in the case of service made on the commissioner as attorney by appointment under subdivision 1, and at the defendant's or respondent's last known address in the case of service on the commissioner as attorney by appointment under subdivision 2; and~~

~~(2) the plaintiff's affidavit of compliance with this subdivision is filed in the action or proceeding on or before the return day of the process, if any, or within any additional time the court or administrative law judge allows.~~

Sec. 10. Minnesota Statutes 1990, section 82B.17, is amended to read:

**82B.17 [LICENSE DESIGNATION.]**

When a licensed real estate appraiser uses the designation real estate appraiser or ~~licensed real estate appraiser~~ *similar terms* in an appraisal report or in a contract or other instrument used by the license holder in conducting real property appraisal activities or in advertisements, the appraiser shall place the ~~person's~~ *appraiser's* license number adjacent to or immediately below the designation used and indicate the class of license held.

Sec. 11. Minnesota Statutes 1990, section 82B.18, is amended to read:

**82B.18 [USE OF TERM.]**

The term "~~licensed~~ real estate appraiser" may only be used to refer to individuals who hold ~~the~~ *a license under this chapter*. The term may not

be used following or immediately in connection with the name or signature of a firm, partnership, corporation, or group; or in a manner that might cause it to be interpreted as referring to a firm, partnership, corporation, group, or anyone other than an individual holder of the license.

No license may be issued under this chapter to a corporation, partnership, firm, or group. This does not prevent a licensed real estate appraiser from signing an appraisal report on behalf of a corporation, partnership, firm, or group practice.

Sec. 12. Minnesota Statutes 1990, section 82B.19, subdivision 3, is amended to read:

Subd. 3. [REINSTATEMENTS.] ~~On or after September 1, 1991,~~ A license as a real estate appraiser that has been revoked as a result of disciplinary action by the commissioner may not be reinstated unless the applicant presents evidence of completion of the continuing education required by this chapter. This requirement may not be imposed upon an applicant for reinstatement who has been required to successfully complete the examination for licensed real estate appraiser as a condition to reinstatement of a license.

Sec. 13. [82B.221] [TRANSITION PERIOD PROVISIONS.]

(a) *The commissioner may issue a license as provided under section 82B.11, subdivision 3, 4, or 5, to a person who satisfies the requirements of sections 82B.10, 82B.12, and 82B.13, but has not satisfied the requirement of section 82B.14, provided the person provides evidence satisfactory to the commissioner that they have acquired the equivalent of two years of experience in real property appraisal by September 1, 1993.*

(b) *The commissioner may issue a license as provided under section 82B.11, subdivision 3, 4, or 5, to a person who has satisfied the requirements of sections 82B.10, 82B.12, and 82B.14, but who has not satisfied the requirements of section 82B.13, provided the person provides evidence satisfactory to the commissioner of completion of the appropriate licensing prerequisite education by September 1, 1993.*

(c) *Failure to meet the requirements of paragraph (a) or (b) of this section shall be grounds for revocation of a real estate appraiser's license.*

Sec. 14. [82B.23] [FEDERAL CERTIFICATION.]

*Subdivision 1. [REQUIREMENT.] The commissioner shall certify and transmit to the appraisal subcommittee established pursuant to the Federal Institutions Reform, Recovery, and Enforcement Act of 1989, Public Law Number 100-73, the names of those licensees who have satisfied the requirements for certification established by the appraisal subcommittee and to collect and transmit any required fees.*

*Subd. 2. [PUBLICATION OF FEDERAL CERTIFICATION CRITERIA.] The commissioner shall file the federal certification criteria with the revisor of statutes for publication in Minnesota Rules. The revisor has the same editorial power over these criteria as the revisor has for rules adopted pursuant to chapter 14.*

Sec. 15. [EXISTING LICENSES.]

*Licenses issued pursuant to Minnesota Statutes, chapter 82B, before the effective date of this act remain valid and in effect until September 1, 1991.*

*A licensee who satisfies the examination or education requirements of Minnesota Statutes, section 82B.225, no later than August 31, 1991, is eligible for licensure under Minnesota Statutes, section 82B.11, subdivision 2.*

**Sec. 16. [FEDERAL RESIDENTIAL REAL PROPERTY APPRAISER TRANSITIONAL PREEXAMINATION EDUCATION REQUIREMENT.]**

*Prior to January 1, 1994, as a prerequisite to taking the examination for licensing as a certified federal residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least 105 classroom hours of courses, including 15 hours related to the standards of professional appraisal practice and the provisions of this chapter, with particular emphasis on the appraisal of one to four unit residential properties.*

**Sec. 17. [REPEALER.]**

*Minnesota Statutes 1990, sections 82B.05, subdivision 2; 82B.13, subdivision 2; and 82B.225, are repealed.*

**Sec. 18. [EFFECTIVE DATE.]**

*This act is effective the day after final enactment."*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1224: A bill for an act relating to retirement; state unclassified employees retirement program; permitting plan participants who move to unclassified positions not covered by the plan to elect to participate in the plan; amending Minnesota Statutes 1990, section 352D.02, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, after "full-time" insert "unclassified"

Page 1, line 23, after "contributions" insert "with six percent interest"

Page 2, line 12, after "contributions" insert "with six percent interest"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 294: A bill for an act relating to housing; authorizing community land trusts; providing for homestead property tax status; designating sources of funding; authorizing state housing expenditures through community land trusts; appropriating money; amending Minnesota Statutes 1990, sections 273.124, by adding a subdivision; 462A.03, by adding a subdivision; 462A.057, subdivisions 2, 8, and 9; 462A.21, by adding a subdivision; and 469.205, subdivision 3; 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:

“ARTICLE 1

NEIGHBORHOOD LAND TRUSTS

Section 1. [462A.30] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 7.*

*Subd. 2. [AGENCY.] “Agency” means the Minnesota housing finance agency.*

*Subd. 3. [NEIGHBORHOOD LAND TRUST.] “Neighborhood land trust” means a nonprofit corporation organized under chapter 317A that complies with section 2 and that qualifies for tax exempt status under United States Code, title 26, section 501(c)(3), and meets all other criteria for a neighborhood land trust set by the agency.*

*Subd. 4. [FIRST OPTION TO PURCHASE.] “First option to purchase” means a right of a neighborhood land trust or the agency to purchase all or any portion of the improvements and leasehold interest of a lessee, sub-lessee, or other resident of property subject to a ground lease, prior to the rights of any other party and at a limited equity price.*

*Subd. 5. [GROUND LEASE.] “Ground lease” means a lease of real property in which the lease does not include buildings or other improvements.*

*Subd. 6. [LEASEHOLD INTEREST.] “Leasehold interest” means the real property interest of a lessee in a ground lease in which the neighborhood land trust is the lessor.*

*Subd. 7. [LIMITED EQUITY FORMULA.] “Limited equity formula” means a method, to be determined by rule adopted by the agency, for calculation of the limited equity price, designed to maintain the affordability of the housing and the public subsidy.*

*Subd. 8. [LIMITED EQUITY PRICE.] “Limited equity price” means a price for the sale of any building or other improvement located on land owned by a neighborhood land trust determined by means of the limited equity formula.*

*Subd. 9. [PERSONS AND FAMILIES OF LOW AND MODERATE INCOME.] “Persons and families of low and moderate income” has the meaning specified in section 462A.03, subdivision 10.*

Sec. 2. [462A.31] [NEIGHBORHOOD LAND TRUSTS.]

*Subdivision 1. [PURPOSES.] A neighborhood land trust must have as one of its purposes the holding of land and the leasing of land for the purpose of preserving the affordability of housing on that land for persons and families of low and moderate income.*

*Subd. 2. [POWERS.] A neighborhood land trust may have any or all of the powers permitted to a nonprofit corporation under chapter 317A, except that a neighborhood land trust must have the power to buy and sell land, to mortgage and otherwise encumber land, and to negotiate and enter into ground leases with an initial term of up to 99 years.*

*Subd. 3. [BYLAWS.] The bylaws of a neighborhood land trust must provide that:*

(1) members of the general public who support the neighborhood land trust's purposes may become members of the trust;

(2) no more than 30 percent of the members may reside outside of the geographical area in which the neighborhood land trust operates, as specified in the bylaws;

(3) the membership has the power to elect a specified percentage of not less than 51 percent of the members of the governing board of the neighborhood land trust;

(4) lessees, residents of housing located on land owned by the neighborhood land trust, or representatives of either must constitute no less than 25 percent nor more than 40 percent of the membership of the governing board;

(5) remaining members of the governing board, if any, may be appointed by the neighborhood land trust board, to the extent specified in the bylaws; and

(6) the neighborhood land trust has the power to operate only within a geographical area specified in the bylaws.

### Sec. 3. [462A.32] [LEASES.]

*Subdivision 1. [LESSEES.] A neighborhood land trust shall hold title to and lease land to persons and families of low and moderate income or to other persons or corporations for purposes consistent with the goals of the neighborhood land trust.*

*Subd. 2. [RENT.] A neighborhood land trust may charge rent to the lessee, in an amount to be determined by a method specified in the lease. The rent may include, but need not be limited to, land acquisition costs, real estate taxes, special assessments, an administrative charge, and a land use fee. The rent charged must take into account any homestead real estate tax status granted to the property.*

*Subd. 3. [RESTRICTIONS.] A ground lease in which a neighborhood land trust is the lessor must contain provisions designed to preserve the affordability of housing on the land. Each ground lease must reserve to the neighborhood land trust the first option to purchase any building or improvement on the land, or any condominium or cooperative unit located in a building on the land, at a limited equity price specified in the ground lease. Each ground lease must grant to the Minnesota housing finance agency the right to exercise that first option to purchase if the neighborhood land trust does not, for any reason, exercise the first option. Each ground lease must exempt sales to persons and families of low and moderate income from the provisions granting the first option to purchase to the neighborhood land trust and to the Minnesota housing finance agency. Sales to persons and families of low and moderate income are not exempt from the limited equity price. A ground lease may also contain appropriate restrictions on:*

(1) subletting or assigning the ground lease;

(2) construction and renovation of buildings and other improvements; and

(3) sale of buildings and improvements.

*Subd. 4. [MORTGAGES.] (a) A ground lease with a neighborhood land trust must prohibit the lessee from mortgaging the lessee's interest in the lease or in buildings or other improvements without the consent of the*

*neighborhood land trust. A ground lease may obligate a neighborhood land trust as lessor and fee title holder to consent to, join in, or subordinate its interest to, a mortgage entered into by a lessee as mortgagor for the purpose of obtaining financing for construction or renovation of housing on the land. A lease provision so obligating a neighborhood land trust must specify that the mortgage must provide to the neighborhood land trust the right to receive from the mortgagee prompt notice of default in the mortgage and the right to cure the default or to purchase the mortgagee's interest in the mortgage. The limited equity price and provisions in subdivision 3 do not apply if the lessee or the neighborhood land trust fail to cure the default or purchase the mortgagee's interest in the mortgage.*

*(b) A ground lease with a neighborhood land trust must provide that the neighborhood land trust will not, during the term of the lease, mortgage, or otherwise encumber its interest in the property or permit any liens on its interest in the property to exist. This prohibition does not apply to mortgages that require the mortgagee to subordinate the lien of its mortgage to a mortgage entered into by a lessee as mortgagor for the purpose of obtaining financing for construction or renovation of housing on the land.*

*Subd. 5. [RIGHTS OF HEIRS.] A ground lease with a neighborhood land trust must provide that the heirs of the lessee may assume the lease, if the heirs agree to occupy the lease property as their homestead. For purposes of this subdivision, "the heirs" means the heirs at law of a lessee who dies intestate or the devisees of a lessee who dies testate.*

**Sec. 4. [462A.33] [NOTICE OF LEASE.]**

*A ground lease with a neighborhood land trust must be in recordable form and may, but need not be, recorded in the office of the county recorder or filed in the office of the county registrar of titles. If the lease is not recorded or filed, the lessee shall record or file a notice of lease, on a form to be prepared and made available by the agency. The notice of lease must state the names and addresses of the lessor and lessee, the beginning date and initial term of the lease, and a legal description of the property. The notice of lease must state that the lease is entered into pursuant to this chapter, must be signed by the lessor and lessee, and must be in recordable form.*

**Sec. 5. [462A.35] [DISSOLUTION.]**

*If a neighborhood land trust is dissolved, the procedure is governed by chapter 317A, except as otherwise provided in this section. If a receiver is to be appointed, the agency has priority to be appointed or to designate the appointee. The agency need not exercise its priority.*

**Sec. 6. [462A.36] [MORTGAGE SECURING LOANS TO TRUST.]**

*A neighborhood land trust may grant a mortgage on real estate to secure repayment of loans obtained from the state, any of its agencies or subdivisions, or any other entity, for the purpose of purchase, construction, or renovation of that real estate. Any such mortgage must comply with section 462A.32, subdivision 4, paragraph (b).*

**Sec. 7. [462A.37] [CITY OR HRA MAY ACT AS LAND TRUST.]**

*Any home rule charter or statutory city, except cities of the first class, or any housing and redevelopment authority as defined by chapter 469 may exercise all of the powers granted in this chapter to neighborhood land trusts, subject to the city's or housing and redevelopment authority's ongoing*



*compliance with all of the requirements of this chapter, except to the extent that compliance with this chapter clearly conflicts with other law governing cities or housing and redevelopment authorities.*

## ARTICLE 2

### FUNDING FOR NEIGHBORHOOD LAND TRUSTS

Section 1. Minnesota Statutes 1990, section 116J.984, subdivision 1, is amended to read:

Subdivision 1. [COMMUNITY AND NEIGHBORHOOD DEVELOPMENT GRANTS.] The commissioner may award matching grants to eligible organizations. Grants to any one eligible organization may not exceed \$25,000 in any fiscal year and a grant may not be used for any purpose that replaces an existing community program identified by the commissioner. Each grant must be matched with at least two dollars of nonstate money or in-kind contributions to each dollar of grant money. The grants may be used for community or neighborhood public safety and human service activities, street and public property lighting, recycling efforts, repair or removal of dilapidated buildings, community or neighborhood beautification and cleanup, historic preservation of buildings, small scale park and open space development, increasing or preserving the availability of housing primarily serving low- or moderate-income persons, *organizing or funding neighborhood land trusts*, and other projects, programs, or activities that the commissioner determines will improve or revitalize the community or neighborhood.

Sec. 2. Minnesota Statutes 1990, section 116J.984, subdivision 5, is amended to read:

Subd. 5. [APPLICATIONS; PRIORITY.] The commissioner may establish criteria to establish the priority of the applications received for grants awarded under subdivision 1. The criteria may include:

(1) the degree of community support measured by the amount of participation in the project or activities by volunteers;

(2) the extent that the eligible organizations have participated with or solicited input from other organizations that provide community and regional assistance;

(3) the amount of nonstate matching funds identified as available for the project or activities; ~~and~~

(4) *the degree to which the project will assure the long-term affordability of neighborhood housing by use of a neighborhood land trust; and*

(5) any other criteria the commissioner determines necessary to carry out the purposes of this section.

Sec. 3. Minnesota Statutes, section 273.124, is amended by adding a subdivision to read:

*Subd. 3b. [NEIGHBORHOOD LAND TRUSTS.] When one or more buildings which contain one or more dwelling units are on land owned by a neighborhood land trust organized under article 1, the neighborhood land trust qualifies for homestead treatment, as class 1a under chapter 273.13, subdivision 22. Homestead treatment may be claimed for each dwelling, or for each dwelling unit in buildings containing several dwelling units, that is used or intended to be used as a primary homestead by its occupants.*

Sec. 4. Minnesota Statutes 1990, section 462A.02, is amended by adding a subdivision to read:

*Subd. 11. It is further declared that it is in the best interests of the citizens of the state of Minnesota that public moneys used for the purposes of this chapter be used in a manner that best assures the long-term affordability of housing to low- and moderate-income citizens. To achieve that public purpose, the agency shall consider, in the making of grants and loans and other uses of agency resources, the degree to which such grants, loans, and other uses will assure the long-term affordability of the housing, by use of the neighborhood land trust model or other techniques.*

Sec. 5. Minnesota Statutes 1990, section 462A.03, is amended by adding a subdivision to read:

*Subd. 22. [NEIGHBORHOOD LAND TRUST.] "Neighborhood land trust" has the meaning specified in article 1, section 1.*

Sec. 6. Minnesota Statutes 1990, section 462A.201, subdivision 2, is amended to read:

*Subd. 2. [LOW-INCOME HOUSING.] The agency may, in consultation with the advisory committee, use money from the housing trust fund account to provide loans or grants for projects for the development, construction, acquisition, preservation, and rehabilitation of low-income rental and limited equity cooperative housing units and homes for ownership. Projects funded under this subdivision may involve property owned by a neighborhood land trust. No more than 20 percent of available funds may be used for home ownership projects. At least 75 percent of the rental and cooperative units, and 100 percent of the homes for ownership, must be rented to or cooperatively owned, or owned by persons and families whose income does not exceed 30 percent of the median family income for the metropolitan area as defined in section 473.121, subdivision 2. Neighborhood land trusts are eligible for both home ownership project funds and rental project funds. In making the grants, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required. To promote the geographic distribution of grants and loans, the agency may designate a portion of the grant or loan awards to be set aside for projects located in specified congressional districts or other geographical regions specified by the agency. The agency may adopt emergency and permanent rules for awarding grants and loans under this subdivision. The emergency rules are effective for 180 days or until the permanent rules are adopted, whichever occurs first.*

Sec. 7. [462A.204] [NEIGHBORHOOD LAND TRUST ACCOUNT.]

*Subdivision 1. [CREATION.] (a) The neighborhood land trust account is created as a separate account in the housing development fund.*

*(b) The neighborhood land trust account consists of:*

- (1) money appropriated or transferred from other state funds;*
- (2) all interest, dividends, and pecuniary gains from investment of money of the neighborhood land trust account;*
- (3) all proceeds from the sale of land purchased with money from the neighborhood land trust account; and*
- (4) money made available to the agency for the purposes of the account from other sources, including the transfer of unencumbered balances from*

*other accounts in the housing development fund.*

*Subd. 2. [APPLICATION OF ACCOUNT.] The agency shall make loans and grants to finance the organization of neighborhood land trusts, the purchase of land or interests in land by neighborhood land trusts, and the development of affordable housing in accordance with article 1.*

*Subd. 3. [AGENCY POWERS; DUTIES.] The agency shall:*

*(1) establish criteria to select which organizations eligible under article 1, that apply for loans and grants under this section, receive funding;*

*(2) establish priorities for funding land trusts that best demonstrate the ability to provide housing for people most in need;*

*(3) establish requirements for matching funds for loans and grants under this section;*

*(4) determine the circumstances, terms, and conditions under which all or any portion of a loan made under this section will be repaid; and*

*(5) establish appropriate security for loan repayment.*

*Subd. 4. [ELIGIBLE ORGANIZATIONS; CAPACITY.] An organization eligible under article 1 must demonstrate in its application to the agency that it is able to establish and operate a neighborhood land trust by having the capacity to do the following:*

*(1) to organize and continue a relationship with the land trust board as required by article 1;*

*(2) to select and acquire property for a neighborhood land trust and contract with businesses or organizations for the rehabilitation or development of the neighborhood land trust property;*

*(3) to acquire any required matching funds;*

*(4) to link residents of neighborhood land trusts with community self-sufficiency resources; and*

*(5) to provide property maintenance classes and other residential assistance.*

*Subd. 5. [TRANSFERS.] Notwithstanding section 462A.20, subdivision 3, the agency may not transfer unencumbered balances from the neighborhood land trust account to any other account in the housing development fund.*

**Sec. 8. [462A.38] [NEIGHBORHOOD LAND TRUST REPORTS.]**

*Each neighborhood land trust that receives a grant or loan from the agency must submit an annual report to the agency by December 1 of each year. The report must describe the use of grant or loan funds received.*

*By January 15, 1992, and each year thereafter, the agency must prepare and submit an annual report to the legislature and the governor summarizing the reports of the neighborhood land trusts.*

**Sec. 9. Minnesota Statutes 1990, section 469.205, subdivision 3, is amended to read:**

**Subd. 3. [ELIGIBLE USES OF TARGETED NEIGHBORHOOD MONEY.]** The city may spend targeted neighborhood money for any purpose authorized by subdivision 1 or 2, except that: (1) an amount equal to at

least 50 percent of the state payment under section 469.204 made to the city must be used for housing activities; and (2) an additional amount equal to at least ten percent of the state payment under section 469.204 may be used to organize neighborhood land trusts within the targeted neighborhood and to fund the purchase of property by neighborhood land trusts within the targeted neighborhood. Use of target neighborhood money must be authorized in a revitalization program.

Sec. 10. [APPROPRIATION.]

*\$3,000,000 is appropriated from the general fund to the commissioner of the Minnesota housing finance agency for the neighborhood land trust account to be available until expended."*

Amend the title as follows:

Page 1, line 7, after "sections" insert "116J.984, subdivisions 1 and 5;" and after "subdivision;" insert "462A.02, by adding a subdivision;"

Page 1, line 8, delete everything after the semicolon and insert "462A.201, subdivision 2;"

Page 1, line 9, delete everything before "and"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 37: A bill for an act relating to insurance; regulating credit for reinsurance; establishing standards and the commissioner's authority for companies considered to be in hazardous financial condition; regulating managing general agents; creating and regulating the life and health guaranty association; prescribing its powers and duties; amending Minnesota Statutes 1990, section 60B.25; proposing coding for new law in Minnesota Statutes, chapter 61B; proposing coding for new law as Minnesota Statutes, chapters 60G, 60H, and 60I; repealing Minnesota Statutes 1990, sections 61B.01; 61B.02; 61B.03; 61B.04; 61B.05; 61B.06; 61B.07; 61B.08; 61B.09; 61B.10; 61B.11; 61B.12; 61B.13; 61B.14; 61B.15; and 61B.16.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

REINSURANCE

Section 1. Minnesota Statutes 1990, section 60A.02, subdivision 6, is amended to read:

Subd. 6. [FOREIGN.] "Foreign," when used without limitations, shall designate those companies incorporated *or organized* in any other state or country.

Sec. 2. Minnesota Statutes 1990, section 60A.02, is amended by adding a subdivision to read:

Subd. 19. [ALIEN.] "Alien" means an insurer domiciled outside of the United States, but conducting business within the United States.

Sec. 3. Minnesota Statutes 1990, section 60A.02, is amended by adding

a subdivision to read:

*Subd. 20. [ASSUME.] "Assume" means to accept all or part of a ceding company's insurance or reinsurance on a risk or exposure.*

Sec. 4. Minnesota Statutes 1990, section 60A.02, is amended by adding a subdivision to read:

*Subd. 21. [CEDE.] "Cede" means to pass on to another insurer all or part of the insurance written by an insurer for the purpose of reducing the possible liability of the insurer.*

Sec. 5. Minnesota Statutes 1990, section 60A.02, is amended by adding a subdivision to read:

*Subd. 22. [CESSION.] "Cession" means the unit of insurance passed to a reinsurer by an insurer which issued a policy to the insured.*

Sec. 6. Minnesota Statutes 1990, section 60A.02, is amended by adding a subdivision to read:

*Subd. 23. [FACULTATIVE REINSURANCE.] "Facultative reinsurance" means the reinsurance of part or all of the insurance provided by a single policy, with separate negotiation for each cession.*

Sec. 7. Minnesota Statutes 1990, section 60A.02, is amended by adding a subdivision to read:

*Subd. 24. [REINSURER.] "Reinsurer" means an insurer which assumes the liability of another insurer through reinsurance.*

Sec. 8. Minnesota Statutes 1990, section 60A.02, is amended by adding a subdivision to read:

*Subd. 25. [RETROCESSION.] "Retrocession" means a transaction in which a reinsurer cedes to another reinsurer all or part of the reinsurance that the reinsurer had previously assumed.*

Sec. 9. Minnesota Statutes 1990, section 60A.02, is amended by adding a subdivision to read:

*Subd. 26. [UNITED STATES BRANCH.] "United States branch" means the business unit through which business is transacted within the United States by an alien insurer.*

Sec. 10. Minnesota Statutes 1990, section 60A.09, subdivision 5, is amended to read:

**Subd. 5. [REINSURANCE.] (1) [DEFINITIONS.]** For the purposes of this subdivision, the word "insurer" shall be deemed to include the word "reinsurer," and the words "issue policies of insurance" shall be deemed to include the words "make contracts of reinsurance."

**(2) [CONDITIONS AND REQUIREMENTS.]** Every insurer authorized to issue policies in this state may reinsure in any other insurer any part or all of any risk or risks assumed by it; but such reinsurance, unless effected (1) with an insurer authorized to issue policies in this state, or (2) with an insurer similarly authorized in another state, territory, or district of the United States, and showing the same standards of solvency and meeting the same statutory and departmental rules which would be required of or prescribed for such insurer were it at the time of such reinsurance authorized in this state to issue policies covering risks of the same kind or kinds as those reinsured, shall not reduce the reserve or other liability to be charged to the ceding insurer;

provided, that nothing in this subdivision shall be construed to permit to a ceding insurer any reduction of reserve or liability through reinsurance effected with an unauthorized insurer. In case such reinsurance effected with an insurer so authorized or so recognized for reinsurance in this state, the ceding insurer shall thereafter be charged on the gross premium basis with an unearned premium liability representing the proportion of such obligation retained by it; and the insurer to which the business is ceded shall be charged with an unearned premium liability representing the proportion of such obligation ceded to it, calculated in the same way. The two parties to the transaction shall together carry the same reserve as the ceding insurer would have carried had it retained the risk.

(3) [REINSURANCE OF MORE THAN 75 PERCENT OF INSURANCE LIABILITIES.] Any contract of reinsurance whereby an insurer cedes more than 75 percent of the total of its outstanding insurance liabilities shall, if such insurer is incorporated by or, if an insurer of a foreign country, has its principal office in this state, be subject to the approval, in writing, by the commissioner.

(4) (3) ACTUAL UNEARNED PREMIUM RESERVE TO BE CARRIED AS LIABILITY.] Nothing in this subdivision shall be deemed to permit the ceding insurer to receive, through the cession of the whole of any risk or risks, any advantage in respect to its unearned premium reserve that would reduce the same below the actual amount thereof.

(5) (4) (AIRCRAFT RISKS.) An insurer authorized to transact the business specified in section 60A.06, subdivision 1, clauses (4) and (5)(a), may through reinsurance assume any risk arising from, related to, or incident to the manufacture, ownership, or operation of aircraft and may retrocede any portion thereof; provided, however, that no insurer may undertake any such reinsurance business without the prior approval of the commissioner and such reinsurance business shall be subject to any regulations which may be promulgated by the commissioner. Any such reinsurance business may be provided through pooling arrangements with other insurers for purposes of spreading the insurance risk.

Sec. 11. [60A.091] [QUALIFIED UNITED STATES FINANCIAL INSTITUTION.]

*For purposes of sections 12 and 13, "qualified United States financial institution" means an institution that:*

(1) *is organized or, in the case of a United States office of a foreign banking organization, licensed, under the laws of the United States or any state;*

(2) *is regulated, supervised, and examined by federal or state authorities having regulatory authority over banks and trust companies; and*

(3) *is guaranteed by the Federal Deposit Insurance Corporation, or the National Credit Union Administration.*

Sec. 12. [60A.092] [REINSURANCE CREDIT ALLOWED A DOMESTIC CEDING INSURER.]

*Subdivision 1. [CREDIT ALLOWED.] Credit for reinsurance shall be allowed a domestic ceding insurer as either an asset or a deduction from liability on account of reinsurance ceded only when the reinsurance is ceded to an assuming insurer which meets the requirements specified under this section.*

*Subd. 2. [LICENSED ASSUMING INSURER.] Reinsurance is ceded to an assuming insurer if the assuming insurer is licensed to transact insurance or reinsurance in this state.*

*Subd. 3. [ACCREDITED ASSUMING INSURER.] (a) Reinsurance is ceded to an assuming insurer if the assuming insurer is accredited as a reinsurer in this state. An accredited reinsurer is one which:*

*(1) files with the commissioner evidence of its submission to this state's jurisdiction;*

*(2) submits to this state's authority to examine its books and records;*

*(3) is licensed to transact insurance or reinsurance in at least one state, or in the case of a United States branch of an alien assuming insurer is entered through and licensed to transact insurance or reinsurance in at least one state;*

*(4) files annually with the commissioner a copy of its annual statement filed with the insurance department of its state of domicile and a copy of its most recent audited financial statement; and*

*(5)(i) maintains a surplus as regards policyholders in an amount not less than \$20,000,000 and whose accreditation has not been denied by the commissioner within 90 days of its submission, or maintains a surplus as regards policyholders in an amount less than \$20,000,000 and whose accreditation has been approved by the commissioner; or*

*(ii) maintains a surplus as regards policyholders in an amount not less than \$50,000,000 for long-tail casualty reinsurers. For purposes of this section, "long-tail casualty reinsurance" means insurance for medical or legal malpractice, pollution liability, directors and officers liability, and products liability. The commissioner may determine that an assuming insurer that maintains a surplus as regards policyholders in an amount not less than \$20,000,000 is accredited as a reinsurer if there is no detriment to policyholders and the interest of the public, and to not allow accrediting would be a hardship or detriment to the reinsurer. The commissioner shall report to the legislature on any determination to allow accrediting to a long-term casualty reinsurer maintaining a surplus in an amount less than \$50,000,000.*

*(b) No credit shall be allowed or continue to be allowed a domestic ceding insurer if the assuming insurer's accreditation has been revoked by the commissioner after receipt of a cease and desist order pursuant to section 45.027, subdivision 5.*

*Subd. 4. [SIMILAR STATE STANDARDS.] Reinsurance is ceded to an assuming insurer if the assuming insurer is domiciled and licensed in, or in the case of a United States branch of an alien assuming insurer is entered through, a state which employs standards regarding credit for reinsurance substantially similar to those applicable under this chapter and the assuming insurer or United States branch of an alien assuming insurer (1) maintains a surplus as regards policyholders in an amount not less than \$20,000,000 or maintains a surplus as regards policyholders in an amount not less than \$50,000,000 for long-tail casualty reinsurers as provided under subdivision 3, paragraph (a), clause (5), and (2) submits to the authority of this state to examine its books and records.*

*Clause (1) does not apply to reinsurance ceded and assumed pursuant to pooling arrangements among insurers in the same holding company*

system.

*Subd. 5. [TRUST FUND MAINTAINED.] The reinsurance is ceded to an assuming insurer if the assuming insurer maintains a trust fund in a qualified United States financial institution for the payment of the valid claims, as determined by the commissioner for the purpose of determining the sufficiency of the trust fund, of its United States policyholders and ceding insurers, their assigns and successors in interest. The assuming insurer shall report annually to the commissioner information substantially the same as that required to be reported on the National Association of Insurance Commissioners annual statement form by licensed insurers to enable the commissioner to determine the sufficiency of the trust fund.*

*Subd. 6. [SINGLE ASSUMING INSURER; TRUST FUND REQUIREMENTS.] In the case of a single assuming insurer, the trust shall consist of a trustee account representing the assuming insurer's liabilities attributable to business written in the United States and, in addition, the assuming insurer shall maintain a trustee surplus of not less than \$20,000,000 or maintain a surplus as regards policyholders in an amount not less than \$50,000,000 for long-tail casualty reinsurers as provided under subdivision 3, paragraph (a), clause (5).*

*Subd. 7. [INDIVIDUAL UNINCORPORATED UNDERWRITERS GROUP; TRUST FUND REQUIREMENTS.] In the case of a group of individual unincorporated underwriters, the trust shall consist of a trustee account representing the group's liabilities attributable to business written in the United States. The group shall maintain a trustee surplus of which \$100,000,000 shall be held jointly for the benefit of United States ceding insurers of any member of the group. The group shall make available to the commissioner an annual certification by the group's domiciliary regulator and its independent public accountants of the solvency of each underwriter.*

*Subd. 8. [INCORPORATED INSURERS GROUP; TRUST FUND REQUIREMENTS.] A group of incorporated insurers under common administration must:*

- (1) comply with the filing requirements specified in subdivision 7;*
- (2) be under the supervision of the Department of Trade and Industry of the United Kingdom;*
- (3) submit to this state's authority to examine its books and records;*
- (4) bear the expense of the examination;*
- (5) maintain an aggregate policyholders' surplus of \$10,000,000,000;*
- (6) maintain the trust in an amount equal to the group's several liabilities attributable to business written in the United States; and*
- (7) maintain a joint trustee surplus of which \$100,000,000 must be held jointly for the benefit of United States ceding insurers of any member of the group.*

*Each member of the group shall make available to the commissioner an annual certification by the member's domiciliary regulator and its independent accountant of the member's solvency.*

*Subd. 9. [TRUST FUND GENERAL REQUIREMENTS.] (a) The trust must be established in a form approved by the commissioner of commerce. The trust instrument shall provide that contested claims shall be valid and*



*enforceable upon the final order of any court of competent jurisdiction in the United States. The trust shall vest legal title to its assets in the trustees of the trust for its United States policyholders and ceding insurers, their assigns and successors in interest. The trust and the assuming insurer shall be subject to examination as determined by the commissioner. The trust must remain in effect for as long as the assuming insurer shall have outstanding obligations due under the reinsurance agreements subject to the trust.*

*(b) No later than February 28 of each year the trustees of the trust shall report to the commissioner in writing setting forth the balance of the trust and listing the trust's investments at the preceding year end and shall certify the date of termination of the trust, if so planned, or certify that the trust shall not expire prior to the next following December 31.*

*Subd. 10. [OTHER JURISDICTIONS.] The reinsurance is ceded to an assuming insurer not meeting the requirements of subdivision 2, 3, 4, or 5, but only with respect to the insurance of risks located in jurisdictions where the reinsurance is required by applicable law or regulation of that jurisdiction.*

*Subd. 11. [REINSURANCE AGREEMENT REQUIREMENTS.] (a) If the assuming insurer is not licensed or accredited to transact insurance or reinsurance in this state, the credit authorized under subdivisions 4 and 5 shall not be allowed unless the assuming insurer agrees in the reinsurance agreements:*

*(1) that in the event of the failure of the assuming insurer to perform its obligations under the terms of the reinsurance agreement, the assuming insurer shall submit to the jurisdiction of any court of competent jurisdiction in any state of the United States, comply with all requirements necessary to give the court jurisdiction, and abide by the final decision of the court or of any appellate court in the event of an appeal; and*

*(2) to designate the commissioner or a designated attorney as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the ceding company.*

*(b) Paragraph (a) is not intended to conflict with or override the obligation of the parties to a reinsurance agreement to arbitrate their disputes, if an obligation to do so is created in the agreement.*

**Sec. 13. [60A.093] [REDUCTION FROM LIABILITY FOR REINSURANCE CEDED BY A DOMESTIC INSURER TO AN ASSUMING INSURER.]**

*Subdivision 1. [REDUCTION ALLOWED.] A reduction from liability for reinsurance ceded by a domestic insurer to an assuming insurer not meeting the requirements of section 12 shall be allowed in an amount not exceeding the liabilities carried by the ceding insurer. Such reduction shall be in the amount of funds held by or on behalf of the ceding insurer, including funds held in trust for the ceding insurer, as security for the payment of obligations under the reinsurance contract with the assuming insurer. Such security must be held in the United States subject to withdrawal solely by, and under the exclusive control of, the ceding insurer; or, in the case of a trust, held in a qualified United States financial institution. The funds held as security may be in any form of security acceptable to the commissioner or in the form of:*

(1) cash;

(2) securities listed by the securities valuation office of the National Association of Insurance Commissioners and qualifying as admitted assets and, with the exception of United States treasury notes, readily marketable over a national exchange or NASDAQ with maturity dates within one year; or

(3) clean, irrevocable, unconditional letters of credit issued or confirmed by a qualified United States financial institution no later than December 31 in respect of the year for which filing is being made, and in the possession of the ceding company on or before the filing date of its annual statement. The financial institution must meet the standards of financial condition and standing considered necessary and appropriate to regulate the quality of financial institutions as determined by either the commissioner or the securities valuation office of the National Association of Insurance Commissioners, and the financial institution's letters of credit must be acceptable to the commissioner.

Subd. 2. [LETTERS OF CREDIT CONTINUED ACCEPTANCE.] Letters of credit meeting applicable standards of issuer acceptability as of the dates of their issuance or confirmation must, notwithstanding the issuing or confirming institution's subsequent failure to meet applicable standards of issuer acceptability, continue to be acceptable as security unless the issuing or confirming institution fails the following standards:

(1) fails to maintain a minimum ratio of three percent tier I capital to total risk adjusted assets, leverage ratio, as required by the Federal Reserve System as disclosed by the bank in any call report required by state or federal regulatory authority and available to the ceding insurer; or

(2) has its long-term deposit rating or long-term debt rating lowered to a rating below Aa2 as found in the current monthly publication of Moody's credit opinions or its equivalent.

The letter of credit of an institution failing these standards continues to be acceptable for no more than 30 days.

Sec. 14. [60A.094] [RULES.]

The commissioner may adopt rules implementing the provisions of sections 11 to 13.

Sec. 15. [60A.095] [REINSURANCE AGREEMENTS AFFECTED.]

Sections 11 to 13 apply to all cessions after the effective date of this act under reinsurance agreements that have had an inception, anniversary, or renewal date not less than six months after the effective date of this article.

Sec. 16. [REPEALER.]

Minnesota Statutes 1990, section 60A.09, subdivision 4, is repealed.

## ARTICLE 2

### ADMINISTRATIVE SUPERVISION MODEL ACT

Section 1. [60G.01] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section apply to this chapter.

*Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.*

*Subd. 3. [CONSENT.] "Consent" means agreement to administrative supervision by the insurer.*

*Subd. 4. [DEPARTMENT.] "Department" means the department of commerce.*

*Subd. 5. [INSURER.] "Insurer" means and includes every person engaged as indemnitor, surety, or contractor in the business of entering into contracts of insurance or of annuities as limited to:*

*(1) any insurer who is doing an insurer business, or has transacted insurance in this state, and against whom claims arising from that transaction may exist now or in the future;*

*(2) any fraternal benefit society which is subject to chapter 64B;*

*(3) nonprofit health service plan corporations subject to chapter 62C; and*

*(4) cooperative life and casualty companies subject to sections 61A.39 to 61A.52.*

**Sec. 2. [60G.02] [NOTICE TO COMPLY WITH WRITTEN REQUIREMENTS OF COMMISSIONER; NONCOMPLIANCE; ADMINISTRATIVE SUPERVISION.]**

*Subdivision 1. [ADMINISTRATIVE SUPERVISION.] An insurer may be subject to administrative supervision by the commissioner if upon examination or at any other time it appears in the commissioner's discretion that:*

*(1) the insurer's condition renders the continuance of its business hazardous to the public or to its insureds;*

*(2) the insurer has refused to permit examination of its books, papers, accounts, records, or affairs by the commissioner, the commissioner's deputies, employees, or duly commissioned examiners;*

*(3) a domestic insurer has unlawfully removed from this state books, papers, accounts, or records necessary for an examination of the insurer;*

*(4) the insurer has failed to promptly comply with the applicable financial reporting statutes or rules and departmental requests relating thereto;*

*(5) the insurer has neglected or refused to observe an order of the commissioner to make good, within the time prescribed by law, any prohibited deficiency in its capital, capital stock, or surplus;*

*(6) the insurer is continuing to transact insurance or write business after its license has been revoked or suspended by the commissioner;*

*(7) the insurer, by contract or otherwise, has unlawfully or has in violation of an order of the commissioner or has without first having obtained written approval of the commissioner if approval is required by law:*

*(i) totally reinsured its entire outstanding business, or*

*(ii) merged or consolidated substantially its entire property or business with another insurer;*

*(8) the insurer engaged in any transaction in which it is not authorized to engage under the laws of this state;*

- (9) the insurer refused to comply with a lawful order of the commissioner;*
- (10) the insurer has failed to comply with the applicable provisions of the laws of this state;*
- (11) the business of the insurer is being conducted fraudulently; or*
- (12) the insurer gives its consent.*

*Subd. 2. [NOTIFICATION.] If the commissioner determines that at least one of the conditions specified in subdivision 1 exists and places the insurer under supervision, the commissioner may:*

- (1) notify the insurer of the commissioner's determination;*
- (2) furnish to the insurer a written list of the requirements to abate this determination; and*
- (3) notify the insurer that it is under the supervision of the commissioner and that the commissioner is applying and enforcing the provisions of this chapter. If placed under administrative supervision, an insurer may request review as provided under chapter 14.*

*Subd. 3. [REQUIREMENT COMPLIANCE.] If placed under administrative supervision, the insurer shall have 60 days, or another period of time as designated by the commissioner, to comply with the requirements of the commissioner as provided under this chapter. If it is determined after notice and hearing that the insurer has not complied with the requirements of the commissioner at the end of the supervision period, the commissioner may extend the period. If the insurer complies with the requirements of the commissioner, the commissioner shall release the insurer from supervision.*

### **Sec. 3. [60G.03] [CONFIDENTIALITY OF CERTAIN PROCEEDINGS AND RECORDS.]**

*Subdivision 1. [CONFIDENTIALITY.] Notwithstanding any other provision of law and except as provided in this section, proceedings, hearings, notices, correspondence, reports, records, and other information in the possession of the commissioner or the department relating to the supervision of any insurer are confidential.*

*Subd. 2. [ACCESS.] The personnel of the department shall have access to these proceedings, hearings, notices, correspondence, reports, records, or information as permitted by the commissioner.*

*Subd. 3. [OPEN HEARINGS; DISCLOSURE.] The commissioner may open the proceedings or hearings or disclose the notices, correspondence, reports, records, or information to a department, agency, or instrumentality of this or another state or the United States if the commissioner determines that the disclosure is necessary or proper for the enforcement of the laws of this or another state or the United States.*

*Subd. 4. [PUBLIC DISCLOSURE.] The commissioner may open the proceedings or hearings or make public the notices, correspondence, reports, records, or other information if the commissioner determines that it is in the best interest of the public or in the best interest of the insurer, its insureds, creditors, or the general public.*

*Subd. 5. [EXEMPTION.] This section does not apply to hearings, notices, correspondence, reports, records, or other information obtained upon the appointment of a receiver for the insurer by a court of competent jurisdiction.*

Sec. 4. [60G.04] [PROHIBITED ACTS DURING PERIOD OF SUPERVISION.]

*During the period of supervision, the commissioner shall serve as the administrative supervisor. The commissioner may require that the insurer shall not do any of the following things during the period of supervision without the prior approval of the commissioner:*

- (1) dispose of, convey, or encumber its assets or its business in force;*
- (2) withdraw funds from its bank accounts;*
- (3) lend its funds;*
- (4) invest its funds;*
- (5) transfer its property;*
- (6) incur debt, obligation, or liability;*
- (7) merge or consolidate with another company;*
- (8) approve new premiums or renew policies;*
- (9) enter into a new reinsurance contract or treaty;*
- (10) terminate, surrender, forfeit, convert, or lapse an insurance policy, certificate, or contract, except for nonpayment of premiums due;*
- (11) release, pay, or refund premium deposits, accrued cash or loan values, unearned premiums, or other reserves on an insurance policy, certificate, or contract;*
- (12) make a material change in management; or*
- (13) increase salaries and benefits of officers or directors or make preferential payment of bonuses, dividends, or other payments determined preferential by the commissioner.*

Sec. 5. [60G.05] [REVIEW AND STAY OF ACTION.]

*During the period of supervision, the insurer may contest an action taken or proposed to be taken by the commissioner as provided under chapter 14. The insurer must show that the action being complained of is detrimental to the condition of the insurer.*

Sec. 6. [60G.06] [ADMINISTRATIVE ELECTION OF PROCEEDINGS.]

*Nothing contained in this chapter precludes the commissioner from initiating judicial proceedings to place an insurer in rehabilitation or liquidation proceedings under the laws of this state, regardless of whether the commissioner has previously initiated administrative supervision proceedings under this chapter against the insurer.*

Sec. 7. [60G.07] [RULES.]

*The commissioner may adopt rules necessary for the implementation of this chapter.*

Sec. 8. [60G.08] [IMMUNITY.]

*There shall be no liability on the part of, and no cause of action may be brought against the commissioner or the department or its employees or agents for any action taken by them in the performance of their powers and duties under this chapter.*

ARTICLE 3  
STANDARDS AND COMMISSIONER'S AUTHORITY  
FOR COMPANIES CONSIDERED TO BE IN  
HAZARDOUS FINANCIAL CONDITION

Section 1. [60G.20] [STANDARDS.]

*Subdivision 1. [HAZARDOUS CONSIDERATION.] The following standards, either singly or a combination of two or more, may be considered by the commissioner to determine whether the continued operation of any insurer, whether domestic, foreign, or alien, transacting an insurance business in this state may be considered hazardous to the policyholders, creditors or the general public. The commissioner may consider:*

*(1) an adverse finding reported in financial condition and market conduct examination reports;*

*(2) the National Association of Insurance Commissioners insurance regulatory information system and its related reports;*

*(3) the ratios of commission expense, general insurance expense, policy benefits, and reserve increases as to annual premium and net investment income which may lead to an impairment of capital and surplus;*

*(4) whether the insurer's asset portfolio when viewed in light of current economic conditions is not of sufficient value, liquidity, or diversity to assure the company's ability to meet its outstanding obligations as they mature;*

*(5) the ability of an assuming reinsurer to perform and whether the insurer's reinsurance program provides sufficient protection for the company's remaining surplus after taking into account the insurer's cash flow and the classes of business written as well as the financial condition of the assuming reinsurer;*

*(6) whether the insurer's operating loss in the last 12-month period or any shorter period of time, including, but not limited to, net capital gain or loss, change in nonadmitted assets, and cash dividends paid to shareholders, is greater than 50 percent of the insurer's remaining surplus as regards policyholders in excess of the minimum required;*

*(7) whether any affiliate, subsidiary, or reinsurer is insolvent, threatened with insolvency, or delinquent in payment of its monetary or other obligations;*

*(8) contingent liabilities, pledges, or guaranties which either individually or collectively involve a total amount which in the opinion of the commissioner may affect the solvency of the insurer;*

*(9) whether any "controlling person" of an insurer is delinquent in the transmitting to, or payment of, net premiums to the insurer;*

*(10) the age and collectability of receivables;*

*(11) whether the management of an insurer, including officers, directors, or any other person who directly or indirectly controls the operation of the insurer, fails to possess and demonstrate the competence, fitness, and reputation necessary to serve the insurer in the position;*

*(12) whether management of an insurer has failed to respond to inquiries relative to the condition of the insurer or has furnished false and misleading*

*information concerning an inquiry;*

*(13) whether management of an insurer either has filed a false or misleading sworn financial statement, or has released a false or misleading financial statement to lending institutions or to the general public, or has made a false or misleading entry, or has omitted an entry of material amount in the books of the insurer;*

*(14) whether the insurer has grown so rapidly and to such an extent that it lacks adequate financial and administrative capacity to meet its obligations in a timely manner; or*

*(15) whether the company has experienced or will experience in the foreseeable future cash flow or liquidity problems.*

*Subd. 2. [COMMISSIONER'S AUTHORITY.] For the purposes of making a determination of an insurer's financial condition under subdivision 1, the commissioner may:*

*(1) disregard any credit or amount receivable resulting from transactions with a reinsurer which is insolvent, impaired, or otherwise subject to a delinquency proceeding;*

*(2) make appropriate adjustments to asset values attributable to investments in or transactions with the corporation's parents, subsidiaries, or affiliates;*

*(3) refuse to recognize the stated value of accounts receivable if the ability to collect receivables is highly speculative in view of the age of the account or the financial condition of the debtor; or*

*(4) increase the insurer's liability in an amount equal to any contingent liability, pledge, or guarantee not otherwise included if there is a substantial risk that the insurer will be called upon to meet the obligation undertaken within the next 12-month period.*

*Sec. 2. [60G.21] [COMMISSIONER'S ORDER.]*

*Subdivision 1. [AUTHORIZATION.] If the commissioner determines that the continued operation of the insurer licensed to transact business in this state may be hazardous to the policyholders or the general public, then the commissioner may, upon the commissioner's determination, issue an order requiring the insurer to:*

*(1) reduce the total amount of present and potential liability for policy benefits by reinsurance;*

*(2) reduce, suspend, or limit the volume of business being accepted or renewed;*

*(3) reduce general insurance and commission expenses by methods specified by the commissioner;*

*(4) increase the insurer's capital and surplus;*

*(5) suspend or limit the declaration and payment of dividend by an insurer to its stockholders or to its policyholders;*

*(6) file reports in a form acceptable to the commissioner concerning the market value of an insurer's assets;*

*(7) limit or withdraw from certain investments or discontinue certain investment practices to the extent the commissioner considers necessary;*

(8) document the adequacy of premium rates in relation to the risks insured; or

(9) file, in addition to regular annual statements, interim financial reports on the form adopted by the National Association of Insurance Commissioners or in the format adopted by the commissioner.

*Subd. 2. [REVIEW.] An insurer subject to an order under subdivision 1 may request a hearing as provided under chapter 14 to review that order. All hearings conducted under this section are closed and private.*

Sec. 3. [60G.22] [JUDICIAL REVIEW.]

*Any order or decision of the commissioner is subject to review as provided under chapter 14 at the request of a party whose interests are substantially affected by the order or decision.*

## ARTICLE 4

### MANAGING GENERAL AGENTS ACT

Section 1. [60H.01] [SHORT TITLE.]

*This chapter may be cited as the managing general agents act.*

Sec. 2. [60H.02] [DEFINITIONS.]

*Subdivision 1. [APPLICATION.] The terms defined in this section apply to this chapter.*

*Subd. 2. [ACTUARY.] "Actuary" means a person who is a member in good standing of the American Academy of Actuaries.*

*Subd. 3. [INSURER.] "Insurer" means a person, firm, association, or corporation duly licensed in this state as an insurance company.*

*Subd. 4. [MANAGING GENERAL AGENT.] (a) "Managing general agent" means a person, firm, association or corporation who: (1) negotiates and binds ceding reinsurance contracts on behalf of an insurer, or (2) manages all or part of the insurance business of an insurer, including the management of a separate division, department, or underwriting office, and acts as an agent for the insurer whether known as a managing general agent, manager, or other similar term, who, with or without the authority, either separately or together with affiliates, produces, directly or indirectly, and underwrites an amount of gross direct written premium equal to or more than five percent of the policyholder surplus as reported in the last annual statement of the insurer in any one quarter or year, together with one or more of the following: (i) adjusts or pays claims in excess of an amount determined by the commissioner, or (ii) negotiates reinsurance on behalf of the insurer.*

*(b) Notwithstanding paragraph (a), the following persons shall not be considered as managing general agents for the purposes of this chapter:*

*(1) an employee of the insurer;*

*(2) a United States manager of the United States branch of an alien insurer;*

*(3) an underwriting manager who, pursuant to contract, manages all or part of the insurance operation of the insurer, is under common control with the insurer, subject to the Insurance Holding Company Act, chapter 60D, and whose compensation is not based on the volume of premiums written;*



or

(4) *an attorney in fact authorized by and acting for the subscribers of a reciprocal insurer or interinsurance exchange under powers of attorney.*

Subd. 5. [UNDERWRITE.] *"Underwrite" means the authority to accept or reject risk on behalf of the insurer.*

Sec. 3. [60H.03] [LICENSURE.]

Subdivision 1. [RISKS LOCATED IN STATE.] *A managing general agent representing an insurer licensed in this state with respect to risks located in this state must be licensed in this state.*

Subd. 2. [RISKS LOCATED OUTSIDE OF STATE.] *A managing general agent representing an insurer domiciled in this state with respect to risks located outside this state must be licensed in this state as a managing general agent. The license may be a nonresident license.*

Subd. 3. [REQUIREMENTS.] *The commissioner may require a bond in an amount acceptable for the protection of the insurer. The commissioner may require the managing general agent to maintain an errors and omissions policy.*

Sec. 4. [60H.04] [REQUIRED CONTRACT PROVISIONS.]

*No person, firm, association, or corporation acting in the capacity of a managing general agent shall place business with an insurer unless there is in force a written contract between the parties. The contract must specify the responsibilities of each party and, where both parties share responsibility for a particular function, must specify the division of the responsibilities. The contract must include the following minimum provisions:*

(a) *The insurer may terminate the contract for cause upon written notice to the managing general agent. The insurer may suspend the underwriting authority of the managing general agent during the pendency of any dispute regarding the cause for termination.*

(b) *The managing general agent must give accounts to the insurer detailing all transactions and remit all funds due under the contract to the insurer on not less than a monthly basis.*

(c) *All funds collected for the account of an insurer must be held by the managing general agent in the name of the insurer in a fiduciary capacity in a bank which is a member of the Federal Reserve System. This account must be used for all payments on behalf of the insurer. The managing general agent may retain no more than three months' estimated claims payments and allocated loss adjustment expenses. A managing general agent shall deposit only trust funds in a trust account and shall not commingle personal funds or other funds in a trust account, except that a managing general agent may deposit and maintain a sum in a trust account from personal funds, which sum shall be specifically identified and used to pay service charges or satisfy the minimum balance requirements relating to the trust account.*

(d) *Separate records of business written by the managing general agent must be maintained. The insurer shall have access to and the right to copy all accounts and records related to its business in a form usable by the insurer, and the commissioner shall have access to all books, bank accounts, and records of the managing general agent in a form usable to the commissioner. The records shall be retained on a basis acceptable to the*

*commissioner.*

*(e) The contract may not be assigned in whole or part by the managing general agent.*

*(f) Appropriate underwriting guidelines, including:*

- (1) the maximum annual premium volume;*
- (2) the basis of the rates to be charged;*
- (3) the types of risks which may be written;*
- (4) maximum limits of liability;*
- (5) applicable exclusions;*
- (6) territorial limitations;*
- (7) policy cancellation provisions; and*
- (8) the maximum policy period.*

*The insurer shall have the right to cancel or nonrenew any policy of insurance subject to the applicable laws and regulations concerning the cancellation and nonrenewal of insurance policies.*

*(g) If the contract permits the managing general agent to settle claims on behalf of the insurer:*

*(1) All claims must be reported to the insurer in a timely manner.*

*(2) A copy of the claim file must be sent to the insurer at its request or as soon as it becomes known that the claim:*

*(i) has the potential to exceed an amount determined by the commissioner or exceeds the limit set by the insurer, whichever is less;*

*(ii) involves a coverage dispute;*

*(iii) may exceed the managing general agent's claim settlement authority;*

*(iv) is open for more than six months; or*

*(v) is closed by payment of an amount set by the commissioner or an amount set by the insurer, whichever is less.*

*(3) All claim files are the joint property of the insurer and managing general agent. However, upon an order of liquidation of the insurer the files become the sole property of the insurer or its estate. The managing general agent shall have reasonable access to and the right to copy the files on a timely basis.*

*(4) Any settlement authority granted to the managing general agent may be terminated for cause upon the insurer's written notice to the managing general agent or upon the termination of the contract. The insurer may suspend the settlement authority during the pendency of any dispute regarding the cause for termination.*

*(h) Where electronic claims files are in existence, the contract must address the timely transmission of the data.*

*(i) If the contract provides for a sharing of interim profits by the managing general agent, and the managing general agent has the authority to determine the amount of the interim profits by establishing loss reserves or controlling claim payments, or in any other manner, interim profits will not be paid to*

*the managing general agent until one year after they are earned for property insurance business and five years after they are earned on casualty business and not until the profits have been verified as provided under section 5.*

*(j) The managing general agent shall not:*

*(1) bind reinsurance or retrocessions on behalf of the insurer, except that the managing general agent may bind facultative reinsurance contracts pursuant to obligatory facultative agreements if the contract with the insurer contains reinsurance underwriting guidelines including, for both reinsurance assumed and ceded, a list of reinsurers with which the automatic agreements are in effect, the coverage and amounts or percentages that may be reinsured, and commission schedules;*

*(2) commit the insurer to participate in insurance or reinsurance syndicates;*

*(3) appoint an agent without assuring that the agent is lawfully licensed to transact the type of insurance for which that person is appointed;*

*(4) without prior approval of the insurer, pay or commit the insurer to pay a claim over a specified amount, net of reinsurance, which shall not exceed one percent of the insurer's policyholder's surplus as of December 31 of the last completed calendar year;*

*(5) collect any payment from a reinsurer or commit the insurer to any claim settlement with a reinsurer, without prior approval of the insurer. If prior approval is given, a report must be promptly forwarded to the insurer;*

*(6) permit its subagent to serve on the insurer's board of directors;*

*(7) jointly employ an individual who is employed with the insurer; or*

*(8) appoint a submanaging general agent.*

*(k) The contract term may not be for an unreasonable period of time, but in no circumstance may the term exceed five years.*

*(l) The insurer may not authorize the managing general agent to establish the amount of the loss reserves.*

#### **Sec. 5. [60H.05] [DUTIES OF INSURERS.]**

*Subdivision 1. [INDEPENDENT FINANCIAL EXAMINATION.] The insurer shall have on file an independent financial examination, in a form acceptable to the commissioner, of each managing general agent with which it has done business.*

*Subd. 2. [ACTUARY OPINION.] If a managing general agent establishes loss reserves, the insurer shall annually obtain the opinion of an actuary attesting to the adequacy of loss reserves established for losses incurred and outstanding on business produced by the managing general agent. This is in addition to any other required loss reserve certification.*

*Subd. 3. [ON-SITE REVIEW.] The insurer shall periodically, at least semiannually, conduct an on-site review of the underwriting and claims processing operation of the managing general agent and maintain on its records the results of that review.*

*Subd. 4. [OFFICER OF INSURER.] Except as authorized under section 4, paragraph (j), clause (1), binding authority for all reinsurance contracts or participation in insurance or reinsurance syndicates shall rest with an officer of the insurer not affiliated with the managing general agent.*

*Subd. 5. [WRITTEN NOTIFICATION.] Within 30 days of entering into or termination of a contract with a managing general agent, the insurer shall provide written notification of the appointment or termination to the commissioner. Notices of appointment of a managing general agent must include a statement of duties which the managing general agent is expected to perform on behalf of the insurer, the lines of insurance for which the managing general agent is to be authorized to act, and any other information the commissioner may request.*

*Subd. 6. [REVIEW OF BOOKS AND RECORDS.] An insurer shall review its books and records each quarter to determine if a licensed agent has become a managing general agent as defined in section 2, subdivision 4. If the insurer determines that an agent has become a managing general agent, the insurer shall promptly notify the agent and the commissioner of the determination and the insurer and agent must fully comply with this chapter within 30 days.*

*Subd. 7. [PROHIBITED APPOINTMENTS.] An insurer shall not appoint to its board of directors an officer, director, employee, subagent, or controlling shareholder of its managing general agents. This section does not apply to relationships governed by the Insurance Holding Company Act, chapter 60D, or, if applicable, the Producer Controlled Insurer Act.*

**Sec. 6. [60H.06] [EXAMINATION AUTHORITY.]**

*A managing general agent may be examined as if it were the insurer.*

**Sec. 7. [60H.07] [ACTS OF MANAGING GENERAL AGENT.]**

*The acts of the managing general agent are considered to be the acts of the insurer on whose behalf it is acting.*

**Sec. 8. [60H.08] [PENALTIES AND LIABILITIES.]**

*Subdivision 1. [COMMISSIONER'S AUTHORITY.] If the commissioner finds pursuant to the procedural requirements of section 45.027 that a person has violated a provision of this chapter, the commissioner may take any action authorized under that section.*

*Subd. 2. [ADDITIONAL PENALTY.] In addition to authority granted by section 45.027 for each separate violation, the commissioner may impose a penalty of up to \$10,000 for each day the violation continues and order the managing general agent to reimburse the insurer, rehabilitator, or liquidator of the insurer for any losses incurred by the insurer caused by a violation of this chapter committed by the managing general agent.*

*Subd. 3. [JUDICIAL REVIEW.] The decision, determination, or order of the commissioner under subdivision 1 is subject to judicial review as provided under chapter 14.*

*Subd. 4. [IMPOSITION OF OTHER PENALTIES.] Nothing contained in this section shall affect the right of the commissioner to impose any other penalties provided for by law.*

*Subd. 5. [POLICYHOLDER RIGHTS.] Nothing contained in this chapter is intended to or shall in any manner limit or restrict the rights of policyholders, claimants, and auditors.*

**Sec. 9. [60H.09] [RULES.]**

*The commissioner of commerce may adopt rules for the implementation and administration of this chapter.*

## Sec. 10. [REPEALER.]

*Minnesota Statutes 1990, section 60A.076, is repealed.*

## Sec. 11. [EFFECTIVE DATE.]

*This article is effective August 1, 1991. No insurer may continue to utilize the services of a managing general agent on and after that date unless the utilization is in compliance with this chapter.*

## ARTICLE 5

## LIFE AND HEALTH GUARANTY ASSOCIATION

Section 1. Minnesota Statutes 1990, section 60B.25, is amended to read:

## 60B.25 [POWERS OF LIQUIDATOR.]

The liquidator shall report to the court monthly, or at other intervals specified by the court, on the progress of the liquidation in whatever detail the court orders. The liquidator shall coordinate *activities with those of each guaranty association* having an interest in the liquidation and shall submit a report detailing how coordination will be achieved to the court for its approval within 30 days following appointment, or within the time which the court, in its discretion, may establish. Subject to the court's control, the liquidator may:

(1) Appoint a special deputy to act under sections 60B.01 to 60B.61 and determine the deputy's compensation. The special deputy shall have all powers of the liquidator granted by this section. The special deputy shall serve at the pleasure of the liquidator.

(2) Appoint or engage employees and agents, actuaries, accountants, appraisers, consultants, and other personnel deemed necessary to assist in the liquidation without regard to chapter 14.

(3) Fix the compensation of persons under clause (2), subject to the control of the court.

(4) Defray all expenses of taking possession of, conserving, conducting, liquidating, disposing of, or otherwise dealing with the business and property of the insurer. If the property of the insurer does not contain sufficient cash or liquid assets to defray the costs incurred, the liquidator may advance the costs so incurred out of the appropriation made to the department of commerce. Any amounts so paid shall be deemed expense of administration and shall be repaid for the credit of the department of commerce out of the first available money of the insurer.

(5) Hold hearings, subpoena witnesses and compel their attendance, administer oaths, examine any person under oath and compel any person to subscribe to testimony after it has been correctly reduced to writing, and in connection therewith require the production of any books, papers, records, or other documents which the liquidator deems relevant to the inquiry.

(6) Collect all debts and money due and claims belonging to the insurer, wherever located, and for this purpose institute timely action in other jurisdictions, in order to forestall garnishment and attachment proceedings against such debts; do such other acts as are necessary or expedient to collect, conserve, or protect its assets or property, including sell, compound, compromise, or assign for purposes of collection, upon such terms and conditions as the liquidator deems best, any bad or doubtful debts; and pursue any creditor's remedies available to enforce claims.

(7) Conduct public and private sales of the property of the insurer in a manner prescribed by the court.

(8) Use assets of the estate to transfer coverage obligations to a solvent assuming insurer, if the transfer can be arranged without prejudice to applicable priorities under section 60B.44.

(9) Acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon, or otherwise dispose of or deal with any property of the insurer at its market value or upon such terms and conditions as are fair and reasonable, except that no transaction involving property the market value of which exceeds \$10,000 shall be concluded without express permission of the court. The liquidator may also execute, acknowledge, and deliver any deeds, assignments, releases, and other instruments necessary or proper to effectuate any sale of property or other transaction in connection with the liquidation. In cases where real property sold by the liquidator is located other than in the county where the liquidation is pending, the liquidator shall cause to be filed with the county recorder for the county in which the property is located a certified copy of the order of appointment.

(10) Borrow money on the security of the insurer's assets or without security and execute and deliver all documents necessary to that transaction for the purpose of facilitating the liquidation.

(11) Enter into such contracts as are necessary to carry out the order to liquidate, and affirm or disallow any contracts to which the insurer is a party.

(12) Continue to prosecute and institute in the name of the insurer or in the liquidator's own name any suits and other legal proceedings, in this state or elsewhere, and abandon the prosecution of claims the liquidator deems unprofitable to pursue further. If the insurer is dissolved under section 60B.23, the liquidator may apply to any court in this state or elsewhere for leave to be substituted for the insurer as plaintiff.

(13) Prosecute any action which may exist in behalf of the creditors, members, policyholders, or shareholders of the insurer against any officer of the insurer, or any other person.

(14) Remove any records and property of the insurer to the offices of the commissioner or to such other place as is convenient for the purposes of efficient and orderly execution of the liquidation.

(15) Deposit in one or more banks in this state such sums as are required for meeting current administration expenses and dividend distributions.

(16) Deposit with the state board of investment for investment pursuant to section 11A.24, all sums not currently needed, unless the court orders otherwise.

(17) File any necessary documents for record in the office of any county recorder or record office in this state or elsewhere where property of the insurer is located.

(18) Assert all defenses available to the insurer as against third persons, including statutes of limitations, statutes of frauds, and the defense of usury. A waiver of any defense by the insurer after a petition for liquidation has been filed shall not bind the liquidator.

(19) Exercise and enforce all the rights, remedies, and powers of any creditor, shareholder, policyholder, or member, including any power to avoid

any transfer or lien that may be given by law and that is not included within sections 60B.30 and 60B.32.

(20) Intervene in any proceeding wherever instituted that might lead to the appointment of a receiver or trustee, and act as the receiver or trustee whenever the appointment is offered.

(21) Enter into agreements with any receiver or commissioner of any other state relating to the rehabilitation, liquidation, conservation, or dissolution of an insurer doing business in both states.

(22) Exercise all powers now held or hereafter conferred upon receivers by the laws of this state not inconsistent with sections 60B.01 to 60B.61.

(23) The enumeration in this section of the powers and authority of the liquidator is not a limitation, nor does it exclude the right to do such other acts not herein specifically enumerated or otherwise provided for as are necessary or expedient for the accomplishment of or in aid of the purpose of liquidation.

(24) The power of the liquidator of a health maintenance organization includes the power to transfer coverage obligations to a solvent and voluntary health maintenance organization, insurer, or nonprofit health service plan, and to assign provider contracts of the insolvent health maintenance organization to an assuming health maintenance organization, insurer, or nonprofit health service plan permitted to enter into such agreements. The liquidator is not required to meet the notice requirements of section 62D.121. Transferees of coverage obligations or provider contracts shall have no liability to creditors or obligees of the health maintenance organization except those liabilities expressly assumed.

Sec. 2. [61B.18] [CITATION.]

*Sections 61B.18 to 61B.32 may be cited as the Minnesota life and health insurance guaranty association act.*

Sec. 3. [61B.19] [PURPOSE; SCOPE; LIMITATION OF COVERAGE; LIMITATION OF BENEFITS; CONSTRUCTION.]

*Subdivision 1. [PURPOSE.] (a) The purpose of sections 61B.18 to 61B.32 is to protect, subject to certain limitations, the persons specified in subdivision 2 against failure in the performance of contractual obligations, under life insurance policies, health insurance policies, annuity contracts, and supplemental contracts specified in subdivision 2, because of the impairment or insolvency of the member insurer that issued the policies or contracts where the impairment or insolvency occurs on or after the effective date of sections 61B.18 to 61B.32.*

*(b) To provide this protection, an association of insurers has been created and exists to pay benefits and to continue coverages, as limited in sections 61B.18 to 61B.32. Members of the association are subject to assessment to provide funds to carry out the purpose of sections 61B.18 to 61B.32.*

*Subd. 2. [SCOPE.] (a) Sections 61B.18 to 61B.32 provide coverage for the policies and contracts specified in paragraph (b) to:*

*(1) persons who are owners of or certificate holders under these policies or contracts, or, in the case of unallocated annuity contracts, to the persons who are the contract holders, and who*

*(i) are residents; or*

*(ii) are not residents, but only under all of the following conditions: the insurers that issued the policies or contracts are domiciled in the state of Minnesota; those insurers never held a license or certificate of authority in the states in which those persons reside; those states have associations similar to the association created by sections 61B.18 to 61B.32; and those persons are not eligible for coverage by those associations; and*

*(2) persons who, regardless of where they reside (except for nonresident certificate holders under group policies or contracts), are the beneficiaries, assignees, or payees of the persons covered under clause (1).*

*(b) Sections 61B.18 to 61B.32 provide coverage to the persons specified in paragraph (a) for direct, nongroup life, health, annuity, and supplemental policies or contracts, for subscriber contracts issued by a nonprofit health service plan corporation operating under chapter 62C, for certificates under direct group policies and contracts, and for unallocated annuity contracts issued by member insurers, except as limited by sections 61B.18 to 61B.32. Except as expressly excluded under subdivision 3, annuity contracts and certificates under group annuity contracts include guaranteed investment contracts, deposit administration contracts, unallocated funding agreements, allocated funding agreements, structured settlement agreements, lottery contracts, and any immediate or deferred annuity contracts.*

*Subd. 3. [LIMITATION OF COVERAGE.] Sections 61B.18 to 61B.32 do not provide coverage for:*

*(1) a portion of a policy or contract under which the investment risk is borne by the policy or contract holder;*

*(2) a policy or contract of reinsurance, unless assumption certificates have been issued;*

*(3) a policy or contract issued by an assessment benefit association operating under section 61A.39, or a fraternal benefit society operating under chapter 64B;*

*(4) a health insurance policy issued by a person other than a person authorized to write life insurance in this state or other than a person whose corporate charter would permit the writing of life insurance but who is authorized to write only health insurance in this state;*

*(5) for policies or contracts issued five or less years before the insolvency, (a) for the two-year period prior to insolvency, for other than participating or indeterminate premium policies or contracts, the portion of a policy's or contract's value equal to the cash value attributable to rates of interest which exceed the minimum rate of interest guaranteed by the insurer for the life of the policy or contract when it was issued;*

*(b) on and after the date on which the association becomes obligated with respect to such policy or contract, the portion of a policy's or contract's value attributable to rates of interest which exceed the minimum rate of interest guaranteed by the insurer for the life of the policy or contract when it was issued;*

*(6) an annuity contract issued in connection with and for the purpose of funding a structured settlement of a liability claim, owned by the liability insurer, and on which the liability insurer remains liable under the contract;*

*(7) a portion of an unallocated annuity contract which is not issued to or in connection with a specific employee, union, or association of natural*



persons benefit plan or a governmental lottery;

(8) a plan or program of an employer, association, or similar entity to provide life, health, or annuity benefits to its employees or members but only to the extent that the plan or program is self-funded or uninsured, including benefits payable by an employer, association, or similar entity under:

(i) a Multiple Employer Welfare Arrangement as defined in the Employee Retirement Income Security Act of 1974, United States Code, title 29, section 1002(40)(A), as amended through December 31, 1990;

(ii) a minimum premium group insurance plan;

(iii) a stop-loss group insurance plan; or

(iv) an administrative services only contract.

Nothing in this clause excludes coverage for stop-loss or run-off insurance policies if otherwise covered under sections 61B.18 to 61B.32;

(9) an unallocated annuity contract issued to an employee benefit plan protected under the federal Pension Benefit Guaranty Corporation; and

(10) a portion of a policy or contract to the extent that it provides dividends or experience rating credits, or provides that a fee or allowance be paid to a person, including the policy or contract holder, in connection with the service to, or administration of, the policy or contract.

*Subd. 4. [LIMITATION OF BENEFITS.]* The benefits for which the association may become liable shall in no event exceed the lesser of:

(1) the contractual obligations for which the insurer is liable or would have been liable if it were not an impaired or insolvent insurer; or

(2) subject to the limitation in clause (4), with respect to any one life, regardless of the number of policies or contracts:

(i) \$300,000 in life insurance death benefits, but not more than \$100,000 in net cash surrender and net cash withdrawal values for life insurance;

(ii) \$300,000 in health insurance benefits, including any net cash surrender and net cash withdrawal values;

(iii) \$300,000 for annuity benefits, but no more than \$100,000 in net cash surrender and net cash withdrawal values; or

(3) subject to the limitation in clause (4), with respect to each individual participating in a retirement plan established under section 401, 403(b), or 457 of the Internal Revenue Code of 1986, as amended through December 31, 1990, covered by an unallocated annuity contract, or the beneficiaries of each such individual if deceased, in the aggregate, \$300,000 in present value annuity benefits, including net cash surrender and net cash withdrawal values; or

(4) in no event shall the association be liable to expend more than \$300,000 in the aggregate with respect to any one life under clause (2), items (i), (ii), and (iii), and any one individual under clause (3); or

(5) with respect to a contract holder covered by an unallocated annuity contract, \$5,000,000 in benefits, not including any amounts covered in clause (3), irrespective of the number of those contracts held by that contract

holder.

*Subd. 5. [LIMITED LIABILITY.] The liability of the association is strictly limited by the express terms of the covered policies and contracts and by the provisions of sections 61B.18 to 61B.32 and is not affected by the contents of any brochures, illustrations, advertisements, or oral statements by agents, brokers, or others used or made in connection with their sale. This limitation on liability does not prevent an insured from proving liability that is greater than the express terms of the covered policy or contract. The insured must bring an action to claim the greater liability within one year of entry of an order of rehabilitation, conservation, or liquidation. The association is not liable for any extra-contractual, exemplary, or punitive damages. The association is not liable for attorney fees or interest other than as provided for by the terms of the policies or contracts, subject to the other limits of sections 61B.18 to 61B.32.*

*Subd. 6. [CONSTRUCTION.] Sections 61B.18 to 61B.32 shall be liberally construed to effect the purpose of sections 61B.18 to 61B.32. Subdivision 1 is an aid and guide to interpretation.*

**Sec. 4. [61B.20] [DEFINITIONS.]**

*Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 2 to 16.*

*Subd. 2. [ACCOUNT.] "Account" means either of the two accounts created under section 61B.21, subdivision 1.*

*Subd. 3. [ANNUITY CONTRACTS.] "Annuity contracts" means contracts regulated under chapter 61A.*

*Subd. 4. [ASSOCIATION.] "Association" means the Minnesota life and health insurance guaranty association.*

*Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.*

*Subd. 6. [CONTRACTUAL OBLIGATION.] "Contractual obligation" means an obligation under a policy or contract or certificate under a group policy or contract, or portion of the policy or contract or certificate, for which coverage is provided under section 61B.19, subdivision 2.*

*Subd. 7. [COVERED POLICY.] "Covered policy" means a policy or contract to which sections 61B.18 to 61B.32 apply, as provided in section 61B.19, subdivision 2.*

*Subd. 8. [DIRECT LIFE INSURANCE.] "Direct life insurance" means life insurance generally regulated under chapter 61A and credit life insurance regulated under chapter 62B.*

*Subd. 9. [HEALTH INSURANCE.] "Health insurance" means accident and health insurance regulated under chapter 62A, credit accident and health insurance regulated under chapter 62B, and subscriber contracts issued by a nonprofit health service plan corporation operating under chapter 62C.*

*Subd. 10. [IMPAIRED INSURER.] "Impaired insurer" means a member insurer that is not an insolvent insurer, and:*

*(1) is placed under an order of rehabilitation or conservation by a court of competent jurisdiction; or*

(2) is considered by the commissioner to be potentially unable to fulfill its contractual obligations.

**Subd. 11. [INSOLVENT INSURER.]** "Insolvent insurer" means a member insurer that is placed under an order of liquidation by a court of competent jurisdiction with a finding of insolvency.

**Subd. 12. [MEMBER INSURER.]** "Member insurer" means an insurer licensed or holding a certificate of authority to transact in this state any kind of insurance for which coverage is provided under section 61B.19, subdivision 2, and includes an insurer whose license or certificate of authority in this state may have been suspended, revoked, not renewed, or voluntarily withdrawn. The term does not include:

(1) a nonprofit hospital or medical service organization, other than a nonprofit health service plan corporation that operates under chapter 62C;

(2) a health maintenance organization;

(3) a fraternal benefit society;

(4) a mandatory state pooling plan;

(5) a mutual assessment company or an entity that operates on an assessment basis;

(6) an insurance exchange; or

(7) an entity similar to those listed in clauses (1) to (6).

**Subd. 13. [PERSON.]** "Person" means an individual, corporation, partnership, association, or voluntary organization.

**Subd. 14. [PREMIUMS.]** "Premiums" means amounts received on covered policies or contracts less premiums, considerations, and deposits returned, and less dividends and experience credits on those covered policies or contracts. The term does not include amounts received for policies or contracts or for the portions of policies or contracts for which coverage is not provided under section 61B.19, subdivision 3, except that assessable premium shall not be reduced on account of section 61B.19, subdivision 3, clause (5), relating to interest limitations, and section 61B.19, subdivision 4, clauses (2), (3), (4), and (5), relating to limitations with respect to any one life, any one individual, any one participant, and any one contract holder. The term does not include premiums in excess of \$5,000,000 on an unallocated annuity contract not issued under a governmental retirement plan established under section 401, 403(b), or 457 of the Internal Revenue Code of 1986, as amended through December 31, 1990.

**Subd. 15. [RESIDENT.]** "Resident" means a person who resides in Minnesota at the time a member insurer is determined to be an impaired or insolvent insurer and to whom a contractual obligation is owed. A person may be a resident of only one state, which in the case of a person other than a natural person is its principal place of business.

**Subd. 16. [SUPPLEMENTAL CONTRACT.]** "Supplemental contract" means an agreement entered into for the distribution of policy or contract proceeds.

**Subd. 17. [UNALLOCATED ANNUITY CONTRACT.]** "Unallocated annuity contract" means an annuity contract or group annuity certificate that is not issued to and owned by an individual, except to the extent of annuity benefits guaranteed to an individual by an insurer under the contract

or certificate.

**Sec. 5. [61B.21] [MINNESOTA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION.]**

*Subdivision 1. [FUNCTIONS.] The Minnesota life and health insurance guaranty association shall perform its functions under the plan of operation established and approved under section 61B.25, and shall exercise its powers through a board of directors. The association is not a state agency for purposes of chapters 14, 16A, 16B, or 43A. For purposes of administration and assessment, the association shall establish and maintain two accounts:*

*(1) the life insurance and annuity account which includes the following subaccounts:*

*(i) life insurance account;*

*(ii) annuity account, which shall include a governmental retirement plan established under section 401, 403(b), or 457 of the Internal Revenue Code of 1986, as amended through December 31, 1990; and*

*(iii) unallocated annuity account; and*

*(2) the health insurance account.*

*Subd. 2. [SUPERVISION BY COMMISSIONER OF COMMERCE.] The association is under the immediate supervision of the commissioner and is subject to the applicable provisions of the insurance laws of this state.*

**Sec. 6. [61B.22] [BOARD OF DIRECTORS.]**

*Subdivision 1. [MEMBERS.] The board of directors of the association consists of nine members serving terms as established in the plan of operation under section 61B.25. Members of the board must be elected by member insurers, subject to the approval of the commissioner, for the terms of office specified in their nominations. Vacancies on the board shall be filled for the remaining period of the term by a majority vote of the remaining board members, subject to approval of the commissioner. In approving selections or in appointing members to the board, the commissioner shall consider whether all member insurers are fairly represented.*

*Subd. 2. [EXPENSES.] Members of the board may be reimbursed from the assets of the association for reasonable and necessary expenses incurred by them as members of the board, but shall not otherwise be compensated by the association for their services.*

*Subd. 3. [COMMITTEES AND MEETINGS.] Except as otherwise required under the plan of operation:*

*(a) The board of directors may, by unanimous affirmative action of the entire board, designate three or more directors as an executive committee, which, to the extent determined by unanimous affirmative action of the entire board, has and shall exercise the authority of the board in the management of the business of the association. This executive committee shall act only in the interval between meetings of the board, and is subject at all times to the control and direction of the board.*

*(b) The board of directors may, by unanimous affirmative action of the entire board, create additional committees, which have and shall exercise the specific authority and responsibility as determined by the unanimous affirmative action of the entire board.*

(c) Any action that may be taken at a meeting of the board of directors or of a lawfully constituted executive committee may be taken without a meeting if authorized by a writing or writings signed by all the directors or by all of the members of the committee, as the case may be. This action is effective on the date on which the last signature is placed on the writing or writings, or on an earlier effective date established in the writing or writings.

(d) Members of the board of directors or of a lawfully constituted executive committee may participate in a meeting of the board or committee by means of conference telephone or similar communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting as provided in this clause constitutes presence in person at the meeting.

Subd. 4. [OPEN MEETINGS.] Board meetings are subject to section 471.705, except when private or nonpublic data as described in this subdivision is discussed. Discussions of lawsuits and member insurer assessments and business records of an impaired or insolvent insurer are classified as private data with regard to data on individuals under section 13.02, subdivision 12, or as nonpublic data with regard to data not on individuals under section 13.02, subdivision 9, whichever is applicable.

Sec. 7. [61B.23] [POWERS AND DUTIES OF THE ASSOCIATION.]

Subdivision 1. [IMPAIRED DOMESTIC INSURER.] If a member insurer is an impaired domestic insurer, the association may, in its discretion, and subject to any conditions imposed by the association that do not impair the contractual obligations of the impaired insurer and that are approved by the commissioner, and that are, except in cases of court ordered conservation or rehabilitation, also approved by the impaired insurer:

(1) guarantee, assume, or reinsure, or cause to be guaranteed, assumed, or reinsured, any or all of the policies or contracts of the impaired insurer;

(2) provide money, pledges, notes, guarantees, or other means as are proper to exercise the power granted in clause (1) and assure prompt payment of the contractual obligations of the impaired insurer pending action under clause (1); or

(3) loan money to the impaired insurer.

Subd. 2. [IMPAIRED INSURER NOT PAYING CLAIMS.] If the commissioner determines that a member insurer, whether domestic, foreign, or alien, is an impaired insurer and is not paying claims in a timely manner, the commissioner, after suspending the right of the impaired insurer to write new business in this state, shall direct the association to make or cause to be made prompt payment of all contractual obligations that are or become due and owing by the impaired insurer. The association shall endeavor to obtain access to those records of the impaired insurer as are needed for the association to discharge its obligations and, if requested by the association, the commissioner will assist the association in obtaining access to those records. If the association is not given access to the necessary records, the association shall be relieved of its responsibility to make benefit payments and hardship or emergency withdrawals until such time as it is given access to those records.

In addition, the association may, in its discretion, either take any of the

actions specified in subdivision 1, subject to the conditions in that subdivision, or provide substitute benefits in lieu of the contractual obligations of the impaired insurer solely for: health benefit claims, periodic annuity benefit payments, death benefits, supplemental benefits, and cash withdrawals for resident policy or contract owners who petition therefor under claims of emergency or hardship in accordance with standards proposed by the association and approved by the commissioner. No insurer may be reinstated until all payments of or on account of the impaired insurer's contractual obligations by the guaranty association, along with all expenses thereof and interest on all such payments and expenses, shall have been repaid to the guaranty association or a plan of repayment by the impaired insurer shall have been approved by the commissioner.

*Subd. 3. [INSOLVENT INSURER.]* If a member insurer is an insolvent insurer then, subject to any conditions imposed by the association and approved by the commissioner, the association shall make or cause to be made prompt payment of the contractual obligations of the impaired insurer which are or become due and owing. In addition, the association shall, in its discretion:

(1) guarantee, assume, or reinsure, or cause to be guaranteed, assumed, or reinsured, the policies or contracts of the insolvent insurer so as to assure prompt payment of the obligations of the insolvent insurer as they become due and owing;

(2) promptly assure payment of the contractual obligations of the insolvent insurer as they become due and owing;

(3) promptly provide money, pledges, guarantees, or other means as are reasonably necessary to discharge its duties; or

(4) with respect only to life and health insurance policies, provide benefits and coverages in accordance with subdivision 4.

*Subd. 4. [PAYMENTS; ALTERNATIVE POLICIES.]* When proceeding under this section, the association shall, with respect to only life and health insurance policies:

(a) Assure payment of benefits for premiums identical to the premiums and benefits, except for terms of conversion and renewability, that would have been payable under the policies of the impaired or insolvent insurer, for claims incurred:

(1) with respect to group policies, not later than the earlier of the next renewal date under those policies or contracts or 45 days, but in no event less than 30 days, after the date on which the association becomes obligated with respect to those policies; or

(2) with respect to individual policies, not later than the earlier of the next renewal date, if any, under those policies or one year, but in no event less than 30 days, from the date on which the association becomes obligated with respect to those policies.

(b) Make diligent efforts to provide all known insureds or group policyholders with respect to group policies 30 days' notice of the termination of the benefits provided.

(c) With respect to individual policies, make available to each known insured, or owner if other than the insured, and with respect to an individual formerly insured under a group policy who is not eligible for replacement

*group coverage, make available substitute coverage on an individual basis in accordance with subdivision 4a, if the insureds had a right under law or the terminated policy to convert coverage to individual coverage or to continue an individual policy in force until a specified age or for a specified time, during which the insurer had no right unilaterally to make changes in any provision of the policy or had a right only to make changes in premium by class.*

**Subd. 4a. [ALTERNATIVE OR REISSUED POLICY REQUIREMENTS.]** *(a) In providing the substitute coverage required under subdivision 4, paragraph (c), the association may offer either to reissue the terminated coverage or to issue an alternative policy. Alternative or reissued policies must be offered without requiring evidence of insurability, and must not provide for any waiting period or exclusion that would not have applied under the terminated policy. The association may reinsure any alternative or reissued policy.*

*(b)(1) Alternative policies adopted by the association are subject to the approval of the commissioner. The association may adopt alternative policies of various types for future issuance without regard to any particular impairment or insolvency.*

*(2) Alternative policies must provide benefits that are not unreasonable in relation to the premium charged. The association shall set the premium in accordance with a table of rates which it shall adopt. The premium must reflect the amount of insurance to be provided and the age and class of risk of each insured, but must not reflect any changes in the health of the insured after the original policy was last underwritten.*

*(3) Any alternative policy issued by the association must provide coverage of a type similar to that of the policy issued by the impaired or insolvent insurer, as determined by the association.*

*(c) If the association elects to reissue terminated coverage at a premium rate different from that charged under the terminated policy, the premium must be set by the association in accordance with the amount of insurance provided and the age and class of risk, subject to approval of the commissioner or by a court of competent jurisdiction.*

*(d) The association's obligations with respect to coverage under any policy of the impaired or insolvent insurer or under any reissued or alternative policy ceases on the date the coverage or policy is replaced by another similar policy by the policyholder, the insured, or the association and the preexisting condition limitations have been satisfied.*

**Subd. 5. [PAYMENT; CREDITING OF INTEREST.]** *When proceeding under this section with respect to any policy or contract carrying guaranteed minimum interest rates, the association shall assure the payment or crediting of a rate of interest consistent with section 61B.19, subdivision 3, clause (5).*

**Subd. 6. [OBLIGATIONS TERMINATED.]** *Nonpayment of all unpaid premiums within 31 days after the date required under the terms of a guaranteed, assumed, alternative, or reissued policy or contract or substitute coverage terminates the association's obligations under the policy, contract, or coverage under sections 61B.18 to 61B.32 with respect to the policy, contract, or coverage, except with respect to claims incurred or net cash surrender value that may be due in accordance with sections 61B.18 to 61B.32. The obligations of the association terminate 31 days after the*

*association sends a written cancellation notice by first class mail to the insured's last known address.*

*Subd. 7. [POSTLIQUIDATION PREMIUMS.] Premiums due for coverage after entry of any order of liquidation of an insolvent insurer belong to and are payable at the direction of the association, and the association is liable for unearned premiums due policy or contract owners arising after the entry of the order.*

*Subd. 8. [COVERAGE BY ANOTHER STATE.] The association has no liability under this section for a covered policy of a foreign or alien insurer whose domiciliary jurisdiction or state of entry provides protection, by statutes or rule, for residents of this state, which protection is substantially similar to that provided by sections 61B.18 to 61B.32, for residents of other states. Recovery provided for under sections 61B.18 to 61B.32 is reduced by the amount of recovery under the coverage provided by another state or jurisdiction.*

*Subd. 9. [LIENS.] (a) In carrying out its duties under subdivision 2 or 3, the association may request that there be imposed policy liens, contract liens, moratoriums on payments, or other similar means. The liens, moratoriums, or similar means may be imposed if the commissioner:*

*(1) finds that the amounts that can be assessed under sections 61B.18 to 61B.32 are less than the amounts necessary to assure full and prompt performance of the impaired insurer's contractual obligations, or that economic or financial conditions as they affect member insurers are sufficiently adverse to cause the imposition of policy or contract liens, moratoriums, or similar means to be in the public interest; and*

*(2) approves the specific policy liens, contract liens, moratoriums, or similar means to be used.*

*(b) Before being obligated under subdivision 2 or 3, the association may request that there be imposed temporary moratoriums or liens on payments of cash values and policy loans. The temporary moratoriums and liens may be imposed if approved by the commissioner.*

*Subd. 10. [FAILURE TO ACT.] If the association fails to act within a reasonable period of time as provided in subdivision 2, 3, or 4, the commissioner has the powers and duties of the association with respect to impaired or insolvent insurers.*

*Subd. 11. [ASSISTANCE TO COMMISSIONER.] The association may give assistance and advice to the commissioner, upon request, concerning rehabilitation, payment of claims, continuance of coverage, or the performance of other contractual obligations of an impaired or insolvent insurer.*

*Subd. 12. [STANDING IN COURT.] The association has standing to appear before any court in this state with jurisdiction over an impaired or insolvent insurer concerning which the association is or may become obligated under sections 61B.18 to 61B.32. This standing extends to all matters germane to the powers and duties of the association, including proposals for reinsuring, modifying, or guaranteeing the policies or contracts of the impaired or insolvent insurer and the determination of the policies or contracts and contractual obligations. The association may appear or intervene before a court in another state with jurisdiction over an impaired or insolvent insurer for which the association is or may become obligated or with jurisdiction over a third party against whom the association may have rights*



*through subrogation of the insurer's policyholders.*

*Subd. 13. [ASSIGNMENTS; SUBROGATION RIGHTS.] (a) A person receiving benefits under sections 61B.18 to 61B.32 shall be considered to have assigned the rights under, and any causes of action relating to, the covered policy or contract to the association to the extent of the benefits received because of sections 61B.18 to 61B.32, whether the benefits are payments of or on account of contractual obligations, continuation of coverage, or provision of substitute or alternative coverages. The association may require an assignment to it of those rights and causes of action by a payee, policy or contract owner, beneficiary, insured, or annuitant as a condition precedent to the receipt of rights or benefits conferred by sections 61B.18 to 61B.32 upon that person.*

*(b) The subrogation rights of the association under this subdivision have the same priority against the assets of the impaired or insolvent insurer as that possessed by the person entitled to receive benefits under sections 61B.18 to 61B.32.*

*(c) In addition to paragraphs (a) and (b), the association has all common law rights of subrogation and other equitable or legal remedies that would have been available to the impaired or insolvent insurer or holder of a policy or contract with respect to that policy or contract.*

*Subd. 14. [PERMISSIVE POWERS.] The association may:*

*(1) enter into contracts as are necessary or proper to carry out the provisions and purposes of sections 61B.18 to 61B.32;*

*(2) sue or be sued, including taking any legal actions necessary or proper to recover any unpaid assessments under section 61B.26 and to settle claims or potential claims against it;*

*(3) borrow money to effect the purposes of sections 61B.18 to 61B.32, and any notes or other evidence of indebtedness of the association not in default are legal investments for domestic insurers and may be carried as admitted assets;*

*(4) employ or retain persons as are necessary to handle the financial transactions of the association, and to perform other functions as the association considers necessary or proper under sections 61B.18 to 61B.32;*

*(5) enter into arbitration or take legal action as may be necessary to avoid payment of improper claims;*

*(6) exercise, for the purposes of sections 61B.18 to 61B.32 and to the extent approved by the commissioner, the powers of a domestic life or health insurer, but in no case may the association issue insurance policies or annuity contracts other than those issued to perform its obligations under sections 61B.18 to 61B.32;*

*(7) join an organization of one or more other state associations of similar purposes, to further the purposes and administer the powers and duties of the association; and*

*(8) negotiate and contract with any liquidator, rehabilitator, conservator, or ancillary receiver to carry out the powers and duties of the association.*

**Sec. 8. [61B.24] [ASSESSMENTS.]**

*Subdivision 1. [PURPOSE.] For the purpose of providing the funds necessary to carry out the powers and duties of the association, the board of*

*directors shall assess the member insurers, separately for each account or subaccount, at the times and for the amounts as the board finds necessary. Assessments are due not less than 30 days after prior written notice to the member insurers and accrue interest on and after the due date at the then applicable rate determined under section 549.09, subdivision 1, paragraph (c).*

*Subd. 2. [CLASSES OF ASSESSMENTS.] There are two classes of assessments, as follows:*

*(a) Class A assessments may be made for the purpose of meeting administrative and legal costs and other expenses and examinations conducted under the authority of section 61B.27. Class A assessments may be made whether or not related to a particular impaired or insolvent insurer.*

*(b) Class B assessments may be made to the extent necessary to carry out the powers and duties of the association under section 61B.23 with regard to an impaired or an insolvent insurer.*

*Subd. 3. [FORMULA FOR DETERMINATION.] (a) The amount of a class A assessment shall be determined by the board and may be made on a pro rata or non-pro rata basis. If pro rata, the board may provide that it be credited against future class B assessments. A non-pro rata assessment shall not exceed \$250 per member insurer in any one calendar year.*

*(b) The amount of any class B assessment must be allocated for assessment purposes among the accounts or subaccounts pursuant to an allocation formula which may be based on the premiums or reserves of the impaired or insolvent insurer or any other standard considered by the board in its sole discretion as being fair and reasonable under the circumstances.*

*(c) Class B assessments against member insurers for each subaccount or account must be in the proportion that the average annual premiums received on business in this state by each assessed member insurer on policies or contracts covered by each subaccount or account for the three most recent calendar years for which information is available preceding the calendar year in which the insurer became impaired or insolvent, as the case may be, bears to the average annual premiums received on business in this state by all assessed member insurers on policies or contracts covered by that subaccount or account for those same calendar years.*

*(d) Assessments for funds to meet the requirements of the association with respect to an impaired or insolvent insurer must not be made until necessary to implement the purposes of sections 61B.18 to 61B.32. Classification of assessments under subdivision 2 and computation of assessments under this subdivision must be made with a reasonable degree of accuracy, recognizing that exact determinations may not always be possible.*

*Subd. 4. [ABATEMENT OR DEFERMENT.] The association may abate or defer, in whole or in part, the assessment of a member insurer if, in the opinion of the board, payment of the assessment would endanger the ability of the member insurer to fulfill its contractual obligations. In the event an assessment against a member insurer is abated, or deferred in whole or in part, the amount by which the assessment is abated or deferred may be assessed against the other member insurers in a manner consistent with the basis for assessments as provided in this section.*

*Subd. 5. [MAXIMUM ASSESSMENT.] (a) The total of all assessments*

upon a member insurer for the life and annuity account and for each subaccount of the life and annuity account shall not in any one calendar year exceed two percent of that member insurer's average annual premiums on policies or contracts covered by that account or subaccount. In addition, if the board of directors determines that a one percent assessment for any subaccount of the life and annuity account in any one calendar year will not provide an amount sufficient to carry out the responsibilities of the association, then pursuant to subdivision 3, the board of directors shall make a one percent assessment for the affected subaccount or subaccounts and assess the remaining necessary amount against all three subaccounts on a pro rata basis; provided that if the maximum annual two percent assessment limit would be exceeded in a subaccount by the assessment, then the other subaccounts will be assessed for the balance of any remaining necessary amount up to the maximum annual two percent limit in those other subaccounts.

(b) The total of all assessments upon a member insurer for the health account shall not in any one calendar year exceed two percent of that member insurer's average annual premiums on policies or contracts covered by that account.

(c) If the maximum assessment for an account, together with the other assets of the association in that account, does not provide in any one calendar year in that account an amount sufficient to carry out the responsibilities of the association, the necessary additional funds must be assessed as soon as permitted by sections 61B.18 to 61B.32.

(d) The board may provide in the plan of operation a method of allocating funds among claims, whether relating to one or more impaired or insolvent insurers, when the maximum assessment will be insufficient to cover anticipated claims.

*Subd. 6. [REFUND.]* The board may, by an equitable method as established in the plan of operation, refund to member insurers, in proportion to the contribution of each insurer to that account or subaccount, the amount by which the assets of the account or subaccount exceed the amount the board finds is necessary to carry out during the coming year the obligations of the association with regard to that account or subaccount, including assets accruing from assignment, subrogation, net realized gains, and income from investments. A reasonable amount may be retained in any account or subaccount to provide funds for the continuing expenses of the association and for future losses.

*Subd. 7. [PREMIUM RATES AND DIVIDENDS.]* A member insurer may, in determining its premium rates and policyowner dividends as to any kind of insurance within the scope of sections 61B.18 to 61B.32, consider the amount reasonably necessary to meet its assessment obligations under sections 61B.18 to 61B.32.

*Subd. 8. [CERTIFICATE OF CONTRIBUTION.]* The association shall issue to each insurer paying an assessment under sections 61B.18 to 61B.32, other than a class A assessment, a certificate of contribution, in a form prescribed by the commissioner, for the amount of the assessment so paid. All outstanding certificates must be of equal dignity and priority without reference to amounts or dates of issue. A certificate of contribution may be shown by the insurer in its financial statement as an asset in the form and for the amount, if any, and period of time as the commissioner may approve.

*Subd. 9. [SURVIVAL OF OBLIGATION.] An insurer's membership obligations under this chapter shall survive any merger, consolidation, restructuring, incorporation, or reincorporation and shall become the obligations of the survivor organization.*

**Sec. 9. [61B.25] [PLAN OF OPERATION.]**

*Subdivision 1. [ADOPTION AND AMENDMENT.] The purpose of the plan of operation is to assure the fair, reasonable, and equitable administration of the association under sections 61B.18 to 61B.32. Amendments to the plan of operation must be submitted to the commissioner and become effective upon the commissioner's written approval or 30 days after submission if the commissioner has not disapproved. If the association fails to submit suitable amendments to the plan, the commissioner shall, after notice and hearing, adopt reasonable rules necessary or advisable to implement sections 61B.18 to 61B.32. The rules shall continue in force until modified by the commissioner or superseded by amendments submitted by the association and approved by the commissioner.*

*Subd. 2. [COMPLIANCE.] All member insurers shall comply with the plan of operation.*

*Subd. 3. [CONTENTS.] The plan of operation must, in addition to requirements specified in sections 61B.18 to 61B.32:*

- (1) establish procedures for handling the assets of the association;*
- (2) establish the amount and method of reimbursing members of the board of directors under section 61B.22;*
- (3) establish regular places and times for meetings including telephone conference calls of the board of directors or of the executive committee;*
- (4) establish procedures for records to be kept of all financial transactions of the association, its agents, and the board of directors;*
- (5) establish procedures for selecting the board of directors;*
- (6) establish any additional procedures for assessments under section 61B.24; and*
- (7) contain additional provisions necessary or proper for the execution of the powers and duties of the association.*

*Subd. 4. [DELEGATION OF POWERS AND DUTIES.] The plan of operation may provide that any or all powers and duties of the association, except those under sections 61B.23, subdivision 14, clause (3), and 61B.24, are delegated to a corporation, association, or other organization which performs or will perform functions similar to those of this association, or its equivalent, in two or more states. The corporation, association, or organization shall be reimbursed for any payments made on behalf of the association and shall be paid for its performance of any function of the association. A delegation under this subdivision shall take effect only with the approval of both the board of directors and the commissioner, and may be made only to a corporation, association, or organization which extends protection not substantially less favorable and effective than that provided by sections 61B.18 to 61B.32.*

**Sec. 10. [61B.26] [DUTIES AND POWERS OF THE COMMISSIONER.]**

- (a) In addition to other duties and powers in sections 61B.18 to 61B.32,*

*the commissioner may:*

*(1) notify the board of directors of the existence of an impaired or insolvent insurer within three days after a determination of impairment or insolvency is made or the commissioner receives notice of impairment or insolvency;*

*(2) upon request of the board of directors, provide the association with a statement of the premiums in this and any other appropriate states for each member insurer;*

*(3) when an impairment is declared and the amount of the impairment is determined, serve a demand upon the impaired insurer to make good the impairment within a reasonable time; notice to the impaired insurer shall constitute notice to its shareholders, if any; the failure of the insurer to promptly comply with the commissioner's demand shall not excuse the association from the performance of its powers and duties under sections 61B.18 to 61B.32; and*

*(4) in a liquidation or rehabilitation proceeding involving a domestic insurer, be appointed as the liquidator or rehabilitator.*

*(b) The commissioner may suspend or revoke, after notice and hearing, the certificate of authority to transact insurance in this state of any member insurer which fails to pay an assessment when due or fails to comply with the plan of operation. As an alternative, the commissioner may levy a forfeiture on any member insurer which fails to pay an assessment when due. A forfeiture shall not exceed five percent of the unpaid assessment per month, but no forfeiture shall be less than \$100 per month.*

*(c) An action of the board of directors or the association may be appealed to the commissioner if the appeal is taken within 30 days of the occurrence of the action being appealed. If a member company is appealing an assessment, the amount assessed must be paid to the association and be available to meet association obligations during the pendency of an appeal. If the appeal on the assessment is upheld, the amount paid in error or excess must be returned to the member company. Any final action or order of the commissioner is subject to judicial review in a court of competent jurisdiction, in the manner provided by chapter 14.*

*(d) The liquidator, rehabilitator, or conservator of an impaired insurer may notify all interested persons of the effect of sections 61B.18 to 61B.32.*

*(e) For the purposes of sections 61B.18 to 61B.32, the commissioner may delegate any of the powers conferred by law.*

#### Sec. 11. [61B.27] [PREVENTION OF INSOLVENCIES.]

*(a) To aid in the detection and prevention of insurer insolvencies or impairments the commissioner shall notify the commissioners of insurance of all the other states, territories of the United States, and the District of Columbia when the commissioner takes one of the following actions against a member insurer:*

*(i) revocation of license; or*

*(ii) suspension of license.*

*The notice must be mailed to all commissioners within 30 days following the action.*

*(b) If the commissioner deems it appropriate, the commissioner may:*

(1) report to the board of directors when the commissioner has taken one of the actions specified in paragraph (a) or has received a report from another commissioner indicating that an action specified in paragraph (a) has been taken in another state. The report to the board of directors must contain all significant details of the action taken or the report received from another commissioner.

(2) report to the board of directors when the commissioner has reasonable cause to believe from an examination, whether completed or in process, of a member company that the company may be an impaired or insolvent insurer.

(3) furnish to the board of directors the National Association of Insurance Commissioners Insurance Regulatory Information System ratios and listings of companies not included in the ratios developed by the National Association of Insurance Commissioners, and the board may use the information in carrying out its duties and responsibilities under this section. The report and the information contained in it must be kept confidential by the board of directors until it has been made public by the commissioner or other lawful authority.

(c) The commissioner may seek the advice and recommendations of the board of directors concerning any matter affecting the commissioner's duties and responsibilities regarding the financial condition of member insurers and of companies seeking admission to transact insurance business in this state.

(d) The board of directors may, upon majority vote, make reports and recommendations to the commissioner upon matters germane to the solvency, liquidation, rehabilitation, or conservation of any member insurer or germane to the solvency of a company seeking to do an insurance business in this state. Those reports and recommendations shall not be considered public documents.

(e) The board of directors, upon majority vote, shall notify the commissioner of information indicating that a member insurer may be an impaired or insolvent insurer.

(f) The board of directors may, upon majority vote, request that the commissioner order an examination of a member insurer which the board in good faith believes may be an impaired or insolvent insurer. Within 30 days of the receipt of the request, if the commissioner believes that adequate evidence has been presented to justify an examination, the commissioner shall begin the examination. The examination may be conducted as a National Association of Insurance Commissioners examination or may be conducted by those persons designated by the commissioner. The cost of the examination must be paid by the association and the examination report must be treated as are other examination reports. In no event shall an examination report be released to the board of directors prior to its release to the public, but this shall not preclude the commissioner from complying with paragraph (a).

The commissioner shall notify the board of directors when the examination is completed. The request for an examination must be kept on file by the commissioner but it shall not be open to public inspection prior to the release of the examination report to the public.

(g) The board of directors may, upon majority vote, make recommendations to the commissioner for the detection and prevention of insurer

*insolvencies.*

*(h) The board of directors may, at the conclusion of an insurer insolvency in which the association was obligated to pay covered claims, prepare a report to the commissioner containing the information it may have in its possession bearing on the history and causes of the insolvency. The board shall cooperate with the boards of directors of guaranty associations in other states in preparing a report on the history and causes of insolvency of a particular insurer, and may adopt by reference any report prepared by those other associations.*

**Sec. 12. [61B.28] [MISCELLANEOUS PROVISIONS.]**

*Subdivision 1. [RECORDS.] Records must be kept of all negotiations and meetings in which the association or its representatives are involved to discuss the activities of the association in carrying out its powers and duties under section 61B.23. Records of negotiations or meetings shall be made public only upon the termination of a liquidation, rehabilitation, or conservation proceeding involving the impaired or insolvent insurer, upon the termination of the impairment or insolvency of the insurer, or upon the order of a court of competent jurisdiction. Nothing in this subdivision limits the duty of the association to report its activities under section 61B.27.*

*Subd. 2. [REPORTS.] (a) A report, recommendation, or notification by the association, its board of directors, or officers to the commissioner concerning a member insurer, together with statements or documents furnished to the commissioner with, or subsequent to, a report, recommendation, or notification, is confidential and a privileged communication. Reports, recommendations, notifications, statements, and documents furnished to the commissioner are not admissible in whole or in part for any purpose in an action or proceeding against:*

*(1) the association or its member insurers, officers, employees, or representatives submitting or providing the report, recommendation, notification, statement, or document; or*

*(2) a person, firm, or entity who in good faith furnishes to the association the information or document upon which the association has relied in making its report, recommendation, or notification to the commissioner.*

*(b) Notwithstanding the provisions of section 13.71, the commissioner may release to the association's board of directors any or all nonpublic data collected and maintained by the commissioner on a member insurer or a potential member insurer. Information furnished to the board of directors is private.*

*Subd. 3. [ASSOCIATION AS CREDITOR.] For the purpose of carrying out its obligations under sections 61B.18 to 61B.32, the association is considered to be a creditor of the impaired or insolvent insurer to the extent of assets attributable to covered policies, reduced by amounts to which the association is entitled as subrogee under section 61B.23, subdivision 13. Assets of the impaired or insolvent insurer attributable to covered policies must be used to continue all covered policies and pay all contractual obligations of the impaired or insolvent insurer as required by sections 61B.18 to 61B.32. Assets attributable to covered policies, as used in this subdivision, are that proportion of the assets which the reserves that should have been established for those policies bear to the reserves that should have been established for all policies of insurance written by the impaired or insolvent insurer.*

*Subd. 4. [PROHIBITED SALES PRACTICE.] No person, including an insurer, agent, or affiliate of an insurer, shall make, publish, disseminate, circulate, or place before the public, or cause directly or indirectly to be made, published, disseminated, circulated, or placed before the public, in any newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio station or television station, or in any other way, an advertisement, announcement, or statement, written or oral, which uses the existence of the Minnesota Life and Health Insurance Guaranty Association for the purpose of sales, solicitation, or inducement to purchase any form of insurance covered by sections 61B.18 to 61B.32, providing the notice required by subdivision 5 is not a violation of this subdivision. This subdivision does not apply to the Life and Health Insurance Guaranty Association or an entity that does not sell or solicit insurance. A person violating this section is guilty of a misdemeanor.*

*Subd. 5. [NOTICE CONCERNING LIMITATIONS AND EXCLUSIONS.] On and after January 1, 1992, no person, including an insurer, agent, or affiliate of an insurer or agent, shall offer for sale in this state a covered life insurance, annuity, or health insurance policy or contract without delivering at the time of application for that policy or contract a notice in the form the commissioner from time to time may approve for use in this state relating to coverage provided by the Minnesota Life and Health Insurance Guaranty Association. If the commissioner fails to act, the following notice must be used until the commissioner approves another form of notice:*

**“NOTICE CONCERNING LIMITATIONS AND  
EXCLUSIONS UNDER THE MINNESOTA LIFE AND  
HEALTH INSURANCE GUARANTY  
ASSOCIATION LAW**

*Residents of Minnesota who purchase life insurance, annuities, or health insurance from life insurance companies authorized to do business in Minnesota are protected, SUBJECT TO LIMITS AND EXCLUSIONS, in the event the insurer becomes financially impaired or insolvent. This protection is provided by the Minnesota Life and Health Insurance Guaranty Association.*

**INVESTMENT PORTIONS OF INSURANCE CONTRACTS MAY NOT BE FULLY PROTECTED.** *Interest earnings will be covered by the guaranty association only up to a minimum rate of interest.*

*The maximum amount the guaranty association will pay for all policies issued on one life by the same insurer is limited to \$300,000. Subject to this \$300,000 limit, the guaranty association will pay up to \$100,000 in life insurance cash surrender values, \$100,000 in present values of annuities, \$300,000 in health insurance benefits, and \$300,000 in life insurance death benefits. Coverage by the guaranty association is subject to other substantial limitations and exclusions, and requires continued residency in Minnesota. For example, the cash value and/or death benefit of your policy could be reduced to the minimums guaranteed by the insurer when the policy was issued. THE COVERAGE PROVIDED BY THE GUARANTY ASSOCIATION IS NOT A SUBSTITUTE FOR USING CARE IN SELECTING INSURANCE COMPANIES THAT ARE WELL MANAGED AND FINANCIALLY STABLE. IN SELECTING AN INSURANCE COMPANY OR POLICY, YOU ARE ADVISED NOT TO RELY ON COVERAGE BY THE GUARANTY ASSOCIATION.”*



*Subd. 6. [EFFECT OF NOTICE.] The distribution, delivery, or contents of interpretation of the notice described in subdivision 5 shall not mean that either the policy or contract, or the owner or holder thereof, would be covered in the event of the impairment or insolvency of a member insurer if coverage is not otherwise provided by sections 61B.18 to 61B.32. Failure to receive the notice does not give the policyholder, contract holder, certificate holder, insured, owner, beneficiaries, assignees, or payees any greater rights than those provided by sections 61B.18 to 61B.32.*

*Subd. 7. [DISTRIBUTION TO STOCKHOLDERS.] No distribution to stockholders of an impaired domiciliary insurer shall be made until the total amount of assessments levied by the association with respect to the insurer have been fully recovered by the association.*

**Sec. 13. [61B.29] [EXAMINATION OF THE ASSOCIATION; ANNUAL REPORT.]**

*The association is subject to examination and regulation by the commissioner. The board of directors shall submit to the commissioner, before May 1 each year, a financial report in a form approved by the commissioner and a report of its activities during the association's preceding fiscal year.*

**Sec. 14. [61B.30] [TAX EXEMPTIONS.]**

*Subdivision 1. [STATE FEES AND TAXES.] The association is exempt from payment of all fees and all taxes levied by this state or its subdivisions, except taxes levied on real property.*

*Subd. 2. [FEDERAL AND FOREIGN STATE TAXES.] The association may seek exemption from payment of all fees and taxes levied by the federal or any other state government or its subdivisions.*

**Sec. 15. [61B.31] [INDEMNIFICATION.]**

*The association has authority to indemnify certain persons against certain expenses and liabilities as provided in section 300.083 including the power to purchase and maintain insurance on behalf of these persons as provided by section 300.083, subdivision 7. In applying section 300.083 for this purpose, the term "member insurers" shall be substituted for the terms "shareholders" and "stockholders" and the term "association" shall be substituted for the term "corporation."*

**Sec. 16. [61B.32] [STAY OF PROCEEDINGS; REOPENING DEFAULT JUDGMENTS.]**

*All proceedings in which the insolvent insurer is a party in a court in this state must be stayed 60 days from the date an order of liquidation, rehabilitation, or conservation is final to permit proper legal action by the association on matters germane to its powers or duties. As to judgment under a decision, order, verdict, or finding based on default, the association may apply to have the judgment set aside by the same court that made the judgment and may defend against the suit on the merits.*

**Sec. 17. [CONTINUATION OF ASSOCIATION.]**

*Subdivision 1. [ASSOCIATION.] The nonprofit legal entity known as the Minnesota life and health insurance guaranty association established under Minnesota Statutes 1990, section 61B.04, subdivision 1, shall continue to exist under sections 2 to 16. All member insurers shall be and remain members of the association as a condition of their authority to transact insurance in this state.*

*Subd. 2. [BOARD OF DIRECTORS.] Those persons who, as of the effective date of sections 2 to 16, are serving on the board of directors of the association pursuant to Minnesota Statutes 1990, section 61B.05, continue to serve on the board established by this section for their remaining terms of office. As those terms expire, members of the board shall be elected by member insurers, subject to the approval of the commissioner of commerce, for the terms of office specified in their nominations.*

*Subd. 3. [PLAN OF OPERATION.] The association's existing plan of operation established under Minnesota Statutes 1990, section 61B.08, shall continue in existence under sections 2 to 16, subject to amendments and modifications, until a new plan of operation is submitted to and approved by the commissioner of commerce. If the association fails to submit a plan of operation within 120 days following the effective date of sections 2 to 16, the commissioner shall, after notice and hearing, adopt reasonable rules necessary or advisable to implement sections 2 to 16. The rules are effective until modified by the commissioner or superseded by a plan submitted by the association and approved by the commissioner.*

**Sec. 18. [REPEALER.]**

*Minnesota Statutes 1990, sections 61B.01; 61B.02; 61B.03; 61B.04; 61B.05; 61B.06; 61B.07; 61B.08; 61B.09; 61B.10; 61B.11; 61B.12; 61B.13; 61B.14; 61B.15; and 61B.16, are repealed.*

**Sec. 19. [EFFECTIVE DATE.]**

*This article is effective the day following final enactment and applies to an impairment or insolvency occurring on or after that date.*

**ARTICLE 6**

**MIGA AMENDMENTS**

Section 1. Minnesota Statutes 1990, section 60B.37, subdivision 2, is amended to read:

**Subd. 2. [EXCUSED LATE FILINGS.]** For a good cause shown, the liquidator shall recommend and the court shall permit a claimant making a late filing to share in dividends, whether past or future, as if the claimant were not late, to the extent that any such payment will not prejudice the orderly administration of the liquidation. Good cause includes but is not limited to the following:

(a) That existence of a claim was not known to the claimant and that the claimant filed within 30 days after learning of it;

(b) That a claim for unearned premiums or for cash surrender values or other investment values in life insurance or annuities which was not required to be filed was omitted from the liquidator's recommendations to the court under section 60B.45, and that it was filed within 30 days after the claimant learned of the omission;

(c) That a transfer to a creditor was avoided under sections 60B.30 to 60B.32 or was voluntarily surrendered under section 60B.33, and that the filing satisfies the conditions of section 60B.33;

(d) That valuation under section 60B.43 of security held by a secured creditor shows a deficiency, which is filed within 30 days after the valuation; ~~and~~

(e) That a claim was contingent and became absolute, and was filed within

30 days after it became absolute; and

*(f) That the claim is for workers' compensation benefits and the time limitations and other requirements of chapter 176 have been met.*

Sec. 2. Minnesota Statutes 1990, section 60C.02, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] This chapter applies to all kinds of direct insurance, except life, title, accident and sickness written by life insurance companies, credit, mortgage guaranty, *financial guaranty or other forms of insurance offering protection against investment risks*, and ocean marine.

Sec. 3. Minnesota Statutes 1990, section 60C.03, subdivision 6, is amended to read:

Subd. 6. "Member insurer" means any person, including reciprocals or interinsurance exchanges operating under chapter 71A, township mutual fire insurance companies operating under sections 67A.01 to 67A.26, and farmers mutual fire insurance companies operating under sections 67A.27 to 67A.39, who (a) writes any kind of insurance not excepted from the scope of Laws 1971, chapter 145 by section 60C.02, and (b) is licensed to transact insurance business in this state, except any nonprofit service plan incorporated or operating under sections 62C.01 to 62C.23 and any health plan incorporated under chapter 317A, *and includes an insurer whose license or certificate of authority in this state may have been suspended, revoked, not renewed, or voluntarily withdrawn.*

Sec. 4. Minnesota Statutes 1990, section 60C.03, is amended by adding a subdivision to read:

*Subd. 10. "Financial guaranty insurance" includes any insurance under which loss is payable upon proof of occurrence of any of the following events to the damage of an insured claimant or obligee:*

*(1) failure of any obligor or obligors on any debt instrument or other monetary obligation, including common or preferred stock, to pay when due the principal, interest, dividend, or purchase price of such instrument or obligation, whether such failure is the result of a financial default or insolvency and whether or not such obligation is incurred directly or as guarantor by, or on behalf of, another obligor which has also defaulted;*

*(2) changes in the level of interest rates whether short-term or long-term, or in the difference between interest rates existing in various markets;*

*(3) changes in the rate of exchange or currency, or from the inconvertibility of one currency into another for any reason; and*

*(4) changes in the value of specific assets or commodities, or price levels in general.*

Sec. 5. Minnesota Statutes 1990, section 60C.04, is amended to read:  
60C.04 [CREATION.]

All insurers subject to the provisions of Laws 1971, chapter 145 shall form an organization to be known as the Minnesota insurance guaranty association. All insurers defined as member insurers in section 60C.03, subdivision 6, are and shall remain members of the association as a condition of their authority to transact insurance business or to execute surety bonds in this state. *An insurer's membership obligations under this chapter shall*

*survive any merger, consolidation, restructuring, incorporation, or reincorporation.* The association shall perform its functions under a plan of operation established and approved under section 60C.07 and shall exercise its powers through a board of directors established under section 60C.08. For purposes of administration and assessment the association shall be divided into five separate accounts: (1) the automobile insurance account, (2) the township mutuals account, (3) the fidelity and surety bond account, (4) the account for all other insurance to which ~~Laws 1971, this chapter 145~~ applies, and (5) the workers' compensation insurance account.

Sec. 6. Minnesota Statutes 1990, section 60C.06, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION OF AMOUNT.] The assessments of each member insurer shall be in the proportion that the net direct written premiums of the member insurer for the preceding calendar year on the kinds of insurance in the account bear to the net direct written premiums of all member insurers for the preceding calendar year on the kinds of insurance in the account. No member insurer may be assessed in any year on any account in an amount greater than two percent of that member insurer's net direct written premiums for the preceding calendar year on the kinds of insurance in the account. ~~All member insurers licensed to transact insurance business in this state on the date an insurer is placed in liquidation may be assessed as provided by section 60C.06 for necessary payments from the account.~~

Sec. 7. Minnesota Statutes 1990, section 60C.09, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] A covered claim is any unpaid claim, including one for unearned premium, which:

(a)(1) Arises out of and is within the coverage of an insurance policy issued by a member insurer if the insurer becomes an insolvent insurer after April 30, 1979; or

(2) Would be within the coverage of an extended reporting endorsement to a claims-made insurance policy if insolvency had not prevented the member insurer from fulfilling its obligation to issue the endorsement, if:

(i) the claims-made policy contained a provision affording the insured the right to purchase a reporting endorsement;

(ii) coverage will be no greater than if a reporting endorsement had been issued;

(iii) the insured has not purchased other insurance which applies to the claim; and

(iv) the insured's deductible under the policy is increased by an amount equal to the premium for the reporting endorsement, as provided in the insured's claims-made policy, or if not so provided, then as established by a rate service organization.

(b) Arises out of a class of business which is not excepted from the scope of this chapter by section 60C.02; and

(c) Is made by:

(i) A policyholder, or an insured beneficiary under a policy, who, at the time of the insured event, was a resident of this state; or

(ii) A person designated in the policy as having an insurable interest in or related to property situated in this state at the time of the insured event; or

(iii) An obligee or creditor under any surety bond, who, at the time of default by the principal debtor or obligor, was a resident of this state; or

(iv) A third party claimant under a liability policy or surety bond, if: (a) the insured or the third party claimant was a resident of this state at the time of the insured event; (b) the claim is for bodily or personal injuries suffered in this state by a person who when injured was a resident of this state; or (c) the claim is for damages to real property situated in this state at the time of damage; or

(v) A direct or indirect assignee of a person who except for the assignment might have claimed under item (i), (ii), or (iii).

For purposes of paragraph (c), item (ii), unit owners of condominiums, townhouses, or cooperatives are considered as having an insurable interest.

A covered claim also includes any unpaid claim which arises or exists within 30 days after the time of entry of an order of liquidation with a finding of insolvency by a court of competent jurisdiction unless prior thereto the insured replaces the policy or causes its cancellation or the policy expires on its expiration date. A covered claim does not include claims filed with the guaranty fund after the final date set by the court for the filing of claims except for *workers' compensation claims that have met the time limitations and other requirements of chapter 176* and excused late filings permitted under section 60B.37.

Sec. 8. Minnesota Statutes 1990, section 60C.13, subdivision 1, is amended to read:

Subdivision 1. Any person having a claim ~~against an insurer under any provision in an insurance policy other than a policy of an insurer in liquidation which is also a covered claim, is required to exhaust first any rights under another policy, which claim arises out of the same facts which give rise to the covered claim, shall be first required to exhaust the person's right under the other policy.~~ Any amount payable on a covered claim under ~~Laws 1971,~~ this chapter ~~145~~ shall be reduced by the amount of any recovery under such insurance policy. *For purposes of this section, another insurance policy means a policy or coverage issued by any insurance company, whether a member insurer or not, which policy or coverage insures against any of the types of direct insurance or coverage, excluding workers' compensation, which is within the scope of this chapter.*

Sec. 9. [EFFECTIVE DATE.]

*Sections 1 to 7 are effective the day following final enactment. Section 8 applies to all unsettled existing and future claims made after that date arising out of any past or future member insolvencies.*

## ARTICLE 7

### STANDARD VALUATION LAW

Section 1. Minnesota Statutes 1990, section 61A.25, is amended by adding a subdivision to read:

*Subd. 2a. [ACTUARIAL OPINION OF RESERVES; GENERAL.] (a) Unless exempted by the commissioner, every life insurance company doing*

*business in this state shall annually submit the opinion of a qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified by the commissioner by regulation are computed appropriately, are based on assumptions which satisfy contractual provisions, are consistent with prior reported amounts, and comply with applicable laws of this state. The commissioner may by rule define the specifics of this opinion and add any other items considered to be necessary to its scope. The opinion must be included in the company's annual statement.*

*(b) The requirement to annually submit the opinion of a qualified actuary applies to service plan corporations licensed under chapter 62C, to legal service plans licensed under chapter 62G, and to all fraternal beneficiary associations except those associations paying only sick benefits not exceeding \$250 in any one year, or paying funeral benefits of not more than \$350, or aiding those dependent on a member not more than \$350, nor any subordinate lodge or council which is, or whose members are, assessed for benefits which are payable by a grand body.*

*(c) The opinion applies to all business in force, including individual and group health insurance plans, and must be based on standards adopted by the Actuarial Standards Board. The opinion must be acceptable to the commissioner in both form and substance.*

*(d) In the case of an opinion required to be submitted by a foreign or alien company, the commissioner may accept the opinion filed by that company with the insurance supervisory official of another state if the commissioner determines that the opinion reasonably meets the requirements applicable to a company domiciled in this state.*

*(e) For the purposes of this section, "qualified actuary" means a member in good standing of the American Academy of Actuaries who meets the requirements specified in the regulations.*

*(f) The board of directors of every insurer subject to this section shall appoint a qualified actuary to sign its actuarial opinion. The appointment of the qualified actuary shall be approved by the commissioner. The qualified actuary so appointed may be an employee of the insurer. Notice of the appointment, including a copy of the board of directors' resolution, and the date of appointment shall be filed with the commissioner. The notice may be filed before or at the time the actuarial opinion is submitted. The notice shall state the qualifications of the actuary. If the board appoints a new actuary to sign actuarial opinions during the year, the commissioner shall be notified of the new appointment and the reason for change.*

*(g) Except in cases of fraud or willful misconduct, the qualified actuary is not liable for damages to any person, other than the insurance company and the commissioner, for any act, error, omission, decision, or conduct with respect to the actuary's opinion.*

*(h) A memorandum, in form and substance acceptable to the commissioner based on standards adopted by the Actuarial Standards Board and on additional standards as the commissioner may by rule prescribe, must be prepared to support each actuarial opinion.*

*(i) If the insurance company fails to provide a supporting memorandum at the request of the commissioner within a period specified by the commissioner, or the commissioner determines that the supporting memorandum provided by the insurance company fails to meet the standards based on standards adopted by the Actuarial Standards Board and on additional*

*standards as the commissioner may by rule prescribe or is otherwise unacceptable to the commissioner, the commissioner may engage a qualified actuary at the expense of the company to review the opinion and the basis for the opinion and prepare the required supporting memorandum.*

*(j) Any memorandum in support of the opinion, and any other material provided by the company to the commissioner in connection with the memorandum, must be kept confidential by the commissioner and must not be made public and is not subject to subpoena, other than for the purpose of defending an action seeking damages from any person by reason of any action required by this section or by rules promulgated under this section. The memorandum or other material may otherwise be released by the commissioner (1) with the written consent of the company or (2) to the American Academy of Actuaries upon request stating that the memorandum or other material is required for the purpose of professional disciplinary proceedings and setting forth procedures satisfactory to the commissioner for preserving the confidentiality of the memorandum or other material. Once any portion of the confidential memorandum is cited by the company in its marketing or is cited before any governmental agency other than a state insurance department or is released by the company to the news media, all portions of the confidential memorandum are no longer confidential.*

Sec. 2. Minnesota Statutes 1990, section 61A.25, is amended by adding a subdivision to read:

*Subd. 2b. [ACTUARIAL ANALYSIS.] (a) Every life insurance company, except as exempted by or pursuant to regulation, shall also annually include in the opinion required under subdivision 2a, paragraph (a), an opinion of the same qualified actuary as to whether the reserves and related actuarial items, including page 3, line 10, of the annual statement, held in support of the policies and contracts specified by the commissioner, when considered in light of the assets held by the company with respect to the reserves and related actuarial items, including but not limited to the investment earnings on the assets and the considerations anticipated to be received and retained under the policies and contracts, make adequate provision for the company's obligations under the policies and contracts, including but not limited to the benefits under and expenses associated with the policies and contracts.*

*(b) The commissioner may provide by regulation for a transition period for establishing any higher reserves which the qualified actuary may consider necessary in order to give the opinion required under section 1.*

Sec. 3. Minnesota Statutes 1990, section 61A.25, subdivision 5, is amended to read:

*Subd. 5. [MINIMUM AGGREGATE RESERVES.] A company's aggregate reserves for all life insurance policies, excluding disability and accidental death benefits, issued on or after the operative date of Laws 1947, chapter 182, shall not be less than the aggregate reserves calculated in accordance with the methods set forth in subdivisions 4, 4a, 7, and 8, and the mortality table or tables and rate or rates of interest used in calculating nonforfeiture benefits for the policies.*

*In no event shall the aggregate reserves for all policies, contracts, and benefits be less than the aggregate reserves determined by the qualified actuary to be necessary to render the opinion required under section 1.*

Sec. 4. Minnesota Statutes 1990, section 61A.25, subdivision 6, is amended to read:

Subd. 6. [CALCULATION OF RESERVES.] (1) Reserves for all policies and contracts issued prior to the operative date of Laws 1947, chapter 182, may be calculated, at the option of the company, according to any standards which produce greater aggregate reserves for all such policies and contracts than the minimum reserves required by the laws in effect immediately prior to such date.

(2) Reserves for any category of policies, contracts or benefits as established by the commissioner, issued on or after the operative date of Laws 1947, chapter 182, may be calculated, at the option of the company, according to any standards which produce greater aggregate reserves for such category than those calculated according to the minimum standard herein provided, but the rate or rates of interest used for policies and contracts, other than annuity and pure endowment contracts, shall not be higher than the corresponding rate or rates of interest used in calculating any nonforfeiture benefits provided for therein.

(3) Any such company which at any time shall have adopted any standard of valuation producing greater aggregate reserves than those calculated according to the minimum standard herein provided may, with the approval of the commissioner, adopt any lower standard of valuation, but not lower than the minimum herein provided. *For purposes of this section, the holding of additional reserves previously determined by a qualified actuary to be necessary to give the opinion required under section 1 shall not be considered the adoption of a higher standard of valuation.*

Sec. 5. Minnesota Statutes 1990, section 61A.25, is amended by adding a subdivision to read:

*Subd. 9. [MINIMUM STANDARDS FOR HEALTH, DISABILITY, ACCIDENT, AND SICKNESS PLANS.] The commissioner may adopt a rule containing the minimum standards applicable to the valuation of health, disability, accident, and sickness plans.*

Sec. 6. [REPORT.]

*The commissioner of commerce shall review the standards for the appointment of qualified actuaries under sections 1 and 2 and submit a report to the legislature relating to the effectiveness of the standards by January 1, 1993.*

Sec. 7. [COMPLEMENT.]

*The complement of the department of commerce is increased by one position in the classified service for the purpose of reviewing actuarial opinions and analysis submitted under sections 1 and 2.*

Sec. 8. [EFFECTIVE DATE.]

*Sections 1 to 5 are effective for reports submitted for 1992 as required under section 60A.13.*

## ARTICLE 8

### INVESTMENTS FOR DOMESTIC INSURERS

Section 1. Minnesota Statutes 1990, section 60A.11, subdivision 10, is amended to read:

Subd. 10. [DEFINITIONS.] The following terms have the meaning assigned in this subdivision for purposes of this section and section 60A.111:



(a) *"Adequate evidence"* means a written confirmation, advice, or other verification issued by a depository, issuer, or custodian bank which shows that the investment is held for the company;

(b) *"Adequate security"* means a letter of credit qualifying under subdivision 11, paragraph (f), cash, or the pledge of an investment authorized by any subdivision of this section;

(c) *"Admitted assets,"* for purposes of computing percentage limitations on particular types of investments, means the assets as shown by the company's annual statement, required by section 60A.13, as of the December 31 immediately preceding the date the company acquires the investment;

~~(b)~~ (d) *"Clearing corporation"* means The Depository Trust Company or any other clearing agency registered with the ~~federal~~ securities and exchange commission pursuant to the ~~Federal~~ Securities Exchange Act of 1934, section 17A, Euro-clear Clearance System Limited and CEDEL S.A., and, with the approval of the commissioner, any other clearing corporation as defined in section 336.8-102;

~~(e)~~ (e) *"Control"* has the meaning assigned to that term in, and must be determined in accordance with, section 60D.01, subdivision 4;

~~(d)~~ (f) *"Custodian bank"* means a bank or trust company or a branch of a bank or trust company that is acting as custodian and is supervised and examined by state or federal authority having supervision over the bank or trust company or with respect to a company's foreign investments only by the regulatory authority having supervision over banks or trust companies in the jurisdiction in which the bank, trust company, or branch is located, and any banking institutions qualifying as an *"Eligible Foreign Custodian"* under the Code of Federal Regulations, section 270.17f-5, adopted under section 17(f) of the Investment Company Act of 1940, and specifically ~~includes~~ including Euro-clear Clearance System Limited and CEDEL S.A., acting as custodians;

(g) *"Evergreen clause"* means a provision that automatically renews a letter of credit for a time certain if the issuer of the letter of credit fails to affirmatively signify its intention to nonrenew upon expiration;

(h) *"Government obligations"* means direct obligations for the payment of money, or obligations for the payment of money to the extent guaranteed as to the payment of principal and interest by any governmental issuer where the obligations are payable from ad valorem taxes or guaranteed by the full faith, credit, and taxing power of the issuer and are not secured solely by special assessments for local improvements;

(i) *"Noninvestment grade obligations"* means obligations which, at the time of acquisition, were rated below Baa/BBB or the equivalent by a securities rating agency or which, at the time of acquisition, were in one of the two highest categories established by the securities valuation office of the National Association of Insurance Commissioners;

~~(e)~~ (j) *"Issuer"* means the corporation, business trust, governmental unit, partnership, association, individual, or other entity which issues or on behalf of which is issued any form of obligation;

(k) *"Licensed real estate appraiser"* means a person who develops and communicates real estate appraisals and who holds a current, valid license under chapter 82B or a substantially similar licensing requirement in another jurisdiction;

(f) (l) "Member bank" means a national bank, state bank or trust company which is a member of the Federal Reserve System;

(g) (m) "National securities exchange" means an exchange registered under section 6 of the Securities Exchange Act of 1934 or an exchange regulated under the laws of the Dominion of Canada;

(n) "NASDAQ" means the reporting system for securities meeting the definition of National Market System security as provided under Part I to Schedule D of the National Association of Securities Dealers Incorporated bylaws;

(h) (o) "Obligations" include bonds, notes, debentures, transportation equipment certificates, repurchase agreements, bank certificates of deposit, time deposits, bankers' acceptances, and other obligations for the payment of money not in default as to payments of principal and interest on the date of investment, whether constituting general obligations of the issuer or payable only out of certain revenues or certain funds pledged or otherwise dedicated for payment. Leases are considered obligations if the lease is assigned for the benefit of the company and is nonterminable by the lessee or lessees thereunder upon foreclosure of any lien upon the leased property, and rental payments are sufficient to amortize the investment over the primary lease term;

(i) (p) "Qualified assets" means the sum of (1) all investments qualified in accordance with this section other than investments in affiliates and subsidiaries, (2) investments in obligations of affiliates as defined in section 60D.01, subdivision 2 secured by real or personal property sufficient to qualify the investment under subdivision 19 or 23, (3) qualified investments in subsidiaries, as defined in section 60D.01, subdivision 9, on a consolidated basis with the insurance company without allowance for goodwill or other intangible value, and (4) cash on hand and on deposit, agent's balances or uncollected premiums not due more than 90 days, assets held pursuant to section 60A.12, subdivision 2, investment income due and accrued, funds due or on deposit or recoverable on loss payments under contracts of reinsurance entered into pursuant to section 60A.09, premium bills and notes receivable, federal income taxes recoverable, and equities and deposits in pools and associations;

(j) (q) "Qualified net earnings" means that the net earnings of the issuer after elimination of extraordinary nonrecurring items of income and expense and before income taxes and fixed charges over the five immediately preceding completed fiscal years, or its period of existence if less than five years, has averaged not less than 1-1/4 times its average annual fixed charges applicable to the period;

(k) (r) "Required liabilities" means the sum of (1) total liabilities as required to be reported in the company's most recent annual report to the commissioner of commerce of this state, (2) for companies operating under the stock plan, the minimum paid-up capital and surplus required to be maintained pursuant to section 60A.07, subdivision 5a, (3) for companies operating under the mutual or reciprocal plan, the minimum amount of surplus required to be maintained pursuant to section 60A.07, subdivision 5b, and (4) the amount, if any, by which the company's loss and loss adjustment expense reserves exceed 350 percent of its surplus as it pertains to policyholders as of the same date. The commissioner may waive the requirement in clause (4) unless the company's written premiums exceed 300 percent of its surplus as it pertains to policyholders as of the same date.

In addition to the required amounts pursuant to clauses (1) to (4), the commissioner may require that the amount of any apparent reserve deficiency that may be revealed by one to five year loss and loss adjustment expense development analysis for the five years reported in the company's most recent annual statement to the commissioner be added to required liabilities; ~~and~~

(s) "*Revenue obligations*" means obligations for the payment of money by a governmental issuer where the obligations are payable from revenues, earnings, or special assessments on properties benefited by local improvements of the issuer which are specifically pledged therefor;

(t) "*Security*" has the meaning given in section 5 of the Security Act of 1933 and specifically includes, but is not limited to, stocks, stock equivalents, warrants, rights, options, obligations, American Depository Receipts (ADR's), repurchase agreements, and reverse repurchase agreements; and

(u) "*Unrestricted surplus*" means the amount by which qualified assets exceed 110 percent of required liabilities.

Sec. 2. Minnesota Statutes 1990, section 60A.11, subdivision 11, is amended to read:

Subd. 11. [INVESTMENTS IN NAME OF COMPANY OR NOMINEE AND PROHIBITIONS.] A company's investments shall be held in its own name or the name of its nominee, except that:

(a) Investments may be held in the name of a clearing corporation or of a custodian bank or in the name of the nominee of either on the following conditions:

(1) The clearing corporation, custodian bank, or nominee must be legally authorized to hold the particular investment for the account of others;

(2) Where the investment is evidenced by a certificate and held in the name of a custodian bank or the nominee by a custodian bank, a written agreement shall provide that certificates so deposited shall at all times be kept separate and apart from other deposits with the depository, so that at all times they may be identified as belonging solely to the company making the deposit; ~~and~~

(3) Where a clearing corporation is to act as depository, the investment may be merged or held in bulk in the clearing corporation's or its nominee name with other investments deposited with the clearing corporation by any other person, if a written agreement provides that adequate evidence of the deposit is to be obtained and retained by the company or a custodian bank; *and*

(4) *The company shall monitor current publicly available financial information and other pertinent data with respect to the custodian banks.*

(b) A company may loan ~~stocks or obligations~~ securities held by it under this chapter to a broker-dealer registered under the Securities and Exchange Act of 1934 or a member bank. The loan must be evidenced by a written agreement which provides:

(1) That the loan will be fully collateralized by cash or obligations issued or guaranteed by the United States or an agency or an instrumentality thereof, and that the collateral will be adjusted each business day during the term of the loan to maintain the required collateralization in the event of market value changes in the loaned securities or collateral;

(2) That the loan may be terminated by the company at any time, and that the borrower will return the loaned ~~stocks or obligations~~ securities or their equivalent within five business days after termination;

(3) That the company has the right to retain the collateral or use the collateral to purchase investments equivalent to the loaned securities if the borrower defaults under the terms of the agreement and that the borrower remains liable for any losses and expenses incurred by the company due to default that are not covered by the collateral;

(c) A company may participate through a member bank in the Federal Reserve book-entry system, and the records of the member bank shall at all times show that the investments are held for the company or for specific accounts of the company; ~~or~~.

(d) An investment may consist of an individual interest in a pool of obligations or a fractional interest in a single obligation if the certificate of participation or interest or the confirmation of participation or interest in the investment shall be issued in the name of the company or the name of the custodian bank or the nominee of either and if the certificate or confirmation must, if held by a custodian bank, be kept separate and apart from the investments of others so that at all times the participation may be identified as belonging solely to the company making the investment.

(e) *Except as provided in paragraph (c)*, where an investment is not evidenced by a certificate, ~~except as provided in paragraph (e)~~, adequate evidence of the company's investment shall be obtained from the issuer or its transfer or recording agent and retained by the company, a custodian bank, or clearing corporation. ~~Adequate evidence, for purposes of this subdivision, shall mean a written receipt or other verification issued by the depository or issuer or a custodian bank which shows that the investment is held for the company.~~ Transfers of ownership of investments held as described in paragraphs (a), clause (3), (c) and (d) may be evidenced by bookkeeping entry on the books of the issuer of the investment or its transfer or recording agent or the clearing corporation without physical delivery of certificates, if any, evidencing the company's investment.

(f) *A letter of credit may be accepted as a guaranty of other investments, as collateral to secure loans, or in lieu of cash to secure loans of securities, if it is issued by a member bank or any of the 100 largest banks in the world ranked by deposits in dollars or converted into dollar equivalents, as compiled annually by the American Bankers Association or listed in the annual publication of Moody's Bank & Finance Manual and meets the following requirements:*

(1) *has a long-term deposit rating or a long-term debt rating of at least Aa2 as found in the current monthly publication of Moody's Credit Opinions or its equivalent; and*

(2) *qualifies under the guidelines of the National Association of Insurance Commissioners as a clean, irrevocable letter of credit containing an ever-green clause or having a maturity date subsequent to the maturity date of the underlying investment or loan. The company shall monitor current publicly available financial information and other pertinent data with respect to the banks issuing the letters of credit.*

Sec. 3. Minnesota Statutes 1990, section 60A.11, is amended by adding a subdivision to read:

*Subd. 11a. [ADDITIONAL LIMITATIONS.] Under the standards and procedures in article 3, the commissioner may impose additional limitations on the types and percentages of investments as the commissioner determines necessary to protect and ensure the safety of the general public.*

Sec. 4. Minnesota Statutes 1990, section 60A.11, subdivision 12, is amended to read:

*Subd. 12. [INVESTMENTS.] (a) The board of directors or trustees of each company or of its ultimate parent or intermediate holding company shall, for each fiscal year, adopt a written plan or policy for the investment of the company's assets during that year which must be made a part of the company or of its ultimate parent or intermediate holding company's corporate records.*

*(b) A company's investments must be so diversified that the securities of a single issuer, other than the United States of America or any agency or instrumentality of the United States of America backed by the full faith and credit of the issuer, shall comprise no more than five percent of the company's admitted assets, except where otherwise specified under this chapter. In the case of insurance companies which are subsidiaries of a company, this diversification test must be applied to the assets of the insurance company subsidiary in determining the company's compliance.*

*(c) The investments authorized under the following subdivisions of this section 12 to 26 shall constitute admitted assets for a company.*

Sec. 5. Minnesota Statutes 1990, section 60A.11, subdivision 13, is amended to read:

*Subd. 13. [UNITED STATES GOVERNMENT OBLIGATIONS.] (a) Obligations issued or guaranteed by the United States of America or an agency or instrumentality of the United States of America backed by the full faith and credit of the issuer, including rights to purchase or sell these obligations if those rights are traded upon a contract market designated and regulated by a federal agency.*

*(b) Obligations issued or guaranteed by an agency or instrumentality of the United States of America other than those backed by the full faith and credit thereof, including rights to purchase or sell these obligations if those rights are traded upon a contract market designated and regulated by a federal agency. The securities of a single issuer under this paragraph shall comprise no more than 20 percent of the company's admitted assets.*

Sec. 6. Minnesota Statutes 1990, section 60A.11, subdivision 14, is amended to read:

*Subd. 14. [CERTAIN BANK OBLIGATIONS.] (a) Certificates of deposits, time deposits, and bankers' acceptances issued by and other obligations guaranteed by: (i) any bank organized under the laws of the United States or any state, commonwealth, or territory thereof, including the District of Columbia, or of the Dominion of Canada or any province thereof or (ii) any of the 100 largest banks, not a subsidiary or a holding company thereof, in the world ranked by deposits in dollars or converted into dollar equivalents, as compiled annually by the American Bankers Association or listed in the annual publication of Moody's Bank & Finance Manual, which also has a long-term deposit rating or a long-term debt rating of at least Aa2 as found in the current monthly publication of Moody's Credit Opinions or its equivalent. A company may not invest more than five percent of its*

admitted assets in the obligations of any one bank and may not hold at any time more than ten percent of the outstanding obligations of any one bank. A letter of credit issued by a member bank which qualifies under the guidelines of the National Association of Insurance Commissioners as a clean, irrevocable letter of credit which contains an "evergreen clause," may be accepted as a guaranty of other investments and in lieu of cash to secure loans of securities.

(b) Obligations issued or guaranteed by the International Bank for Reconstruction and Development, the Asian Development Bank, the Inter-American Development Bank, the African Development Bank, the Export-Import Bank, the World Bank or any United States government sponsored organization of which the United States is a member, if the principal and interest is payable in United States dollars. A company may not invest more than five percent of its total admitted assets in the obligations of any one of these banks or organizations, and may not invest more than a total of 15 percent of its total admitted assets in the obligations of all these banks and organizations.

Sec. 7. Minnesota Statutes 1990, section 60A.11, subdivision 15, is amended to read:

Subd. 15. [STATE OBLIGATIONS.] *(a) Government obligations issued or guaranteed by any state, commonwealth, or territory of the United States of America or by any political subdivision thereof, including the District of Columbia, or by any instrumentality of any state, commonwealth, territory, or political subdivision thereof. The diversification requirement of subdivision 12, paragraph (b), does not apply to government obligations under this paragraph.*

*(b) Revenue obligations issued by any state, commonwealth, or territory of the United States of America or by any political subdivision thereof, including the District of Columbia, or by any instrumentality of any state, commonwealth, territory, or political subdivision thereof. The diversification requirement of subdivision 12, paragraph (b), is applicable to revenue obligations under this paragraph.*

Sec. 8. Minnesota Statutes 1990, section 60A.11, subdivision 16, is amended to read:

Subd. 16. [CANADIAN GOVERNMENT OBLIGATIONS.] *(a) Obligations issued or guaranteed by the Dominion of Canada or by any agency or province thereof, or by any political subdivision of any province or by an instrumentality of any province or political subdivision thereof instrumentality of the Dominion of Canada backed by the full faith and credit of the issuer. The diversification requirement of subdivision 12, paragraph (b), does not apply to government obligations under this paragraph.*

*(b) Obligations issued or guaranteed by an agency or instrumentality of the Dominion of Canada other than those backed by the full faith and credit of the issuer. The securities of a single issuer under this paragraph shall comprise no more than 20 percent of the company's admitted assets.*

*(c) Government obligations issued or guaranteed by a province or territory of the Dominion of Canada or by a political subdivision thereof, or by an instrumentality of a province, territory, or political subdivision thereof. The diversification requirement of subdivision 12, paragraph (b), does not apply to government obligations under this paragraph.*

*(d) Revenue obligations issued by a province or territory of the Dominion*

*of Canada or by a political subdivision thereof, or by an instrumentality of a province, territory, or political subdivision thereof. The diversification requirement of subdivision 12, paragraph (b), is applicable to revenue obligations under this paragraph.*

Sec. 9. Minnesota Statutes 1990, section 60A.11, subdivision 17, is amended to read:

Subd. 17. [CORPORATE AND BUSINESS TRUST OBLIGATIONS.] Obligations issued, assumed or guaranteed by a corporation or business trust organized under the laws of the United States of America or any state, commonwealth, or territory of the United States, including the District of Columbia, or the laws of the Dominion of Canada or any province or territory of the Dominion of Canada, or obligations traded on a national securities exchange on the following conditions:

(a) A company may invest in any obligations traded on a national securities exchange;

(b) A company may also invest in any obligations which are secured by adequate security located in the United States or Canada;

(c) A company may also invest in previously outstanding or newly issued obligations not qualifying for investment under paragraph (a) or (b) if the corporation or business trust has qualified net earnings. If the obligations are not newly issued, neither principal nor interest payments on the obligations shall have been in arrears (1) for an aggregate of 90 days during the three-year period preceding the date of investment, or (2) where the obligations have been outstanding for less than 90 days, during the period the obligations have been outstanding;

(d) A company may invest no more than 15 percent of its total admitted assets in noninvestment grade obligations;

(e) A company may invest in federal farm loan bonds and may invest up to 20 percent of its total admitted assets in the obligations of farm mortgage debenture companies; and

(f) A company may not invest more than five percent of its admitted assets in the obligations of any one corporation or business trust; provided, however, that a company may invest in the obligations of a corporation without regard to this paragraph or the subdivision 12, paragraph (b), diversification requirement if: (1) the company is wholly owned by the issuer and affiliates of the issuer of the obligations; (2) the company insures solely the issuer of the obligations and its affiliates; (3) the issuer has a net worth, determined on a consolidated basis, which equals or exceeds \$100,000,000; and (4) the issuer and its affiliates forego any and all claims they may have against the Minnesota insurance guaranty association pursuant to chapter 60C in the event of the insolvency of the company. This does not affect the rights of any unaffiliated third party claimant under section 60C.09, subdivision 1.

Sec. 10. Minnesota Statutes 1990, section 60A.11, subdivision 18, is amended to read:

Subd. 18. [STOCKS AND LIMITED PARTNERSHIPS.] (a) Stocks issued or guaranteed by any corporation incorporated under the laws of the United States of America or any state, commonwealth, or territory of the United States, including the District of Columbia, or the laws of the Dominion of

Canada or any province or territory of Canada, or stocks or stock equivalents, including *American Depository Receipts* or *unit investment trusts*, listed or regularly traded on a national securities exchange on the following conditions:

(1) A company may not invest more than a total of 25 percent of its total admitted assets in stocks, stock equivalents, and convertible issues. Not more than ten percent of a company's total admitted assets may be invested in stocks, stock equivalents, and convertible issues not traded or listed on a national securities exchange or designated or approved for designation upon notice of issuance on the NASDAQ/National Market System. This limitation does not apply to investments under clause (4);

(a) (2) A company may not invest in more than two percent of its total admitted assets in preferred stocks of any corporation which are traded on a national securities exchange and may also invest in other preferred stocks if the issuer has qualified net earnings and if current or cumulative dividends are not then in arrears;

(b) (3) A company may not invest in more than two percent of its total admitted assets in common stocks, common stock equivalents, or securities convertible into common stock or common stock equivalents of any corporation or business trust, ~~provided:~~ which are traded on a national securities exchange or designated or approved for designation upon notice of issuance on the NASDAQ/National Market System, and may also invest in other common stocks, stock equivalents, and convertible issues subject to the limitations specified in clause (1);

(4) The common stock, ~~common stock equivalent or convertible issue is publicly traded on a national securities exchange, or the corporation or business trust has qualified net earnings;~~

(2) A company may invest up to two percent of its admitted assets in ~~common stock, common stock equivalents or convertible issues which do not meet the requirements of clause (1);~~

(3) ~~At no time may~~ (4) A company may organize or acquire ~~or and hold~~ voting control of a corporation or business trust through its ownership of common stock, common stock equivalents, or other securities, ~~except that a company may organize and hold, or acquire and hold more than 50 percent of the common stock of~~ provided the corporation or business trust is: (a) a corporation providing investment advisory, banking, management or sale services to an investment company or to an insurance company, (b) a data processing or computer service company, (c) a mortgage loan corporation engaged in the business of making, originating, purchasing or otherwise acquiring or investing in, and servicing or selling or otherwise disposing of loans secured by mortgages on real property, (d) a corporation if its business is owning and managing or leasing personal property, (e) a corporation providing securities underwriting services or acting as a securities broker or dealer, (f) a real property holding, developing, managing, brokerage or leasing corporation, (g) any domestic or foreign insurance company, (h) any alien insurance company, if the organization or acquisition and the holding of the company is subject to the prior approval of the commissioner of commerce, which approval must be given upon good cause shown and is deemed to have been given if the commissioner does not disapprove of the organization or acquisition within 30 days after notification by the company, (i) an investment subsidiary to acquire and hold investments which the company could acquire and hold directly, if the investments of



the subsidiary are considered direct investments for purposes of this chapter and are subject to the same percentage limitations, requirements and restrictions as are contained herein, or (j) any corporation whose business has been approved by the commissioner as complementary or supplementary to the business of the company. ~~The percentage of common stock may be less than 50 percent if the prior approval of the commissioner is obtained.~~ A company may invest up to an aggregate of ten percent of its total admitted assets under subclauses (a) to (e) of this clause ~~(3)~~. ~~The diversification requirement of subdivision 12, paragraph (b), does not apply to this clause;~~

~~(4) A company may invest in the common stock of any corporation owning investments in foreign companies used for purposes of legal deposit, when the insurance company transacts business therein direct or as reinsurance;~~

~~(e) (5) A company may invest in warrants and rights granted by an issuer to purchase stock securities of the issuer if the stock that security of the issuer, at the time of the acquisition of the warrant or right to purchase, would qualify as an investment under paragraph (a), clause (2) or (b) (3), whichever is applicable. A company shall not invest more than two percent of its assets under this paragraph. Any stock actually acquired through the exercise of a warrant or right to purchase may be included in paragraph (a) or (b), whichever is applicable, only if the stock, provided that security meets the standards prescribed in the clause at the time of acquisition of the stock securities; and~~

~~(d) (6)(i) A company may invest in the securities of any face amount certificate company, unit investment trust, or management type investment company, registered or in the process of registration under the Federal Investment Company Act of 1940 as from time to time amended, provided that the aggregate of all these investments other than in securities of money market mutual funds or mutual funds investing primarily in United States government securities, determined at cost, shall not exceed five percent of its total admitted assets; investments may be made under this clause without regard to the percentage limitations applicable to investments in voting securities.~~

~~(e) (ii) A company may invest in any proportion of the shares or investment units of an investment company or investment trust, whether or not registered under the Federal Investment Company Act of 1940, which is managed by an insurance company, member bank, trust company regulated by state or federal authority or an investment manager or adviser registered under the Federal Investment Advisers Act of 1940 or qualified to manage the investments of an investment company registered under the Federal Investment Company Act of 1940, provided that the investments of the investment company or investment trust are qualified investments made under this section and that the articles of incorporation, bylaws, trust agreement, investment management agreement, or some other governing instrument limits its investments to investments qualified under this section.~~

*(b) A company may invest in or otherwise acquire and hold a limited partnership interest in any limited partnership formed under the laws of any state, commonwealth, or territory of the United States or under the laws of the United States of America. No limited partnership interest shall be acquired if the investment, valued at cost, exceeds two percent of the admitted assets of the company or if the investment, plus the book value on the date of the investment of all limited partnership interests then held by the company and held under the authority of this subdivision, exceeds ten percent of the*

*company's admitted assets. Limited partnership interests traded on a national securities exchange must be classified as stock equivalents and are not subject to the percentage limitations contained in this paragraph.*

Sec. 11. Minnesota Statutes 1990, section 60A.11, subdivision 19, is amended to read:

Subd. 19. [MORTGAGES ON REAL ESTATE.] *Up to 25 percent of a company's total admitted assets may be invested in loans or obligations secured by a mortgage or a trust deed on real estate located in any state, commonwealth, or territory of the United States, including the District of Columbia, or in any province or territory of the Dominion of Canada, on the following conditions:*

(a) A leasehold estate constitutes real estate under this section if its unexpired term on the date of investment is at least five years longer than the term of the obligation secured by it. The obligation must be repayable within the leasehold term in annual or more frequent installments, except that obligations for commercial purposes may begin up to five years after the date of the obligations. The mortgage must entitle the company upon default to be subrogated to all rights of the lessor under the leasehold;

(b) The real estate to which the mortgage applies must be (1) improved with permanent buildings, or (2) used for agriculture or pasture, or (3) income-producing, including but not limited to parking lots and leases, royalty or other mineral interests in properties producing oil, gas or other minerals and interests in properties for the harvesting of forest products, or (4) subject to a definite plan for the commencement of development within five years;

(c) The real estate to which the mortgage applies must be otherwise unencumbered when the mortgage loan is funded except as provided in paragraph (d) and except for encumbrances which do not unreasonably interfere with the intended use of the real estate as security;

(d) The real estate to which the mortgage applies may be subject to a prior mortgage or trust deed if (1) the amount of the obligation is equal to the sum of the company's loan and the other outstanding indebtedness and (2) the company has control over the payments under the prior mortgage or trust deed;

(e) The amount of the obligation may not exceed 80 percent of the real estate. If the amount of the obligation exceeds 66-2/3 percent of the market value of the real estate, principal payments must commence within five years after the date of the mortgage loan and principal and interest on the loan shall be fully amortized by regular installments payable during the term of the loan without irregular or balloon payments, unless the schedule of irregular or balloon payments is more favorable to the insurer than regular installments of equal amount would be. The market value shall be established by the written certification of a *licensed* real estate appraiser qualified to appraise the particular type of real estate involved. *The appraisal must be required at the time the loan is made;*

(f) The maximum term of any obligation shall be 40 years, except as provided in paragraph (g) and except for obligations secured by a mortgage or trust deed which are or are to be insured by a private mortgage insurance company approved by the commissioner;

(g) *The 25 percent of total admitted asset limitation in the preamble of*

*this subdivision and the maximum amount and term limitations in paragraphs (e) and (f) shall not apply to obligations secured by mortgage or trust deed which are insured or guaranteed by the United States of America or any agency or instrumentality of the United States;*

(h) A company may invest in *collateralized mortgage obligations*, mortgage participation certificates and pools issued or administered by a bank or banks and secured by first mortgages or trust deeds on improved real estate located in the United States provided the private placement memorandum, prospectus or other offering circular, or a written agreement with the issuer of the *collateralized mortgage obligations*, certificate or other pool interest provides that each loan meets the requirements of this subdivision;

(i) Notwithstanding the restrictions in paragraph (e), if a company disposes of real estate acquired by it under subdivision 20, it may take back a purchase money mortgage from its ~~vendee~~ purchaser in an amount up to 90 percent of the ~~purchase price~~ *appraised value*; and

(j) The vendor's equity in a contract for deed shall be treated as a mortgage for purposes of this subdivision.

Sec. 12. Minnesota Statutes 1990, section 60A.11, subdivision 20, is amended to read:

Subd. 20. [REAL ESTATE.] (a) Except as provided in paragraphs (b) to (d), a company may only acquire, hold, and convey real estate which:

(1) has been mortgaged to it in good faith by way of security for loans previously contracted, or for money due;

(2) has been conveyed to it in satisfaction of debts previously contracted in the course of its dealings;

(3) has been purchased at sales on judgments, decrees or mortgages obtained or made for the debts; and

(4) is subject to a contract for deed under which the company holds the vendor's interest to secure the payments the vendee is required to make thereunder.

All the real estate specified in clauses (1) to (3) must be sold and disposed of within five years after the company has acquired title to it, or within five years after it has ceased to be necessary for the accommodation of the company's business, and the company must not hold this property for a longer period unless the company elects to hold the real estate under another section, or unless it procures a certificate from the commissioner of commerce that its interest will suffer materially by the forced sale thereof, in which event the time for the sale may be extended to the time the commissioner directs in the certificate. *The market value of real estate must be established by the written certification of a licensed real estate appraiser. The appraisal is required at the time the company elects to hold the real estate under this subdivision.*

(b) A company may acquire and hold real estate for the convenient accommodation of its business.

(c) A company may acquire real estate or any interest in real estate, including oil and gas and other mineral interests, as an investment for the production of income, and may hold, improve or otherwise develop, subdivide, lease, sell and convey real estate so acquired directly or as a joint

venture or through a limited or general partnership in which the company is a partner.

(d) A company may also hold real estate (1) if the purpose of the acquisition is to enhance the sale value of real estate previously acquired and held by the company under this section, and (2) if the company expects the real estate so acquired to qualify under paragraph (b) or (c) above within five years after acquisition.

(e) A company may, after securing the approval of the commissioner, acquire and hold real estate for the purpose of providing necessary living quarters for its employees. The company must dispose of the real estate within five years after it has ceased to be necessary for that purpose unless the commissioner agrees to extend the holding period upon application by the company.

(f) A company may not invest more than 25 percent of its total admitted assets in real estate. The cost of any parcel of real estate held for both the accommodation of business and for the production of income must be allocated between the two uses annually. *No more than ten percent of a company's total admitted assets may be invested in real estate held under paragraph (b). No more than 15 percent of a company's total admitted assets may be invested in real estate held under paragraph (c).* No more than three percent of its total admitted assets may be invested in real estate held under paragraph (e). *Upon application by a company, the commissioner of commerce may increase any of these limits up to an additional five percent.*

Sec. 13. Minnesota Statutes 1990, section 60A.11, subdivision 21, is amended to read:

Subd. 21. [FOREIGN INVESTMENTS.] Obligations of and investments in foreign countries, on the following conditions:

(a) a company may acquire and hold any foreign investments which are required as a condition of doing business in the foreign country or necessary for the convenient accommodation of its foreign business. An investment is considered necessary for the convenient accommodation of the insurance company's foreign business only if it is demonstrably and directly related in size and purpose to the company's foreign insurance operations; and

(b) a company may ~~also not invest not more than a total of two~~ *five* percent of its *total* admitted assets in any combination of:

(1) the obligations of foreign governments, corporations, or business trusts;

(2) obligations of federal, provincial, or other political subdivisions backed by the full faith and credit of the foreign governmental unit;

(3) or in the stocks or stock equivalents or obligations of foreign corporations or business trusts not qualifying for investment under subdivision 12, if the obligations, stocks or stock equivalents are listed or regularly traded on the London, Paris, Zurich, or Tokyo stock exchange or any similar regular securities exchange not disapproved by the commissioner within 30 days following notice from the company of its intention to invest in these securities.

Sec. 14. Minnesota Statutes 1990, section 60A.11, subdivision 22, is amended to read:

Subd. 22. [PERSONAL PROPERTY UNDER LEASE.] Personal property

for intended lease or rental in the United States or Canada. A company may not invest more than five percent of its *total* admitted assets under this subdivision.

Sec. 15. Minnesota Statutes 1990, section 60A.11, subdivision 23, is amended to read:

Subd. 23. [COLLATERAL LOANS.] Obligations ~~adequately secured by a qualifying letter of credit issued by a member bank or by cash or by the pledge of any investment authorized by any of the preceding subdivisions having adequate security~~ if:

(a) The collateral is legally assigned or delivered to the company;

(b) The company has the right to declare the obligation immediately due and payable if the security thereafter depreciates to the point where the investment would not qualify under paragraph (c); provided, that additional qualifying security may be pledged to allow the investment to remain qualified *at its face value*;

(c) The collateral must at the time of delivery or assignment have a market value of at least, in the case of cash, *or a letter of credit meeting the requirements of subdivision 11, paragraph (f)*, equal to and, in all other cases, 1-1/4 times the amount of the unpaid balance of the obligations.

*A collateral loan made by a company to its parent corporation or an affiliated party must be secured by collateral: (i) with a market value equal to the amount of the unpaid balance of the obligations, and (ii) which is issued or guaranteed by the United States of America or an agency or an instrumentality thereof, or any state or territory thereof, and is secured by the full faith and credit of the United States of America or any state or territory thereof.* A company may not invest more than five percent of its total admitted assets under this subdivision.

Sec. 16. Minnesota Statutes 1990, section 60A.11, is amended by adding a subdivision to read:

Subd. 24a. [DATA PROCESSING SYSTEMS.] *Electronic computer or data processing machines or systems purchased for use in connection with the business of the company, provided that the machines or system must have an original cost of not less than \$100,000 nor more than three percent of the admitted assets of the company and the cost must be amortized in full over a period not to exceed ten full calendar years.*

Sec. 17. Minnesota Statutes 1990, section 60A.11, subdivision 26, is amended to read:

Subd. 26. [RULES.] (a) The commissioner may adopt appropriate rules to carry out the purpose and provisions of this section.

(b) A company may make qualified investments in any ~~additional securities or property of any kind~~ *other type of investment or exceeding any limitations of quality, quantity, or percentage of admitted assets contained in this section with the written order of the commissioner. This approval is at the discretion of the commissioner, provided that the additional investments allowed by the commissioner's written order may not exceed five percent of the company's admitted assets.*

(c) Nothing authorized in this subdivision negates or reduces the investment authority granted in subdivisions 1 to 25.

Sec. 18. [REPEALER.]

*Minnesota Statutes 1990, section 60A.12, subdivision 2, is repealed.*

Sec. 19. [EFFECTIVE DATE.]

*Section 9, paragraph (d), is effective as follows: effective January 1, 1992, noninvestment grade obligations are limited to 20 percent of admitted assets; effective January 1, 1993, noninvestment grade obligations are limited to 17.5 percent of admitted assets; effective January 1, 1994, and thereafter, noninvestment grade obligations are limited to 15 percent of admitted assets.*

ARTICLE 9

LIFE INSURANCE COMPANY INVESTMENTS

Section 1. Minnesota Statutes 1990, section 61A.28, subdivision 1, is amended to read:

Subdivision 1. [~~FUNDS TO BE INVESTED~~ INVESTMENT GUIDELINES AND PROCEDURES.] *The board of directors of each domestic life insurance company shall establish written investment guidelines and procedures for the investment of the assets of the company. The investment guidelines and procedures must provide detailed company practices relating to internal controls regarding the delegation of investment authority within the company. The investment guidelines and procedures must also specify the policies regarding asset type diversification, diversification within asset types, concentration risks, interest rate risks, and liquidity. The board of directors, or a committee of the board, shall annually review the investment guidelines and procedures to evaluate the continued appropriateness of the procedures as well as to determine the company's conformance with the investment guidelines and procedures. A company's failure to meet the requirements of this paragraph shall not negate the company's ability to enforce its legal or equitable rights with respect to its investments.*

*No investment or loan, except policy loans, shall be made by a domestic life insurance company unless authorized or approved by the board of directors or by a committee of directors, officers, or employees of the company designated by the board and charged with the duty of supervising the investment or loan. Accurate records of all authorizations and approvals must be maintained.*

The capital, surplus and other funds of every domestic life insurance company, whether incorporated by special act or under the general law (in addition to investments in real estate as otherwise permitted by law) may be invested only in one or more of the following kinds of securities or property. An investment may not be made under this section if the required interest obligation is in default.

Sec. 2. Minnesota Statutes 1990, section 61A.28, subdivision 2, is amended to read:

Subd. 2. [GOVERNMENT OBLIGATIONS.] Bonds or other obligations of, or bonds or other obligations insured or guaranteed by: (a) the United States or any state thereof; (b) the Dominion of Canada or any province thereof; (c) any county, city, town, statutory city formerly a village, organized school district, municipality, or other civil or political subdivision of this state, or of any state of the United States or of any province of the Dominion of Canada; (d) any agency or instrumentality of the foregoing,

including but not limited to, debentures issued by the federal housing administrator, obligations of ~~national mortgage associations~~ *the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association*; and (e) obligations payable in United States dollars issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the Export-Import Bank, or any other United States government sponsored organization of which the United States is a member; ~~provided, that.~~ The life insurance company may not invest ~~more than five percent of its total admitted assets~~ in the obligations of any one of these banks or organizations and may not invest more than 15 percent of its total admitted assets in the obligations of all banks or organizations described in paragraph (e).

As used in this subdivision with respect to the United States or any agency or instrumentality of the United States, "bonds or other obligations" shall include purchases or sales of rights or options to purchase the obligations if those rights or options are traded upon a contract market designated and regulated by a federal agency. ~~if the investment causes the company's aggregate investments in the obligations of any one of these banks or organizations to exceed five percent of its admitted assets or if the investment causes the company's aggregate investments in the obligations of all banks or organizations described in clause (e) to exceed 15 percent of its admitted assets.~~

Sec. 3. Minnesota Statutes 1990, section 61A.28, subdivision 3, is amended to read:

Subd. 3. [LOANS OR OBLIGATIONS SECURED BY MORTGAGE.] Loans or obligations (hereinafter loans) secured by a first mortgage, or deed of trust (hereinafter mortgage), on improved real estate in the United States, if the amount of the loan secured thereby is not in excess of 66-2/3 percent of the market value of the real estate at the time of the loan, or, when the loan is to be fully amortized by installment payments of principal, which may begin up to five years from the date of the loan if the real estate is to be used for commercial purposes, and interest at least annually over a period of not to exceed 40 years, the amount of the loan does not exceed (a) 80 percent of the market value of the real estate at the time of the loan; (b) 90 percent of the market value of the real estate at the time of the loan if the loan is secured by a purchase money mortgage made in connection with the disposition of real estate acquired pursuant to section 61A.31, subdivision 1, or, if (1) the real estate is used for commercial purposes, and (2) the loan is additionally secured by an assignment of lease or leases, and (3) the lessee or lessees under the lease or leases, or a guarantor or guarantors of the lessee's obligations, is a corporation whose obligations would qualify as an investment under subdivision ~~6(f)~~ 6, paragraph (e), and (4) the rents payable during the primary term of the lease or leases are sufficient to amortize at least 60 percent of the loan. In calculating the ratio of the amount of the loan to the value of the property, no part of the amount of any loan is to be included which the United States or any agency or instrumentality thereof or other mortgage insurer as may be approved by the commissioner has insured or guaranteed or made a commitment to insure or guarantee; provided, in no event may the loan exceed the market value of the property. No improvement may be included in estimating the market value of the real estate unless it is insured against fire by policies payable to the security holder or a trustee for its benefit. This requirement may be

met by a program of self-insurance established and maintained by a corporation whose debt obligations would qualify for purchase under subdivision 6, paragraph (g), clause (4). Also loans secured by mortgage, upon leasehold estates in improved real property where at the date of investment the lease has an unexpired term of at least five years longer than the term of the loan secured thereby, and where the leasehold estate is unencumbered except by the lien reserved in the lease for the payment of rentals and the observance of the other covenants, terms and conditions of the lease and where the mortgagee, upon default, is entitled to be subrogated to, or to exercise, all the rights and to perform all the covenants of the lessee, provided that no loan on the leasehold estate may exceed (a)  $66\frac{2}{3}$  percent of the market value thereof at the time of the loan, or (b) 80 percent of the market value thereof at the time of the loan if the loan is to be fully amortized by installment payments of principal which begin within five years from the date of the loan if the leasehold estate is to be used for commercial purposes, interest is payable at least annually over the period of the loan which may not exceed 40 years and the market value of the leasehold estate is shown by the sworn certificate of a competent appraiser, or (c) 90 percent of the market value of the leasehold estate at the time of the loan if the loan is secured by a purchase money mortgage made in connection with the disposition of real estate acquired pursuant to section 61A.31, subdivision 1. In calculating the ratio of the amount of the loan to the value of the leasehold estate, no part of the amount of any loan is to be included which the United States or any agency or instrumentality thereof or other mortgage insurer approved by the commissioner has insured or guaranteed or made a commitment to insure or guarantee; provided, in no event may the loan exceed the market value of the leasehold estate. Also loans secured by mortgage, which the United States or any agency or instrumentality thereof or other mortgage insurer approved by the commissioner has insured or guaranteed or made a commitment to insure or guarantee. Also loans secured by mortgage, on improved real estate in the Dominion of Canada if the amount of the loan is not in excess of  $66\frac{2}{3}$  percent of the market value of the real estate at the time of the loan, or, when the loan is to be fully amortized by installment payments of principal, which may begin up to five years from the date of the loan if the real estate is used for commercial purposes, and interest at least annually over a period of not to exceed 40 years, the amount of the loan does not exceed (a) 80 percent of the market value of the real estate at the time of the loan, or (b) 90 percent of the market value of the real estate at the time of the loan if the loan is secured by a purchase money mortgage made in connection with the disposition of real estate acquired pursuant to section 61A.31, subdivision 1. In calculating the ratio of the amount of the loan to the value of the property, no part of the amount of any loan is to be included which the Dominion of Canada or any agency or instrumentality thereof has insured or guaranteed or made a commitment to insure or guarantee; provided in no event may the loan exceed the market value of the property. Also loans secured by mortgage, on real estate in the United States which may be unimproved provided there exists a definite plan for commencement of development for commercial purposes within not more than five years where the amount of the loan does not exceed 80 percent of the market value of the unimproved real estate at the time of the loan and the loan is to be fully amortized by installment payments of principal, which may begin up to five years from the date of the loan, and interest at least annually over a period of not to exceed 40 years. Also loans secured by second mortgage on improved or unimproved real estate used, or to be used, for commercial purposes; provided, that if unimproved real



estate there exists a definite plan for commencement of development within not more than five years, in the United States or the Dominion of Canada under the following conditions: (a) the amount of the loan secured by the second mortgage is equal to the sum of the amount disbursed by the company and the then outstanding indebtedness under the first mortgage loan; and (b) the company has control over the payments under the first mortgage indebtedness; and (c) the total amount of the loan does not exceed 66-2/3 percent of the market value of the real estate at the date of the loan or, when the note or bond is to be fully amortized by installment payments of principal, beginning not more than five years from the date of the loan, and interest at least annually over a period of not to exceed 40 years, the amount of the loan does not exceed 80 percent of the market value of the real estate at the date of the loan.

*A company may not invest in a mortgage loan authorized under this subdivision, if the investment causes the company's aggregate investments in mortgages secured by a single property to exceed one percent of its admitted assets.*

For purposes of this subdivision, improved real estate includes real estate improved with permanent buildings, used for agriculture or pasture, or income producing real estate, including but not limited to, parking lots and leases, royalty or other mineral interests in properties producing oil, gas, or other minerals and interests in properties for the harvesting of forest products.

A loan or obligation otherwise permitted under this subdivision must be permitted notwithstanding the fact that it provides for a payment of the principal balance prior to the end of the period of amortization of the loan.

The vendor's equity in a contract for deed qualifies as a loan secured by mortgage for the purposes of this subdivision.

~~A mortgage participation certificate evidencing an interest in a loan secured by mortgage or pools of the same qualifies under this subdivision, if the loan secured by mortgage, and in the case of pools of the same that each loan, would otherwise qualify under this subdivision.~~

Sec. 4. Minnesota Statutes 1990, section 61A.28, subdivision 6, is amended to read:

Subd. 6. [STOCKS, OBLIGATIONS, AND OTHER INVESTMENTS.] ~~Stocks, warrants or options to purchase stocks, bonds, notes, evidences of indebtedness, or other investments as set forth in this subdivision, provided that no investment may be made which will increase the aggregate investment in all common stocks under paragraphs (a) and (b) beyond 20 percent of admitted assets as of the end of the preceding calendar year. In applying the standards prescribed in paragraphs (b), (c), and (d), (f) and (g) to the stocks, bonds, notes, evidences of indebtedness, or other obligations of a corporation which in the qualifying period preceding purchase of the stocks, bonds, notes, evidences of indebtedness, or other obligations acquired its property or a substantial part thereof through consolidation, merger, or purchase, the earnings of the several predecessors or constituent corporations must be consolidated. In applying any percentage limitations of this subdivision the value of the stock, or warrant or option to purchase stock, must be based on cost. For purposes of this subdivision, National Securities Exchange means an exchange registered under section 6 of the Securities Exchange Act of 1934 or an exchange regulated under the laws of the Dominion of Canada.~~

(a) Stocks of banks, insurance companies, and municipal corporations organized under the laws of the United States or any state thereof; but not more than 15 percent of the admitted assets of any domestic life insurance company may be invested in stocks of other insurance corporations and banks.

(b) Common stocks, common stock equivalents, or securities convertible into common stock or common stock equivalents of any corporation or a business trust not designated in paragraph (a) of this subdivision, entity organized under the laws of the United States or any state thereof, or of the Dominion of Canada or any province thereof, or those traded on a National Securities Exchange, if the net earnings of the corporation business entity after the elimination of extraordinary nonrecurring items of income and expense and before income taxes and fixed charges over the five immediately preceding completed fiscal years, or its period of existence if less than five years, has averaged not less than 1-1/4 times its average annual fixed charges applicable to the period.

(c) Preferred stock of, or common or preferred stock guaranteed as to dividends by, any corporation not designated in paragraph (a), a business entity organized under the laws of the United States or any state thereof, or of the Dominion of Canada or any province thereof, or those traded on a National Securities Exchange, under the following conditions: (1) No investment may be made under this paragraph in a stock upon which any dividend, current or cumulative, is in arrears; and (2) the aggregate investment company may not invest in stocks under this paragraph and in common stocks under paragraphs paragraph (a) and (b) may not if the investment causes the company's aggregate investments in the common or preferred stocks to exceed 25 percent of the life insurance company's total admitted assets, provided that no more than 20 percent of the company's admitted assets may be invested in common stocks under paragraphs paragraph (a) and (b); and (3) if the net earnings of the corporation after the elimination of extraordinary nonrecurring items of income and expenses and before income taxes and fixed charges over the five immediately preceding completed fiscal years, or its period of existence if less than five years, has averaged not less than 1-1/4 times its average annual fixed charges applicable to the period the company may not invest in any preferred stock or common stock guaranteed as to dividends, which is rated in the four lowest categories established by the securities valuation office of the National Association of Insurance Commissioners, if the investment causes the company's aggregate investment in the lower rated preferred or common stock guaranteed as to dividends to exceed five percent of its total admitted assets.

(d) Warrants, options, and rights to purchase stock if the stock, at the time of the acquisition of the warrant, option, or right to purchase, would qualify as an investment under paragraph (a); or (b); or (c), whichever is applicable. A domestic life insurance company shall not invest more than two percent of its assets under this paragraph. Any stock actually acquired through the exercise of in a warrant or, option, or rights right to purchase may be included in paragraph (a), (b), or (c), whichever is applicable, only if the stock then meets the standards prescribed in the paragraph at the time of stock if, upon purchase and immediate exercise thereof, the acquisition of the stock violates any of the concentration limitations contained in paragraphs (a) and (b).

(e) In addition to amounts that may be invested under subdivision 8 and without regard to the percentage limitation applicable to stocks, warrants, options, and rights to purchase, the securities of any face amount

certificate company, unit investment trust, or management type investment company, registered or in the process of registration under the federal Investment Company Act of 1940 as from time to time amended; provided that the aggregate of the investments, determined at cost, by the life insurance company may not exceed five percent of its admitted assets, and the investments may be made without regard to the percentage limitations applicable to stocks, and warrants or options or rights to purchase stock. In addition, the company may transfer assets into one or more of its separate accounts for the purpose of establishing, or supporting its contractual obligations under, the accounts in accordance with the provisions of sections 61A.13 to 61A.21. A company may not invest in a security authorized under this paragraph if the investment causes the company's aggregate investments in the securities to exceed five percent of its total admitted assets, except that for a health service plan corporation operating under chapter 62C, and for a health maintenance organization operating under chapter 62D, the company's aggregate investments may not exceed 20 percent of its total admitted assets. When establishing money market mutual funds, nonprofit health service plans regulated under chapter 62C, and health maintenance organizations regulated under chapter 62D, shall establish a trustee custodial account for the transfer of cash into the money market mutual fund.

(f) (e) Investment grade obligations that are:

(1) bonds, obligations, notes, debentures, repurchase agreements, or other evidences of indebtedness (1) secured by letters of credit issued by a national bank, state bank or trust company which is a member of the federal reserve system or by a bank organized under the laws of the Dominion of Canada or (2) traded on a national securities exchange or (3) issued, assumed, or guaranteed by a corporation or business trust, other than a corporation designated in subdivision 4 of a business entity, organized under the laws of the United States or any state thereof, or the Dominion of Canada or any province thereof; if the net earnings of the corporation after the elimination of extraordinary nonrecurring items of income and expense and before income taxes and fixed charges over the five immediately preceding completed fiscal years, or its period of existence if less than five years, has averaged not less than 1-1/4 times its average annual fixed charges applicable to the period. No investment may be made under this paragraph upon which any interest obligation is in default; and

(2) rated in one of the four highest rating categories by at least one nationally recognized statistical rating organization, or are rated in one of the two highest categories established by the securities valuation office of the National Association of Insurance Commissioners.

(f) Noninvestment grade obligations: A company may acquire noninvestment grade obligations as defined in subclause (i) (hereinafter noninvestment grade obligations) which meet the earnings test set forth in subclause (ii). A company may not acquire a noninvestment grade obligation if the acquisition will cause the company to exceed the limitations set forth in subclause (iii).

(i) A noninvestment grade obligation is an obligation of a business entity, organized under the laws of the United States or any state thereof, or the Dominion of Canada or any province thereof, that is not rated in one of the four highest rating categories by at least one nationally recognized statistical rating organization, or is not rated in one of the two highest categories established by the securities valuation office of the National Association of

*Insurance Commissioners.*

(ii) *Noninvestment grade obligations authorized by this subdivision may be acquired by a company if the business entity issuing or assuming the obligation, or the business entity securing or guaranteeing the obligation, has had net earnings after the elimination of extraordinary nonrecurring items of income and expense and before income taxes and fixed charges over the five immediately preceding completed fiscal years, or its period of existence of less than five years, has averaged not less than 1-1/4 times its average annual fixed charges applicable to the period; provided, however, that if a business entity issuing or assuming the obligation, or the business entity securing or guaranteeing the obligation, has undergone an acquisition, recapitalization, or reorganization within the immediately preceding 12 months, or will use the proceeds of the obligation for an acquisition, recapitalization, or reorganization, then such business entity shall also have, on a pro forma basis, for the next succeeding 12 months, net earnings averaging 1-1/4 times its average annual fixed charges applicable to such period after elimination of extraordinary nonrecurring items of income and expense and before taxes and fixed charges; no investment may be made under this section upon which any interest obligation is in default.*

(iii) *Limitation on aggregate interest in noninvestment grade obligations. A company may not invest in a noninvestment grade obligation if the investment will cause the company's aggregate investments in noninvestment grade obligations to exceed the applicable percentage of admitted assets set forth in the following table:*

<i>Effective Date</i>	<i>Percentage of Admitted Assets</i>
<i>January 1, 1992</i>	<i>20</i>
<i>January 1, 1993</i>	<i>17.5</i>
<i>January 1, 1994</i>	<i>15</i>

*Nothing in this paragraph limits the ability of a company to invest in noninvestment grade obligations as provided under subdivision 12.*

(g) *Obligations for the payment of money under the following conditions: (1) The obligation must be secured, either solely or in conjunction with other security, by an assignment of a lease or leases on property, real or personal; and (2) the lease or leases must be nonterminable by the lessee or lessees upon foreclosure of any lien upon the leased property; and (3) the rents payable under the lease or leases must be sufficient to amortize at least 90 percent of the obligation during the primary term of the lease; and (4) the lessee or lessees under the lease or leases, or a governmental entity or ~~corporation~~ *business entity, organized under the laws of the United States or any state thereof, or the Dominion of Canada, or any province thereof, that has assumed or guaranteed any lessee's performance thereunder, must be a governmental entity or ~~corporation~~ business entity whose obligations would qualify as an investment under subdivision 2 or paragraph (e) or (f). A company may acquire leases assumed or guaranteed by a noninvestment grade lessee unless the value of the lease, when added to the other noninvestment grade obligations owned by the company, exceeds 15 percent of the company's admitted assets.**

(h) *A company may sell exchange-traded call options against stocks or other securities owned by the company and may purchase exchange-traded*

call options in a closing transaction against a call option previously written by the company. In addition to the authority granted by paragraph (d) (c), to the extent and on the terms and conditions the commissioner determines to be consistent with the purposes of this chapter, a company may purchase or sell other exchange-traded call options, and may sell or purchase exchange-traded put options.

(i) *A company may not invest in a security or other obligation authorized under this subdivision if the investment, valued at cost at the date of purchase, causes the company's aggregate investment in any one business entity to exceed two percent of the company's admitted assets.*

(j) *For nonprofit health service plan corporations regulated under chapter 62C, and for health maintenance organizations regulated under chapter 62D, a company may invest in commercial paper rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization, or rated in one of the two highest categories established by the securities valuation office of the National Association of Insurance Commissioners, if the investment, valued at cost at the date of purchase, does not cause the company's aggregate investment in any one business entity to exceed ten percent of the company's admitted assets.*

Sec. 5. Minnesota Statutes 1990, section 61A.28, subdivision 8, is amended to read:

Subd. 8. [~~PROMISSORY NOTES SECURED BY WAREHOUSE RECEIPTS ASSET BACKED ARRANGEMENTS.~~] ~~Promissory notes maturing within six months, secured by the pledge of registered terminal warehouse receipts issued against grain deposited in terminal warehouses, as defined in section 233.01. At the time of investing in these notes, the market value of the grain shall exceed the indebtedness secured thereby, and the note or pledge agreement shall provide that the holder may call for additional like security or sell the grain without notice upon depreciation of the security; the insurance company may accept, in lieu of the deposit with it of the warehouse receipts, a trustee certificate issued by any national or state bank at a terminal point, certifying that the warehouse receipts have been deposited with it and are held as security for the notes; and the amount invested in the securities mentioned in this subdivision shall not, at any time, exceed 25 percent of the unassigned surplus and capital of the company.~~ *Investments in asset backed arrangements that meet the definitions and credit criteria provided in this subdivision. For purposes of this subdivision, "asset backed arrangement" means a loan participation or loan to or equity investment in a business entity that has as its primary business activity the acquisition and holding of financial assets for the benefit of its debt and equity holders.*

*In order to qualify for investment under this subdivision:*

(a) *the investment in the asset backed arrangement must be secured by or represent an undivided interest in a single financial asset or a pool of financial assets; and*

(b) *either (1) at least 90 percent of the dollar value of the financial assets held under the asset backed arrangement qualifies for direct investment under this section; (2) the investment in the asset backed arrangement is rated in one of the four highest rating categories by at least one nationally recognized statistical rating organization; or (3) the investment in the asset backed arrangement is rated in one of the two highest categories established by the securities valuation office of the National Association of Insurance*

*Commissioners.*

*Examples of asset-backed arrangements authorized by this subdivision include, but are not limited to: general and limited partnership interests; participations under unit investment trusts such as collateralized mortgage obligations and collateralized bond obligations; shares in, or obligations of, corporations formed for holding investment assets, and contractual participation interests in a loan or group of loans.*

*A company may not invest in an asset backed arrangement if the investment causes the company's aggregate investment in the financial assets held under the asset backed arrangement to exceed any of the concentration limits contained in this section.*

Sec. 6. Minnesota Statutes 1990, section 61A.28, is amended by adding a subdivision to read:

*Subd. 9a. [HEDGING.] A domestic life insurance company may enter into financial transactions solely for the purpose of managing the interest rate risk associated with the company's assets and liabilities and not for speculative or other purposes. For purposes of this subdivision, "financial transactions" include, but are not limited to, futures, options to buy or sell fixed income securities, repurchase and reverse repurchase agreements, and interest rate swaps, caps, and floors. This authority is in addition to any other authority of the insurer.*

Sec. 7. Minnesota Statutes 1990, section 61A.28, subdivision 11, is amended to read:

*Subd. 11. [POLICY LOANS.] Loans on the security of insurance policies issued by itself to an amount not exceeding the loan value thereof; and loans on the pledge of any of the securities eligible for investment under the provisions of subdivisions 2 to 10, with the exception of noninvestment grade obligations as defined in subdivision 6, paragraph (f), but not exceeding 95 percent of the value of securities enumerated in subdivisions 2, 3, and 4 and 80 percent of the value of stocks and other securities; in case of securities enumerated in subdivisions 3, 5, and 10 "value" means principal amount unpaid thereon and in case of other securities market value thereof; in case of securities enumerated in subdivisions 3 and 10 the pledge agreement shall require principal payments by the pledgor at least equal to and concurrent with principal payments on the pledged security; in loans authorized by this subdivision, except as otherwise provided by law in regard to policy loans, the company shall reserve the right at any time to declare the indebtedness due and payable when in excess of such proportions of value or, in case of pledge of securities other than those enumerated in subdivisions 3 and 10, upon depreciation of security.*

Sec. 8. Minnesota Statutes 1990, section 61A.28, subdivision 12, is amended to read:

*Subd. 12. [ADDITIONAL INVESTMENTS.] Investments of any kind, without regard to the categories, conditions, standards, or other limitations set forth in the foregoing subdivisions and section 61A.31, subdivision 3, except that the prohibitions in clause (d) of subdivision 3 remains applicable, may be made by a domestic life insurance company in an amount not to exceed the lesser of the following:*

(1) Five percent of the company's total admitted assets as of the end of the preceding calendar year, or

(2) Fifty percent of the amount by which its capital and surplus as of the end of the preceding calendar year exceeds \$675,000. ~~Provided, however, that~~ A company's total investment under this section in the common stock of any corporation, other than the stock of the types of corporations specified in subdivision 6(a), may not exceed ten percent of the common stock of the corporation. ~~Provided, further, that~~ No investment may be made under the authority of this clause or clause (1) by a company that has not completed five years of actual operation since the date of its first certificate of authority.

If, subsequent to being made under the provisions of this subdivision, an investment is determined to have become qualified or eligible under any of the other provisions of this chapter, the company may consider the investment as being held under the other provision and the investment need no longer be considered as having been made under the provisions of this subdivision.

In addition to the investments authorized by this subdivision, a domestic life insurance company may make qualified investments in any additional securities or property of the type authorized by subdivision 6, paragraph (e), (f), or (g), with the written order of the commissioner. This approval is at the discretion of the commissioner, *provided that the additional investments allowed by the commissioner's written order may not exceed five percent of the company's admitted assets*. This authorization does not negate or reduce the investment authority granted in subdivision 6, paragraph (e), (f), or (g), or this subdivision.

Sec. 9. Minnesota Statutes 1990, section 61A.28, is amended by adding a subdivision to read:

*Subd. 13. [ADDITIONAL LIMITATIONS.] Under the standards and procedures in article 3, the commissioner may impose additional limitations on the types and percentages of investments as the commissioner determines necessary to protect and ensure the safety of the general public.*

Sec. 10. Minnesota Statutes 1990, section 61A.281, is amended by adding a subdivision to read:

*Subd. 5. [CORPORATIONS ORGANIZED TO HOLD INVESTMENTS.] A domestic life insurance company may organize one or more corporations domiciled in the United States and hold the capital stock of them, provided that it shall continuously own all of the capital stock and that the corporations so organized shall limit their activities to acquiring and holding investments, other than under subdivisions 1 to 4, that a domestic life insurance company may acquire and hold. The investments of these corporations are subject to the same restrictions and requirements as apply to domestic life insurance companies, including the applicable percentage limitations for investments in individual properties and entities and limitations on the aggregate amount to be invested in any investment category. For the purposes of calculating the amount of an investment held by the life insurance company, investments in the same property, entity, or investment category that are owned by the company and all corporations qualifying under this subdivision must be aggregated.*

Sec. 11. Minnesota Statutes 1990, section 61A.29, is amended to read:

**61A.29 [INVESTMENTS; AUTHORIZATION; FOREIGN INVESTMENTS.]**

Subdivision 1. [AUTHORIZATION.] ~~No investment or loan, except policy~~

loans, shall be made by any domestic life insurance company unless the same shall have been authorized or be approved by the board of directors or by a committee of directors, officers or employees of the company designated by the board charged with the duty of supervising the investment or loan, and in either case accurate records of all authorizations and approvals shall be maintained. In addition to the Canadian investments permitted by this chapter, a domestic life insurance company may make foreign investments authorized by subdivision 2, subject to the limitations contained in subdivision 3. Investments authorized by this section are restricted to countries where the obligations of the sovereign government are rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization in the United States. All investments must be made as provided under foreign investment guidelines established and maintained by the company under section 61A.28.

Subd. 2. [FOREIGN AUTHORIZED INVESTMENTS.] Any domestic life insurance company may invest in obligations of and investments in foreign countries, other than the Dominion of Canada, on the following conditions:

(a) A company may acquire and hold any foreign investments which are required as a condition of doing business in the foreign country or necessary for the convenient accommodation of its foreign business. An investment shall be considered necessary for the convenient accommodation of foreign business only if it is demonstrably and directly related in size and purpose to such company's foreign insurance operations; and

(b) A company may also invest not more than a total of two percent of its admitted assets in any combination of:

(1) the obligations of foreign governments, corporations, or business trusts;

(2) obligations of federal, provincial, or other political subdivisions backed by the full faith and credit of the foreign governmental unit;

(3) or in the stocks or stock equivalents or obligations of foreign corporations or business trusts not qualifying for investment under section 61A.28, subdivision 6, if the obligations, stocks, or stock equivalents are regularly traded on the London, Paris, Zurich, or Tokyo stock exchange or any similar regular securities exchange not disapproved by the commissioner within 30 days following notice from the company of its intention to invest in these securities. A company may invest in (i) foreign assets denominated in United States dollars; (ii) foreign assets denominated in foreign currency; and (iii) United States assets denominated in foreign currency. The investments may be made in any combination of the following:

(a) Obligations of sovereign governments and political subdivisions thereof and obligations issued or fully guaranteed by a supranational bank or organization, other than those described in section 61A.28, subdivision 2, paragraph (e), provided that the obligations are rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization in the United States. For purposes of this section, "supranational bank" means a bank owned by a number of sovereign nations and engaging in international borrowing and lending.

(b) Obligations of a foreign business entity, provided that the obligation (i) is rated in one of the four highest rating categories by at least one nationally recognized statistical rating organization in the United States or by a similarly recognized statistical rating organization, as approved by the commissioner, in the country where the investment is made; or (ii) is



*rated in one of the two highest categories established by the securities valuation office of the National Association of Insurance Commissioners.*

*(c) Stock or stock equivalents issued by a foreign entity if the stock or stock equivalents are regularly traded on the Frankfurt, London, Paris, or Tokyo stock exchange or any similar securities exchange as may be approved from time to time by the commissioner and subject to oversight by the government of the country in which the exchange is located.*

*(d) Financial transactions for the sole purpose of managing the foreign currency risk of investments made under this subdivision, provided that the financial transactions are entered into under a detailed plan maintained by the company. For purposes of this paragraph, "financial transactions" include, but are not limited to, the purchase or sale of currency swaps, forward agreements, and currency futures.*

*Subd. 3. [INVESTMENT LIMITATIONS.] Investments authorized by subdivision 2 are subject to the following limitations:*

*(a) A company shall not make an investment under this section if the investment causes the company's aggregate investments authorized under this section to exceed ten percent of its total admitted assets.*

*(b) Investments made under subdivision 2 must be aggregated with United States investments in determining compliance with percentage concentration limitations, if any, contained in this chapter.*

*(c) A company shall not invest in the obligations of one issuer under subdivision 2 in an amount greater than authorized for investments of the same class under this chapter. A company shall not invest more than two percent of its total admitted assets in the direct or guaranteed obligations of a sovereign government or political subdivision thereof, or of a supranational bank.*

Sec. 12. Minnesota Statutes 1990, section 61A.31, is amended to read:

**61A.31 [REAL ESTATE HOLDINGS.]**

Subdivision 1. [PURPOSES.] Except as provided in subdivisions 2, 3, and 4, every domestic life insurance company may acquire, hold and convey real property only for the following purposes and in the following manner:

(1) Such as shall have been mortgaged to it in good faith by way of security for loans previously contracted, or for moneys due;

(2) Such as shall have been conveyed to it in satisfaction of debts previously contracted in the course of its dealings;

(3) Such as shall have been purchased at sales on judgments, decrees or mortgages obtained or made for such debts;

(4) Such as shall have been subject to a contract for deed under which the company held the vendor's interest to secure the payment by the vendee.

**All the real property specified in clauses (1), (2), (3), and (4), which shall not be necessary for its accommodation in the convenient transaction of its business, shall be sold and disposed of within five years after the company shall have acquired title to the same, or within five years after the same shall have ceased to be necessary for the accommodation of its business, and it shall not hold this property for a longer period unless it shall hold real property pursuant to subdivision 3, or shall procure a certificate from the commissioner of commerce that its interest will suffer materially by the forced sale thereof,**

in which event the time for the sale may be extended to such time as the commissioner shall direct in the certificate.

Subd. 2. [BUILDING PROJECTS.] In order to promote and supplement public and private efforts to provide an adequate supply of decent, safe, and sanitary dwelling accommodations for persons of low and moderate income; to relieve unemployment; to alleviate the shortage of rental residences; and to assist in relieving the emergency in the housing situation in this country through investment of funds, any life insurance company may purchase or lease from any owner or owners (including states and political subdivisions thereof), real property in any state in which such company is licensed to transact the business of life insurance; and on any real property so acquired or on real property so located and acquired otherwise in the conduct of its business, such company may erect apartment, or other dwelling houses, not including hotels, but including accommodations for retail stores, shops, offices, and other community services reasonably incident to such projects; or, to provide such housing or accommodations, may construct, reconstruct, improve, or remove any buildings or other improvements thereon. Such company may thereafter own, improve, maintain, manage, collect or receive income from, sell, lease, or convey any such real property and the improvements thereon. ~~The aggregate investment by any such domestic life insurance company in all such projects, including the cost of all real property so purchased or leased and the cost of all improvements to be made upon such real property and upon real property otherwise acquired, shall not, at the date of purchase or other acquisition of such real property, exceed ten percent of the total admitted assets of such company on the last day of the previous calendar year. A company may not invest in the building projects if the investment causes the company's aggregate investments under this subdivision to exceed ten percent of its total admitted assets.~~

Subd. 3. [ACQUISITION OF PROPERTY.] Any domestic life insurance company may:

(a) acquire real property or any interest in real property, including oil and gas and other mineral interests, in the United States or any state thereof, or in the Dominion of Canada or any province thereof, as an investment for the production of income, and hold, improve or otherwise develop, and lease, sell, and convey the same either directly or as a joint venturer or through a limited or general partnership in which the company is a partner; ~~subject to the following conditions and limitations: (1) The cost to the company of each parcel of real property acquired pursuant to this paragraph, including the estimated cost to the company of the improvement or development thereof, when added to the book value of all other real property then held by it pursuant to this clause, may not exceed 15 percent of its admitted assets as of the end of the preceding calendar year; and (2) the cost to the company of each parcel of real property acquired pursuant to this paragraph, including the estimated costs to the company of the improvement or development thereof, may not exceed two percent of its admitted assets as of the end of the preceding calendar year; A company may not invest in any real property asset other than property held for the convenience and accommodation of its business if the investment causes: (1) the company's aggregate investments in the real property assets to exceed ten percent of its admitted assets; or (2) the company's investment in any single parcel of real property to exceed one-half of one percent of its admitted assets;~~

(b) acquire personal property in the United States or any state thereof, or in the Dominion of Canada or any province thereof, under lease or leases

or commitment for lease or leases if: (1) either the fair value of the property exceeds the company's investment in it or the lessee, or at least one of the lessees, or a guarantor, or at least one of the guarantors, of the lease is a corporation with a net worth of \$1,000,000 or more; and (2) the lease provides for rent sufficient to amortize the investment with interest over the primary term of the lease or the useful life of the property, whichever is less; and (3) in no event does the total investment in personal property under this paragraph exceed three percent of the domestic life insurance company's admitted assets. *A company may not invest in the personal property if the investment causes the company's aggregate investments in the personal property to exceed three percent of its admitted assets;*

(c) acquire and hold real estate (1) if the purpose of the acquisition is to enhance the sale value of real estate previously acquired and held by the company under this section and (2) if the company expects the real estate so acquired to qualify and be held by the company under paragraph (a) within five years after acquisition; and

(d) not acquire real property under paragraphs (a) to (c) if the property is to be used primarily for agricultural, horticultural, ranch, mining, or church purposes.

All real property acquired or held under this subdivision must be carried at a value equal to the lesser of (1) cost plus the cost of capitalized improvements, less normal depreciation, or (2) market value.

Subd. 4. [CONVENIENCE AND ACCOMMODATION OF BUSINESS.] *The real estate acquired or held by any domestic life insurance company for the convenience and accommodation of its business shall not exceed in value 25 percent of its cash and invested assets, not including real estate acquired or held for the convenience and accommodation of its business. Any domestic life insurance company, after having secured approval of the commissioner of commerce therefor, may also acquire and hold real estate for the sole purpose of providing necessary homes and living quarters for its employees. Such real estate shall never exceed three percent of the company's cash assets as shown by its annual statement last filed with the commissioner of commerce. All real property which shall not be necessary for its accommodation in the convenient transaction of its business, or the housing of its employees, shall be sold and disposed of within five years after the same shall have ceased to be necessary for the accommodation of its business, or the housing of its employees, and it shall not hold this property for a longer period unless, (a) it shall procure a certificate from the commissioner of commerce that its interest will suffer materially by the forced sale thereof, in which event the time for sale may be extended to such time as the commissioner shall direct in the certificate, or (b) such real property qualifies as an investment under the terms of subdivision 3 in which event the company may, at its option consider such real property as held under the provisions of said subdivision, subject to the conditions, standards, or other limitations of said subdivision as though it had been originally acquired thereunder. A company may acquire and hold real estate for the convenience and accommodation of its business. Without the prior approval of the department of commerce, a company may not invest in real estate authorized under this subdivision if the investment causes the company's aggregate investments under this subdivision to exceed five percent of its total admitted assets, except that a health service plan corporation operating under chapter 62C, and a health maintenance organization operating under chapter 62D, may not invest in real estate authorized under this subdivision if the investment causes the company's aggregate*

*investments under this subdivision to exceed 25 percent of its total admitted assets.*

Sec. 13. [REPEALER.]

*Minnesota Statutes 1990, section 61A.28, subdivisions 4 and 5, are repealed.*

ARTICLE 10

ADMINISTRATION

Section 1. Minnesota Statutes 1990, section 60A.02, is amended by adding a subdivision to read:

*Subd. 27. [ADMITTED ASSETS.] "Admitted assets" means the assets as shown by the company's annual statement on December 31 valued according to valuation regulations prescribed by the National Association of Insurance Commissioners and procedures adopted by the National Association of Insurance Commissioners' financial condition Ex 4 subcommittee if not addressed in another section, unless the commissioner requires or finds another method of valuation reasonable under the circumstances.*

Sec. 2. Minnesota Statutes 1990, section 60A.03, subdivision 5, is amended to read:

*Subd. 5. [EXAMINATION FEES AND EXPENSES.] When any visitation, examination, or appraisal is made by order of the commissioner, the company being examined, visited, or appraised, including fraternal, township mutuals, reciprocal exchanges, nonprofit service plan corporations, health maintenance organizations, vendors of risk management services licensed under section 60A.23, or self-insurance plans or pools established under section 176.181 or 471.982, shall pay to the department of commerce the necessary expenses of the persons engaged in the examination, visit, or appraisal plus the per diem salary fees of the employees of the department of commerce who are conducting or participating in the examination, visitation, or appraisal. Each insurer shall also pay for the necessary expenses of desk audits of these statements and records performed by the department other than at the company's premises. The per diem salary fees may be based upon the approved examination fee schedules of the National Association of Insurance Commissioners or otherwise determined by the commissioner. All of these fees and expenses must be paid into the department of commerce revolving fund.*

Sec. 3. Minnesota Statutes 1990, section 60A.031, is amended to read:

60A.031 [EXAMINATIONS.]

*Subdivision 1. [POWER TO EXAMINE.] (1) [INSURERS AND OTHER LICENSEES.] At any time and for any reason related to the enforcement of the insurance laws, or to ensure that companies are being operated in a safe and sound manner and to protect the public interest, the commissioner may examine the affairs and conditions of any foreign or domestic insurance or reinsurance company, including reciprocals and fraternal, licensee or applicant for a license under the insurance laws, or any other person or organization of persons doing or in the process of organizing to do any insurance business in this state, and of any licensed advisory organization serving any of the foregoing in this state.*

(2) [WHO MAY BE EXAMINED.] The commissioner in making any examination of an insurance company as authorized by this section may, if

in the commissioner's discretion, there is cause to believe the commissioner is unable to obtain relevant information from such insurance company *or that the examination or investigation is, in the discretion of the commissioner, necessary or material to the examination of the company*, examine any person, association, or corporation:

(a) transacting, having transacted, or being organized to transact the business of insurance in this state;

(b) engaged in or proposing to be engaged in the organization, promotion, or solicitation of shares or capital contributions to or aiding in the formation of a domestic insurance company;

(c) holding shares of capital stock of an insurance company for the purpose of controlling the management thereof as voting trustee or otherwise;

(d) having a contract, written or oral, pertaining to the management or control of an insurance company as general agent, managing agent, attorney-in-fact, or otherwise;

(e) which has substantial control directly or indirectly over an insurance company whether by ownership of its stock or otherwise, or owning stock in any domestic insurance company, which stock constitutes a substantial proportion of either the stock of the domestic insurance company or of the assets of the owner thereof;

(f) which is a subsidiary or affiliate of an insurance company;

(g) which is a licensed agent or solicitor or has made application for the licenses;

(h) engaged in the business of adjusting losses or financing premiums.

Nothing contained in this clause (2) shall authorize the commissioner to examine any person, association, or corporation which is subject to regular examination by another division of the commerce department of this state. The commissioner shall notify the other division when an examination is deemed advisable.

Subd. 2a. [PURPOSE, SCOPE, AND NOTICE OF EXAMINATION.] An examination may, but need not, cover comprehensively all aspects of the examinee's affairs, practices, and conditions. The commissioner shall determine the nature and scope of each examination and in doing so shall take into account all available relevant factors concerning the financial and business affairs, practices and conditions of the examinee. For examinations undertaken pursuant to this section, the commissioner shall issue an order stating the scope of the examination and designating the person responsible for conducting the examination. A copy of the order shall be provided to the examinee.

*In conducting the examination, the examiner shall observe the guidelines and procedures in the examiner's handbook adopted by the National Association of Insurance Commissioners. The commissioner may also employ other guidelines or procedures that the commissioner may consider appropriate.*

Subd. 3. [ACCESS TO EXAMINEE.] (a) The commissioner, or the designated person, shall have *timely, convenient, and free access during normal business at all reasonable hours* to all books, records, securities, accounts, documents, and any or all *computer or other records and 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 *timely*, convenient, and free access at all reasonable hours at its office to all its books, records, *accounts, papers*, securities, documents, any or all ~~papers~~ *computer or other records* 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.

*The refusal of a company, by its officers, directors, employees, or agents, to submit to examination or to comply with a reasonable request of the examiners is grounds for suspension or refusal of, or nonrenewal of, a license or authority held by the company to engage in an insurance or other business subject to the commissioner's jurisdiction. The proceedings for suspension, revocation, or refusal of a license or authority must be conducted as provided in section 45.027.*

*(b) The commissioner or any examiners may issue subpoenas, administer oaths, and examine under oath any person as to any matter pertinent to the examination. If a person fails or refuses to obey a subpoena, the commissioner may petition a court of competent jurisdiction, and upon proper showing, the court may enter an order compelling the witness to appear and testify or produce documentary evidence. Failure to obey the court order is punishable as contempt of court.*

*(c) When making an examination under this section, the commissioner may retain attorneys, appraisers, independent actuaries, independent certified public accountants, or other professionals and specialists as examiners, the cost of which must be paid by the company that is the subject of the examination.*

*(d) This section does not limit the commissioner's authority to terminate or suspend any examination in order to pursue other legal or regulatory action pursuant to the insurance laws of this state. Findings of fact and conclusions made pursuant to an examination are prima facie evidence in a legal or regulatory action.*

*(e) Nothing contained in this section shall be construed to limit the commissioner's authority to use as evidence a final or preliminary examination report, examiner or company workpapers or other documents, or other information discovered or developed during the course of an examination in the furtherance of a legal or administrative action which the commissioner may, in the commissioner's sole discretion, consider appropriate.*

Subd. 4. [EXAMINATION REPORT; FOREIGN AND DOMESTIC COMPANIES.] (a) The commissioner shall make a full and true report of every examination conducted pursuant to this chapter, which shall include (1) a statement of findings of fact relating to the financial status and other matters ascertained from the books, papers, records, documents, and other evidence obtained by investigation and examination or ascertained from the

testimony of officers, agents, or other persons examined under oath concerning the business, affairs, assets, obligations, ability to fulfill obligations, and compliance with all the provisions of the law of the company, applicant, organization, or person subject to this chapter and (2) a summary of important points noted in the report, conclusions, recommendations and suggestions as may reasonably be warranted from the facts so ascertained in the examinations. The report of examination shall be verified by the oath of the examiner in charge thereof, and shall be prima facie evidence in any action or proceedings in the name of the state against the company, applicant, organization, or person upon the facts stated therein.

*(b) No later than 60 days following completion of the examination, the examiner in charge shall file with the department a verified written report of examination under oath. Upon receipt of the verified report, the department shall transmit the report to the company examined, together with a notice which provides the company examined with a reasonable opportunity of not more than 30 days to make a written submission or rebuttal with respect to matters contained in the examination report.*

*(c) Within 30 days of the end of the period allowed for the receipt of written submissions or rebuttals, the commissioner shall fully consider and review the report, together with the written submissions or rebuttals and the relevant portions of the examiner's workpapers and enter an order:*

*(1) adopting the examination report as filed or with modification or corrections. If the examination report reveals that the company is operating in violation of any law, rule, or prior order of the commissioner, the commissioner may order the company to take any action the commissioner considers necessary and appropriate to cure the violation;*

*(2) rejecting the examination report with directions to the examiners to reopen the examination for purposes of obtaining additional data, documentation, or information, and refiling the report as required under paragraph (b); or*

*(3) calling for an investigatory hearing with no less than 20 days' notice to the company for purposes of obtaining additional documentation, data, information, and testimony.*

*(d)(1) All orders entered under paragraph (c), clause (1), must be accompanied by findings and conclusions resulting from the commissioner's consideration and review of the examination report, relevant examiner workpapers, and any written submissions or rebuttals. The order is a final administrative decision and may be appealed as provided under chapter 14. The order must be served upon the company by certified mail, together with a copy of the adopted examination report. Within 30 days of the issuance of the adopted report, the company shall file affidavits executed by each of its directors stating under oath that they have received a copy of the adopted report and related orders.*

*(2) A hearing conducted under paragraph (c), clause (3), by the commissioner or authorized representative, must be conducted as a nonadversarial confidential investigatory proceeding as necessary for the resolution of inconsistencies, discrepancies, or disputed issues apparent upon the face of the filed examination report or raised by or as a result of the commissioner's review of relevant workpapers or by the written submission or rebuttal of the company. Within 20 days of the conclusion of the hearing, the commissioner shall enter an order as required under paragraph (c).*

clause (1).

(3) *The commissioner shall not appoint an examiner as an authorized representative to conduct the hearing. The hearing must proceed expeditiously. Discovery by the company is limited to the examiner's workpapers which tend to substantiate assertions in a written submission or rebuttal. The commissioner or the commissioner's representative may issue subpoenas for the attendance of witnesses or the production of documents considered relevant to the investigation whether under the control of the department, the company, or other persons. The documents produced must be included in the record. Testimony taken by the commissioner or the commissioner's representative must be under oath and preserved for the record.*

*This section does not require the department to disclose information or records which would indicate or show the existence or content of an investigation or activity of a criminal justice agency.*

(4) *The hearing must proceed with the commissioner or the commissioner's representative posing questions to the persons subpoenaed. Thereafter, the company and the department may present testimony relevant to the investigation. Cross-examination may be conducted only by the commissioner or the commissioner's representative. The company and the department shall be permitted to make closing statements and may be represented by counsel of their choice.*

(e)(1) *Upon the adoption of the examination report under paragraph (c), clause (1), the commissioner shall continue to hold the content of the examination report as private and confidential information for a period of 30 days except as otherwise provided in paragraph (b). Thereafter, the commissioner may open the report for public inspection if a court of competent jurisdiction has not stayed its publication.*

(2) *Nothing contained in this subdivision prevents or shall be construed as prohibiting the commissioner from disclosing the content of an examination report, preliminary examination report or results, or any matter relating to the reports, to the commerce department or the insurance department of another state or country, or to law enforcement officials of this or another state or agency of the federal government at any time, if the agency or office receiving the report or matters relating to the report agrees in writing to hold it confidential and in a manner consistent with this subdivision.*

(3) *If the commissioner determines that regulatory action is appropriate as a result of an examination, the commissioner may initiate proceedings or actions as provided by law.*

(f) *All working papers, recorded information, documents and copies thereof produced by, obtained by, or disclosed to the commissioner or any other person in the course of an examination made under this subdivision must be given confidential treatment and are not subject to subpoena and may not be made public by the commissioner or any other person, except to the extent provided in paragraph (e). Access may also be granted to the National Association of Insurance Commissioners. The parties must agree in writing prior to receiving the information to provide to it the same confidential treatment as required by this section, unless the prior written consent of the company to which it pertains has been obtained.*

Subd. 5. [ORDER; FOREIGN AND DOMESTIC COMPANIES.] Within a reasonable time of receipt of an examination report the commissioner may



issue an order to the examinee directing compliance within a time specified in the order or by law with one or more of the following:

(a) to restore within the time and extent prescribed by law or the commissioner's order any deficiency, whenever its capital, reserves or surplus have become impaired,

(b) to cease and desist from transaction of any business or from any business practice which if transacted or continued might result in the examinee's condition or further transaction of business being hazardous to its policyholders, its creditors, or the public,

(c) to cease and desist from any other violation of its charter or any law of the state.

Subd. 6. [PENALTY.] Notwithstanding section 72A.05, any person who violates or aids and abets any violation of a written order issued pursuant to this section may be fined not more than \$10,000 for each day the violation continues for each violation of the order in an action commenced in Ramsey county by the attorney general on behalf of the state of Minnesota and the money so recovered shall be paid into the general fund.

Subd. 7. [ALTERNATIVES TO EXAMINATIONS.] ~~(1) [AUDITS OR ACTUARIAL EVALUATIONS.] In lieu of all or part of an examination under this chapter, or in addition to it, the commissioner may require an independent audit by certified public accountants approved by the commissioner or an actuarial evaluation by actuaries approved by the commissioner of any persons subject to the examination requirement of subdivision 1.~~

~~(2) [REPORTS.] In lieu of all or part of an examination under this section, the commissioner may accept the report of an audit made by certified public accountants approved by the commissioner or actuarial evaluation by actuaries approved by the commissioner or the report of an examination made by the insurance department of another state, of the examination made by another government agency in this state, the federal government or another state. an examination under this section of a foreign or an alien insurer licensed in this state, the commissioner may accept an examination report on the company as prepared by the insurance department for the company's state of domicile or port of entry state until January 1, 1994. After January 1, 1994, the reports may only be accepted if:~~

~~(1) the insurance department is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation Program at the time of the examination; or~~

~~(2) the examination is performed under the supervision of an accredited insurance department or with the participation of one or more examiners who are employed by an accredited state insurance department and who, after a review of the examination workpapers and report, state under oath that the examination was performed in a manner consistent with the standards and procedures required by their insurance department.~~

Subd. 7a. [CONFLICT OF INTEREST.] *The department shall establish reasonable procedures so that no examiner, either directly or indirectly, has a conflict of interest or is affiliated with the management of or owns a pecuniary interest in a person subject to examination under this chapter. This section shall not be construed to automatically preclude an examiner from being:*

*(1) a policyholder or claimant under an insurance policy;*

(2) a grantor of a mortgage or similar instrument on the examiner's residence to a regulated entity if done under customary terms and in the ordinary course of business;

(3) an investment owner in shares of regulated diversified investment companies; or

(4) a settlor or beneficiary of a "blind trust" into which any otherwise impermissible holdings have been placed.

Notwithstanding the requirements of this section, the commissioner may retain from time to time, on an individual basis, qualified actuaries, certified public accountants, or other similar individuals who are independently practicing their professions, even though the persons may from time to time be similarly employed or retained by persons subject to examination under this chapter.

Subd. 8. [POWER TO MAKE RULES.] The commissioner may promulgate any rules which may be necessary to the administration of subdivisions 1 to 7 9.

Subd. 9. [IMMUNITY FROM LIABILITY.] (a) No cause of action shall arise nor shall liability be imposed against the commissioner, the commissioner's authorized representatives, or an examiner appointed by the commissioner for statements made or conduct performed in good faith while carrying out the provisions of this section.

(b) No cause of action shall arise, nor shall liability be imposed against a person for the act of communicating or delivering information or data to the commissioner or the commissioner's authorized representative or examiner pursuant to an examination made under this section, if the act of communication or delivery is performed in good faith and without fraudulent intent or the intent to deceive.

(c) This section does not abrogate or modify a common law or statutory privilege or immunity enjoyed by a person identified in paragraph (a).

(d) A person identified in paragraph (a) may be awarded attorney fees and costs if the person is the prevailing party in a civil cause of action for libel, slander, or other relevant tort arising out of activities in carrying out the provisions of this section, and the party bringing the action was not substantially justified in doing so. For purposes of this section, a proceeding is "substantially justified" if it had a reasonable basis in law or fact at the time that it was initiated.

#### Sec. 4. [60A.0311] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 4 to 10.

Subd. 2. [COMMERCIAL MORTGAGE LOAN.] "Commercial mortgage loan" means a loan by an insurer secured by a mortgage on commercial real estate property. "Commercial mortgage loan" does not include loans secured by residential real estate property containing four or less dwelling units or agricultural real estate property.

Subd. 3. [DELINQUENT MORTGAGE LOAN.] "Delinquent mortgage loan" means a loan 90 days delinquent on a required payment of principal or interest.

Subd. 4. [DISTRESSED MORTGAGE LOAN.] "Distressed mortgage

*loan* means a loan which is not otherwise described herein, that the management of the insurer, in the exercise of its prudent investment judgment, determines that circumstances exist with respect to the loan which create a reasonable probability that the loan may become a delinquent or foreclosed property.

*Subd. 5. [INDEPENDENT APPRAISER.]* "Independent appraiser" means a person who develops and communicates real estate appraisals and holds a current, valid license issued under chapter 82B, or a similar law enacted by another state.

*Subd. 6. [INTERNAL APPRAISAL.]* "Internal appraisal" means an appraisal made by an internal appraiser and based upon an evaluation of:

- (1) the property based upon a physical inspection of the premises;
- (2) the current and expected stabilized cash flow generated by the property;
- (3) the current and expected stabilized market rents in the geographic market where the property is located; and
- (4) the current and stabilized occupancy rates for the geographic market where the property is located.

*Subd. 7. [INTERNAL APPRAISER.]* "Internal appraiser" means an individual:

- (1) employed by an insurer or investment advisor to an insurer;
- (2) who has training and experience qualifying the individual to appraise the value of commercial real estate property;
- (3) whose direct or indirect compensation is not dependent upon the outcome of the appraisals performed under sections 4 to 10; and
- (4) who has direct reporting access to the chief investment officer of the insurer.

*Subd. 8. [INSURER.]* "Insurer" means a domestic insurance company.

*Subd. 9. [MORTGAGE LOAN IN FORECLOSURE.]* "Mortgage loan in foreclosure" means a loan in the process of foreclosure or where the mortgagor has declared bankruptcy and is not making regular monthly payments.

*Subd. 10. [PERFORMING MORTGAGE LOAN.]* "Performing mortgage loan" means a mortgage loan current in payment or not in distress.

*Subd. 11. [REAL ESTATE OWNED.]* "Real estate owned" means real property owned and acquired by an insurer through or in lieu of foreclosure.

*Subd. 12. [RESTRUCTURED MORTGAGE LOAN.]* "Restructured mortgage loan" means a loan where:

- (1) material delinquent payments or accrued interest are capitalized and added to the balance of an outstanding loan; or
- (2) the insurer has abated or reduced interest payments below market rates existing at the date of restructuring.

**Sec. 5. [60A.0312] [REQUIRED WRITTEN PROCEDURES.]**

*An insurer shall establish written procedures, approved by the company's board of directors, for the valuation of commercial mortgage loans and real*

*estate owned. The procedures must be made available to the commissioner upon request. The commissioner shall review the insurer's compliance with the procedures in any examination of the insurer under section 60A.031.*

Sec. 6. [60A.0313] [VALUATION PROCEDURE.]

*Subdivision 1. [REQUIREMENT.] An insurer shall value its commercial mortgage loans and real estate acquired through foreclosure of commercial mortgage loans as provided in this section for the purpose of establishing reserves or carrying values of the investments for statutory accounting purposes.*

*Subd. 2. [PERFORMING MORTGAGE LOAN.] A performing mortgage loan must be carried at its amortized acquisition cost.*

*Subd. 3. [DISTRESSED MORTGAGE LOAN.] (a) The insurer shall make an evaluation of the appropriate carrying value of its commercial mortgage loans which it classifies as distressed mortgage loans. The carrying value may be based upon one or more of the following procedures:*

- (1) an internal appraisal;*
- (2) an appraisal made by an independent appraiser; or*
- (3) the value of guarantees or other credit enhancements related to the loan.*

*(b) The insurer may determine the carrying value of its distressed mortgage loans through either an evaluation of each specific distressed mortgage loan or by a sampling methodology. An insurer using a sampling methodology shall identify a sampling of its distressed mortgage loans that represent a cross section of all of its distressed mortgage loans. The insurer shall make an evaluation of the appropriate carrying value for each sample loan. The carrying value of all of the insurer's distressed mortgage loans must be the same percentage of their amortized acquisition cost as the sample loans. The carrying value may be based upon an internal appraisal or an appraisal conducted by an independent appraiser.*

*(c) The insurer shall either take a charge against its surplus or establish a reserve for the difference between the carrying value and the amortized acquisition cost of its distressed mortgage loans.*

*Subd. 4. [DELINQUENT MORTGAGE LOAN.] (a) The insurer shall make an evaluation of the appropriate carrying value of each delinquent mortgage loan. The carrying value must be based upon one or more of the following procedures:*

- (1) an internal appraisal;*
- (2) an appraisal by an independent appraiser; or*
- (3) the value of guarantees or other credit enhancements related to the loan.*

*(b) The insurer shall either take a charge against its surplus or establish a reserve for the difference between the carrying value and the amortized acquisition cost of its delinquent mortgage loans.*

*Subd. 5. [RESTRUCTURED MORTGAGE LOAN.] (a) The insurer shall make an evaluation of the appropriate carrying value of each restructured mortgage loan. The carrying value must be based upon one or more of the following procedures:*

- (1) an internal appraisal;
- (2) an appraisal by an independent appraiser; or
- (3) the value of guarantees or other credit enhancements related to the loan.

(b) The insurer shall either take a charge against its surplus or establish a reserve for the difference between the carrying value and the amortized acquisition cost of its restructured mortgage loans.

*Subd. 6. [MORTGAGE LOAN IN FORECLOSURE.] (a) The insurer shall make an evaluation of the appropriate carrying value of each mortgage loan in foreclosure. The carrying value must be based upon an appraisal made by an independent appraiser.*

(b) The insurer shall take a charge against its surplus for the difference between the carrying value and the amortized acquisition cost of its mortgage loans in the process of foreclosure.

*Subd. 7. [REAL ESTATE OWNED.] (a) The insurer shall make an evaluation of the appropriate carrying value of real estate owned. The carrying value must be based upon an appraisal made by an independent appraiser.*

(b) The insurer shall take a charge against its surplus for the difference between the carrying value and the amortized acquisition cost of real estate owned.

Sec. 7. [60A.0314] [INDEPENDENT AUDIT.]

*The audit report of the independent certified public accountant which prepares the audit of an insurer's annual statement as required under section 60A.13, subdivision 3a, must contain findings by the auditor that:*

- (1) the insurer has adopted valuation procedures meeting the minimum standards required in section 5;
- (2) the procedures adopted by the board of directors have been uniformly applied by the insurer in conformance with this section; and
- (3) the management of the insurer has an adequate system of internal controls.

Sec. 8. [60A.0315] [APPRAISAL BY INDEPENDENT APPRAISER.]

*Subdivision 1. [MORTGAGE LOANS IN THE PROCESS OF FORECLOSURE.] An insurer may rely upon an appraisal by an independent appraiser to determine the carrying value of mortgage loans in the process of foreclosure only if the date of the appraisal is within six months of the date the foreclosure procedure is begun. If no appraisal exists, the insurer shall acquire an appraisal within six months after the foreclosure proceeding has begun.*

*Subd. 2. [REAL ESTATE OWNED.] An insurer may rely upon an appraisal by an independent appraiser to determine the carrying value of real estate owned only if the date of the appraisal is within six months of the date when title to the property was acquired. If no appraisal exists, the insurer shall acquire an appraisal within six months after title to the property is acquired.*

*Subd. 3. [CHARGE TAKEN.] An insurer shall take a charge against the surplus for mortgage loans in the process of foreclosure and real estate owned in the first calendar year in which it holds a current appraisal made*

*by an independent appraiser as provided in this section.*

Sec. 9. [60A.0316] [BOARD REPORT.]

*The management of the insurer shall make periodic reports, at least annually, to its board of directors, or an appropriate committee of the board, as to the application of the insurer's valuation procedures adopted under sections 4 to 8.*

Sec. 10. [60A.0317] [RESERVE ACCOUNT.]

*In computing reserves required to be held by an insurer under the provisions of section 6, subdivisions 3, 4, and 5, the commissioner may allow an insurer to take credit for any reserves held by the insurer attributable to the assets as an "asset valuation reserve" pursuant to the accounting and reserving requirements of the National Association of Insurance Commissioners. Any charges against surplus required to be taken under section 6, subdivisions 4, 6, and 7, may be taken against the asset valuation reserve to the extent the asset valuation reserve is sufficient. The insurer shall take a charge against its surplus for required write-downs to the extent the asset valuation reserve is not sufficient.*

Sec. 11. Minnesota Statutes 1990, section 60A.07, is amended by adding a subdivision to read:

*Subd. 5f. [CAPITAL AND SURPLUS REQUIREMENTS.] (a) Capital and surplus requirements apply to all types of insurance transacted by the insurer, whether or not only a portion of the types of insurance are transacted in this state. The commissioner may for the protection of the public require an insurer to maintain funds in excess of the amounts required under this section, due to the amount, kind, or combination of types of insurance transacted by the insurer. Failure of an insurer to maintain funds as ordered by the commissioner is grounds for suspension or revocation of the insurer's certificate of authority.*

*(b) After June 30, 1991, an insurer may not renew and continue its certificate of authority unless the insurer possesses at least the basic capital and surplus, and additional surplus required by the commissioner under this section.*

Sec. 12. Minnesota Statutes 1990, section 60A.10, subdivision 2a, is amended to read:

*Subd. 2a. [SPECIAL DEPOSITS.] The commissioner may require a special deposit of an individual foreign insurer for the protection of its Minnesota policyholders or claimants. ~~The special deposit may be required, to a maximum amount of \$500,000.~~ In the event of the filing of a delinquency petition against the insurer in Minnesota, the deposit is subject to chapters 60B, 60C, and 61A, and 61B.*

Sec. 13. Minnesota Statutes 1990, section 60A.11, subdivision 9, is amended to read:

*Subd. 9. [GENERAL CONSIDERATIONS.] The following considerations apply in the interpretation of this section:*

*(a) This section applies to the investments of insurance companies other than life insurance companies;*

*(b) The purpose of this section is to protect and further the interests of policyholders, claimants, creditors and the public by providing standards*

for the development and administration of programs for the investment of the assets of domestic companies. These standards and the investment programs developed by companies must take into account the safety of company's principal, investment yield and growth, stability in the value of the investment, the liquidity necessary to meet the company's expected business needs, and investment diversification;

(c) All financial terms relating to insurance companies have the meanings assigned to them under statutory accounting methods. All financial terms relating to noninsurance companies have the meanings assigned to them under generally accepted accounting principles;

(d) Investments must be valued in accordance with the valuation procedures established by the National Association of Insurance Commissioners, unless the commissioner requires or finds another method of valuation reasonable under the circumstances. *Other invested assets must be valued according to the procedures promulgated by the National Association of Insurance Commissioners' financial condition Ex 4 subcommittee, if not addressed in another section, unless the commissioner requires or finds another method of valuation reasonable under the circumstances;*

(e) A company may elect to hold an investment which qualifies under more than one subdivision, under the subdivision of its choice. Nothing herein prevents a company from electing to hold an investment under a subdivision different from the one in which it previously held the investment; and

(f) An investment which qualifies under any provision of the law governing investments of insurance companies when acquired will continue to be a qualified investment for as long as it is held by the insurance company.

Sec. 14. Minnesota Statutes 1990, section 60A.13, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL STATEMENTS REQUIRED.] Every insurance company, including fraternal beneficiary associations, and reciprocal exchanges, doing business in this state, shall transmit to the commissioner, annually, on or before March first, ~~in the form prescribed by the commissioner, a verified statement of its entire business and condition during the preceding calendar year~~ *the appropriate verified National Association of Insurance Commissioners' annual statement blank, prepared in accordance with the association's instructions handbook and following those accounting procedures and practices prescribed by the association's accounting practices and procedures manual, unless the commissioner requires or finds another method of valuation reasonable under the circumstances.* In addition, the commissioner may require the filing of any other information determined to be reasonably necessary for the continual enforcement of these laws. The statement may be limited to the insurer's business and condition in the United States unless the commissioner finds that the business conducted outside the United States may detrimentally affect the interests of policyholders in this state. The statements shall also contain a verified schedule showing all details required by law for assessment and taxation. The statement or schedules shall be in the form and shall contain all matters the commissioner may prescribe, and it may be varied as to different types of insurers so as to elicit a true exhibit of the condition of each insurer.

Sec. 15. Minnesota Statutes 1990, section 61A.283, is amended to read:

61A.283 [ADMITTED ASSETS.]

For the purpose of applying any investment limitation based on the amount of a domestic life insurance company's admitted assets, the term "admitted assets" shall mean such assets as shown by the company's annual statement, required by section 60A.13, as of the December 31 immediately preceding the date the company acquires the investment has the meaning given in section 1, with an adjustment in such the admitted asset figure to exclude amounts which on such the December 31 immediately preceding the date the company acquires an investment are allocated to separate accounts; and the value of stocks and warrants and options to purchase stocks owned by the company on such December 31 shall be based on cost. For other purposes the term "admitted assets" shall mean such assets as shown by the company's annual statement on such December 31, valued in accordance with the valuation regulations prescribed by the National Association of Insurance Commissioners.

Sec. 16. Minnesota Statutes 1990, section 72A.061, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL STATEMENTS.] Any insurance company licensed to do business in this state, including fraternal, reciprocals and township mutuals, which neglects to file its annual statement in the form prescribed and within the time specified by law shall be subject to a penalty of \$25 \$100 for each day in default. If, at the end of 90 45 days, the default has not been corrected, the company shall be given ten days in which to show cause to the commissioner why its license should not be suspended. If the company has not made the requisite showing within the ten-day period, the license and authority of the company may, at the discretion of the commissioner, be suspended during the time the company is in default.

Any insurance company, including fraternal, reciprocals, and township mutuals, willfully making a false annual or other required statement shall pay a penalty to the state not to exceed \$5,000. Either or both of the monetary penalties imposed by this subdivision may be recovered in a civil action brought by and in the name of the state.

Sec. 17. Minnesota Statutes 1990, section 62D.044, is amended to read:  
62D.044 [ADMITTED ASSETS.]

"Admitted assets" includes the following:

- (1) petty cash and other cash funds in the organization's principal or official branch office that are under the organization's control;
- (2) immediately withdrawable funds on deposit in demand accounts, in a bank or trust company organized and regularly examined under the laws of the United States or any state, and insured by an agency of the United States government, or like funds actually in the principal or official branch office at statement date, and, in transit to a bank or trust company with authentic deposit credit given before the close of business on the fifth bank working day following the statement date;
- (3) the amount fairly estimated as recoverable on cash deposited in a closed bank or trust company, if the assets qualified under this section before the suspension of the bank or trust company;
- (4) bills and accounts receivable that are collateralized by securities in which the organization is authorized to invest;
- (5) premiums due from groups or individuals that are not more than 90



days past due;

(6) amounts due under reinsurance arrangements from insurance companies authorized to do business in this state;

(7) tax refunds due from the United States or this state;

(8) *principal and* interest accrued on mortgage loans not exceeding in aggregate one year's total due and accrued *principal and* interest on an individual loan;

(9) the rents due to the organization on real and personal property, directly or beneficially owned, not exceeding the amount of one year's total due and accrued rent on each individual property;

(10) *principal and* interest or rents accrued on conditional sales agreements, security interests, chattel mortgages, and real or personal property under lease to other corporations that do not exceed the amount of one year's total due and accrued interest or rent on an individual investment;

(11) the fixed required *principal and* interest due and accrued on bonds and other evidences of indebtedness that are not in default;

(12) dividends receivable on shares of stock, provided that the market price for valuation purposes does not include the value of the dividend;

(13) the interest on dividends due and payable, but not credited, on deposits in banks and trust companies or on accounts with savings and loan associations;

(14) *principal and* interest accrued on secured loans that do not exceed the amount of one year's interest on any loan;

(15) interest accrued on tax anticipation warrants;

(16) the amortized value of electronic computer or data processing machines or systems purchased for use in the business of the organization, including software purchased and developed specifically for the organization's use;

(17) the cost of furniture, equipment, and medical equipment, less accumulated depreciation thereon, and medical and pharmaceutical supplies that are used to deliver health care and are under the organization's control, provided the assets do not exceed 30 percent of admitted assets;

(18) amounts currently due from an affiliate that has liquid assets with which to pay the balance and maintain its accounts on a current basis. Any amount outstanding more than three months is not current;

(19) amounts on deposit under section 62D.041;

(20) accounts receivable from participating health care providers that are not more than 60 days past due; and

(21) investments allowed by section 62D.045, except for investments in securities and properties described under section 61A.284.

Sec. 18. Minnesota Statutes 1990, section 62D.045, subdivision 1, is amended to read:

Subdivision 1. [RESTRICTIONS.] Funds of a health maintenance organization shall be invested only in securities and property designated by law for investment by domestic life insurance companies, except that money may be used to purchase real estate, including leasehold estates and leasehold

improvements, for the convenient accommodation of the organization's business operations, including the home office, branch offices, medical facilities, and field office operations, on the following conditions:

(1) a parcel of real estate acquired under this subdivision may include excess space for rent to others if it is reasonably anticipated that the excess will be required by the organization for expansion or if the excess is reasonably required in order to have one or more buildings that will function as an economic unit;

(2) the real estate may be subject to a mortgage; and

(3) the purchase price of the asset, including capitalized permanent improvements, less depreciation spread evenly over the life of the property or less depreciation computed on any basis permitted under the Internal Revenue Code and its regulations, or the organization's equity, plus all encumbrances on the real estate owned by a company under this subdivision, whichever is greater, does not exceed 20 percent of its admitted assets, except if permitted by the commissioner upon a finding that the percentage of the health maintenance organization's admitted assets is insufficient to provide convenient accommodation for the organization's business. However, a health maintenance organization that ~~directly provides medical services~~ *owns property used in the delivery of medical services for its enrollees* may invest an additional 20 percent of its admitted assets in real estate, not requiring the permission of the commissioner.

Sec. 19. [REPORT.]

*Subdivision 1. [REPORT.] The commissioner of commerce shall submit a report on the overall effectiveness of the requirements imposed under this act to the legislature by January 1, 1994. The report must include:*

*(1) the effectiveness and reliability of risk-adjusted capital formulas applied as broadly as possible to all insurers, including a recommendation whether the formula should be adopted by the state as a formal tool for measuring surplus adequacy;*

*(2) the accuracy and effectiveness of the internal appraisal procedure authorized for valuing real estate and mortgages, including recommendations on any necessary internal appraisal procedure modifications;*

*(3) the sufficiency of the department's insurance audit complement.*

*Subd. 2. [INTERSTATE COMPACT AGREEMENT STUDY.] The commissioner of commerce shall conduct a study to determine the feasibility of entering interstate compact agreements for the purpose of enhancing the regulation of insurers. The study must address the costs and benefits of state regulation and the financial and operational impact on domestic insurers. The commissioner shall submit a report on the results of the study to the legislature by January 1, 1993.*

Sec. 20. [REPORT ON GUARANTY ASSOCIATIONS.]

*The commissioner of commerce shall submit a report on the life and health guaranty association and the Minnesota insurance guaranty association to the legislature by January 1, 1992. The report must include:*

*(1) the feasibility of prefunding each association;*

*(2) the capacity of each association to promptly pay benefits and continue coverages for large insolvencies; and*

(3) *the feasibility of using risk as a basis for establishing the amount to be assessed each member of each association.*

## ARTICLE 11

### LIFE REINSURANCE AGREEMENTS

#### Section 1. [60A.096] [ACCOUNTING REQUIREMENTS.]

*(a) No life insurer subject to this chapter shall, for reinsurance ceded, reduce a liability or establish an asset in a financial statement filed with the department if, by the terms of the reinsurance agreement, in substance or effect, any of the following conditions exist:*

*(1) the primary effect of the reinsurance agreement is to transfer deficiency reserves or excess interest reserves to the books of the reinsurer for a risk charge and the agreement does not provide for significant participation by the reinsurer in one or more of the following risks: mortality, morbidity, investment, or surrender benefit;*

*(2) the reserve credit taken by the ceding insurer is not in compliance with the insurance law or rules, including actuarial interpretations or standards adopted by the department;*

*(3) the reserve credit taken by the ceding insurer is greater than the underlying reserve of the ceding company supporting the policy obligations transferred under the reinsurance agreement;*

*(4) the ceding insurer is required to reimburse the reinsurer for negative experience under the reinsurance agreement, except that neither offsetting experience refunds against prior years' losses nor payment by the ceding insurer of an amount equal to prior years' losses upon voluntary termination of in-force reinsurance by that ceding insurer shall be considered a reimbursement to the reinsurer for negative experience;*

*(5) the ceding insurer may be deprived of surplus at the reinsurer's option or automatically upon the occurrence of some event, such as the insolvency of the ceding insurer, except that termination of the reinsurance agreement by the reinsurer for nonpayment of reinsurance premiums shall not be considered to be a deprivation of surplus;*

*(6) the ceding insurer shall, at specific points in time scheduled in the agreement, terminate or automatically recapture all or part of the reinsurance ceded;*

*(7) no cash payment is due from the reinsurer, throughout the lifetime of the reinsurance agreement, with all settlements prior to the termination date of the agreement made only in a reinsurance account, and no funds in the account are available for the payment of benefits; or*

*(8) the reinsurance agreement involves the possible payment by the ceding insurer to the reinsurer of amounts other than from income reasonably expected from the reinsured policies.*

*(b) Notwithstanding paragraph (a), a life insurer subject to this chapter may, with the prior approval of the commissioner of commerce, take reserve credit as the commissioner considers consistent with the insurance law or rules adopted under it, including actuarial interpretations or standards adopted by the department.*

#### Sec. 2. [60A.097] [EXISTING AGREEMENTS.]

*Notwithstanding section 1, life insurers subject to this chapter may continue to reduce liabilities or establish assets in financial statements filed with the department for reinsurance ceded under an insurance agreement if:*

*(1) the reinsurance agreements were executed and in force before the effective date of section 1;*

*(2) no new business is ceded under the reinsurance agreements after the effective date of section 1;*

*(3) the reduction of the liability or the asset established for the reinsurance ceded is reduced to zero by December 31, 1992, or a later date approved by the commissioner of commerce as a result of an application made by the ceding insurer prior to December 31 of the year in which section 1 becomes effective;*

*(4) the reduction of the liability or the establishment of the asset is otherwise permissible under all other applicable provisions of the insurance law or rules adopted under it, including actuarial interpretations or standards adopted by the department; and*

*(5) the department is notified, within 90 days after the effective date of section 1, of the existence of the reinsurance agreements and all corresponding credits taken in the ceding insurer's 1990 annual statement.*

### Sec. 3. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective January 1, 1992."*

Delete the title and insert:

"A bill for an act relating to insurance solvency and safe investments; limiting insurer investments; specifying procedures for the valuation of commercial mortgage loans and real estate owned by insurers; modifying insurer examination provisions; adopting model legislation proposed by the National Association of Insurance Commissioners; amending Minnesota Statutes 1990, sections 60A.02, subdivision 6, and by adding subdivisions; 60A.03, subdivision 5; 60A.031; 60A.07, by adding a subdivision; 60A.09, subdivision 5; 60A.10, subdivision 2a; 60A.11, subdivisions 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, and by adding subdivisions; 60A.13, subdivision 1; 60B.25; 60B.37, subdivision 2; 60C.02, subdivision 1; 60C.03, subdivision 6, and by adding a subdivision; 60C.04; 60C.06, subdivision 1; 60C.09, subdivision 1; 60C.13, subdivision 1; 61A.25, subdivisions 5, 6, and by adding subdivisions; 61A.28, subdivisions 1, 2, 3, 6, 8, 11, 12, and by adding subdivisions; 61A.281, by adding a subdivision; 61A.283; 61A.29; 61A.31; 62D.044; 62D.045, subdivision 1; 72A.061, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 60A and 61B; proposing coding for new law as Minnesota Statutes, chapters 60G and 60H; repealing Minnesota Statutes 1990, sections 60A.076; 60A.09, subdivision 4; 60A.12, subdivision 2; 61A.28, subdivisions 4 and 5; 61B.01; 61B.02; 61B.03; 61B.04; 61B.05; 61B.06; 61B.07; 61B.08; 61B.09; 61B.10; 61B.11; 61B.12; 61B.13; 61B.14; 61B.15; and 61B.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. 108: A bill for an act relating to the environment; providing that the petroleum tank release compensation board require proof of payment by a responsible person before reimbursement; amending Minnesota Statutes 1990, section 115C.09, subdivisions 1, 3, and 3a.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 115C.09, subdivision 3, is amended to read:

Subd. 3. [REIMBURSEMENT.] (a) The board shall reimburse a responsible person who is eligible under subdivision 2 from the account for 90 percent of the portion of the total reimbursable costs or \$1,000,000, whichever is less. Not more than \$1,000,000 may be reimbursed for costs associated with a single release, regardless of the number of persons eligible for reimbursement, and not more than \$2,000,000 may be reimbursed for costs associated with a single tank facility.

(b) A reimbursement may not be made from the account under this subdivision until the board has determined that the costs for which reimbursement is requested were actually incurred and were reasonable.

(c) *A contractor may request an assignment from the board before performing any services.*

(d) Money in the account is appropriated to the board to make reimbursements under this section. A reimbursement to a state agency must be credited to the appropriation account or accounts from which the reimbursed costs were paid.

Sec. 2. Minnesota Statutes 1990, section 115C.09, is amended by adding a subdivision to read:

*Subd. 3d. [INTEREST; ASSIGNMENT.] (a) In addition to reimbursement amounts paid under subdivision 3, 3a, or 3b, the board shall also pay interest costs that do not exceed the adjusted prime rate charged by banks, as defined in section 270.75, subdivision 5, plus two percent, if financing has been obtained.*

*(b) A responsible person may assign the right to receive reimbursement to each lender who advanced funds to pay the costs of the corrective action, or to each contractor who provided corrective action services. An assignment must be made by filing with the board a document, in a form prescribed by the board, indicating the identity of the responsible person, the identity of the assignee, the dollar amount of the assignment, and the location of the corrective action. An assignment signed by the responsible person is valid unless terminated by filing a termination with the board, in a form prescribed by the board, which must include the written concurrence of the assignee. The board shall maintain an index of assignments filed under this paragraph. The board shall pay the reimbursement to the responsible person and to one or more assignees by a multiparty check. The board has no liability to a responsible person for a payment under an assignment meeting the requirements of this paragraph."*

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "providing for the payment of reasonable interest costs; providing for joint repayment to persons and to financing parties;"

Page 1, line 6, delete everything after the first comma and insert "sub-division 3, and by adding a subdivision."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1184: A bill for an act relating to the environment; conforming permit fee requirements to the federal Clean Air Act; amending Minnesota Statutes 1990, section 116.07, subdivision 4d.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, lines 2 and 3, delete "*Minnesota Statutes,*"

Page 2, line 11, delete "*issued*"

Page 2, line 21, delete "*fees under*" and insert "*the air quality account in the environmental fund for*"

Page 2, lines 24 and 26, delete the comma and insert a semicolon

Page 2, line 27, delete the second comma and insert a semicolon

Page 2, line 30, delete "*shall*" and insert "*must*"

Page 2, line 31, delete "*from*" and insert "*under*"

Page 2, line 33, after "*(d)*" insert "*As necessary to cover the reasonable costs described in paragraph (b),*"

Page 3, line 1, delete "*such year*" and insert "*the year the fee is collected*"

Page 3, line 3, delete the comma and insert ":

(1)"

Page 3, line 7, delete ", and" and insert "; and

(2)"

Page 3, line 8, delete "*which*" and insert "*that*"

Page 3, line 9, delete the period and insert "*must be used.*

(e)"

Page 3, lines 10 and 11, delete "*shall*" and insert "*must*"

Page 3, after line 12, insert:

"Sec. 2. [APPROPRIATION.]

\$ . . . . . in fiscal year 1992 and \$ . . . . . in fiscal year 1993 is appropriated from the air quality account in the environmental fund to the commissioner of the pollution control agency for the agency's air quality program."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "appropriating money;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 931: A bill for an act relating to waste management; requiring counties to prepare and amend solid waste management plans; requiring counties and solid waste facilities to develop and implement problem materials management plans; prohibiting issuance and renewal of certain permit if plans are not developed and implemented; amending Minnesota Statutes 1990, sections 115A.03, subdivision 24a; 115A.45; 115A.46, subdivisions 1 and 2; 115A.956; 115A.96, subdivision 6; and 116.07, subdivisions 4j and 4k.

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 1990, section 115A.03, subdivision 24a, is amended to read:

Subd. 24a. [PROBLEM MATERIAL.] "Problem material" means a material that, when it is processed or disposed of with mixed municipal solid waste, contributes to one *or more* of the following results:

(1) the release of a hazardous substance, or pollutant or contaminant, as defined in section 115B.02, subdivisions 8, 13, and 15;

(2) pollution of water as defined in section 115.01, subdivision 5;

(3) air pollution as defined in section 116.06, subdivision 3; or

(4) a significant threat to the safe or efficient operation of a solid waste ~~processing~~ facility.

Sec. 2. Minnesota Statutes 1990, section 115A.46, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] *Each county shall prepare a solid waste management plan.* Plans shall address the state policies and purposes expressed in section 115A.02. Plans for the location, establishment, operation, maintenance, and postclosure use of facilities and facility sites, for ordinances, and for licensing, permit, and enforcement activities shall be consistent with the rules adopted by the agency pursuant to chapter 116. Plans shall address the resolution of conflicting, duplicative, or overlapping local management efforts. Plans shall address the establishment of joint powers management programs or waste management districts where appropriate. Plans shall address other matters as the rules of the office may require consistent with the purposes of sections 115A.42 to 115A.46. ~~Political subdivisions preparing plans under sections 115A.42 to 115A.46 this section shall consult with persons presently providing solid waste collection, processing, and disposal services. Plans shall must be approved by submitted to the office director, or the metropolitan council pursuant to section 473.803, for approval. After initial approval, each plan shall must be updated and submitted for reapproval every five years and revised. The plan must be amended as necessary for further approval so that it is not inconsistent~~

*with state law.*

Sec. 3. Minnesota Statutes 1990, section 115A.46, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] (a) The plans shall describe existing collection, processing, and disposal systems, including schedules of rates and charges, financing methods, environmental acceptability, and opportunities for improvements in the systems.

(b) The plans shall include an estimate of the land disposal capacity in acre-feet which will be needed through the year 2000, on the basis of current and projected waste generation practices. In assessing the need for additional capacity for resource recovery or land disposal, the plans shall take into account the characteristics of waste stream components and shall give priority to waste reduction, separation, and recycling.

(c) The plans shall require the most feasible and prudent reduction of the need for and practice of land disposal of mixed municipal solid waste.

(d) The plans shall address at least waste reduction, separation, recycling, and other resource recovery options, and shall include specific and quantifiable objectives, immediately and over specified time periods, for reducing the land disposal of mixed municipal solid waste and for the implementation of feasible and prudent reduction, separation, recycling, and other resource recovery options. These objectives shall be consistent with statewide objectives as identified in statute. The plans shall describe methods for identifying the portions of the waste stream such as leaves, grass, clippings, tree and plant residue, and paper for application and mixing into the soil and use in agricultural practices. The plans shall describe specific functions to be performed and activities to be undertaken to achieve the abatement, reduction, separation, recycling, and other resource recovery objectives and shall describe the estimated cost, proposed manner of financing, and timing of the functions and activities. The plans shall describe proposed mechanisms for complying with the recycling requirements of section 115A.551. *The plans must include the problem materials management plan as required under section 115A.956, subdivision 3, and the household hazardous waste management requirements of plan as required under section 115A.96, subdivision 6.*

(e) The plans shall include a comparison of the costs of the activities to be undertaken, including capital and operating costs, and the effects of the activities on the cost to generators and on persons currently providing solid waste collection, processing, and disposal services. The plans shall include alternatives which could be used to achieve the abatement objectives if the proposed functions and activities are not established.

(f) The plans shall designate how public education shall be accomplished. The plans shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the plans shall include criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan.

(g) The plans shall establish a siting procedure and development program to assure the orderly location, development, and financing of new or



expanded solid waste facilities and services sufficient for a prospective ten-year period, including estimated costs and implementation schedules, proposed procedures for operation and maintenance, estimated annual costs and gross revenues, and proposals for the use of facilities after they are no longer needed or usable.

(h) The plans shall describe existing and proposed county and municipal ordinances and license and permit requirements relating to solid waste management and shall describe existing and proposed regulation and enforcement procedures.

Sec. 4. Minnesota Statutes 1990, section 115A.956, is amended to read:

**115A.956 [SOLID WASTE DISPOSAL PROBLEM MATERIALS.]**

Subdivision 1. [PROBLEM MATERIAL PROCESSING AND DISPOSAL PLAN.] The office shall develop a plan that designates problem materials and available capacity for processing and disposal of problem materials including household hazardous waste that should not be in mixed municipal solid waste. *In developing the plan, the office shall consider relevant regional characteristics and the impact of problem materials on specific processing and disposal technologies.*

Subd. 2. [PROBLEM MATERIAL SEPARATION AND COLLECTION PLAN.] After the office certifies that sufficient processing and disposal capacity is available, *but no later than November 15, 1992*, the office shall develop a plan for separating problem materials from mixed municipal solid waste, collecting the problem materials, and transporting the problem materials to a processing or disposal facility and may by rule prohibit the disposal placement of the designated problem materials in mixed municipal solid waste.

Subd. 3. [PROBLEM MATERIALS MANAGEMENT PLANS.] *(a) Each county shall include in its solid waste management plan required in section 115A.46, or its solid waste master plan required in section 473.803, a plan for management of problem materials addressed in the plan developed under subdivision 2. The plan must include at least:*

- (1) a broad based public education component;*
- (2) a strategy for reduction of problem materials; and*
- (3) a strategy for separation of problem materials from mixed municipal solid waste and collection, storage, and proper management of the problem materials.*

*(b) Each county shall amend its solid waste management plan required in section 115A.46 or its solid waste master plan required in section 473.803, to comply with this subdivision, and shall submit the plan amendment to the office or the metropolitan council for approval by November 15, 1993.*

*(c) Each county shall implement its problem materials management plan, as approved by the office or the metropolitan council, within six months after approval.*

Sec. 5. Minnesota Statutes 1990, section 115A.96, subdivision 6, is amended to read:

Subd. 6. [HOUSEHOLD HAZARDOUS WASTE MANAGEMENT PLANS.] *(a) Each county shall include in its solid waste management plan required in section 115A.46, or its solid waste master plan required in*

section 473.803, a household hazardous waste management plan. The plan must at least:

- (1) include a broad based public education component;
- (2) include a strategy for reduction of household hazardous waste; and
- (3) ~~address~~ *include a strategy for separation of household hazardous waste from mixed municipal solid waste and the collection, storage, and disposal proper management of that waste.*

(b) Each county required to submit its plan to the office under section 115A.46 shall amend its plan to comply with this subdivision within one year after October 4, 1989.

(c) Each county in the state shall implement its household hazardous waste management plan by June 30, 1992.

Sec. 6. Minnesota Statutes 1990, section 116.07, subdivision 4j, is amended to read:

Subd. 4j. [PERMITS; SOLID WASTE FACILITIES.] (a) The agency may not issue a permit for new or additional capacity for a mixed municipal solid waste resource recovery or disposal facility as defined in section 115A.03 unless each county *using or projected in the permit to use the facility has in place a solid waste management plan approved under section 115A.46 or 473.803 and amended as required by sections 115A.956, subdivision 3, and 115A.96, subdivision 6.* The agency shall issue the permit only if the capacity of the facility is consistent with the needs for resource recovery or disposal capacity identified in the approved plan or plans. Consistency must be determined by the metropolitan council for counties in the metropolitan area and by the agency for counties outside the metropolitan area. Plans approved before January 1, 1990, need not be revised if the capacity sought in the permit is consistent with the approved plan or plans.

(b) The agency shall require as part of the permit application for a waste incineration facility identification of preliminary plans for ash management and ash leachate treatment or ash utilization. The permit issued by the agency must include requirements for ash management and ash leachate treatment.

Sec. 7. Minnesota Statutes 1990, section 116.07, subdivision 4k, is amended to read:

Subd. 4k. [HOUSEHOLD HAZARDOUS WASTE AND OTHER PROBLEM MATERIALS MANAGEMENT.] (a) The agency shall adopt rules to require the owner or operator of a solid waste disposal facility or resource recovery facility to *submit to the agency and to each county using or projected to use the facility a management plan for the separation of household hazardous waste and other problem materials from solid waste prior to disposal or processing and for the proper disposal management of the waste. The rules must require that the plan be developed in coordination with each county using, or projected to use, the facility. The plan must not be inconsistent with the plans developed under section 115A.956, subdivisions 2 and 3, and must include:*

- (1) *identification of materials that are problem materials, as defined in section 115A.03, subdivision 24a, for the facility;*

(2) participation in public education activities on *management of household hazardous waste ~~management~~ and other problem materials* in the facility's service area;

~~(2)~~ (3) a strategy for reduction of household hazardous waste *and other problem materials* entering the facility; and

~~(3)~~ (4) a plan for the storage and ~~disposal~~ *proper management* of separated household hazardous waste *and other problem materials*.

(b) ~~After June 30, 1992, the owner or operator of a facility shall implement the elements of the plan required in paragraph (a) relating to household hazardous waste management. After that date, the agency may not grant or renew a permit for a facility that has not submitted a household hazardous waste management plan until the agency has:~~

(1) reviewed the elements of the facility's plan relating to household hazardous waste management;

(2) directed the applicant or permittee to make changes to these elements as necessary to comply with the plan requirements under paragraph (a); and

(3) included a requirement to implement the elements as a condition of the issued or renewed permit.

(c) ~~By May 15, 1994, the owner or operator of a facility shall implement the elements of the plan required in paragraph (a) relating to problem materials management. After that date, the agency may not grant or renew a permit for a facility until the agency has:~~

(1) reviewed the elements of the facility's plan relating to problem materials management;

(2) directed the applicant or permittee to make changes to these elements as necessary to comply with the plan requirements under paragraph (a); and

(3) included a requirement to implement the elements as a condition of the issued or renewed permit.

Sec. 8. Minnesota Statutes 1990, section 473.149, subdivision 1, is amended to read:

Subdivision 1. [POLICY PLAN; GENERAL REQUIREMENTS.] The metropolitan council shall prepare and by resolution adopt as part of its development guide a long range policy plan for solid waste management in the metropolitan area. When adopted, the plan shall be followed in the metropolitan area. The plan shall address the state policies and purposes expressed in section 115A.02. The plan shall substantially conform to all policy statements, purposes, goals, standards, maps and plans in development guide sections and plans adopted by the council, provided that no land shall be thereby excluded from consideration as a solid waste facility site except land determined by the agency to be intrinsically unsuitable for such use. The plan shall include goals and policies for solid waste management, including recycling consistent with section 115A.551, and household hazardous waste *and other problem materials* management consistent with ~~section~~ *sections 115A.956, subdivision 3, and 115A.96, subdivision 6*, in the metropolitan area and, to the extent appropriate, statements and information similar to that required under section 473.146, subdivision 1. The plan shall include criteria and standards for solid waste facilities and

solid waste facility sites respecting the following matters: general location; capacity; operation; processing techniques; environmental impact; effect on existing, planned, or proposed collection services and waste facilities; and economic viability. The plan shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the plan shall include additional criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan. In developing the plan the council shall consider the orderly and economic development, public and private, of the metropolitan area; the preservation and best and most economical use of land and water resources in the metropolitan area; the protection and enhancement of environmental quality; the conservation and reuse of resources and energy; the preservation and promotion of conditions conducive to efficient, competitive, and adaptable systems of waste management; and the orderly resolution of questions concerning changes in systems of waste management. Criteria and standards for solid waste facilities shall be consistent with rules adopted by the pollution control agency pursuant to chapter 116 and shall be at least as stringent as the guidelines, regulations, and standards of the federal environmental protection agency.

Sec. 9. Minnesota Statutes 1990, section 473.803, subdivision 1, is amended to read:

Subdivision 1. [COUNTY MASTER PLANS; GENERAL REQUIREMENTS.] Each metropolitan county, following adoption or revision of the council's solid waste policy plan and in accordance with the dates specified therein, and after consultation with all affected local government units, shall prepare and submit to the council for its approval, a county solid waste master plan to implement the policy plan. The master plan shall be revised and resubmitted at such times as the council's policy plan may require. The master plan shall describe county solid waste activities, functions, and facilities; the existing system of solid waste generation, collection, and processing, and disposal within the county; proposed mechanisms for complying with the recycling requirements of section 115A.551, and the household hazardous waste *and other problem materials* management requirements of ~~section~~ *sections 115A.956, subdivision 3, and 115A.96*, subdivision 6; existing and proposed county and municipal ordinances and license and permit requirements relating to solid waste facilities and solid waste generation, collection, and processing, and disposal; existing or proposed municipal, county, or private solid waste facilities and collection services within the county together with schedules of existing rates and charges to users and statements as to the extent to which such facilities and services will or may be used to implement the policy plan; and any solid waste facility which the county owns or plans to acquire, construct, or improve together with statements as to the planned method, estimated cost and time of acquisition, proposed procedures for operation and maintenance of each facility; an estimate of the annual cost of operation and maintenance of each facility; an estimate of the annual gross revenues which will be received from the operation of each facility; and a proposal for the use of each facility after it is no longer needed or usable as a waste facility. The

master plan shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the master plan shall contain criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan."

Delete the title and insert:

"A bill for an act relating to waste management; requiring counties to prepare and amend solid waste management plans; requiring counties and solid waste facilities to develop and implement problem materials management plans; prohibiting issuance and renewal of certain permit if plans are not developed and implemented; amending Minnesota Statutes 1990, sections 115A.03, subdivision 24a; 115A.46, subdivisions 1 and 2; 115A.956; 115A.96, subdivision 6; 116.07, subdivisions 4j and 4k; 473.149, subdivision 1; and 473.803, subdivision 1."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 204: A bill for an act relating to consumer protection; regulating consumer credit information procedures; providing for the regulation of credit service organizations; providing penalties; proposing coding for new law in Minnesota Statutes, chapters 325G and 332.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 5, delete sections 1 to 7

Page 5, line 19, delete "8 to 15" and insert "1 to 9"

Page 7, lines 2 and 4, delete "8 to 15" and insert "1 to 9"

Page 7, line 5, delete "8 to 15" in both places and insert "1 to 9"

Page 7, line 28, delete "11" and insert "4"

Page 8, line 22, delete "run to" and insert "benefit" and delete "for the benefit of" and insert "of Minnesota and"

Page 9, line 3, delete everything after "buyer" and insert a semicolon

Page 9, delete lines 4 and 5

Page 9, after line 27, insert:

"Sec. 6. [332.57] [DISCLOSURE STATEMENT.]

*Subdivision 1. [REQUIREMENT.] Before the execution of a contract or agreement between the buyer and a credit services organization or before the receipt by the credit services organization of any money or other valuable consideration, whichever occurs first, the credit services organization shall provide the buyer with a statement in writing containing all of the information required by subdivision 2. The credit services organization shall maintain on file for a period of two years an exact copy of the statement, personally*

signed by the buyer, acknowledging receipt of a copy of the statement.

*Subd. 2. [CONTENTS.] The disclosure statement required under subdivision 1 must be printed in bold face and in at least ten point type and must include the following statement:*

**“CONSUMER CREDIT FILE RIGHTS UNDER MINNESOTA  
AND FEDERAL LAW**

*You have a right to obtain a copy of your credit report from a credit bureau. You may be charged a reasonable fee. There is no fee, however, if you have been turned down for credit, employment, insurance, or a rental dwelling because of information in your credit report within the preceding 30 days. The credit bureau must provide someone to help you interpret the information in your credit file.*

*You have a right to dispute inaccurate information by contacting the credit bureau directly. However, neither you nor any “credit repair” company or credit services organization has the right to have accurate, current, and verifiable information removed from your credit bureau report. Under the federal Fair Credit Reporting Act, the credit bureau must remove accurate, negative information from your report only if it is over seven years old. Bankruptcy can be reported for ten years.*

*You have a right to sue a credit repair company that violates Minnesota’s credit services organization act. This law prohibits deceptive practices by credit repair companies and gives you a right to cancel your contract for any reason within five working days from the date you signed it.*

*Credit bureaus are required to follow reasonable procedures to ensure that creditors report information accurately. However, mistakes may occur.*

*You may, on your own, notify a credit bureau in writing that you dispute the accuracy of information in your credit file. The credit bureau must then reinvestigate and modify or remove inaccurate information. The credit bureau may not charge any fee for this service. Any pertinent information and copies of any documents you have concerning an error should be given to the credit bureau.*

*If reinvestigation does not resolve the dispute to your satisfaction, you may send a brief statement to the credit bureau to keep in your file, explaining why you think the record is inaccurate. The credit bureau must include your statement about disputed information with any reports it issues about you.”*

Page 9, line 28, delete “332.57” and insert “332.58”

Page 9, delete line 35 and insert “as follows: “If you, the buyer, have been denied credit within the last 30 days, you may obtain a free copy of the consumer credit report from the consumer reporting agency. You also have the right to dispute inaccurate information in a report. You may cancel this contract at any”

Page 10, line 11, delete “and”

Page 10, line 14, delete the period and insert “; and

*(5) with respect to the previous calendar year or the time period the credit services organization has been in business, whichever is shorter, the percentage of the credit services organization’s customers for whom the credit services organization has fully and completely performed the services the*

*credit services organization agreed to perform for the buyer."*

Page 11, line 2, delete "332.58" and insert "332.59"

Page 11, delete lines 3 to 6 and insert:

*"Any person who violates sections 1 to 7 is guilty of a misdemeanor. The commissioner of commerce may bring a civil action or proceeding against a person who violates any provision of sections 1 to 7. A violation of sections 1 to 7 is a violation of section 325F.69, subdivision 1, and the provisions of section 8.31 apply. Sections 1 to 7 do not limit or restrict the right of any person to pursue any appropriate remedy for a violation of sections 1 to 7."*

Page 11, line 7, delete "332.59" and insert "332.60"

Page 11, line 9, delete "8 to 13" and insert "1 to 7"

Page 11, line 15, delete "8 to 15" and insert "1 to 9"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 2 and 3, delete "regulating consumer credit information procedures;"

Page 1, line 6, delete "chapters 325G and" and insert "chapter"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 946: A bill for an act relating to elections; changing the prohibition on school events on election day; amending Minnesota Statutes 1990, section 204C.03, subdivision 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 1178: A bill for an act relating to elections; allowing school meetings on certain election days; amending Minnesota Statutes 1990, section 204C.03, subdivision 3.

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 1990, section 204C.03, subdivision 3, is amended to read:

Subd. 3. [PUBLIC ELEMENTARY AND SECONDARY SCHOOLS.] Except for regularly scheduled classes, ~~no~~ a public elementary or secondary school ~~shall~~ may not schedule a school sponsored event between 6:00 p.m. and 8:00 p.m. on the day that an election is held in any political subdivision in which the school is located ~~in that school district.~~"

And when so amended the bill do pass. Amendments adopted. Report

adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 508: A bill for an act relating to elections; changing requirement of absentee ballot applications for deer hunters; clarifying uses to be made of lists of registered voters; requiring commissioner of health to report deaths to secretary of state; authorizing facsimile applications for absentee ballots; requiring notarized affidavits of candidacy; changing time for issuance of certificates of election; changing certain deadlines and language of a disclaimer; changing procedures for hospital district elections; amending Minnesota Statutes 1990, sections 97A.485, subdivision 1a; 201.091, subdivisions 1 and 4; 201.13, subdivision 1; 203B.04, subdivision 1; 204B.09, subdivision 1; 204C.40, subdivision 2; 205.16, subdivision 4; 205A.07, subdivision 3; 211B.04; and 447.32, subdivisions 2, 3, and 4.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 97A.485, subdivision 1a, is amended to read:

Subd. 1a. [DEER LICENSE; ABSENTEE BALLOT APPLICATION.] The commissioner *and agents* shall ~~include with every license~~ *have available for each person purchasing a license* to take deer with firearms or by archery, sold or issued during a general election year, an application for *an* absentee ballot ~~and a voter registration card ballot~~. The commissioner shall obtain absentee ballot application forms from the secretary of state *and distribute them to the commissioner's agents*.

Sec. 2. Minnesota Statutes 1990, section 200.02, is amended by adding a subdivision to read:

*Subd. 21. [LOCAL ELECTION OFFICIAL.] "Local election official" means the city clerk or principal officer charged with duties relating to elections in a statutory or home rule charter city.*

Sec. 3. Minnesota Statutes 1990, section 201.091, subdivision 1, is amended to read:

Subdivision 1. [MASTER LIST.] Each county auditor shall prepare and maintain a current list of registered voters in each precinct in the county which is known as the master list. The master list must be created by entering each completed voter registration card received by the county auditor into the statewide registration system. It must show the name, residence address, and date of birth of each voter registered in the precinct. The information contained in the master list may only be made available to ~~election public~~ officials for purposes related to election administration, ~~to the state court administrator for jury selection, and in response to public officials authorized to carry out a law enforcement duties inquiry concerning a violation of or failure to comply with any criminal statute or state or local tax statute.~~

Sec. 4. Minnesota Statutes 1990, section 201.091, subdivision 4, is amended to read:

Subd. 4. [PUBLIC INFORMATION LISTS.] The county auditor shall



make available for inspection a public information list which must contain the name, address, and voting history of each registered voter in the county. The telephone number must be included on the list if provided by the voter. The public information list may also include information on voting districts. The county auditor may adopt reasonable rules governing access to the list. No individual inspecting the public information list shall tamper with or alter it in any manner. No individual who inspects the public information list or who acquires a list of registered voters prepared from the public information list may use any information contained in the list for purposes unrelated to elections, political activities, or law enforcement. The secretary of state may provide copies of the public information lists and other information from the statewide registration system for uses related to elections, political activities, or *in response to a law enforcement inquiry from a public official concerning a failure to comply with any criminal statute or any state or local tax statute.*

Before inspecting the public information list or obtaining a list of voters or other information from the list, the individual shall provide identification to the public official having custody of the public information list and shall state in writing that any information obtained from the list will not be used for purposes unrelated to elections, political activities, or law enforcement. Requests to examine or obtain information from the public information lists or the statewide registration system must be made and processed in the manner provided in the rules of the secretary of state.

*Upon receipt of a written request and a copy of the court order, the secretary of state may withhold from the public information list the name of any registered voter placed under court-ordered protection.*

Sec. 5. Minnesota Statutes 1990, section 201.13, subdivision 1, is amended to read:

Subdivision 1. [~~LOCAL REGISTRAR OF VITAL STATISTICS COMMISSIONER OF HEALTH, REPORTS OF DECEASED RESIDENTS.~~] ~~The local registrar of vital statistics in each county or municipality~~ *commissioner of health shall report monthly to the county auditor secretary of state the name and, address, date of birth, and county of residence of each individual 18 years of age or older who has died while maintaining residence in that county or municipality Minnesota since the last previous report. The secretary of state shall determine if any of the persons listed in the report are registered to vote and shall prepare a list of those registrants for each county auditor. The county auditor shall change the status of those registrants to "deceased" in the statewide registration system. Upon receipt of the report list, the county auditor shall remove from the files the original and duplicate registration cards of the voters reported to be deceased and make the appropriate changes in the data base of the central statewide registration system.*

Sec. 6. Minnesota Statutes 1990, section 203B.04, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION PROCEDURES.] Except as otherwise allowed by subdivision 2, an application for absentee ballots for any election may be submitted at any time not less than one day before the day of that election. An application submitted pursuant to this subdivision shall be in writing and shall be submitted to:

(a) the county auditor of the county where the applicant maintains residence; or

(b) the municipal clerk of the municipality, or school district if applicable, where the applicant maintains residence.

An application shall be accepted if it is signed and dated by the applicant, contains the applicant's residence and mailing addresses, and states that the applicant is eligible to vote by absentee ballot for one of the reasons specified in section 203B.02. *An application may be submitted to the county auditor or municipal clerk by an electronic facsimile device, at the discretion of the auditor or clerk.*

Sec. 7. Minnesota Statutes 1990, section 204B.09, subdivision 1, is amended to read:

Subdivision 1. [CANDIDATES IN STATE AND COUNTY GENERAL ELECTIONS.] Except as otherwise provided by this subdivision, affidavits of candidacy and nominating petitions for county, state and federal offices filled at the state general election shall be filed not more than 70 days nor less than 56 days before the state primary. The affidavit may be prepared and signed at any time between 60 days before the filing period opens and the last day of the filing period. *Notwithstanding other law to the contrary, the affidavit of candidacy must be signed in the presence of a notarial officer.* Candidates for presidential electors may file petitions on or before the state primary day. Nominating petitions to fill vacancies in nominations shall be filed as provided in section 204B.13. No affidavit or petition shall be accepted later than 5:00 p.m. on the last day for filing. Affidavits and petitions for offices to be voted on in only one county shall be filed with the county auditor of that county. Affidavits and petitions for offices to be voted on in more than one county shall be filed with the secretary of state.

Sec. 8. Minnesota Statutes 1990, section 204B.16, subdivision 6, is amended to read:

Subd. 6. [PUBLIC FACILITIES.] Every statutory city, home rule charter city, county, town, school district, and other public agency, including the University of Minnesota and other public colleges and universities, shall make their facilities, including parking, available for the holding of city, county, school district, state, and federal elections, *subject to the approval of the local election official.* A charge for the use of the facilities may be imposed in an amount that does not exceed the lowest amount charged to any public or private group.

Sec. 9. Minnesota Statutes 1990, section 204B.16, is amended by adding a subdivision to read:

*Subd. 7. [APPROPRIATE FACILITIES.] The facilities provided in accordance with subdivision 6 shall be sufficient in size to accommodate all election activities and the requirements of subdivision 5. The space must be separated from other activities within the building. The local election official may approve space in two connecting rooms for registration and balloting activities. Except in the event of an emergency making the approved space unusable, the public facility may not move the election from the space approved by the local election official without prior approval. In addition to the requirements of subdivision 5, the public facility must make remaining parking spaces not in use for regularly scheduled activities available for voters.*

Sec. 10. Minnesota Statutes 1990, section 204B.32, is amended to read:  
204B.32 [ELECTION EXPENSES; PAYMENT.]

*Subdivision 1. [PAYMENT.] (a) The secretary of state shall pay the compensation for presidential electors, the cost of printing the pink paper ballots, and all necessary expenses incurred by the secretary of state in connection with elections.*

*(b) The counties shall pay the compensation prescribed in section 204B.31, clauses (b) and (c), the cost of printing the canary ballots, the white ballots, the pink ballots when machines are used, the state partisan primary ballots, and the state and county nonpartisan primary ballots, all necessary expenses incurred by county auditors in connection with elections, and the expenses of special county elections.*

*(c) Subject to subdivision 2, the municipalities shall pay the compensation prescribed for election judges and sergeants at arms, the cost of printing the municipal ballots, providing ballot boxes, providing and equipping polling places and all necessary expenses of the municipal clerks in connection with elections, except special county elections.*

*(d) The school districts shall pay the compensation prescribed for election judges and sergeants-at-arms, the cost of printing the school district ballots, providing ballot boxes, providing and equipping polling places and all necessary expenses of the school district clerks in connection with school district elections not held in conjunction with state elections. When school district elections are held in conjunction with state elections, the school district shall pay the costs of printing the school district ballots, providing ballot boxes and all necessary expenses of the school district clerk.*

All disbursements under this section shall be presented, audited, and paid as in the case of other public expenses.

*Subd. 2. [ALLOCATION OF COSTS.] Cities may allocate the costs of conducting elections to other election jurisdictions for payment of their proportionate share of such expenses for elections held at the same time as the regular city primary and general election. Allocated costs include expenses for election equipment and supplies; polling locations; personnel (including election judge compensation and the portion of salaries of election administrative and technical employees attributable to the preparation and conduct of the election); transportation related to the conduct of the election; required election notices and newspaper publication of election information; communications devices; and postage (including mailings to election judges and for absentee voter applications and ballots).*

Sec. 11. Minnesota Statutes 1990, section 204B.35, is amended by adding a subdivision to read:

*Subd. 5. [COMBINED LOCAL ELECTIONS.] Cities shall determine the voting method in combined local elections when other election jurisdictions located wholly or partially within the city schedule elections on the same date as the regular city primary or general election.*

Sec. 12. Minnesota Statutes 1990, section 204C.19, subdivision 2, is amended to read:

*Subd. 2. [BALLOTS; ORDER OF COUNTING.] Except as otherwise provided in this subdivision, the ballot boxes shall be opened, the votes counted, and the total declared one box at a time in the following order: the white box, the pink box, the canary box, the light green box, the blue box, the buff box, the goldenrod box, the gray box, and then the other kinds of ballots voted at the election. If enough election judges are available*

to provide counting teams of four or more election judges for each box, more than one box may be opened and counted at the same time. The election judges on each counting team shall be evenly divided between the major political parties. The numbers entered on the summary sheet shall not be considered final until the ballots in all the boxes have been counted and corrections have been made if ballots have been deposited in the wrong boxes.

Sec. 13. Minnesota Statutes 1990, section 204C.40, subdivision 2, is amended to read:

Subd. 2. [TIME OF ISSUANCE; CERTAIN OFFICES.] No certificate of election shall be issued until ~~42 days~~ *the period for contesting the election provided in section 209.021 has passed* after the canvassing board has declared the result of the election. In case of a contest, an election certificate shall not be issued until a court of proper jurisdiction has finally determined the contest. This subdivision shall not apply to candidates elected to the office of state senator or representative.

Sec. 14. Minnesota Statutes 1990, section 205.07, subdivision 1, is amended to read:

Subdivision 1. [DATE.] The municipal general election in each statutory city shall be held on the first Tuesday after the first Monday in November in every even-numbered year; ~~except that~~. *Notwithstanding any provision of law to the contrary and subject to the provisions of this section*, the governing body of a statutory city may, by ordinance passed at a regular meeting held before September 1 of any year, elect to hold the election on the first Tuesday after the first Monday in November in each odd-numbered year. A city which was a village on January 1, 1974 and before that date provided for a system of biennial elections in the odd-numbered year shall continue to hold its elections in that year until changed in accordance with this section. When a city changes its elections from one year to another, and does not provide for the expiration of terms by ordinance, the term of an incumbent expiring at a time when no municipal election is held in the months immediately prior to expiration is extended until the date for taking office following the next scheduled municipal election. If the change results in having three council members to be elected at a succeeding election, the two individuals receiving the highest vote shall serve for terms of four years and the individual receiving the third highest number of votes shall serve for a term of two years. To provide an orderly transition to the odd or even year election plan, the governing body of the city may adopt supplementary ordinances regulating initial elections and officers to be chosen at the elections and shortening or lengthening the terms of incumbents and those elected at the initial election so as to conform as soon as possible to the regular schedule provided in section 412.02, subdivision 1. Whenever the time of the municipal election is changed, the city clerk immediately shall notify in writing the county auditor and secretary of state of the change of date. Thereafter the municipal general election shall be held on the first Tuesday after the first Monday in November in each odd-numbered or even-numbered year until the ordinance is revoked and notification of the change is made.

Sec. 15. Minnesota Statutes 1990, section 205.07, is amended by adding a subdivision to read:

Subd. 3. [EFFECT OF ORDINANCE; REFERENDUM.] *An ordinance adopting the odd-numbered year municipal election day is effective 240*

*days after passage and publication or at a later date fixed in the ordinance. Within 180 days after passage and publication of the ordinance, a petition requesting a referendum on the ordinance may be filed with the city clerk. The petition shall be signed by eligible voters equal in number to ten percent of the total number of votes cast in the city at the last municipal general election. If the requisite petition is filed within the prescribed period, the ordinance shall not become effective until it is approved by a majority of the voters voting on the question at a general or special election held at least 60 days after submission of the petition. If the petition is filed, the governing body may reconsider its action in adopting the ordinance.*

Sec. 16. Minnesota Statutes 1990, section 205.16, subdivision 4, is amended to read:

Subd. 4. [NOTICE TO AUDITOR.] At least ~~30~~ 45 days prior to every municipal election, the municipal clerk shall provide a written notice to the county auditor, including the date of the election and the offices and questions to be voted on at the election.

Sec. 17. Minnesota Statutes 1990, section 205A.07, subdivision 3, is amended to read:

Subd. 3. [NOTICE TO AUDITOR.] At least ~~30~~ 45 days prior to every school district election, the school district clerk shall provide a written notice to the county auditor of each county in which the school district is located. The notice must include the date of the election and the offices and questions to be voted on at the election. *For a bond election, a notice, including a proposed question, may be provided to the county auditor prior to receipt of a review and comment from the commissioner of education and prior to actual initiation of the election.*

Sec. 18. Minnesota Statutes 1990, section 211B.04, is amended to read:

**211B.04 [CAMPAIGN LITERATURE MUST INCLUDE DISCLAIMER.]**

(a) A person who participates in the preparation or dissemination of campaign material other than as provided in section 211B.05, subdivision 1, that does not prominently include the name and address of the person or committee causing the material to be prepared or disseminated in a disclaimer substantially in the form provided in paragraph (b) or (c) is guilty of a misdemeanor.

(b) Except in cases covered by paragraph (c), the required form of disclaimer is: "Prepared and paid for by the . . . . . committee, . . . . . (address)" *for material prepared and paid for by a principal campaign committee, or "Prepared and paid for by the . . . . . committee, . . . . . (address), in support of . . . . . (insert name of candidate or ballot question)" for material prepared and paid for by a person or committee other than a principal campaign committee.*"

(c) In the case of broadcast media, the required form of disclaimer is: "Paid for by the . . . . . committee."

(d) Campaign material that is not circulated on behalf of a particular candidate or ballot question must also include in the disclaimer either that it is "in opposition to . . . . . (insert name of candidate or ballot question . . . . .)"; or that "this publication is not circulated on behalf of any candidate or ballot question."

(e) This section does not apply to objects stating only the candidate's name and the office sought, fundraising tickets, or personal letters that are clearly being sent by the candidate.

(f) This section does not modify or repeal section 211B.06.

Sec. 19. Minnesota Statutes 1990, section 447.32, subdivision 2, is amended to read:

Subd. 2. [ELECTIONS.] *Except as provided in this chapter, the Minnesota election law applies to hospital district elections, as far as practicable. Regular elections must be held in each hospital district at the same time, in the same election precincts, and at the same polling places as general elections of state and county officers. ~~Alternatively, the hospital board may by resolution fix a date for an election, not later than December 7 just before the expiration of board members' terms.~~* It may establish the whole district as a single election precinct or establish two or more different election precincts and polling places for the elections. If there is more than one precinct, the boundaries of the election precincts and the locations of the polling places must be defined in the notice of election, either in full or by reference to a description or map on file in the office of the clerk.

Special elections may be called by the hospital board ~~at any time~~ to vote on any matter required by law to be submitted to the voters. *A special election may not be conducted either during the 30 days before and the 30 days after the state primary or state general election, or during the 20 days before and the 20 days after the regularly scheduled election of any municipality wholly or partially within the hospital district.* Special elections must be held within the election precinct or precincts and at the polling place or places designated by the board. In the case of the first election of officers of a new district, precincts and polling places must be set by the governing body of the most populous city or town included in the district.

Advisory ballots may be submitted by the hospital board on any question it wishes, concerning the affairs of the district, but only at a regular election or at a special election required for another purpose.

Sec. 20. Minnesota Statutes 1990, section 447.32, subdivision 3, is amended to read:

Subd. 3. [ELECTION NOTICES.] *At least two weeks before the first day to file affidavits of candidacy, the clerk of the district shall publish a notice stating the first and last day on which affidavits of candidacy may be filed, the places for filing the affidavits and the closing time of the last day for filing. The clerk shall post a similar notice in at least one conspicuous place in each city and town in the district at least ten days before the first day to file affidavits of candidacy.*

The notice of each election must be posted in at least one public and conspicuous place within each city and town included in the district *at least ten days before the election.* It must be published in the official newspaper of the district or, if a paper has not been designated, in a legal newspaper having general circulation within the district, ~~at least one week~~ *two weeks* before the election. Failure to give notice does not invalidate the election of an officer of the district. A voter may contest a hospital district election in accordance with chapter 209. Chapter 209 applies to hospital district elections.

Sec. 21. Minnesota Statutes 1990, section 447.32, subdivision 4, is amended to read:

Subd. 4. [CANDIDATES; BALLOTS; CERTIFYING ELECTION.] A person who wants to be a candidate for the hospital board shall file an ~~application to be placed on the ballot as a candidate~~ affidavit of candidacy for the election either as member at large or as a member representing the city or town where the candidate resides. The ~~application~~ affidavit of candidacy must be filed with the city or town clerk not more than ~~60 or less than 45 days~~ ten weeks nor less than eight weeks before the election. ~~Applications~~ The city or town clerk must ~~be forwarded immediately~~ forward the affidavits of candidacy to the clerk of the hospital district or, for the first election, the clerk of the most populous city or town immediately after the last day of the filing period. A candidate may withdraw from the election by filing an affidavit of withdrawal with the clerk of the district no later than 12:00 p.m. on the day after the last day to file affidavits of candidacy.

Voting must be by secret ballot. The clerk shall prepare, at the expense of the district, necessary ballots for the election of officers. Ballots must contain the names of the proposed candidates for each office, the length of the term of each office, and an additional blank space for the insertion of another name by the voter. The ballots must be marked and initialed by at least two judges as official ballots and used exclusively at the election. Any proposition to be voted on may be printed on the ballot provided for the election of officers or on a different ballot. The hospital board may also authorize the use of voting machines subject to chapter 206. Enough election judges may be appointed to receive the votes at each polling place. They may be paid by the district at a rate set by the board. The election judges shall act as clerks of election, count the ballots cast, and submit them to the board for canvass.

After canvassing the election, the board shall issue a certificate of election to the candidate who received the largest number of votes cast for each office. The clerk shall deliver the certificate to the person entitled to it in person or by certified mail. Each person certified shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. The board may fill any office as provided in subdivision 1 if the person elected fails to qualify within 30 days, but qualification is effective if made before the board acts to fill the vacancy.

#### Sec. 22. [EFFECTIVE DATE.]

*Sections 14 and 15 are effective the day following final enactment and apply to any ordinance passed within the 180 days before that date."*

Delete the title and insert:

"A bill for an act relating to elections; changing requirement of absentee ballot applications for deer hunters; clarifying uses to be made of lists of registered voters; requiring commissioner of health to report deaths to secretary of state; authorizing facsimile applications for absentee ballots; requiring notarized affidavits of candidacy; changing time for issuance of certificates of election; changing certain deadlines and language of a disclaimer; changing procedures for hospital district elections; amending Minnesota Statutes 1990, sections 97A.485, subdivision 1a; 200.02, by adding a subdivision; 201.091, subdivisions 1 and 4; 201.13, subdivision 1; 203B.04, subdivision 1; 204B.09, subdivision 1; 204B.16, subdivision 6, and by adding a subdivision; 204B.32; 204B.35, by adding a subdivision; 204C.19, subdivision 2; 204C.40, subdivision 2; 205.07, subdivision 1, and by adding a subdivision; 205.16, subdivision 4; 205A.07, subdivision

3; 211B.04; and 447.32, subdivisions 2, 3, and 4.”

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. 514: A bill for an act relating to security guards; requiring the registration of the employees of private detectives and protective agents, and proprietary guards; precluding local regulation of private detectives and protective agents; providing penalties; amending Minnesota Statutes 1990, sections 326.32, subdivision 14, and by adding subdivisions; 326.3341; and 326.3381, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 326.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 326.32, subdivision 13, is amended to read:

Subd. 13. (a) “Security guard” means a person who wears or carries any insignia that identifies the person to the public as security, who is paid a fee, wage, or salary to do one or more of the following:

(1) prevent or detect intrusion, unauthorized entry or activity, vandalism, or trespass on private property;

(2) prevent or detect theft, loss, embezzlement, misappropriation, or concealment of merchandise, money, bonds, stocks, notes, or other valuable documents or papers;

(3) control, regulate, or direct the flow or movements of the public, whether by vehicle or otherwise, to assure protection of private property;

(4) protect individuals from bodily harm; or

(5) enforce policies and rules of the security guard’s employer related to crime reduction to the extent that the enforcement falls within the scope of the security guard’s duties.

(b) The term “security guard” does not include:

(1) an auditor, accountant, or accounting clerk performing audits or accounting functions;

(2) an employee of a firm licensed under section 326.3381 whose duties are primarily administrative or clerical in nature;

(3) a person employed by a proprietary company to conduct plain-clothes surveillance or investigation;

(4) a person temporarily employed under statute or ordinance by political subdivisions to provide protective services at social functions;

(5) an employee of an air or rail carrier;

(6) a customer service representative or sales clerk employed in a retail establishment; or

(7) a person employed to perform primarily maintenance or custodial functions;



(8) a person employed as an usher or ticket taker; or

(9) a person performing security services for a nuclear facility or defense contractor for which federal law requires a facility security clearance.

Sec. 2. Minnesota Statutes 1990, section 326.32, subdivision 14, is amended to read:

Subd. 14. [ARMED EMPLOYEE.] "Armed employee" means an employee of a security guard or a private detective or protective agent license holder or employee who at any time in the performance of the employee's duties wears, carries, possesses, or has access to a firearm.

Sec. 3. [326.3312] [LOCAL REGULATION PRECLUDED.]

*No political subdivision of the state may enact or enforce an ordinance regulating, licensing, or taxing license holders or employees of license holders governed by sections 326.32 to 326.339.*

Sec. 4. Minnesota Statutes 1990, section 326.3341, is amended to read:

326.3341 [EXEMPTIONS.]

~~Sections 326.32 to 326.339~~ The licensing requirements of section 326.3381 do not apply to:

(1) an employee while providing security or conducting an investigation of a pending or potential claim against the employee's employer;

(2) a peace officer or employee of the United States, this state or one of its political subdivisions, while engaged in the discharge of official duties for the government employer, or a confidential informant working under a law enforcement agency;

(3) persons engaged exclusively in obtaining and furnishing information as to the financial standing, rating, and credit responsibility of persons or as to the personal habits, and the financial responsibility of applicants for insurance, indemnity bonds, or commercial credit;

(4) an attorney-at-law while performing the duties of an attorney-at-law or an investigator employed exclusively by an attorney or who is an employee of a law firm engaged in investigating legal matters;

(5) a collection agency or finance company licensed to do business under the laws of this state or an employee of one of those companies while acting within the scope of employment when making an investigation incidental to the business of the agency, including an investigation as to location of a debtor, of the debtor's assets or property, provided the client has a financial interest in or a lien upon the assets or property of the debtor;

(6) an insurance adjuster employed exclusively by an insurance company, or licensed as an adjuster with the state of Minnesota and engaged in the business of adjusting insurance claims; or

(7) persons engaged in responding to alarm signals including, but not limited to, fire alarms, industrial process failure alarms and burglary alarms, for purposes of maintaining, repairing or resetting the alarm, or for opening the premises for law enforcement personnel or responding agents.

Sec. 5. [326.3342] [REGISTRATION OF EMPLOYEES WITH ACCESS TO WEAPONS.]

*Subdivision 1. [REGISTRATION PROCESS.] (a) When a license holder*

*hires a person to perform armed security services as a private detective or security guard, or a proprietary employer hires a person to perform armed security services as a security guard, the employer shall submit to the bureau of criminal apprehension a full set of fingerprints of each employee and the written consent of the employee to enable the bureau to determine whether that person has a criminal record. The person is a conditional employee in the position requiring registration until the employer receives a report from the bureau that, based on a check of the criminal records maintained by the bureau, the prospective employee has not been convicted in Minnesota of a felony or any offense listed in section 326.3381, subdivision 3, other than a misdemeanor or gross misdemeanor assault. During the period of conditional employment, the person may not serve in an armed security services position as a private detective, protective agent, or security guard, but may be trained by the employer.*

*(b) When the employee ceases to be a conditional employee, the employer shall apply to the board for registration of the employee as required by this section.*

*(c) When the bureau receives employee fingerprints under this section, the bureau shall immediately request the Federal Bureau of Investigation to conduct a check of each conditional employee's criminal record, and the bureau of criminal apprehension shall immediately forward the results to the employer when they are received.*

*(d) If the bureau report or Federal Bureau of Investigation report indicates that the employee was convicted of a disqualifying offense, the employer shall immediately remove the employee from job duties involving the performance of armed security services.*

*(e) For purposes of this section, "armed security services" means the duties of a person acting as an armed employee or performing the duties of a position in which the person uses or has regular access to any type of weapon, including a bludgeon, nightstick, baton, chemical weapon, or electronic incapacitation device.*

*Subd. 2. [REGISTRATION QUALIFICATIONS.] A license holder or an employer of a security guard shall apply to the board for registration of a new employee who performs armed security services. To qualify for registration under this section, a person must:*

*(1) be at least 18 years old or, if employed as an armed employee, at least 21 years old;*

*(2) be a citizen of the United States or a legally registered alien; and*

*(3) not have been convicted in any jurisdiction of a violent offense that would be a felony under the laws of this state, or, during the previous ten years, of a nonviolent offense that would be a felony under the laws of this state, or, during the previous five years, of an offense that would be a gross misdemeanor listed in section 326.3381, subdivision 3, under the laws of this state.*

*Subd. 3. [APPLICATION; CONTENTS.] (a) An applicant for registration under this section shall provide to the applicant's employer, for forwarding to the board and on a form furnished by the board, the following information with respect to the applicant:*

*(1) full name, full current address, and residence telephone number;*

- (2) *date and place of birth;*
- (3) *proof of United States citizenship or work authorization;*
- (4) *full addresses of all residences in the last three years;*
- (5) *names and addresses of all employers during the last five years;*
- (6) *a list of any past or pending criminal charges, arrests, and convictions in any jurisdiction, including the dates, locations, and specific nature of the offenses and a description of any sentence;*
- (7) *if an applicant was in military service, the type of discharge;*
- (8) *a general physical description; and*
- (9) *a list of any name or names, other than the name used on the application, used by the applicant or by which the applicant was known, along with an explanation of where and when the name or names were used and the reason for the use.*

*(b) In addition, the applicant shall furnish to the applicant's employer for forwarding to the board:*

- (1) *one classifiable set of fingerprints;*
- (2) *one color photograph, taken within the last three months, that shows the hair style, facial hair, and eyeglasses worn by the applicant at the time of application, and an additional color photograph, in a size and format prescribed by the employer, for use on the employer's identification card;*
- (3) *a sworn statement whether the applicant has been denied registration for comparable employment in this state or in any other jurisdiction, or has had a registration suspended or revoked, and, if so, an explanation of the date and place of the action and the reason for it; and*
- (4) *a sworn statement that the applicant will notify the board in writing within 14 days of any material change in any of the information furnished on the application form.*

*(c) An applicant who submits false information of a material nature under paragraph (a) or (b) or subdivision 4 will not be permitted to reapply for registration for a period of two years from the date of the application containing the false information.*

*Subd. 4. [TRAINING REQUIREMENTS.] In addition to the information and materials required by subdivision 3, an applicant for registration shall furnish to the employer, for forwarding to the board, evidence of having successfully completed the training required under section 326.3361 in a program approved by the board.*

*Subd. 5. [FEES.] A nonrefundable money order or cashier's check in an amount prescribed by the board under section 16A.128, but not to exceed \$3, must accompany an application for registration or reregistration under this section.*

**Sec. 6. [326.3343] [PROCESSING OF EMPLOYEE APPLICATIONS.]**

*Subdivision 1. [APPLICATION.] Within ten days after receiving a complete application from an applicant's employer, the board shall issue the applicant a registration certificate, including a registration certificate as an armed employee if the applicant meets the requirements of section 5*

*subdivision 4, after the applicant has provided evidence of having successfully completed the preassignment or on-the-job training, or the equivalent, required by section 5, subdivision 4. A registration is valid for one year from its date of issuance and may be renewed for additional one-year periods upon application prescribed by the board and the payment of a fee prescribed by the board under section 16A.128, but not to exceed \$3.*

*Subd. 2. [TERMINATION OF EMPLOYMENT.] If a registrant's employment is terminated for any reason, the employer shall notify the board of the termination within 30 days. If a registrant is again employed by a license holder while the registrant's registration is valid, the employer shall notify the board within ten days of the start of the new employment. An employer who fails to comply with this section is subject to disciplinary action under section 326.3387.*

Sec. 7. Minnesota Statutes 1990, section 326.336, subdivision 1, is amended to read:

Subdivision 1. A license holder may employ, in connection with the business of private detective or protective agent, as many unlicensed persons as may be necessary; provided that every license holder is at all times accountable for the good conduct of every person employed. *Registration of persons to perform armed security services is governed by section 5. For other employees, when a license holder hires a person to perform services as a private detective or ~~protective agent~~ security guard, the employer shall submit to the bureau of criminal apprehension a full set of fingerprints of each employee and the written consent of the employee to enable the bureau to determine whether that person has a criminal record. The employee is a conditional employee until the employer receives a report from the bureau that, based on a check of the criminal records maintained by the bureau, the prospective employee has not been convicted in Minnesota of a felony or any offense listed in section 326.3381, subdivision 3, other than a misdemeanor or gross misdemeanor assault. During the period of conditional employment, the person may not serve as a private detective or ~~protective agent~~ security guard, but may be trained by the employer. The bureau shall immediately request the Federal Bureau of Investigation to conduct a check of each conditional employee's criminal record, and the bureau of criminal apprehension shall immediately forward the results to the employer when they are received. If the bureau report or Federal Bureau of Investigation report indicates that the employee was convicted of a disqualifying offense, the employer shall immediately dismiss the employee.*

Sec. 8. Minnesota Statutes 1990, section 326.336, subdivision 2, is amended to read:

Subd. 2. An identification card must be issued by the license holder to each employee. The card must be in the possession of the employee to whom it is issued at all times. The identification card must contain the license holder's name, logo (if any), address or Minnesota office address, and the employee's photograph and physical description. The card must be signed by the employee and by the license holder, qualified representative, or Minnesota office manager. *The card must indicate when the employee successfully completed certified training and certified continuing training, as required by section 326.3361 and any rules adopted under section 1.*

Minnesota Statutes 1990, section 326.3361, subdivision 1, is amended to read:

Subdivision 1. [RULES.] The board shall, by rule, prescribe the requirements, duration, contents, and standards for successful completion of *certified* training programs for *license holders, qualified representatives, Minnesota managers, partners, security guards, and employees*, including:

(1) first aid and firearms training required for armed employees, including training in the legal limitations on the justifiable use of force and deadly force as specified in sections 609.06 and 609.065;

(2) training in the use of weapons other than firearms, including bludgeons, nightsticks, batons, chemical weapons, and electronic incapacitation devices, and in the use of restraint or immobilization techniques, including the carotid neck restraint;

(3) *training in the use of alternatives to the use of force*;

(4) standards for weapons and equipment issued to or carried or used by *license holders, qualified representatives, Minnesota managers, partners, security guards, or employees*;

(4) (5) preassignment or on-the-job training, or its equivalent, required before applicants may be certified; and

(5) (6) continuing training for *license holders, qualified representatives, Minnesota managers, partners, security guards, employees, and armed employees*.

Sec. 10. Minnesota Statutes 1990, section 326.3361, subdivision 2, is amended to read:

Subd. 2. [REQUIRED CONTENTS.] The rules adopted by the board must require:

(1) 12 hours of preassignment or on-the-job *certified* training within the first 21 days of employment, or evidence that the employee has successfully completed equivalent training before the start of employment;

(2) standards for certification of ~~an~~ *a license holder, qualified representative, Minnesota manager, partner, security guard, or employee*, by the board, ~~as qualified~~ to carry or use a firearm, a weapon other than a firearm, or an immobilizing or restraint technique; and

(3) six hours a year of *certified* continuing training for all *license holders, qualified representatives, Minnesota managers, partners, security guards, and employees*, and an additional six hours a year for armed employees, which must include annual certification of the armed employee.

An employee may not carry or use a weapon while undergoing on-the-job training under this subdivision.

Sec. 11. Minnesota Statutes 1990, section 326.3361, subdivision 3, is amended to read:

Subd. 3. [USE OF WEAPONS; CERTIFICATION REQUIRED.] The rules must provide that no *license holder, qualified representative, Minnesota manager, partner, security guard, or employee* may carry or use a weapon or immobilizing or restraint technique without ~~being certified~~ *having successfully completed certified training as directed by the board as qualified to do so*. The board shall issue an identification card to a ~~person certified under this subdivision~~ *person certified* issued by the *license holder under section 326.336, subdivision 2, shall indicate when the person successfully completed the required certified training and certified continuing training*. A certified

*license holder, qualified representative, Minnesota manager, partner, or employee shall have the card in the employee's possession while working as an armed employee acting within the scope of the licensed activity as a private detective or protective agent as defined in section 326.338.*

Sec. 12. Minnesota Statutes 1990, section 326.3381, subdivision 1a, is amended to read:

Subd. 1a. [PROPRIETARY EMPLOYERS.] A proprietary employer is not required to obtain a license, but must comply with section ~~326.336, subdivision 4~~ 5, with respect to the hiring of security guards.

Sec. 13. Minnesota Statutes 1990, section 326.3381, subdivision 2, is amended to read:

Subd. 2. [APPLICATION PROCEDURE.] The board shall issue a license upon application to any person qualified under sections 326.32 to 326.339 and under the rules of the board to engage in the business of private detective or protective agent. The license shall remain effective for two years as long as the license holder complies with sections 326.32 to 326.339, the laws of Minnesota, and the rules of the board. Upon receipt of an application for private detective or protective agent license, the board shall:

(1) post notice of the application in its office for a period of 20 days, and notify all persons who have requested notification of applications;

(2) conduct an investigation as it considers necessary to determine the qualifications of the applicant, qualified representative, Minnesota manager, and if appropriate, a partner or corporate officer, *including, when appropriate, a criminal history record check*; and

(3) notify the applicant of the date on which the board will conduct a review of the license application.

Sec. 14. Minnesota Statutes 1990, section 326.3381, subdivision 3, is amended to read:

Subd. 3. [DISQUALIFICATION.] No person is qualified to hold a license who has:

(1) been convicted of (i) a felony by the courts of this or any other state or of the United States; (ii) ~~acts which an act that~~, if done in Minnesota, would be *any of the following offenses at the felony or gross misdemeanor level*: criminal sexual conduct; assault; theft; larceny; burglary; robbery; unlawful entry; extortion; defamation; buying or receiving stolen property; using, possessing, manufacturing, or carrying weapons unlawfully; using, possessing, or carrying burglary tools unlawfully; escape; ~~possession possessing, production producing, sale selling, or distribution of narcotics distributing controlled substances~~ unlawfully; or (iii) in any other country of acts which, if done in Minnesota, would be a felony or would be any of the other offenses provided in this clause and for which a full pardon or similar relief has not been granted;

(2) made any false statement in an application for a license or any document required to be submitted to the board; or

(3) failed to demonstrate to the board good character, honesty, and integrity.

Sec. 15. Minnesota Statutes 1990, section 326.3386, subdivision 2, is amended to read:

Subd. 2. [LICENSE FEE.] Each applicant for a private detective or protective agent license shall pay to the board a license fee, as determined by the board. In the event that an applicant is denied licensing by the board, one-half of the license fee shall be refunded to the applicant. *The board may also collect from license applicants an appropriate fee to cover the cost of a criminal history record check.*

Sec. 16. Minnesota Statutes 1990, section 326.3388, is amended to read:  
326.3388 [ADMINISTRATIVE PENALTIES.]

The board shall, by rule, establish a graduated schedule of administrative penalties for violations of sections 326.32 to 326.339 or the board's rules. The schedule must include minimum and maximum penalties for each violation and be based on and reflect the culpability, frequency, and severity of the violator's actions. The board may impose a penalty from the schedule on a license holder *or on any other person* for a violation of sections 326.32 to 326.339 or the rules of the board. *In addition, the board may seek court orders against violators requiring them to cease operations that violate sections 326.32 to 326.339.* The penalty is in addition to any criminal penalty imposed for the same violation. Administrative penalties imposed by the board must be paid to the general fund.

Sec. 17. [EXISTING EMPLOYEES.]

*Notwithstanding sections 5 and 6, a person employed as a security guard performing armed security services, as defined in section 5, on the effective date of sections 5 and 6 shall register with the board within six months after the effective date. A person employed as an armed employee shall successfully complete the training required for registration as an armed employee within 60 days of the effective date. A person covered by this section shall also comply with the continuing training requirements prescribed by the board.*

Sec. 18. [REVISOR INSTRUCTION.]

*The revisor of statutes shall arrange the definitions in Minnesota Statutes 1992, section 326.32, in alphabetical order.*

Sec. 19. [EFFECTIVE DATE.]

*Sections 1 to 18 are effective July 1, 1992."*

Delete the title and insert:

"A bill for an act relating to security guards; requiring the registration of certain employees of private detectives and protective agents, and proprietary employers; precluding local regulation of private detectives and protective agents; providing penalties; amending Minnesota Statutes 1990, sections 326.32, subdivisions 13 and 14; 326.3341; 326.336, subdivisions 1 and 2; 326.3361, subdivisions 1, 2, and 3; 326.3381, subdivisions 1a, 2, and 3; 326.3386, subdivision 2; and 326.3388; proposing coding for new law in Minnesota Statutes, chapter 326."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1053: A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating

certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 1990, sections 3C.04, subdivision 3; 14.47, subdivision 5; 15.39, subdivision 2; 15.45, subdivision 1; 16B.06, subdivision 2a; 16B.19, subdivision 2b; 16B.21, subdivision 1; 16B.405, subdivision 2; 18B.05, subdivision 1; 27.138, subdivision 4; 41A.066, subdivision 1; 60A.13, subdivision 3a; 60B.25; 62E.19, subdivision 1; 84B.09; 89.37, subdivision 4; 97A.101, subdivision 2; 103A.405; 103B.211, subdivision 4; 103F.215, subdivision 1; 103G.545, subdivision 2; 115A.06, subdivision 4; 115B.25, subdivision 4; 115B.26, subdivisions 1 and 4; 115B.30, subdivision 1; 115B.31; 115B.32, subdivision 1; 115C.08, subdivision 5; 115D.02; 116.733; 116J.68, subdivision 2; 121.88, subdivision 5; 123.702, subdivision 2; 124.195, subdivision 9; 124.225, subdivision 8I; 124.245, subdivision 6; 124A.036, subdivision 5; 125.032, subdivision 2; 126.036; 126.071, subdivision 1; 127.19; 136.82, subdivision 1; 144.49, subdivision 8; 144.804, subdivision 1; 144.8097, subdivision 2; 144A.29, subdivisions 2 and 3; 147.01, subdivision 1; 148.03; 148.52; 148.90, subdivision 3; 150A.02, subdivision 1; 151.03; 152.022, subdivision 1; 152.023, subdivision 2; 153.02; 154.22; 156.01; 161.17, subdivision 2; 168.325, subdivision 3; 222.63, subdivision 4; 237.161, subdivision 1; 256.035, subdivision 8; 256B.059, subdivision 4; 268.38, subdivision 12; 270.42; 273.1392; 273.1398, subdivision 5a; 275.065, subdivision 1; 275.50, subdivision 5; 290A.04, subdivision 2h; 297A.25, subdivision 8; 298.17; 299A.24, subdivision 1; 299A.41, subdivision 1; 299D.03, subdivision 12; 299F.361, subdivision 1; 299F.451, subdivision 1; 299F.72, subdivision 1; 317A.021, subdivision 7; 325E.045, subdivision 1; 326.04; 341.01; 354A.094, subdivision 7; 356.215, subdivision 4d; 384.14; 386.63, subdivision 1; 400.03, subdivision 1; 423.806, subdivision 1; 446A.10, subdivision 2; 469.129, subdivision 1; 473.844, subdivision 1; 473.845, subdivision 1; 508.36; 529.16; 551.05, subdivision 1; 571.75, subdivision 2; 571.81, subdivision 2; 604.06; 609.531, subdivision 1; 609.892, subdivision 1; Laws 1990, chapter 562, article 8, section 38; chapter 602, article 2, section 10; and chapter 606, article 4, section 1, subdivisions 2 and 6; reenacting Minnesota Statutes 1988, section 169.126, subdivision 2, as amended; repealing Minnesota Statutes 1990, sections 103B.211, subdivision 5; 103I.005, subdivision 18; 117.31; 124.47; 171.015, subdivision 4; 299D.01, subdivision 5; 299F.01, subdivision 3; 299F.362, subdivision 8; 474A.081, subdivisions 1, 2, and 4; 593.40, subdivision 6; and 626A.21.

Reports the same back with the recommendation that the bill be amended as follows:

Page 13, after line 22, insert:

"Sec. 12. Minnesota Statutes 1990, section 86B.415, subdivision 1, is amended to read:

Subdivision 1. [WATERCRAFT ~~LESS THAN~~ 19 FEET OR LESS.] The fee for a watercraft license for watercraft ~~less than~~ 19 feet or less in length is \$12 except:

(1) for watercraft 19 feet in length or less that is offered for rent or lease, the fee is \$6;

(2) for a canoe, kayak, sailboat, sailboard, paddle boat, or rowing shell 19 feet in length or less, the fee is \$7;



(3) for a watercraft 19 feet in length or less used by a nonprofit corporation for teaching boat and water safety, the fee is as provided in subdivision 4; and

(4) for a watercraft owned by a dealer under a dealer's license, the fee is as provided in subdivision 5."

Page 19, after line 3, insert:

"Sec. 25. Minnesota Statutes 1990, section 115B.33, subdivision 1, is amended to read:

Subdivision 1. [STANDARD FOR PERSONAL INJURY.] The board shall grant compensation to a claimant who shows that it is more likely than not that:

(1) the claimant suffers a medically verified injury that is eligible for compensation from the ~~fund~~ *account* and that has resulted in a compensable loss;

(2) the claimant has been exposed to a harmful substance;

(3) the release of the harmful substance from a facility where the substance was placed or came to be located could reasonably have resulted in the claimant's exposure to the substance in the amount and duration experienced by the claimant; and

(4) the injury suffered by the claimant can be caused or significantly contributed to by exposure to the harmful substance in an amount and duration experienced by the claimant.

Sec. 26. Minnesota Statutes 1990, section 115B.34, is amended to read:

115B.34 [COMPENSABLE LOSSES.]

Subdivision 1. [PERSONAL INJURY LOSSES.] Losses compensable by the ~~fund~~ *account* for personal injury are limited to:

(a) medical expenses directly related to the claimant's injury;

(b) up to two-thirds of the claimant's lost wages not to exceed \$2,000 per month or \$24,000 per year;

(c) up to two-thirds of a self-employed claimant's lost income, not to exceed \$2,000 per month or \$24,000 per year;

(d) death benefits to dependents which the board shall define by rule subject to the following conditions:

(1) the rule adopted by the board must establish a schedule of benefits similar to that established by section 176.111 and must not provide for the payment of benefits to dependents other than those dependents defined in section 176.111;

(2) the total benefits paid to all dependents of a claimant must not exceed \$2,000 per month;

(3) benefits paid to a spouse and all dependents other than children must not continue for a period longer than ten years;

(4) payment of benefits is subject to the limitations of section 115B.36; and

(e) the value of household labor lost due to the claimant's injury or disease, which must be determined in accordance with a schedule established by

the board by rule, not to exceed \$2,000 per month or \$24,000 per year.

Subd. 2. [PROPERTY DAMAGE LOSSES.] (a) Losses compensable by the ~~fund~~ *account* for property damage are limited to the following losses caused by damage to the principal residence of the claimant:

(1) the reasonable cost of replacing or decontaminating the primary source of drinking water for the property not to exceed the amount actually expended by the claimant or assessed by a local taxing authority, if the department of health has confirmed that the remedy provides safe drinking water and advised that the water not be used for drinking or determined that the replacement or decontamination of the source of drinking water was necessary, up to a maximum of \$25,000;

(2) losses incurred as a result of a bona fide sale of the property at less than the appraised market value under circumstances that constitute a hardship to the owner, limited to 75 percent of the difference between the appraised market value and the selling price, but not to exceed \$25,000; and

(3) losses incurred as a result of the inability of an owner in hardship circumstances to sell the property due to the presence of harmful substances, limited to the increase in costs associated with the need to maintain two residences, but not to exceed \$25,000.

(b) In computation of the loss under paragraph (a), clause (3), the board shall offset the loss by the amount of any income received by the claimant from the rental of the property.

(c) For purposes of paragraph (a), the following definitions apply:

(1) "appraised market value" means an appraisal of the market value of the property disregarding any decrease in value caused by the presence of a harmful substance in or on the property; and

(2) "hardship" means an urgent need to sell the property based on a special circumstance of the owner including catastrophic medical expenses, inability of the owner to physically maintain the property due to a physical or mental condition, and change of employment of the owner or other member of the owner's household requiring the owner to move to a different location.

(d) Appraisals are subject to board approval. The board may adopt rules governing approval of appraisals, criteria for establishing a hardship, and other matters necessary to administer this subdivision.

Sec. 27. Minnesota Statutes 1990, section 115B.36, is amended to read:  
115B.36 [AMOUNT AND FORM OF PAYMENT.]

If the board decides to grant compensation, it shall determine the net uncompensated loss payable to the claimant by computing the total amount of compensable losses payable to the claimant and subtracting the total amount of any compensation received by the claimant for the same injury or damage from other sources including, but not limited to, all forms of insurance and social security and any emergency award made by the board. The board shall pay compensation in the amount of the net uncompensated loss, provided that no claimant may receive more than \$250,000. In the case of a death, the total amount paid to all persons on behalf of the claimant may not exceed \$250,000.

Compensation from the fund account may be awarded in a lump sum or in installments at the discretion of the board."

Pages 50 and 51, delete sections 63 to 65

Page 76, after line 1, insert:

"Sec. 90. Minnesota Statutes 1990, section 356.216, is amended to read:

356.216 [CONTENTS OF ACTUARIAL VALUATIONS FOR LOCAL POLICE AND FIRE FUNDS.]

(a) The provisions of section 356.215 governing the contents of actuarial valuations shall apply to any local police or fire pension fund or relief association required to make an actuarial report under this section except as follows:

(1) in calculating normal cost and other requirements, if required to be expressed as a level percentage of covered payroll, the salaries used in computing covered payroll shall be the maximum rate of salary from which retirement and survivorship credits and amounts of benefits are determined and from which any member contributions are calculated and deducted;

(2) in lieu of the amortization date specified in section 356.215, subdivision 4g, the appropriate amortization target date specified in section 69.77, subdivision 2b, or 69.773, subdivision 4, clause ~~(b)~~ (c), shall be used in calculating any required amortization contribution;

(3) in addition to the tabulation of active members and annuitants provided for in section 356.215, subdivision 4i, the member contributions for active members for the calendar year and the prospective annual retirement annuities under the benefit plan for active members shall be reported;

(4) actuarial valuations required pursuant to section 69.773, subdivision 2, shall be made at least every four years and actuarial valuations required pursuant to section 69.77 shall be made annually; and

(5) the actuarial balance sheet showing accrued assets valued at market value if the actuarial valuation is required to be prepared at least every four years or valued as current assets under section 356.215, subdivision 1, clause (6), or paragraph (b), whichever applies, if the actuarial valuation is required to be prepared annually, actuarial accrued liabilities, and the unfunded actuarial accrued liability shall include the following required reserves:

- (a) For active members
  1. Retirement benefits
  2. Disability benefits
  3. Refund liability due to death or withdrawal
  4. Survivors' benefits
- (b) For deferred annuitants' benefits
- (c) For former members without vested rights
- (d) For annuitants
  1. Retirement annuities
  2. Disability annuities
  3. Surviving spouses' annuities
  4. Surviving children's annuities

In addition to those required reserves, separate items shall be shown for

additional benefits, if any, which may not be appropriately included in the reserves listed above.

(6) actuarial valuations shall be due by the first day of the seventh month after the end of the fiscal year which the actuarial valuation covers.

(b) For a relief association in a city of the first class with a population of more than 300,000, the following provisions additionally apply:

(1) in calculating the actuarial balance sheet, unfunded actuarial accrued liability, and amortization contribution of the relief association, "current assets" means the value of all assets at cost, including realized capital gains and losses, plus or minus, whichever applies, the average value of total unrealized capital gains or losses for the most recent three-year period ending with the end of the plan year immediately preceding the actuarial valuation report transmission date; and

(2) in calculating the applicable portions of the actuarial valuation, an annual preretirement interest assumption of six percent, an annual post-retirement interest assumption of six percent, and an annual salary increase assumption of four percent must be used."

Renumber the sections of article 1 in sequence

Page 3, after line 2, of the Memorandum of Explanation for article 1, insert:

"Sec. 12. *Explanation.* Laws 1990, chapter 391, article 9, section 24, the water recodification, erroneously dropped this language from Minnesota Statutes 1988, section 361.03, subdivision 3."

Page 3, line 26, of the Memorandum of Explanation for article 1, delete "18 to 24" and insert "19 to 28"

Page 6, line 24, of the Memorandum of Explanation for article 1, delete "63 to 67" and insert "67 and 68" and delete "The proposed amendments to"

Page 6 of the Memorandum of Explanation for article 1, delete lines 25 to 31

Page 6, line 32, of the Memorandum of Explanation for article 1, delete everything before "Section" and delete "66" and insert "67"

Page 6, line 33, of the Memorandum of Explanation for article 1, delete "67" and insert "68"

Renumber the section explanations in sequence

Amend the title as follows:

Page 1, line 13, after the fourth semicolon, insert "86B.415, subdivision 1;"

Page 1, line 19, after "1;" insert "115B.33, subdivision 1; 115B.34; 115B.36;"

Page 1, line 38, delete everything after the first semicolon

Page 1, line 42, after the second semicolon, insert "356.216;"

Page 2, line 9, delete "299D.01,"

Page 2, line 10, delete everything before "299F.362,"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 525: A bill for an act relating to crimes; expanding the definition of drug free zones to include post-secondary and technical colleges and public housing property; requiring the sentencing guidelines commission to develop a model set of local correctional guidelines; authorizing special levies for local correctional services that do not involve incarceration; changing the name and duties of the drug abuse prevention resource council; providing incentives for judicial districts to adopt local correctional guidelines; requiring reporting of felony convictions; requiring chemical use assessments of persons convicted of felonies; requiring studies; appropriating money; amending Minnesota Statutes 1990, sections 152.01, subdivision 14a, and by adding a subdivision; 152.022, subdivision 1; 152.023, subdivision 2; 244.095, subdivisions 1 and 2; 275.50, subdivision 5; 275.51, subdivision 3f; 299A.30; 299A.31, subdivision 1; 299A.32; 401.14, by adding a subdivision; 485.16; and 609.115, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 244; repealing Minnesota Statutes 1990, sections 244.095, subdivision 3; 299A.29; and 299A.30.

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 1990, section 152.01, is amended by adding a subdivision to read:

*Subd. 19. [PUBLIC HOUSING ZONE.] "Public housing zone" means any public housing project or development administered by a local housing agency, except public housing for the elderly or the handicapped, plus the area within 300 feet of the property's boundary, or one city block, whichever distance is greater.*

Sec. 2. Minnesota Statutes 1990, section 152.022, subdivision 1, is amended to read:

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the second degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight or three grams or more containing cocaine base;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing a narcotic drug;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 50 or more dosage units;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols;

(5) the person unlawfully sells any amount of a schedule I or II narcotic drug to a person under the age of 18, or conspires with or employs a person under the age of 18 to unlawfully sell the substance; or

(6) the person unlawfully sells any amount of a schedule I or II narcotic drug in a school zone ~~or~~, a park zone, *or a public housing zone.*

Sec. 3. Minnesota Statutes 1990, section 152.023, subdivision 2, is amended to read:

Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the third degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of three grams or more containing cocaine base;

(2) the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug;

(3) the person unlawfully possesses one or more mixtures containing a narcotic drug with the intent to sell it;

(4) the person unlawfully possesses one or more mixtures containing a narcotic drug, it is packaged in dosage units, and equals 50 more dosage units; or

(5) the person unlawfully possesses any amount of a schedule I or II narcotic drug in a school zone ~~or~~, a park zone, *or a public housing zone;* or

(6) the person unlawfully possesses one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols.

Sec. 4. Minnesota Statutes 1990, section 152.029, is amended to read:

152.029 [PUBLIC INFORMATION: SCHOOL ZONES ~~AND~~, PARK ZONES, *AND PUBLIC HOUSING ZONES.*]

The attorney general shall disseminate information to the public relating to the penalties for committing controlled substance crimes in park zones ~~and~~, school zones, *and public housing zones.* The attorney general shall draft a plain language version of sections 152.022, *and* 152.023, ~~and 244.095~~ *relevant provisions of the sentencing guidelines*, that describes in a clear and coherent manner using words with common and everyday meanings the ~~contents~~ *content* of those ~~sections~~ *provisions.* The attorney general shall publicize and disseminate the plain language version as widely as practicable, including distributing the version to school boards ~~and~~, local governments, *and administrators and occupants of public housing.*

Sec. 5. Minnesota Statutes 1990, section 299A.29, is amended by adding a subdivision to read:

Subd. 1a. [CHEMICAL ABUSE.] "*Chemical abuse*" means the use of a controlled substance or the abuse of alcoholic beverages.

Sec. 6. Minnesota Statutes 1990, section 299A.29, subdivision 3, is amended to read:

Subd. 3. [DRUG CONTROLLED SUBSTANCE.] "*Drug*" means a "Controlled substance" ~~as defined~~ *has the meaning given in section 152.01, subdivision 4.*

Sec. 7. Minnesota Statutes 1990, section 299A.29, is amended by adding

a subdivision to read:

*Subd. 4a. [PREVENTION ACTIVITY.] "Prevention activity" means an activity carried on by a government agency that is designed to reduce chemical abuse and dependency, including education, prevention, treatment, and rehabilitation programs.*

Sec. 8. Minnesota Statutes 1990, section 299A.29, subdivision 5, is amended to read:

*Subd. 5. [SUPPLY REDUCTION ACTIVITY.] "Supply reduction activity" means an activity carried on by a ~~drug program~~ government agency that is designed to reduce the supply or use of ~~drugs~~ controlled substances, including law enforcement, eradication, and prosecutorial activities.*

Sec. 9. Minnesota Statutes 1990, section 299A.30, is amended to read:  
299A.30 [OFFICE OF DRUG POLICY.]

*Subdivision 1. [OFFICE; ASSISTANT COMMISSIONER.] The office of drug policy is an office in the department of public safety headed by an assistant commissioner appointed by the commissioner to serve in the unclassified service. The assistant commissioner may appoint other employees in the unclassified service. The assistant commissioner shall coordinate the *prevention and supply reduction* activities of ~~drug program~~ state and local agencies and ~~serve as~~ provide one professional staff member to assist on a full-time basis the ~~drug~~ work of the chemical abuse prevention resource council.*

*Subd. 2. [DUTIES.] (a) The assistant commissioner shall gather and make available information on ~~demand reduction~~ prevention and supply reduction activities throughout the state, foster cooperation among ~~drug program~~ involved state and local agencies, and assist agencies and public officials in training and other programs designed to improve the effectiveness of ~~demand reduction~~ prevention and supply reduction activities.*

*(b) The assistant commissioner shall coordinate the distribution of funds received by the state of Minnesota through the federal Anti-Drug Abuse Act. The assistant commissioner may obtain technical assistance from the state planning agency to perform this function. The assistant commissioner shall recommend to the commissioner recipients of grants under sections 299A.33 and 299A.34, after consultation with the ~~drug~~ chemical abuse prevention resource council.*

*(c) The assistant commissioner shall:*

*(1) after consultation with all ~~drug program~~ state agencies operating in the state involved in prevention or supply reduction activities, develop a state ~~drug~~ chemical abuse and dependency strategy encompassing the efforts of those agencies and taking into account all money available for ~~demand reduction~~ prevention and supply reduction activities, 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~~ prevention and supply reduction activities 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~~ prevention and supply reduction activities; and*

(4) provide information, *including information on drug trends*, and assistance to ~~drug program~~ *state and local* agencies, both directly and by functioning as a clearinghouse for information from other ~~drug program~~ agencies;

(5) *facilitate cooperation among drug program agencies; and*

(6) *coordinate the administration of prevention, criminal justice, and treatment grants.*

Sec. 10. Minnesota Statutes 1990, section 299A.31, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] A ~~drug~~ *chemical* abuse prevention resource council consisting of 18 members is established. The commissioners of public safety, education, health, human services, and the state planning agency, and the attorney general shall each appoint one member from among their employees. The speaker of the house of representatives and the subcommittee on committees of the senate shall each appoint a legislative member. The governor shall appoint an additional ten members who ~~shall demonstrate knowledge in the area of drug abuse prevention~~, shall represent the demographic and geographic composition of the state and, to the extent possible, shall represent the following ~~groups: parents, educators, clergy, local government, racial and ethnic minority communities, professional providers of drug abuse prevention services, volunteers in private, nonprofit drug prevention programs, and the business community; public health; education including preschool, elementary, and higher education; social services; financial aid services; chemical dependency treatment; law enforcement; prosecution; defense; the judiciary; corrections; treatment research professionals; drug abuse prevention professionals; the business sector; religious leaders; and community representatives.~~ The members shall designate one of the governor's appointees as chair of the council. Compensation and removal of members are governed by section 15.059.

Sec. 11. Minnesota Statutes 1990, section 299A.32, is amended to read:

299A.32 [RESPONSIBILITIES OF COUNCIL.]

Subdivision 1. [PURPOSE OF COUNCIL.] The general purpose of the council is to ~~foster the coordination and development of a statewide drug~~ *serve as an advisory body to the governor and the legislature on all aspects of chemical abuse prevention policy.*

Subd. 2. [SPECIFIC DUTIES AND RESPONSIBILITIES.] In furtherance of the general purpose specified in subdivision 1, the council ~~has the following duties and responsibilities shall:~~

(1) ~~it shall develop a coordinated, statewide drug abuse prevention policy assist state agencies in the coordination of drug policies and programs and in the provision of services to other units of government, communities, and citizens;~~

(2) ~~it shall develop a mission statement that defines the roles and relationships of agencies operating within the continuum of chemical health care promote among state agencies policies to achieve uniformity in state and federal grant programs and to streamline those programs;~~

(3) ~~it shall develop guidelines for drug abuse prevention program development and operation based on its research and program evaluation activities oversee comprehensive data collection and research and evaluation of alcohol and drug program activities;~~



(4) it shall assist local governments and groups in planning, organizing, and establishing comprehensive, community-based drug abuse prevention programs and services;

(5) it shall coordinate and provide technical assistance to organizations and individuals seeking public or private funding for drug abuse prevention programs; and to government and private agencies seeking to grant funds for these purposes;

(6) it shall assist providers of drug abuse prevention services in implementing, monitoring, and evaluating new and existing programs and services;

(7) it shall provide information on and analysis of the relative public and private costs of drug abuse prevention, enforcement, intervention, and treatment efforts; and

(8) it shall advise the assistant commissioner of the office of drug policy in awarding grants and in other duties; seek the advice and counsel of appropriate interest groups and advise the assistant commissioner of the office of drug policy;

(5) seek additional private funding for community-based programs and research and evaluation;

(6) evaluate whether law enforcement narcotics task forces should be reduced in number and increased in geographic size, and whether new sources of funding are available for the task forces;

(7) continue to promote clarity of roles among federal, state, and local law enforcement activities; and

(8) establish criteria to evaluate law enforcement drug programs.

*Subd. 2a. [GRANT PROGRAMS.] The council shall review and approve state agency plans regarding the use of federal funds for programs to reduce chemical abuse or reduce the supply of controlled substances. The appropriate state agencies would have responsibility for management of state and federal drug grant programs.*

*Subd. 3. [ANNUAL REPORT.] On or before February 1, 1991, and each year thereafter, the council shall submit a written report to the governor and the legislature describing its activities during the preceding year, describing efforts that have been made to enhance and improve utilization of existing resources and to identify deficits in prevention efforts, and recommending appropriate changes, including any legislative changes that it considers necessary or advisable in the area of drug chemical abuse prevention policy, programs, or and services.*

Sec. 12. Minnesota Statutes 1990, section 299A.35, is amended to read:

299A.35 [COMMUNITY CRIME REDUCTION PROGRAMS; GRANTS.]

Subdivision 1. [PROGRAMS.] The commissioner shall, in consultation with the drug chemical abuse prevention resource council, administer a grant program to fund community-based programs that are designed to enhance the community's sense of personal security and to assist the community in its crime control efforts. Examples of qualifying programs include, but are not limited to, the following:

(1) programs to provide security systems for residential buildings serving low-income persons, elderly persons, and persons who have physical or

mental disabilities;

(2) community-based programs designed to discourage young people from involvement in unlawful drug or street gang activities;

(3) neighborhood block clubs and innovative community-based crime watch programs; and

(4) other community-based crime prevention programs that are innovative and encourage substantial involvement by members of the community served by the program.

Subd. 2. [GRANT PROCEDURE.] A local unit of government or a nonprofit community-based entity may apply for a grant by submitting an application with the commissioner. The applicant shall specify the following in its application:

(1) a description of each program for which funding is sought;

(2) the amount of funding to be provided to the program;

(3) the geographical area to be served by the program; and

(4) statistical information as to the number of arrests in the geographical area for violent crimes and for crimes involving schedule I and II controlled substances. "Violent crime" includes a violation of or an attempt or conspiracy to violate any of the following laws: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1; 609.561; 609.562; 609.582, subdivision 1; 609.687; ~~and~~ or any provision of chapter 152 that is punishable by a maximum term of imprisonment greater than ten years.

The commissioner shall give priority to funding programs in the geographical areas that have the highest crime rates, as measured by the data supplied under clause (4), and that demonstrate substantial involvement by members of the community served by the program. The maximum amount that may be awarded to an applicant is \$50,000.

Subd. 3. [REPORT.] An applicant that receives a grant under this section shall provide the commissioner with a summary of how the grant funds were spent and the extent to which the objectives of the program were achieved. The commissioner shall submit a written report ~~with~~ to the legislature *by February 1 each year*, based on the information provided by applicants under this subdivision.

Sec. 13. Minnesota Statutes 1990, section 299A.36, is amended to read: 299A.36 [OTHER DUTIES.]

The assistant commissioner assigned to the office of drug policy, in consultation with the ~~drug~~ *chemical* abuse prevention resource council, 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;

(3) cooperate with and provide information and assistance upon request to the alcohol and other drug abuse section in the department of human

services;

(4) assist in coordinating the policy of the office with that of the narcotic enforcement unit in the bureau of criminal apprehension; and

(5) coordinate the activities of the regional drug task forces, provide assistance and information to them upon request, and assist in the formation of task forces in areas of the state in which no task force operates.

Sec. 14. Minnesota Statutes 1990, section 609.115, is amended by adding a subdivision to read:

*Subd. 8. [CHEMICAL USE ASSESSMENT REQUIRED.] (a) If a person is convicted of a felony, the probation officer shall determine in the report prepared under subdivision 1 whether or not alcohol or controlled substance use was a contributing factor to the commission of the offense. If so, the report shall contain the results of a chemical use assessment conducted in accordance with this subdivision. The probation officer shall make an appointment for the defendant to undergo the chemical use assessment if so indicated.*

*(b) The chemical use assessment report must include a recommended level of care for the defendant in accordance with the criteria contained in rules adopted by the commissioner of human services under section 254A.03, subdivision 3. The assessment must be conducted by an assessor qualified under rules adopted by the commissioner of human services under section 254A.03, subdivision 3. An assessor providing a chemical use assessment may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If an independent assessor is not available, the probation officer may use the services of an assessor authorized to perform assessments for the county social services agency under a variance granted under rules adopted by the commissioner of human services under section 254A.03, subdivision 3.*

Sec. 15. [DRUG-IMPAIRED DRIVER STUDY.]

*The commissioner of public safety shall study expanding Minnesota's implied consent law to provide for immediate revocation of the driver's license of a driver who tests positive for the presence of a controlled substance. The commissioner shall report to the judiciary committees in the senate and house of representatives by June 1, 1992. If the commissioner determines that this amendment is feasible, the commissioner shall make specific recommendations concerning the following:*

*(1) the controlled substances that should be included;*

*(2) for each controlled substance, whether or not it is feasible to establish a threshold amount that would trigger license revocation, with due consideration of the length of time after use that each controlled substance remains detectable, the level of impairment caused by the controlled substance at different levels, and the state of current testing technology for the controlled substance;*

*(3) an analysis of the impact of requiring license revocation for the presence of any controlled substance, without a specific threshold;*

*(4) an estimate of the cost to the state and local governments; and*

*(5) any other relevant matter.*

Sec. 16. [CHEMICAL USE ASSESSMENT FUNDING.]

*The commissioner of human services, in consultation with the commissioner of corrections and the state court administrator, shall appoint a task force of officials of state and local agencies and the judicial branch. The task force shall calculate the additional cost of providing the chemical use assessments of convicted felons required by section 14, and shall report to the legislature by January 1, 1992, its recommendations for funding those assessments.*

Sec. 17. [REPEALER.]

*Minnesota Statutes 1990, section 244.095, is repealed.*

Sec. 18. [EFFECTIVE DATE.]

*Sections 1 to 3 are effective August 1, 1991, and apply to crimes committed on or after that date. Section 14 is effective July 1, 1992, and applies to crimes committed on or after that date."*

Delete the title and insert:

"A bill for an act relating to crimes; expanding the definition of drug free zones to include public housing property; changing the name and duties of the drug abuse prevention resource council; requiring chemical use assessments of persons convicted of felonies; amending Minnesota Statutes 1990, sections 152.01, by adding a subdivision; 152.022, subdivision 1; 152.023, subdivision 2; 152.029; 299A.29, subdivisions 3, 5, and by adding subdivisions; 299A.30; 299A.31, subdivision 1; 299A.32; 299A.35; 299A.36; and 609.115, by adding a subdivision; repealing Minnesota Statutes 1990, section 244.095."

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. 766: A bill for an act relating to civil actions; providing that proof of a person's failure to use seat belts is admissible in litigation; amending Minnesota Statutes 1990, sections 169.685, subdivision 4; and 604.01, 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 1990, section 169.685, subdivision 4, is amended to read:

Subd. 4. [USE OF SEAT BELTS OR CHILD PASSENGER RESTRAINT SYSTEMS.] *Except as provided in subdivision 4a*, proof of the use or failure to use seat belts or a child passenger restraint system as described in subdivision 5, or proof of the installation or failure of installation of seat belts or a child passenger restraint system as described in subdivision 5 shall not be admissible in evidence in any litigation involving personal injuries or property damage resulting from the use or operation of any motor vehicle.

Sec. 2. Minnesota Statutes 1990, section 169.685, is amended by adding a subdivision to read:

*Subd. 4a. [USE OF SEAT BELTS BY PERSON AGE 16 OR OLDER.] Proof of the use or failure to use a seat belt by a person 16 years of age*

*or older as required under section 169.686 is admissible in evidence in litigation involving personal injuries, death, or property damage resulting from the use or operation of a motor vehicle. This evidence is admissible only to determine the amount of damages and is not admissible to determine fault. A plaintiff's compensation may be reduced by the amount of damages that would have been prevented by the use of a seat belt, provided that the plaintiff's total damages may not be reduced by more than ten percent or \$7,500, whichever is less.*

Sec. 3. [EFFECTIVE DATE.]

*This act is effective January 1, 1992, and applies to causes of action arising on or after that date."*

Delete the title and insert:

*"A bill for an act relating to civil actions; providing that proof of use or failure to use seat belts by a person age 16 or older is admissible in litigation; limiting the reduction of damages resulting from failure to use a seat belt; amending Minnesota Statutes 1990, section 169.685, subdivision 4, and by adding a subdivision."*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 788: A bill for an act relating to privacy; prohibiting disclosure of health records without patient consent; imposing civil liability; amending Minnesota Statutes 1990, section 144.335, 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 1990, section 144.335, is amended by adding a subdivision to read:

*Subd. 3a. [PATIENT CONSENT TO RELEASE OF RECORDS; LIABILITY.] (a) A provider, or a person who receives health records from a provider, may not release a patient's health records to a third person without a signed and dated consent from the patient authorizing the release, unless the release is specifically authorized by law. A consent is valid for one year or for a different period specified in the consent or provided for by law.*

*(b) This subdivision does not prohibit the release of health records for a medical emergency when the provider is unable to obtain the patient's consent.*

*(c) A person who releases a health record in violation of this subdivision, or who makes or alters the consent form of another person without the person's consent, is liable to the patient for damages caused by an unauthorized release, plus costs and reasonable attorney fees."*

Amend the title as follows:

Page 1, line 2, delete "disclosure" and insert "release"

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. 598: A bill for an act relating to transportation; establish state transportation goals and requiring periodic revisions of the state transportation plan; directing a study of rail-highway grade crossings; establishing penalties for violations of grade crossing safety laws; directing the commissioner to take certain actions relating to grade crossings; authorizing the commissioner of transportation to make grants and loans for the improvement of commercial navigation facilities; establishing special categories of roads and highways; authorizing local units of government to advance funds for the completion of highway projects; establishing a transportation utility; authorizing road authorities to enter into agreements for the construction, maintenance, and operation of toll facilities; creating a transportation services fund; specifying percentage of unrefunded motor fuel tax revenue that is attributable to use on forest roads; authorizing the commissioner of transportation to plan, acquire, construct, and equip light rail transit facilities; authorizing regional rail authorities to seek federal funds and construct a demonstration project; authorizing transportation research; directing a study of highway corridors; extending the transportation study board and specifying duties; appropriating money; amending Minnesota Statutes 1990, sections 162.02, subdivision 3a; 162.09, subdivision 3a; 162.14, subdivision 6; 168.54, subdivisions 5 and 6; 169.09, subdivision 13; 169.14, by adding a subdivision; 169.26; 170.23; 171.13, subdivision 1, and by adding a subdivision; 171.185; 171.26; 171.36; 173.13, subdivision 4; 173.231; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 221.036, subdivision 14; 222.50, subdivision 7; 296.16, subdivision 1a; 296.421, subdivision 8; 297A.02, by adding a subdivision; 297.44, subdivision 1; 299D.03, subdivision 5; 473.373, subdivision 4a; 473.3993, subdivisions 2 and 3, and by adding a subdivision; 473.3994; and 473.3996; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; 221; and 444; proposing coding for new law as Minnesota Statutes, chapter 457A; repealing Laws 1988, chapter 603, section 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 30, after "(b)" insert "*The fact that a moving train approaching a railroad grade crossing is visible from the crossing is prima facie evidence that it is not safe to proceed.*

(c)"

Page 4, delete lines 35 and 36

Page 5, delete line 1

Page 5, line 2, delete "(a)"

Page 5, delete lines 7 to 16

Page 5, line 17, before "A" insert "(a)" and strike "person" and insert "driver" and strike "this section" and insert "subdivision 1"

Page 5, lines 18 to 24, delete the new language

Page 5, after line 24, insert:

*"(b) The owner or, in the case of a leased vehicle, the lessee of a motor vehicle is guilty of a petty misdemeanor if a motor vehicle owned or leased by that person is operated in violation of subdivision 1. This paragraph*

*does not apply to a lessor of a motor vehicle if the lessor keeps a record of the name and address of the lessee. This paragraph does not prohibit or limit the prosecution of a motor vehicle operator for violating subdivision 1. A violation of this paragraph does not constitute grounds for revocation or suspension of the owner's or lessee's driver's license."*

Page 12, line 34, before the period, insert “, if the design standards comply with the standards established by the commissioner under subdivision 1”

Page 13, line 31, delete “where” and insert “if”

Page 13, line 32, delete “has been” and insert “is” and before the period, insert “, the design complies with the minimum state-aid standard applicable to the road, and the design is not grossly negligent”

Pages 17 to 20, delete section 9

Amend the title as follows:

Page 1, line 14, delete “establishing a transportation utility;”

Page 1, line 43, after “219;” insert “and” and delete “and 444;”

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. 951: A bill for an act relating to housing and economic development; modifying procedures relating to rent escrow actions; modifying procedures relating to the tenant's loss of essential services; modifying provisions relating to tenant remedy actions, retaliatory eviction proceedings, and receivership proceedings; modifying provisions relating to Minnesota housing finance agency low- and moderate-income housing programs; providing for an emergency mortgage and rental assistance pilot project; requiring counseling for reverse mortgage loans; modifying certain receivership, assignment of rents and profits, and landlord and tenant provisions; modifying provisions relating to housing and redevelopment authorities; providing for the issuance of general obligation bonds for housing by the cities of Minneapolis and St. Paul; authorizing the city of Minneapolis to make small business loans; authorizing certain economic development activities within the city of St. Paul; modifying the property tax classification of certain residential real estate; excluding housing districts from the calculation of local government aid reductions; modifying the interest rate reduction program; appropriating money; amending Minnesota Statutes 1990, sections 47.58, by adding a subdivision; 273.124, subdivisions 1 and 11; 273.13, subdivision 25; 273.1399, subdivision 1; 462A.03, subdivisions 10 and 13; 462A.05, by adding a subdivision; 462A.222, subdivision 3; 462C.03, subdivision 10; 469.011, subdivision 4; 469.012, subdivision 1; 469.015, subdivisions 3, 4, and by adding a subdivision; 469.176, subdivision 4f; 481.02, subdivision 3; 504.02; 504.18, subdivision 1; 504.185, subdivision 2; 504.20, subdivisions 3, 4, 5, and 7; 504.27; 559.17, subdivision 2; 566.03, subdivision 1; 566.17, subdivisions 1, 2, and by adding a subdivision; 566.175, subdivision 6; 566.18, subdivision 9; 566.29, subdivisions 2 and 4; and 576.01, subdivision 2; Laws 1974, chapter 285, section 4, as amended; Laws 1988, chapter 594, section 6; proposing coding for new law in Minnesota Statutes, chapters 268 and 609.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, after line 13, insert:

*“(c) If the tenant has paid to the plaintiff or brought into court the amount of rent in arrears but is unable to pay the interest, costs of the action, and attorney fees required by this subdivision, the court may permit the defendant to pay these amounts into court and be restored to possession within the same period of time, if any, which the court stays the issuance of the writ of restitution pursuant to section 566.09.*

*(d) Prior to or after commencement of an action to recover possession for nonpayment of rent, the parties may agree only in writing that partial payment of rent in arrears which is accepted by the landlord prior to issuance of the order granting restitution of the premises pursuant to section 566.09 may be applied to the balance due and does not waive the landlord’s action to recover possession of the premises for nonpayment of rent.*

*(e) Rental payments under this subdivision must first be applied to rent claimed as due in the complaint from prior rental periods before applying any payment toward rent claimed in the complaint for the current rental period, unless the court finds that under the circumstances the claim for rent from prior rental periods has been waived.”*

Pages 10 to 13, delete sections 1 to 3 and insert:

“Section 1. Minnesota Statutes 1990, section 566.03, subdivision 1, is amended to read:

Subdivision 1. *The person entitled to the premises may recover possession in the manner provided in this section when:*

*(1) any person holds over lands or tenements after a sale thereof on an execution or judgment, or on foreclosure of a mortgage, and expiration of the time for redemption, or after termination of contract to convey the same, provided that if the person holding such lands or tenements after the ~~sale, foreclosure, expiration of the time for redemption~~ or termination is a tenant, the person has received:*

*(i) at least one month’s written notice ~~of the termination of tenancy as a result of to vacate no sooner than one month after the sale, foreclosure, expiration of the time for redemption~~ or termination, provided that the tenant pays the rent and abides by all terms of the lease; or ~~when~~*

*(ii) at least one month’s written notice to vacate no later than the date of the expiration of the time for redemption or termination, which notice shall also state that the sender will hold the tenant harmless for breaching the lease by vacating the premises if the mortgage is redeemed or the contract is reinstated;*

*(2) any person holds over lands or tenements after termination of the time for which they are demised or let to that person or to the persons under whom that person holds possession, or contrary to the conditions or covenants of the lease or agreement under which that person holds, or after any rent becomes due according to the terms of such lease or agreement; or ~~when~~*

*(3) any tenant at will holds over after the determination of ~~any such~~ the estate by notice to quit; ~~in all such cases the person entitled to the premises may recover possession thereof in the manner hereinafter provided.”~~*



Page 13, lines 35 and 36, delete “*or a manufactured home*”

Page 14, line 1, delete “*or manufactured home*”

Page 14, lines 3 and 4, delete “*or manufactured home*”

Renumber the sections of article 2 in sequence

Page 27, after line 31, insert:

“Section 1. Minnesota Statutes 1990, section 469.002, subdivision 24, is amended to read:

Subd. 24. [SECTION 8 PROGRAM.] “Section 8 program” means an existing housing assistance payments program under section 8 of the United States Housing Act of 1937, United States Code, title 42, section 1437f, as amended through December 31, ~~1989~~ 1990.”

Page 35, after line 33, insert:

“Sec. 4. Minnesota Statutes 1990, section 469.012, subdivision 3, is amended to read:

Subd. 3. [EXERCISE OF POWERS.] An authority may exercise all or any part or combination of the powers granted by sections 469.001 to 469.047 within its area of operation. Any two or more authorities may join with one another in the exercise, either jointly or otherwise, of any or all of their powers for the purpose of financing, including the issuance of bonds and giving security therefor, planning, undertaking, owning, constructing, operating, or contracting with respect to a housing project located within the area of operation of any one or more of the authorities. For that purpose an authority may by resolution prescribe and authorize any other housing authority, so joining with it, to act on its behalf with respect to any or all powers, as its agent or otherwise, in the name of the authority so joining or in its own name.

A city, county, or multicounty authority may by resolution authorize another housing authority to exercise its powers within the authorizing authority's area of operation at the same time that the authorizing authority is exercising the same powers.

A county or city may join with any authority to permit the authority, on behalf of the county, town within the county, or city, to plan, undertake, administer, and carry out a leased existing housing assistance payments program, pursuant to section 8 of the United States Housing Act of 1937 as amended, 42 United States Code, section 1437f. A city may so join with an authority unless there is an authority in the city which has been authorized by resolution under section 469.003 to transact business or exercise powers. A county may so join with an authority unless (a) there is a county authority which has been authorized by resolution under section 469.004 to exercise powers, or the county is a member of a multicounty authority, and (b) the authority has initiated or has in progress an active program or has applied for federal assistance in a public housing, section 8, or redevelopment program within 12 months after its establishment.

*Notwithstanding the provisions of this subdivision, an authority administering and carrying out a leased existing housing assistance payments program, under section 8 of the United States Housing Act of 1937, United States Code, title 42, section 1437f, as amended through December 31, 1990, may administer the leased existing housing assistance payments program under the statutory and regulatory portability provisions of the federal*

*section 8 existing housing assistance payments program, United States Code, title 42, section 1437f(r), as amended through December 31, 1990."*

Renumber the sections of article 5 in sequence

Amend the title as follows:

Page 1, line 31, after the first semicolon, insert "469.002, subdivision 24;"

Page 1, line 32, delete "subdivision 1" and insert "subdivisions 1 and 3"

Page 1, line 37, delete "subdivisions 1, 2, and"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 716: A bill for an act relating to domestic abuse; increasing the penalty for violation of an order for protection after a previous conviction; clarifying and conforming arrest provisions; authorizing arrests without a warrant for violation of orders for protection relating to the petitioner's place of employment; increasing the period of probation for misdemeanor domestic assaults; appropriating money; amending Minnesota Statutes 1990, sections 518B.01, subdivision 14; and 609.135, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1990, section 518B.01, subdivision 4, is amended to read:

Subd. 4. [ORDER FOR PROTECTION.] There shall exist an action known as a petition for an order for protection in cases of domestic abuse.

(a) A petition for relief under this section may be made by any family or household member personally or on behalf of minor family or household members.

(b) A petition for relief shall allege the existence of domestic abuse, and shall be accompanied by an affidavit made under oath stating the specific facts and circumstances from which relief is sought.

(c) A petition for relief ~~may be made regardless of~~ *must state whether or not there is an existing order for protection in effect under this chapter governing both the parties and whether there is a pending lawsuit, complaint, petition or other action between the parties under chapter 257, 518, 518A, 518B, or 518C. The clerk of court shall verify the terms of any existing order governing the parties. The court may not delay granting relief because of the existence of a pending action between the parties or the necessity of verifying the terms of an existing order. If an order under this chapter modifies an existing order, the subsequent order must indicate the provisions being modified. A petition for relief may be granted regardless of whether there is a pending action between the parties.*

(d) The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section.

(e) The court shall advise a petitioner under clause (d) of the right to file a motion and affidavit and to sue in forma pauperis pursuant to section 563.01 and shall assist with the writing and filing of the motion and affidavit.

(f) The court shall advise a petitioner under clause (d) of the right to serve the respondent by published notice under subdivision 5, paragraph (b), if the respondent is avoiding personal service by concealment or otherwise, and shall assist with the writing and filing of the affidavit.

Sec. 2. Minnesota Statutes 1990, section 518B.01, subdivision 6, is amended to read:

Subd. 6. [RELIEF BY THE COURT.] (a) Upon notice and hearing, the court may provide relief as follows:

- (1) restrain the abusing party from committing acts of domestic abuse;
- (2) exclude the abusing party from the dwelling which the parties share or from the residence of the petitioner;
- (3) award temporary custody or establish temporary visitation with regard to minor children of the parties on a basis which gives primary consideration to the safety of the victim and the children. If the court finds that the safety of the victim or the children will be jeopardized by unsupervised or unrestricted visitation, the court shall condition or restrict visitation as to time, place, duration, or supervision, or deny visitation entirely, as needed to guard the safety of the victim and the children. The court's deliberation under this subdivision shall in no way delay the issuance of an order for protection granting other reliefs provided for in Laws 1985, chapter 195;
- (4) on the same basis as is provided in chapter 518, establish temporary support for minor children or a spouse, and order the withholding of support from the income of the person obligated to pay the support according to chapter 518;
- (5) provide upon request of the petitioner counseling or other social services for the parties, if married, or if there are minor children;
- (6) order the abusing party to participate in treatment or counseling services;
- (7) award temporary use and possession of property and restrain one or both parties from transferring, encumbering, concealing, or disposing of property except in the usual course of business or for the necessities of life, and to account to the court for all such transfers, encumbrances, dispositions, and expenditures made after the order is served or communicated to the party restrained in open court;
- (8) exclude the abusing party from the place of employment of the petitioner, or otherwise limit access to the petitioner by the abusing party at the petitioner's place of employment; and
- (9) order, in its discretion, other relief as it deems necessary for the protection of a family or household member, including orders or directives to the sheriff or constable, as provided by this section.

(b) Any relief granted by the order for protection shall be for a fixed period not to exceed one year, except when the court determines a longer fixed period is appropriate.

(c) An order granting the relief authorized in paragraph (a), clause (1), may not be vacated or modified in a proceeding for dissolution of marriage

or legal separation, except that the court may hear a motion for modification of an order for protection concurrently with a proceeding for dissolution of marriage upon notice of motion and motion. The notice required by court rule shall not be waived. If the proceedings are consolidated and the motion to modify is granted, a separate order for modification of an order for protection shall be issued.

(d) An order granting the relief authorized in paragraph (a), clause (2), is not voided by the admittance of the abusing party into the dwelling from which the abusing party is excluded.

*(e) If a proceeding for dissolution of marriage or legal separation is pending between the parties, the court shall provide a copy of the order for protection to the court with jurisdiction over the dissolution or separation proceeding for inclusion in its file."*

Page 1, line 19, after "paragraph" insert "within two years"

Page 1, line 21, after the period, insert "When a court sentences a person convicted of a gross misdemeanor and does not impose a period of incarceration, the court shall make findings on the record regarding the reasons for not requiring incarceration."

Page 3, line 4, after "(f)" insert "If it is alleged that the respondent has violated an order for protection issued under subdivision 6 and the court finds that the order has expired between the time of the alleged violation and the court's hearing on the violation, the court may grant a new order for protection under subdivision 6 based solely on the respondent's alleged violation of the prior order, to be effective until the hearing on the alleged violation of the prior order. If the court finds that the respondent has violated the prior order, the relief granted in the new order for protection shall be extended for a fixed period, not to exceed one year.

(g)"

Page 3, after line 29, insert:

"Sec. 5. Minnesota Statutes 1990, section 629.72, subdivision 2, is amended to read:

Subd. 2. [JUDICIAL REVIEW; RELEASE; BAIL.] (a) The judge before whom the arrested person is brought shall review the facts surrounding the arrest and detention. The arrested person must be ordered released pending trial or hearing on the person's personal recognizance or on an order to appear or upon the execution of an unsecured bond in a specified amount unless the judge determines that release (1) will be inimical to public safety, (2) will create a threat of bodily harm to the arrested person, the victim of the alleged assault, or another, or (3) will not reasonably assure the appearance of the arrested person at subsequent proceedings.

(b) If the judge determines release is not advisable, the judge may impose any conditions of release that will reasonably assure the appearance of the person for subsequent proceedings, or will protect the victim of the alleged assault, or may fix the amount of money bail without other conditions upon which the arrested person may obtain release. If conditions of release are imposed, the judge shall issue a written order for conditional release. The court administrator shall immediately distribute a copy of the order for conditional release to the agency having custody of the arrested person and shall provide the agency having custody of the arrested person with any available information on the location of the victim in a manner that protects

the victim's safety. Either the court or its designee or the agency having custody of the arrested person shall serve upon the defendant a copy of the order. Failure to serve the arrested person with a copy of the order for conditional release does not invalidate the conditions of release.

*(c) If the judge imposes as a condition of release a requirement that the person have no contact with the victim of the alleged assault, the judge may also, on its own motion or that of the prosecutor or on request of the victim, issue an ex parte temporary order for protection under section 518B.01, subdivision 7."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "requiring domestic abuse petitions to state whether there is an existing order for protection; providing for verification of terms of orders; requiring notice to court with jurisdiction over a dissolution or legal separation;"

Page 1, line 10, delete "subdivision" and insert "subdivisions 4, 6, and" and after the semicolon, delete "and"

Page 1, line 11, before the period, insert "; and 629.72, subdivision 2"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1411: A bill for an act relating to housing; requiring counseling for reverse mortgage loans; providing penalties; amending Minnesota Statutes 1990, section 47.58, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 553: A bill for an act relating to education; encouraging a Minnesota volunteer corps to the USSR and East Central Europe; 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. Minnesota Statutes 1990, section 16B.88, is amended by adding a subdivision to read:

*Subd. 6. [MINNESOTA INTERNATIONAL VOLUNTEER CORPS.] The office shall disseminate information about and encourage participation in the Minnesota international volunteer corps. The office shall convene representatives from public and private sector organizations to develop the framework for the corps. The Minnesota international volunteer corps is an informal group made up of those who donate their time and expertise to teach American business entrepreneurship, English language instruction, or business and economics instruction, or to help people start businesses.*

*The activity must be performed by a resident of the state in the Soviet Union or in East Central Europe.*

*If the donated effort is of at least two months' duration and is documented in writing by someone from the host country with a firsthand knowledge of the effort, the office shall designate the person donating the effort a member of the "Minnesota international volunteer corps" and may issue a certificate to the person attesting to the designation."*

Delete the title and insert:

"A bill for an act relating to education; encouraging a Minnesota international volunteer corps; amending Minnesota Statutes 1990, section 16B.88, by adding a subdivision."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1264: A bill for an act relating to economic development; establishing a business development and preservation program delivered by certain nonprofit organizations; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 2, delete "Five" and insert "Four"

Page 2, lines 3 and 4, delete "Metro East Development Partnership;"

Page 2, line 9, delete "\$2,200,000" and insert "\$ . . . . ."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1012: A bill for an act relating to taxation; excluding the captured tax capacity of certain districts in determining the state tax increment financing aid reduction; extending the duration limits of certain districts; amending Minnesota Statutes 1990, section 273.1399, subdivision 1; and 469.176, 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 1990, section 273.1399, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.

(a) "Qualifying captured tax capacity" means the following amounts:

(1) the captured tax capacity of a new or the expanded part of an existing economic development or soils condition tax increment financing district, other than a manufacturing district, for which certification was requested

after April 30, 1990; and

(2) the captured tax capacity of a *new or the expanded part of an existing mined underground space development tax increment financing district, other than an economic development or soils condition district*, for which certification was requested after April 30, 1990, multiplied by the following percentage based on the number of years that have elapsed since the district was first certified (measured from January 2 immediately preceding certification of the original tax capacity). In no case may the final amounts be less than zero or greater than the total captured tax capacity of the district.

Number of years	Renewal and Renovation Districts	All other Mined Underground Space Development Districts
0 to 5	0	0
6	<del>12.5</del>	6.25
7	<del>25</del>	12.5
8	<del>37.5</del>	18.75
9	<del>50</del>	25
10	<del>62.5</del>	31.25
11	<del>75</del>	37.5
12	<del>87.5</del>	43.75
13	<del>100</del>	50
14	<del>100</del>	56.25
15	<del>100</del>	62.5
16	<del>100</del>	68.75
17	<del>100</del>	75
18	<del>100</del>	81.25
19	<del>100</del>	87.5
20	<del>100</del>	93.75
21 or more	<del>100</del>	100

~~In the case of a hazardous substance subdistrict, the number of years must be measured from the date of certification of the subdistrict for purposes of the additional captured tax capacity resulting from the reduction in the subdistrict's or site's original tax capacity.~~

(b) The terms defined in section 469.174 have the meanings given in that section.

Sec. 2. Minnesota Statutes 1990, section 273.1399, subdivision 3, is amended to read:

Subd. 3. [CALCULATION OF EDUCATION AIDS.] For each school district containing qualifying captured tax capacity, the commissioner of education shall compute a hypothetical state aid amount that would be paid to the school district if the qualifying captured tax capacity were divided by the sales ratio and included in the school district's adjusted tax capacity for purposes of calculating *equalized levies as defined in section 273.1398, subdivision 2a, and associated state aids*. The commissioner of education shall notify the commissioner of revenue of the difference between the actual aid paid and the hypothetical aid amounts calculated for each school district, broken down by the municipality that approved the tax increment financing district containing the qualifying captured tax capacity. The resulting amount is the reduction in state tax increment financing aid.

Sec. 3. Minnesota Statutes 1990, section 276.131, is amended to read:  
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~~ *except as provided in clause (3), all penalties and interest collected on real and personal property taxes must be distributed to the county taxing jurisdictions in which the property is located, and the other 50 percent must be distributed to the school district in which the property is located in the proportion that the local tax rate of each taxing jurisdiction in the year of collection bears to the total local tax rates of all the taxing jurisdictions.* The distribution to the school district must be in accordance with the provisions of section 124.10; ~~and~~

(3) *penalties and interest collected on real and personal property taxes from real and personal property located within a tax increment financing district must be allocated between the original net tax capacity and the captured net tax capacity of the real and personal property in the same proportion that each bears to the total tax capacity of the real and personal property and distributed as follows:*

*(i) the penalties and interest allocated to the original net tax capacity must be distributed in accordance with the provisions of clause (2);*

*(ii) the penalties and interest allocated to the captured net tax capacity must be distributed to the authority that created the tax increment financing district; and*

*(iii) the terms "original net tax capacity," "captured net tax capacity," and "authority" have the meanings given in section 469.174. The term "tax increment financing district" has the meaning given in section 469.175; and*

(4) 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. 4. Minnesota Statutes 1990, section 469.012, subdivision 8, is amended to read:

Subd. 8. [INTEREST REDUCTION PROGRAM; LIMITATIONS.] In developing the interest reduction program authorized by subdivision 7 the authority shall consider:

(1) the availability and affordability of other governmental programs;

(2) the availability and affordability of private market financing; and

(3) the need for additional affordable mortgage credit to encourage the construction and enable the purchase of housing units within the jurisdiction of the authority.

The authority shall adopt rules for the interest reduction program. Interest reduction assistance shall not be provided if the authority determines that financing for the purchase of a housing unit or for the construction or rehabilitation of housing units is otherwise available from private lenders



upon terms and conditions that are affordable by the applicant, as provided by the authority in its rules.

For the purposes of this subdivision an "assisted housing unit" is a housing unit which is rented or to be rented and which is a part of a rental housing development where the financing for the rental housing development is assisted with interest reduction assistance provided by the authority during the calendar year. If interest reduction assistance is provided for construction period interest for a rental housing development, the housing units in the housing development shall be considered assisted housing units for a period after occupancy of the housing units which is equal to the period during which interest reduction assistance is provided to assist the construction financing of the rental housing development. In any calendar year when an authority provides interest reduction assistance for assisted housing units (1) at least 20 percent of the total assisted housing units within the jurisdiction of the authority shall be held available for rental to families or individuals with an adjusted gross income which is equal to or less than 80 percent of the median family income, and (2) at least an additional 55 percent of the total assisted housing units within the jurisdiction of the authority shall be held available for rental to individuals or families with an annual adjusted gross income which is equal to or less than 66 times 120 percent of the monthly fair market rent for the unit established by the United States Department of Housing and Urban Development. At least 80 percent of the aggregate dollar amount of funds appropriated by an authority within any calendar year to provide interest reduction assistance for financing of construction, rehabilitation, or purchase of single family housing, as that term is defined in section 462C.02, subdivision 4, shall be appropriated for housing units that are to be sold to or occupied by families or individuals with an adjusted gross income which is equal to or less than 110 percent of median family income. For the purposes of this subdivision, "median family income" means the median family income established by the United States Department of Housing and Urban Development for the nonmetropolitan county or the standard metropolitan statistical area, as the case may be. The adjusted gross income ~~may~~ must be adjusted by the authority for family size. The limitations imposed upon assisted housing units by this subdivision do not apply to interest reduction assistance for a rental housing development located in a targeted area as defined in section 462C.02. An authority that establishes a program pursuant to this subdivision shall by January 2 each year report to the commissioner of trade and economic development a description of the program established and a description of the recipients of interest reduction assistance.

Sec. 5. Minnesota Statutes 1990, section 469.174, subdivision 10, is amended to read:

Subd. 10. [REDEVELOPMENT DISTRICT.] (a) "Redevelopment district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the authority finds by resolution that one of the following conditions, reasonably distributed throughout the district, exists:

(1) parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or other improvements and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance; or

(2) the property consists of vacant, unused, underused, inappropriately

used, or infrequently used railyards, rail storage facilities, or excessive or vacated railroad rights-of-way.

(b) For purposes of this subdivision, "structurally substandard" shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.

A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence on the basis of reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence. If the evidence supports a reasonable conclusion that the building is not disqualified as structurally substandard, the municipality may make such a determination without an interior inspection or an independent, expert appraisal of the cost of repair and rehabilitation of the building.

*For purposes of this subdivision, a parcel is considered to be occupied by structurally substandard buildings if:*

*(1) the parcel was occupied by structurally substandard buildings within the seven years prior to the creation of the district;*

*(2) prior to the demolition and clearance of the parcel the authority found by resolution that the parcel was occupied by structurally substandard buildings and that after demolition and clearance the parcel would be included within a district; and*

*(3) upon filing the request for certification of the tax capacity of the parcel as part of a district, the authority notifies the county auditor that the original tax capacity of the parcel must be adjusted as provided by section 469.177, subdivision 1, paragraph (h).*

(c) For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, or other improvements unless 15 percent of the area of the parcel contains improvements.

(d) For districts consisting of two or more noncontiguous areas, each area must qualify as a redevelopment district under paragraph (a), clauses (1) to (3), to be included in the district, and the entire area of the district must satisfy paragraph (a).

Sec. 6. Minnesota Statutes 1990, section 469.174, is amended by adding a subdivision to read:

*Subd. 22. [MANUFACTURING DISTRICT.] "Manufacturing district" means a tax increment financing district that is an economic development district in which at least 70 percent of the buildings and facilities, determined on the basis of square footage, are used for any of the following purposes:*

*(1) the manufacturing or production of tangible personal property, including processing resulting in the change in condition of the property;*

*(2) warehousing, storage, and distribution of property, but excluding retail sales; or*

(3) *research and development.*

Sec. 7. Minnesota Statutes 1990, section 469.175, subdivision 1, is amended to read:

Subdivision 1. [TAX INCREMENT FINANCING PLAN.] A tax increment financing plan shall contain:

- (1) a statement of objectives of an authority for the improvement of a project;
- (2) a statement as to the development program for the project, including the property within the project, if any, that the authority intends to acquire;
- (3) a list of any development activities that the plan proposes to take place within the project, for which contracts have been entered into at the time of the preparation of the plan, including the names of the parties to the contract, the activity governed by the contract, the cost stated in the contract, and the expected date of completion of that activity;
- (4) identification or description of the type of any other specific development reasonably expected to take place within the project, and the date when the development is likely to occur;
- (5) estimates of the following:
  - (i) cost of the project, including administration expenses;
  - (ii) amount of bonded indebtedness to be incurred;
  - (iii) sources of revenue to finance or otherwise pay public costs;
  - (iv) the most recent net tax capacity of taxable real property within the tax increment financing district;
  - (v) the estimated captured net tax capacity of the tax increment financing district at completion; and
  - (vi) the duration of the tax increment financing district's existence;
- (6) statements of the authority's alternate estimates of the impact of tax increment financing on the net tax capacities of all taxing jurisdictions in which the tax increment financing district is located in whole or in part. For purposes of one statement, the authority shall assume that the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the district, and for purposes of the second statement, the authority shall assume that none of the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the district;
- (7) identification and description of studies and analyses used to make the determination set forth in subdivision 3, clause (2); ~~and~~
- (8) identification of all parcels to be included in the district; *and*
- (9) *the election, if any, as to the first year in which the initial receipt of tax increment from the district occurs, which shall not be later than the year in which the fifth anniversary of the date of certification of any parcel in the district occurs.*

Sec. 8. Minnesota Statutes 1990, section 469.176, subdivision 1, is amended to read:

Subdivision 1. [DURATION OF TAX INCREMENT FINANCING DISTRICTS.] (a) Subject to the limitations contained in paragraphs (b) to (g), any tax increment financing district as to which bonds are outstanding, payment for which the tax increment and other revenues have been pledged, shall remain in existence at least as long as the bonds continue to be outstanding. The municipality may, at the time of approval of the initial tax increment financing plan, provide for a shorter maximum duration limit than specified in paragraphs (b) to (g). The specified limit applies in place of the otherwise applicable limit.

(b) The tax increment pledged to the payment of the bonds and interest thereon may be discharged and the tax increment financing district may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or date of redemption and interest thereon to the maturity or redemption date.

(c) For bonds issued pursuant to section 469.178, subdivisions 2 and 3, the full faith and credit and any taxing powers of the municipality or authority shall continue to be pledged to the payment of the bonds until the principal of and interest on the bonds has been paid in full.

(d) No tax increment shall be paid to an authority for a tax increment financing district after three years from the date of certification of the original net tax capacity of the taxable real property in the district by the county auditor or after August 1, 1982, for tax increment financing districts authorized prior to August 1, 1979, unless within the three-year period (1) bonds have been issued pursuant to section 469.178, or in aid of a project pursuant to any other law, except revenue bonds issued pursuant to sections 469.152 to 469.165, prior to August 1, 1979, or (2) the authority has acquired property within the district, or (3) the authority has constructed or caused to be constructed public improvements within the district.

(e) No tax increment shall in any event be paid to the authority (1) after 25 years from date of receipt by the authority of the first tax increment for a mined underground space development district, redevelopment district, or housing district, (2) after 15 years after receipt by the authority of the first increment for a renewal and renovation district, (3) after 12 years from approval of the tax increment financing plan for a soils condition district, and (4) after eight years from the date of the receipt, or ten years from approval of the tax increment financing plan, whichever is less, for an economic development district *other than a manufacturing district under section 469.174, subdivision 22. If the tax increment financing district is a manufacturing district under section 469.174, subdivision 22, no increment may be paid to the authority after 15 years from the date of receipt by the authority of the first tax increment.*

For tax increment financing districts created prior to August 1, 1979, no tax increment shall be paid to the authority after April 1, 2001, or the term of a nondefeased bond or obligation outstanding on April 1, 1990, secured by increments from the district or project area, whichever time is greater, provided that in no case will a tax increment be paid to an authority after August 1, 2009, from such a district. If a district's termination date is extended beyond April 1, 2001, because bonds were outstanding on April 1, 1990, with maturities extending beyond April 1, 2001, the following restrictions apply. No increment collected from the district may be expended after April 1, 2001, except to pay or defease (i) bonds issued before April

1, 1990, or (ii) bonds issued to refund the principal of the outstanding bonds and pay associated issuance costs, provided the average maturity of the refunding bonds does not exceed the bonds refunded.

(f) Modification of a tax increment financing plan pursuant to section 469.175, subdivision 4, shall not extend the durational limitations of this subdivision.

(g) If a parcel of a district is part of a designated hazardous substance site or a hazardous substance subdistrict, tax increment may be paid to the authority from the parcel for longer than the period otherwise provided by this subdivision. The extended period for collection of tax increment begins on the date of receipt of the first tax increment from the parcel that is more than any tax increment received from the parcel before the date of the certification under section 469.175, subdivision 7, paragraph (b), and received after the date of certification to the county auditor described in section 469.175, subdivision 7, paragraph (b). The extended period for collection of tax increment is the lesser of: (1) 25 years from the date of commencement of the extended period; or (2) the period necessary to recover the costs of removal actions or remedial actions specified in a development response action plan.

*(h) If property taxes on a parcel in a district are delinquent on the date tax increment can no longer be paid to the authority from the district under paragraph (e), the portion of the property taxes that would have been paid to the authority as tax increment except for the application of paragraph (e) are considered to be tax increment and must be paid to the authority, notwithstanding paragraph (e), if the tax increment would have been applied to the payment of the principal of or interest on bonds and the principal or interest was paid from sources other than tax increment. The authority shall provide the county auditor with any information necessary to administer this paragraph.*

Sec. 9. Minnesota Statutes 1990, section 469.1763, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given.

(b) "Activities" means any purpose for which tax increment may be lawfully expended, including acquisition of property, clearing of land, site preparation, soils correction, removal of hazardous waste or pollution, installation of utilities, construction of public or private improvements, and other similar activities, but only to the extent that tax increment revenues may be spent for such purposes under other law. ~~Activities do not include allocated administrative expenses, but do include engineering, architectural, and similar costs of the improvements in the district.~~

(c) "Third party" means an entity other than (1) the person receiving the benefit of assistance financed with tax increments, or (2) the municipality or the development authority or other person substantially under the control of the municipality.

*(d) "Polluted property" means property that contains land pollution as defined in section 116.06, or contains a release or threatened release of petroleum, as provided in chapter 115C, or contains a release or threatened release of a pollutant, contaminant, hazardous substance, or hazardous waste as provided in chapter 115B.*

Sec. 10. Minnesota Statutes 1990, section 469.1763, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURES OUTSIDE DISTRICT.] (a) For each tax increment financing district, an amount equal to at least ~~75~~ 70 percent of the revenue derived from tax increments paid by properties in the district must be expended (1) on activities in the district ~~or~~, (2) to pay bonds, to the extent that the proceeds of the bonds were used to finance activities in the district ~~or~~, (3) to pay, or secure payment of, debt service on credit enhanced bonds, or (4) on activities with respect to polluted property in the project. Not more than ~~25~~ 30 percent of the revenue derived from tax increments paid by properties in the district may be expended, through a development fund or otherwise, on activities outside of the district but within the defined geographic area of the project except on activities with respect to polluted property in the project, or to pay, or secure payment of, debt service on credit enhanced bonds. The revenue derived from tax increments for the district that are expended on costs under section 469.176, subdivision 4h, ~~paragraph (b)~~, may be deducted first before calculating the percentages that must be expended within and without the district.

(b) In the case of a housing district, a housing project, as defined in section 469.174, subdivision 11, is an activity in the district.

Sec. 11. Minnesota Statutes 1990, section 469.1763, subdivision 3, is amended to read:

Subd. 3. [FIVE-YEAR RULE.] (a) Revenues derived from tax increments from an economic development district, a manufacturing district, a mined underground space development district, a housing district, or a soils condition district are considered to have been expended on an activity within the district under subdivision 2 only if one of the following occurs:

(1) before or within five years after certification of the district, the revenues are actually paid to a third party with respect to the activity;

(2) bonds, the proceeds of which must be used to finance the activity, are issued and sold to a third party before or within five years after certification ~~and~~, the revenues are spent to repay the bonds, *and the proceeds of the bonds are spent before the end of the later of (i) the five-year period or (ii) a reasonable temporary period within the meaning of the use of that term under section 148(c)(1) of the Internal Revenue Code of 1986, as amended through December 31, 1990;*

(3) binding contracts with a third party are entered into for performance of the activity before or within five years after certification of the district and the revenues are spent under the contractual obligation; ~~or~~

(4) costs with respect to the activity are paid before or within five years after certification of the district and the revenues are spent to reimburse a party for payment of the costs, *including interest on unreimbursed costs;* or

(5) *(i) within five years after the date of receipt of the first tax increment from the district, the authority adopts by resolution an expenditure plan that describes the property in the district to be acquired by the authority (by metes and bounds or plat and parcel description), the clearing, site preparation, and soils correction, hazardous waste or pollution removal or abatement, and utility installation to be undertaken in the district, the public and private improvements to be constructed in the district, and the other*

activities to be undertaken in the district by the authority, and states the expenditures to be made with respect to each of the activities, and (ii) tax increment is expended only on specified activities in amounts not in excess of the specified amounts for each activity.

(b) For purposes of this subdivision, bonds include subsequent refunding bonds if one of two tests is met: (1) the proceeds of the original refunded bonds were spent on activities within five years after the district was certified or (2) the original refunded bonds are issued within five years after the district was certified and the proceeds are expended on activities within a reasonable temporary period within the meaning of the use of that term under section 148(e)(1) of the Internal Revenue Code meet the requirements of paragraph (a), clause (2).

Sec. 12. Minnesota Statutes 1990, section 469.1763, subdivision 4, is amended to read:

Subd. 4. [USE OF REVENUES FOR DECERTIFICATION.] (a) Beginning with the sixth year following certification of ~~the~~ *an economic development district, a manufacturing district, a mined underground space development, a housing district, or a soils condition district*, 75 70 percent of the revenues derived from tax increments paid by properties in the district that remain after the expenditures permitted under subdivision 3 must be used only to pay:

(1) outstanding bonds, as defined in subdivision 3, paragraphs (a), clause (2), and (b) ~~or~~;

(2) contracts, as defined in subdivision 3, paragraph (a), clauses (3) and (4);

(3) *credit enhanced bonds to which the revenues derived from tax increments are pledged, but only to the extent that revenues of the district for which the credit enhanced bonds were issued to pay are insufficient to pay the bonds and to the extent that the increments from the unrestricted 30 percent share are insufficient; or*

(4) *administrative costs for activities within the district.*

(b) When the outstanding bonds have been defeased and when sufficient money has been set aside to pay contractual obligations as defined in subdivision 3, paragraph (a), clauses (3) and (4), the district must be decertified and the pledge of tax increment discharged.

Sec. 13. Minnesota Statutes 1990, section 469.1763, is amended by adding a subdivision to read:

Subd. 5. [CREDIT ENHANCED BONDS.] *Except as otherwise provided in this section, revenues derived from tax increments may be used to pay debt service on credit enhanced bonds issued to finance activities outside of the district from which the revenues are derived, regardless of when the district is created.*

Sec. 14. Minnesota Statutes 1990, section 469.177, subdivision 1, is amended to read:

Subdivision 1. [ORIGINAL NET TAX CAPACITY.] (a) Upon or after adoption of a tax increment financing plan, the auditor of any county in which the district is situated shall, upon request of the authority, certify the original net tax capacity of the tax increment financing district as described in the tax increment financing plan and shall certify in each year

thereafter the amount by which the original net tax capacity has increased or decreased as a result of a change in tax exempt status of property within the district, reduction or enlargement of the district or changes pursuant to subdivision 4.

(b) In the case of a mined underground space development district the county auditor shall certify the original net tax capacity as zero, plus the net tax capacity, if any, previously assigned to any subsurface area included in the mined underground space development district pursuant to section 272.04.

(c) For districts approved under section 469.175, subdivision 3, or parcels added to existing districts after May 1, 1988, if the classification under section 273.13 of property located in a district changes to a classification that has a different assessment ratio, the original net tax capacity of that property must be redetermined at the time when its use is changed as if the property had originally been classified in the same class in which it is classified after its use is changed.

(d) The amount to be added to the original net tax capacity of the district as a result of previously tax exempt real property within the district becoming taxable shall be equal to the net tax capacity of the real property as most recently assessed pursuant to section 273.18 or, if that assessment was made more than one year prior to the date of title transfer rendering the property taxable, the net tax capacity assessed by the assessor at the time of the transfer. *If substantial taxable improvements were made to a parcel after certification of the district and if the property became tax exempt, in whole or part, as a result of the authority acquiring the property through foreclosure, forced sale, or conveyance as part of the resolution of a default, the amount to be added to the original net tax capacity of the district if the parcel becomes taxable is the amount of the parcel's value that was included in original net tax capacity when the parcel was first certified.* The amount to be added to the original net tax capacity of the district as a result of enlargements ~~thereof shall be equal to~~ *equals* the net tax capacity of the added real property as most recently certified by the commissioner of revenue as of the date of modification of the tax increment financing plan pursuant to section 469.175, subdivision 4.

(e) For districts approved under section 469.175, subdivision 3, or parcels added to existing districts after May 1, 1988, if the net tax capacity of a property increases because the property no longer qualifies under the Minnesota agricultural property tax law, section 273.111; the Minnesota open space property tax law, section 273.112; or the metropolitan agricultural preserves act, chapter 473H, or because platted, unimproved property is improved or three years pass after approval of the plat under section 273.11, subdivision 1, the increase in net tax capacity must be added to the original net tax capacity.

(f) Each year the auditor shall also add to the original net tax capacity of each economic development district an amount equal to the original net tax capacity for the preceding year multiplied by the average percentage increase in the net tax capacity of all property included in the economic development district during the five years prior to certification of the district.

(g) The amount to be subtracted from the original net tax capacity of the district as a result of previously taxable real property within the district becoming tax exempt, or a reduction in the geographic area of the district, shall be the amount of original net tax capacity initially attributed to the



property becoming tax exempt or being removed from the district. If the net tax capacity of property located within the tax increment financing district is reduced by reason of a court-ordered abatement, stipulation agreement, voluntary abatement made by the assessor or auditor or by order of the commissioner of revenue, the reduction shall be applied to the original net tax capacity of the district when the property upon which the abatement is made has not been improved since the date of certification of the district and to the captured net tax capacity of the district in each year thereafter when the abatement relates to improvements made after the date of certification. The county auditor may specify reasonable form and content of the request for certification of the authority and any modification thereof pursuant to section 469.175, subdivision 4.

*(h) If a parcel of property contained a substantial building that was demolished or removed and if the authority elects to treat the parcel as occupied by a standard building under section 469.174, subdivision 10, paragraph (b), the auditor shall certify the original net tax capacity of the parcel using the greater of (1) the current net tax capacity of the parcel, or (2) the estimated market value of the parcel for the year in which the building was demolished or removed, but applying the class rates for the current year.*

Sec. 15. Minnesota Statutes 1990, section 469.177, subdivision 2, is amended to read:

Subd. 2. [CAPTURED NET TAX CAPACITY.] The county auditor shall certify the amount of the captured net tax capacity to the authority each year, *commencing in the first year in which tax increment is payable to the authority as required by the tax increment financing plan under section 469.175, subdivision 1, clause (9), or as otherwise required by the terms of sections 469.174 to 469.179, together with the proportion that the captured net tax capacity bears to the total net tax capacity of the real property within the tax increment financing district for that year.*

(a) An authority may choose to retain any part or all of the captured net tax capacity for purposes of tax increment financing according to one of the following options:

(1) If the plan provides that all the captured net tax capacity is necessary to finance or otherwise make permissible expenditures under section 469.176, subdivision 4, the authority may retain the full captured net tax capacity.

(2) If the plan provides that only a portion of the captured net tax capacity is necessary to finance or otherwise make permissible expenditures under section 469.176, subdivision 4, only that portion shall be set aside and the remainder shall be distributed among the affected taxing districts by the county auditor.

(b) The portion of captured net tax capacity that an authority intends to use for purposes of tax increment financing must be clearly stated in the tax increment financing plan.

Sec. 16. Minnesota Statutes 1990, section 469.177, subdivision 3, is amended to read:

Subd. 3. [TAX INCREMENT, RELATIONSHIP TO CHAPTER 473F.] (a) Unless the governing body elects pursuant to clause (b) the following method of computation shall apply:

(1) The original net tax capacity and the current net tax capacity shall be determined before the application of the fiscal disparity provisions of chapter 473F. *The first year in which the current net tax capacity of a district is determined, shall be no earlier than the year preceding the first year elected for payment of tax increment to the authority pursuant to section 469.175, subdivision 1, clause (9), or, in the absence of an election, in the year in which the original net tax capacity of the district is certified.* Where the original net tax capacity is equal to or greater than the current net tax capacity, there is no captured net tax capacity and no tax increment determination. Where the original net tax capacity is less than the current net tax capacity, the difference between the original net tax capacity and the current net tax capacity is the captured net tax capacity. This amount less any portion thereof which the authority has designated, in its tax increment financing plan, to share with the local taxing districts is the retained captured net tax capacity of the authority.

(2) The county auditor shall exclude the retained captured net tax capacity of the authority from the net tax capacity of the local taxing districts in determining local taxing district tax rates. The local tax rates so determined are to be extended against the retained captured net tax capacity of the authority as well as the net tax capacity of the local taxing districts. The tax generated by the extension of the lesser of (A) the local taxing district tax rates or (B) the original local tax rate to the retained captured net tax capacity of the authority is the tax increment of the authority.

(b) The governing body may, by resolution approving the tax increment financing plan pursuant to section 469.175, subdivision 3, elect the following method of computation:

(1) The original net tax capacity shall be determined before the application of the fiscal disparity provisions of chapter 473F. *The first year in which the current net tax capacity of a district is determined shall be no earlier than the year preceding the first year elected for payment of tax increment to the authority pursuant to section 469.175, subdivision 1, clause (9), or, in the absence of an election, in the year in which the original net tax capacity of the district is certified.* The current net tax capacity shall exclude any fiscal disparity commercial-industrial net tax capacity increase between the original year and the current year multiplied by the fiscal disparity ratio determined pursuant to section 473F.08, subdivision 6. Where the original net tax capacity is equal to or greater than the current net tax capacity, there is no captured net tax capacity and no tax increment determination. Where the original net tax capacity is less than the current net tax capacity, the difference between the original net tax capacity and the current net tax capacity is the captured net tax capacity. This amount less any portion thereof which the authority has designated, in its tax increment financing plan, to share with the local taxing districts is the retained captured net tax capacity of the authority.

(2) The county auditor shall exclude the retained captured net tax capacity of the authority from the net tax capacity of the local taxing districts in determining local taxing district tax rates. The local tax rates so determined are to be extended against the retained captured net tax capacity of the authority as well as the net tax capacity of the local taxing districts. The tax generated by the extension of the lesser of (A) the local taxing district tax rates or (B) the original local tax rate to the retained captured net tax capacity of the authority is the tax increment of the authority.

(3) An election by the governing body pursuant to paragraph (b) shall be submitted to the county auditor by the authority at the time of the request for certification pursuant to subdivision 1.

(c) The method of computation of tax increment applied to a district pursuant to paragraph (a) or (b) shall remain the same for the duration of the district, except that the governing body may elect to change its election from the method of computation in paragraph (a) to the method in paragraph (b).

Sec. 17. Minnesota Statutes 1990, section 469.177, subdivision 8, is amended to read:

Subd. 8. [ASSESSMENT AGREEMENTS.] An authority may enter into a written assessment agreement ~~in recordable form~~ with a ~~developer or redeveloper~~ of property within the tax increment financing district which establishes ~~any person establishing~~ a minimum market value of the land and ~~completed, existing improvements, or~~ improvements to be constructed thereon until a specified termination date, which date shall be not later than the date upon which tax increment will no longer be remitted to the authority pursuant to section 469.176, subdivision 1 in a district, if the property is owned or will be owned by the person. The minimum market value established by an assessment agreement may be fixed, or increase or decrease in later years from the initial minimum market value. An assessment agreement terminates on the earliest of the following dates: the date on which conditions in the assessment agreement for termination are satisfied, the termination date specified in the agreement, or the date when tax increment is no longer paid to the authority under section 469.176, subdivision 1. The assessment agreement shall be presented to the county assessor, or city assessor having the powers of the county assessor, of the jurisdiction in which the tax increment financing district is and the property that is the subject of the agreement are located. The assessor shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appears, in the judgment of the assessor, to be a reasonable estimate, shall execute the following certification upon the agreement:

The undersigned assessor, being legally responsible for the assessment of the above described property ~~upon completion of the improvements to be constructed thereon,~~ hereby certifies that the market value values assigned to the land and improvements upon completion shall not be less than \$ ~~-----~~ are reasonable.

Upon transfer of title of the land to be developed or redeveloped from the authority to the developer or redeveloper, The assessment agreement, together with a copy of this subdivision, shall be filed for record and recorded in the office of the county recorder or filed in the office of the registrar of titles of the each county where the real estate or any part thereof is situated. Upon completion of the improvements by the developer or redeveloper, The assessor shall value the property pursuant to under section 273.11, except that the market value assigned thereto shall not be less than the minimum market value contained in established by the assessment agreement. Nothing herein shall limit the discretion of The assessor to may assign a market value to the property in excess of the minimum market value contained in established by the assessment agreement nor prohibit. The developer or redeveloper from seeking owner of the property may seek, through the exercise of

administrative and legal remedies, a reduction in market value for property tax purposes; ~~provided, however, that the developer or redeveloper shall not seek, nor shall the, but no city assessor, the county assessor, the county auditor, any board of review, any board of equalization, the commissioner of revenue, or any court of this state shall grant a reduction of the market value below the minimum market value contained in established by the assessment agreement during the term of the agreement filed of record regardless of actual market values which may result from incomplete construction of improvements, destruction, or diminution by any cause, insured or uninsured, except in the case of acquisition or reacquisition of the property by a public entity. Recording or filing of an assessment agreement complying with the terms of this subdivision shall constitute constitutes notice of the agreement to any subsequent purchaser or encumbrancer of the land or any part thereof, whether voluntary or involuntary anyone who acquires any interest in the land or improvements subject to the assessment agreement, and shall be the agreement is binding upon them.~~

Sec. 18. Minnesota Statutes 1990, section 469.1771, subdivision 1, is amended to read:

Subdivision 1. [ENFORCEMENT.] (a) ~~The commissioner of revenue shall enforce the provisions of sections 469.174 to 469.179. In addition, the owner of taxable property located in the city, town, school district, or county in which the tax increment financing district is located may bring suit for equitable relief or for damages, as provided in subdivisions 3 and 4, arising out of a failure of a municipality or authority to comply with the provisions of sections 469.174 to 469.179, or related provisions of this chapter. The prevailing party in a suit filed under the preceding sentence is entitled to costs, including reasonable attorney fees.~~

(b) The responsibility for financial and compliance auditing of political subdivisions' use of tax increment financing remains with the state auditor. If the state auditor finds evidence that an authority or municipality has violated a provision of the law for which a remedy is provided under this section, the state auditor shall forward the relevant information to the commissioner of revenue. The commissioner of revenue may audit an authority's use of tax increment financing.

Sec. 19. Minnesota Statutes 1990, section 469.1771, subdivision 2, is amended to read:

Subd. 2. [COLLECTION OF INCREMENT.] If an authority includes or retains a parcel of property in a tax increment financing district that does not qualify for inclusion or retention within the district, the authority must pay to the county auditor an amount of money equal to the increment collected from the property for the year or years. The property must be eliminated from the original and captured tax capacity of the district effective for the current property tax assessment year. This subdivision does not apply to a failure to decertify a district ~~required by at the end of the duration limits under section 469.176, subdivision 1 limit specified in the tax increment financing plan.~~

Sec. 20. Minnesota Statutes 1990, section 469.1771, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS.] (a) If the increments are pledged to repay bonds that were issued before the lawsuit was filed under this section, the damages under this section may not exceed the ~~greatest greater of (1) the~~

damages under subdivision 2 or 3, ~~(2)~~ ten percent of the expenditures or revenues derived from increment, or ~~(3)~~ (2) the amount of available revenues after paying debt services due on the bonds.

(b) The court may abate all or part of the amount if it determines the action was taken in good faith and would work an undue hardship on the municipality.

Sec. 21. Minnesota Statutes 1990, section 469.179, is amended by adding a subdivision to read:

*Subd. 3. [AMENDMENTS; PRESUMED EFFECTIVE DATES.] Unless the act specifically indicates otherwise, amendments to sections 469.174 to 469.178 that are effective for tax increment financing districts for which certification is requested (or for districts certified) after a specified date apply only to the added area of a preexisting district if the tax increment financing plan is amended to add new area and certification of the new area is requested after the specified effective date.*

Sec. 22. Minnesota Statutes 1990, section 469.1831, subdivision 4, is amended to read:

**Subd. 4. [PROGRAM MONEY; DISTRIBUTION AND RESTRICTIONS.]** (a) Neighborhood revitalization program money may only be expended in accordance with the program for a purpose listed in subdivision 3 or this subdivision. Program money may not be used in those project areas of the city where *the city determines that private investment is occurring will be sufficient to provide for development and redevelopment of the project area* without public sector assistance, except in cases where program money is being used to remove or rehabilitate structurally substandard or obsolete buildings. Revenues derived from tax increments may only be expended for the purposes otherwise permitted by law, except that notwithstanding any law to the contrary, the city must pay at least the following amount of program money, including revenues derived from tax increments: (1) 15 percent to the school district, (2) 7.5 percent to the county, and (3) 7.5 percent for social services. Payment must be made to the county and school district within 15 days after the city receives the distribution of increment revenues, provided that the payment for calendar year 1990 may be made at any time during the year. Payment to the county for social services delivery shall be paid only after approval of program and spending plans under paragraph (b). Payment to the school district for education programs and services shall be paid only after approval of program and spending plans under paragraph (b).

(b) The money distributed to the county in a calendar year must be deducted from the county's levy limit for the following calendar year. In calculating the county's levy limit base for later years, the amount deducted must be treated as a local government aid payment.

The city must notify the commissioner of education of the amount of the payment made to the school district for the year. The commissioner shall deduct from the school district's state education aid payments one-half of the amount received by the school district.

The program money paid to the school district must be expended for additional education programs and services in accordance with the program. The amounts expended by the school district may not replace existing services.

The money for social services must be paid to the county for the cost of the provision of social services under the plan, as approved by the policy board and the county board.

(c) The city must expend on housing programs and related purposes as provided by the program at least 75 percent of the program money, after deducting the payments to the school district and county.

(d) Notwithstanding any other provisions of law to the contrary, for a city of the first class qualifying under section 469.1781, paragraph (a), program money may be expended anywhere within the city by the authority for a purpose permitted by this section for any political subdivision.

Sec. 23. Laws 1989, First Special Session chapter 1, article 14, section 16, is amended to read:

Sec. 16. [MOORHEAD TAX INCREMENT FINANCING.]

In the case of a tax increment financing district in the city of Moorhead created prior to August 1, 1979, and used to finance a hotel, parking facility, and conference project, the date "April 1, ~~1992~~ 1994" must be substituted for "April 1, 1990" in Minnesota Statutes, section 469.176, subdivision 1, paragraph (e), each place it occurs.

Sec. 24. Laws 1990, chapter 604, article 7, section 29, subdivision 1, is amended to read:

Subdivision 1. [EXPENDITURE.] The city of Minneapolis and the Minneapolis community development agency shall reserve \$10,000,000 in 1990 and \$20,000,000 each year from 1991 to 2009 from tax increment and other revenues generated from the Minneapolis community development agency common project, adopted December 30, 1989, to be expended in neighborhood revitalization *anywhere within the city of Minneapolis by the Minneapolis community development agency for any purpose permitted by Minnesota Statutes, section 469.1831, for any political subdivision, except that at least 52.5 percent of the money must be expended on housing programs and related purposes.* None of these revenues shall be expended in 1990.

Sec. 25. [DURATION OF DISTRICT.]

*Notwithstanding the provisions of Minnesota Statutes, section 469.176, subdivision 1, paragraph (e), the Dawson tax increment financing district number four shall not terminate until ten years from the effective date of this section.*

Sec. 26. [EFFECTIVE DATE.]

*Sections 8, except paragraph (h), 14, except paragraph (h), 17, 18, 21, and 22, are effective the day following final enactment. Section 4 is effective for interest reduction assistance authorized after July 1, 1991. Sections 5 and 14, paragraph (h), are effective for improvements demolished or removed after January 1, 1991. Section 8, paragraph (h), is effective for delinquent property taxes paid after April 1, 1991. Sections 7, 9, 10, 11, 12, 15, and 16, are effective for districts certified after April 30, 1990. Sections 19 and 20 are effective for violations occurring after December 31, 1990. Sections 23 and 24 are effective the day after compliance with Minnesota Statutes, section 645.021, by the governing body of the city of Moorhead, and the governing body of the city of Minneapolis, respectively. Section 25 is effective on the day after compliance with Minnesota Statutes, section 645.021,*

*subdivision 3, by the governing body of the city of Dawson.”*

Delete the title and insert:

“A bill for an act relating to tax increment and economic development; modifying provisions of the tax increment financing law; providing that the city of Dawson is exempt from certain tax increment financing provisions; amending Minnesota Statutes 1990, sections 273.1399, subdivisions 1 and 3; 276.131; 469.012, subdivision 8; 469.174, subdivision 10, and by adding a subdivision; 469.175, subdivision 1; 469.176, subdivision 1; 469.1763, subdivisions 1, 2, 3, 4, and by adding a subdivision; 469.177, subdivisions 1, 2, 3, and 8; 469.1771, subdivisions 1, 2, and 4; 469.179, by adding a subdivision; 469.1831, subdivision 4; Laws 1989, First Special Session chapter 1, article 14, section 16; and Laws 1990, chapter 604, article 7, section 29, subdivision 1.”

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 634: A bill for an act relating to court actions; providing immunity from liability arising out of the use of breathalyzers in liquor establishments; prohibiting the use of the breathalyzer test as evidence; proposing coding for new law in Minnesota Statutes, chapter 604.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [604.09] [BREATH ALCOHOL TESTING DEVICE IN LIQUOR ESTABLISHMENTS.]

*Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given them.*

*(b) “Breath alcohol testing device” means a device that tests for alcohol concentration by using a breath sample.*

*(c) “Licensed premises” has the meaning given in section 340A.101, subdivision 15.*

*(d) “Liquor licensee” means a person licensed under sections 340A.403 to 340A.407 or section 340A.414, and includes an agent or employee of a licensee.*

*Subd. 2. [IMMUNITY FROM LIABILITY.] (a) Subject to subdivision 3, a liquor licensee who administers or makes available a breath alcohol testing device in the licensed premises is immune from any liability arising out of the result of the test.*

*(b) Subject to subdivision 3, a designer, manufacturer, distributor, or seller of a breath alcohol testing device is immune from any products liability or other cause of action arising out of the result of a test by the breath alcohol testing device in a licensed premises.*

*Subd. 3. [IMMUNITY REQUIREMENTS.] Subdivision 2 applies only if:*

*(1) a conspicuous notice is posted in the licensed premises:*

(i) informing patrons of the immunity provisions of subdivision 2 and notifying them that the test is made available solely for their own informal use and information; and

(ii) informing patrons of the alcohol-related driving penalties under sections 169.121 to 169.123, 169.129, and 609.21;

(2) the type of breath alcohol testing device is certified by the commissioner of public safety under subdivision 7; and

(3) the breath alcohol testing device test results are indicated as follows:

(i) the breath alcohol testing device shows a white light and gives a reading of alcohol concentration if alcohol concentration is less than .05;

(ii) the breath alcohol testing device shows a yellow light and gives a reading of alcohol concentration if alcohol concentration is .05 or more but less than .08;

(iii) the breath alcohol testing device shows an orange light and gives a reading of alcohol concentration if alcohol concentration is .08 or more but less than .10, and displays a message that states "You are close to the legal limit and your driving may be impaired;" or

(iv) the breath alcohol testing device shows a red light if alcohol concentration is .10 or greater but does not give a reading of alcohol concentration, and displays a message that states that the person fails the test.

*Subd. 4. [EVIDENCE.] Evidence regarding the result of a test by a breath alcohol testing device in a licensed premises is not admissible in any civil or criminal proceeding.*

*Subd. 5. [DRAMSHOP.] This section does not affect liability under section 340A.801.*

*Subd. 6. [PREPARATION OF NOTICE.] The commissioner of public safety shall prepare and make available to liquor licensees the notices described in subdivision 3.*

*Subd. 7. [RULES; CERTIFICATION.] The commissioner of public safety shall adopt any rules reasonably required to implement this section, including performance and maintenance standards for breath alcohol testing devices. The commissioner shall certify breath alcohol testing devices that meet the performance standards. The costs of rulemaking and certification must be borne by the manufacturers of the breath alcohol testing devices."*

Amend the title as follows:

Page 1, line 3, delete "breathalyzers" and insert "breath alcohol testing devices"

Page 1, line 5, delete "breathalyzer" and insert "breath alcohol"

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. 969: A bill for an act relating to courts; directing the supreme court to establish an alternative dispute resolution program and adopt rules; proposing coding for new law in Minnesota Statutes, chapter 484; repealing Minnesota Statutes 1990, sections 484.73; and 484.74.



Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, after "include" insert "*mandatory nonbinding alternative dispute resolution where the right to trial is preserved and voluntary binding alternative dispute resolution with only a right of appeal from the binding judgment. Alternative dispute resolution methods provided for under the rules must include*"

Page 1, line 20, after the comma, insert "*including retired judges and qualified attorneys to serve as special magistrates for binding proceedings with a right of appeal,*"

Page 1, after line 25, insert:

"Sec. 2. Minnesota Statutes 1990, section 494.015, is amended to read:

494.015 [TRAINING AND PROGRAM CERTIFICATION AND TRAINING GUIDELINES: CERTIFICATION.]

Subdivision 1. [GUIDELINES.] The state court administrator shall adopt guidelines for use by community dispute resolution programs and training programs for mediators and arbitrators for the community dispute resolution programs. The guidelines must include provisions to ensure that participation in dispute resolution is voluntary, procedures for case processing, and program certification criteria that must be met to receive court referrals. *The guidelines must include:*

(1) *standards for training mediators and arbitrators to recognize matters involving violence against a person;*

(2) *training in family law matters that must be completed by mediators before acceptance of post-dissolution property distribution matters.*

Subd. 2. [CERTIFICATION.] The state court administrator shall certify programs that meet the requirements for certification set under subdivision 1.

Sec. 3. Minnesota Statutes 1990, section 494.03, is amended to read:

494.03 [EXCLUSIONS.]

The guidelines shall exclude:

(1) any dispute involving violence against persons, including incidents arising out of situations that would support charges under sections 609.342 to 609.345, or 609.365;

(2) any matter involving a person who has been adjudicated incompetent or relating to guardianship, conservatorship, or civil commitment;

(3) any matter involving neglect or dependency, or involving termination of parental rights arising under sections 260.221 to 260.245; and

(4) any matter arising under section 626.557 or sections 144.651 to 144.652, or any dispute subject to chapters 518, 518A, 518B, and 518C, whether or not an action is pending, *except for post-dissolution property distribution matters*. This shall not restrict the present authority of the court or departments of the court from accepting for resolution a dispute arising under chapters 518, 518A, and 518C, or from referring disputes arising under chapters 518, and 518A to for-profit mediation.

Sec. 4. Minnesota Statutes 1990, section 549.09, is amended to read:

## 549.09 [INTEREST ON VERDICTS, AWARDS, AND JUDGMENTS.]

Subdivision 1. [WHEN OWED; RATE.] (a) When ~~the~~ a judgment or award is for the recovery of money, including a judgment for the recovery of taxes, interest from the time of the verdict, award, or report until judgment is finally entered shall be computed by the court administrator or arbitrator as provided in clause (c) and added to the judgment or award.

(b) Except as otherwise provided by contract or allowed by law, preverdict, preaward, or prereport interest on pecuniary damages shall be computed as provided in clause (c) from the time of the commencement of the action or a demand for arbitration, or the time of a written settlement demand, whichever occurs first, except as provided herein. ~~The action must be commenced within 60 days of a written settlement demand for interest to begin to accrue from the time of the demand.~~ If either party serves a written offer of settlement, the other party may serve a written acceptance or a written counteroffer within 60 days. After that time interest on the judgment or award shall be calculated by the judge or arbitrator in the following manner. The prevailing party shall receive interest on any judgment or award from the time of commencement of the action ~~was commenced~~ or a demand for arbitration, ~~or the time of a written settlement demand was made~~, or as to special damages from the time when special damages were incurred, if later, until the time of verdict, award, or report only if the amount of its offer is closer to the judgment or award than the amount of the opposing party's offer. If the amount of the losing party's offer was closer to the judgment or award than the prevailing party's offer, the prevailing party shall receive interest only on the amount of the settlement offer or the judgment or award, whichever is less, and only from the time of commencement of the action ~~was commenced~~ or a demand for arbitration, ~~or the time of a written settlement demand was made~~, or as to special damages from when the special damages were incurred, if later, until the time the settlement offer was made. Subsequent offers and counteroffers supersede the legal effect of earlier offers and counteroffers. For the purposes of clause (3), the amount of settlement offer must be allocated between past and future damages in the same proportion as determined by the trier of fact. Except as otherwise provided by contract or allowed by law, preverdict, preaward, or prereport interest shall not be awarded on the following:

- (1) judgments, awards, or benefits in workers' compensation cases, but not including third-party actions;
- (2) judgments, awards, decrees, or orders in dissolution, annulment, or legal separation actions;
- (3) judgments or awards for future damages;
- (4) punitive damages, fines, or other damages that are noncompensatory in nature;
- (5) judgments or awards not in excess of the amount specified in section 487.30; and
- (6) that portion of any verdict, award, or report which is founded upon interest, or costs, disbursements, attorney fees, or other similar items added by the court or arbitrator.

(c) The interest shall be computed as simple interest per annum. The rate of interest shall be based on the secondary market yield of one year United States treasury bills, calculated on a bank discount basis as provided in this

section.

On or before the 20th day of December of each year the state court administrator shall determine the rate from the secondary market yield on one year United States treasury bills for the most recent calendar month, reported on a monthly basis in the latest statistical release of the board of governors of the federal reserve system. This yield, rounded to the nearest one percent, shall be the annual interest rate during the succeeding calendar year. The state court administrator shall communicate the interest rates to the court administrators and sheriffs for use in computing the interest on verdicts *and shall make the interest rates available to arbitrators.*

When a judgment creditor, or the judgment creditor's attorney or agent, has received a payment after entry of judgment, whether the payment is made voluntarily by or on behalf of the judgment debtor, or is collected by legal process other than execution levy where a proper return has been filed with the court administrator, the judgment creditor, or the judgment creditor's attorney, before applying to the court administrator for an execution shall file with the court administrator an affidavit of partial satisfaction. The affidavit must state the dates and amounts of payments made upon the judgment after the most recent affidavit of partial satisfaction filed, if any; the part of each payment that is applied to taxable disbursements and to accrued interest and to the unpaid principal balance of the judgment; and the accrued, but the unpaid interest owing, if any, after application of each payment.

Subd. 2. [ACCRUAL OF INTEREST.] During each calendar year, interest shall accrue on the unpaid balance of the judgment *or award* from the time that it is entered *or made* until it is paid, at the annual rate provided in subdivision 1. The court administrator shall compute and add the accrued interest to the total amount to be collected when the execution is issued and compute the amount of daily interest accruing during the calendar year. The person authorized by statute to make the levy shall compute and add interest from the date that the writ of execution was issued to the date of service of the writ of execution and shall direct the daily interest to be computed and added from the date of service until any money is collected as a result of the levy.

Subd. 3. [DEDUCTIONS.] If an affidavit is filed pursuant to subdivision 4, a judgment creditor, or the judgment creditor's attorney or agent, is entitled to deduct from any payment made upon a judgment, whether the payment is made voluntarily by or on behalf of the judgment debtor, or is collected by legal process, all disbursements that are made taxable by statute or by rule of court, that have been paid or incurred by the judgment creditor or the judgment creditor's attorney, after the entry of judgment. Any remaining portion of the payment must be applied to the interest that has accrued upon the unpaid principal balance of the judgment before any remaining part is applied to reduce the unpaid principal balance of the judgment.

Subd. 4. [AFFIDAVIT.] A judgment creditor, or the judgment creditor's attorney, may file an affidavit specifying the nature and amount of taxable disbursements paid or incurred by the judgment creditor, or the judgment creditor's attorney, after the entry of judgment. An execution issued by the court administrator must include increased disbursements as are included in the affidavit filed with the court administrator.

Sec. 5. Minnesota Statutes 1990, section 572.15, is amended to read:

## 572.15 [AWARD.]

(a) The award shall be in writing and signed by the arbitrators joining in the award. *The award must include interest as provided in section 549.09.* The arbitrators shall deliver a copy to each party personally or by certified mail, or as provided in the agreement.

(b) An award shall be made within the time fixed therefor by the agreement or, if not so fixed, within such time as the court orders on application of a party. The parties may extend the time in writing either before or after the expiration thereof. A party waives the objection that an award was not made within the time required unless the party notifies the arbitrators of an objection prior to the delivery of the award to the party.

Sec. 6. Minnesota Statutes 1990, section 572.16, is amended to read:

## 572.16 [CHANGE OF AWARD BY ARBITRATORS.]

On application of a party or, if an application to the court is pending under section 572.18, 572.19, or 572.20, on submission to the arbitrators by the court under such conditions as the court may order, the arbitrators may modify or correct the award upon the grounds stated in ~~clauses (1) and (3) of subdivision 1,~~ section 572.20, *subdivision 1, clause (1), (3), or (4),* or for the purpose of *amending or clarifying* the award. The application shall be made within 20 days after delivery of the award to the applicant. Written notice thereof shall be given forthwith to the opposing party, stating that the opposing party must serve objections thereto, if any, within ten days from the notice. The award so modified or corrected is subject to the provisions of sections 572.18, 572.19 and 572.20.

Sec. 7. Minnesota Statutes 1990, section 572.20, subdivision 1, is amended to read:

Subdivision 1. Upon application made within 90 days after delivery of a copy of the award to the applicant, the court shall modify or correct the award where:

(1) There was an evident miscalculation of figures or an evident mistake in the description of any person, thing or property referred to in the award;

(2) The arbitrators have awarded upon a matter not submitted to them and the award may be corrected without affecting the merits of the decision upon the issues submitted; ~~or~~

(3) The award is imperfect in a matter of form, not affecting the merits of the controversy; *or*

(4) *The award is based on an error of law."*

Page 2, line 1, before "Minnesota" insert "(a)"

Page 2, after line 2, insert:

"(b) Minnesota Statutes 1990, section 494.01, subdivisions 3 and 5, are repealed."

Page 2, line 4, delete "Section 2" and insert "Section 8, paragraph (a),"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "courts" and insert "alternative dispute resolution"

Page 1, line 4, after the semicolon, insert "providing for interest on arbitration awards; allowing an arbitrator or the court to modify an award based on an error of law; amending Minnesota Statutes 1990, sections 494.015; 494.03; 549.09; 572.15; 572.16; and 572.20, subdivision 1;"

Page 1, line 6, delete "and" and before the period, insert "; and 494.01, subdivisions 3 and 5"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

H.F. No. 87: A bill for an act relating to highways; allowing county board of and appropriate town boards in Itasca county to establish and record certain public roads less than four rods in width until December 31, 1995.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, after "*maintained*" insert "*in Itasca county*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

H.F. No. 126: A bill for an act relating to highways; designating the Paul Bunyan Expressway from Little Falls through Cass Lake to Bemidji; amending Minnesota Statutes 1990, section 161.14, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, delete "EXPRESSWAY" and insert "HIGHWAY"

Page 1, line 14, delete "*Expressway*" and insert "*Highway*"

Amend the title as follows:

Page 1, line 3, delete "Expressway" and insert "Highway"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

H.F. No. 357: A bill for an act relating to highways; authorizing political subdivisions to require notice before constructing or repairing utility structures or equipment in, along, over, or under a road, street, or highway right-of-way; requiring subsequent restoration to a town road; amending Minnesota Statutes 1990, sections 164.36; and 222.37, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

H.F. No. 106: A bill for an act relating to towns; providing for money from town road account to be distributed to towns by March 1, annually; amending Minnesota Statutes 1990, section 162.081, subdivisions 3 and 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 9, before the period, insert “, *or within 30 days after receipt of payment from the commissioner*”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

H.F. No. 1042: A bill for an act relating to economic development; changing the organization of the department of trade and economic development; amending Minnesota Statutes 1990, section 116J.01, subdivision 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

H.F. No. 155: A bill for an act relating to traffic regulations; authorizing immediate towing of certain unlawfully parked vehicles; amending Minnesota Statutes 1990, section 169.041, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 17, after “lane” insert “*or bus stop*”

Page 2, line 22, delete “*or*”

Page 2, line 24, before the period, insert “;”

*(16) the vehicle is parked in a school zone on a public street where official signs prohibit parking; or*

*(17) the vehicle is parked in a crosswalk or on a public sidewalk”*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

H.F. No. 466: A bill for an act relating to traffic regulations; defining “wrecker” to include new variations of tower vehicles; requiring the use of amber lights on wreckers after January 1, 1992; allowing use of red lights on vehicles of certain emergency response personnel; exempting wreckers from weight requirements under certain circumstances; amending Minnesota Statutes 1990, sections 169.01, subdivision 52; 169.58, subdivision 2; 169.64, subdivision 5; and 169.825, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 2, line 19, strike "LIGHT" and insert "*LIGHTS*" and strike "A device"

Page 2, lines 20 to 28, strike the old language and delete the new language and insert "*A wrecker must be equipped with flashing or intermittent red and amber lights of a type approved by the commissioner of public safety. The lights must be placed on the dome of the vehicle at the highest practicable point visible from a distance of 500 feet. The flashing red light must be displayed only when the wrecker is engaged in emergency service on or near the traveled portion of a highway. The flashing amber light must be displayed when the wrecker is moving a disabled vehicle.*"

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. 1006 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.
1006	754				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1006 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1006 and insert the language after the enacting clause of S.F. No. 754, the first engrossment; further, delete the title of H.F. No. 1006 and insert the title of S.F. No. 754, the first engrossment.

And when so amended H.F. No. 1006 will be identical to S.F. No. 754, and further recommends that H.F. No. 1006 be given its second reading and substituted for S.F. No. 754, 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. 843 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.
843	796				

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. Metzen from the Committee on Economic Development and Housing, to which were referred the following appointments as reported in the Journal for April 8, 1991:

#### MINNESOTA HOUSING FINANCE AGENCY

Robert Worthington  
Demetrius G. Jelatis

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.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 342: A bill for an act relating to human services; clarifying contested case procedures for applicants for human services licensing; establishing appeal procedures for determinations of maltreatment of minors and vulnerable adults; amending Minnesota Statutes 1990, sections 245A.04, subdivision 3c; and 256.045, subdivisions 1, 4, 6, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, after "CASE" insert "*OR ARBITRATION*"

Page 1, line 16, after "request" insert "*either*" and after "14" insert "*, or arbitration as provided in a collective bargaining agreement subject to chapter 179A*" and after the period, insert "*If the employee chooses a contested case hearing,*"

Page 2, line 22, after the period, insert "*The confidentiality of the reporter and the alleged victim must be maintained and they are not subject to subpoena under subdivision 4.*"

Page 3, line 2, strike "or" and after the second "recipient" insert "*, or aggrieved party*"

Page 3, line 11, strike "or" and after "recipient" insert "*, or aggrieved party*"

Page 4, line 2, after "hearing" insert "*, except reporters and alleged victims in an appeal hearing under subdivision 3b*"

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.



Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 776: A bill for an act relating to agriculture; providing for an agricultural development bond program; proposing coding for new law as Minnesota Statutes, chapter 41C.

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 1990, section 41B.025, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] There is created a public body corporate and politic *within the department of agriculture* to be known as the "Minnesota rural finance authority," which shall perform the governmental functions and exercise the sovereign powers delegated to it in sections 41B.01 to 41B.23 and 6 to 17 in furtherance of the public policies and purposes declared in section 41B.01. The board of the authority consists of the commissioners of agriculture, commerce, *trade and economic development*, and finance, the state auditor, and ~~three~~ five public members appointed by the governor with the advice and consent of the senate. No public member may reside within the metropolitan area, as defined in section 473.121, subdivision 2. Each member shall hold office until a successor has been appointed and has qualified. A certificate of appointment or reappointment of any member is conclusive evidence of the proper appointment of the member.

Sec. 2. Minnesota Statutes 1990, section 41B.025, subdivision 3, is amended to read:

Subd. 3. [CHAIR.] The commissioner of ~~finance~~ *agriculture* is the chair of the board. The commissioner of ~~agriculture~~ *finance* is the vice-chair of the board.

Sec. 3. Minnesota Statutes 1990, section 41B.025, subdivision 6, is amended to read:

Subd. 6. [ADMINISTRATIVE CONTROL.] The authority is under the administrative control of the commissioner of ~~finance~~ *agriculture*.

Sec. 4. Minnesota Statutes 1990, 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 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~~ \$200,000;

(3) demonstrate a need for the loan;

(4) demonstrate an ability to repay the loan;

(5) certify that the agricultural land to be purchased will be used by the borrower for agricultural purposes;

(6) 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 1990, section 41B.211, is amended to read:  
41B.211 [DATA PRIVACY.]

Financial information, including credit reports, financial statements, and net worth calculations, received or prepared by the authority regarding any authority loan and the name of each individual who is the recipient of a loan are private data on individuals, under chapter 13, *except that information obtained under the agricultural development bond program in sections 6 to 17 may be released as required by federal tax law.*

Sec. 6. [41C.01] [SHORT TITLE.]

*This chapter shall be called and may be cited as the "Minnesota agricultural development act."*

Sec. 7. [41C.02] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] The definitions in this section apply to this chapter.*

*Subd. 2. [AGRICULTURAL BUSINESS ENTERPRISE.] "Agricultural business enterprise" means an individual or partnership with a low or moderate net worth who owns or plans to own properties, real or personal, used or useful in connection with the general processing of agricultural products or in the manufacturing, assembly, or fabrication of agricultural or agricultural-related equipment.*

*Subd. 3. [AGRICULTURAL IMPROVEMENTS.] "Agricultural improvements" means improvements, buildings, structures, or fixtures suitable for use in farming located on agricultural land, including a single-family dwelling located on agricultural land which is or will be occupied by a beginning farmer and structures attached to or incidental to the use of the dwelling.*

*Subd. 4. [AGRICULTURAL LAND.] "Agricultural land" means land suitable for use in farming.*

*Subd. 5. [AUTHORITY.] "Authority" means the Minnesota rural finance authority established in section 41B.025.*

*Subd. 6. [BEGINNING FARMER.] "Beginning farmer" means an individual or partnership with a low or moderate net worth who engages in farming or plans to engage in farming.*

*Subd. 7. [BONDS.] "Bonds" means bonds, notes, or other evidence of indebtedness issued by the authority under this chapter.*

*Subd. 8. [CONSERVATION FARM EQUIPMENT.] "Conservation farm equipment" means the specialized planters, cultivators, and tillage equipment used for reduced tillage or no-till planting of row crops.*

*Subd. 9. [DEPRECIABLE AGRICULTURAL PROPERTY.] "Depreciable agricultural property" means personal property suitable for use in*

*farming for which an income tax deduction for depreciation is allowable in computing federal income tax under the Internal Revenue Code of 1986, as amended.*

*Subd. 10. [FARMING.] "Farming" means the cultivation of land for the production of agricultural crops, the raising of poultry, the production of eggs, the production of milk, the production of fruit or other horticultural crops, grazing, the production of livestock, aquaculture, hydroponics, the production of forest products, or other activities designated by the authority by rules.*

*Subd. 11. [LENDING INSTITUTION.] "Lending institution" includes "eligible lender" as defined in section 41B.02, and individuals.*

*Subd. 12. [LOW OR MODERATE NET WORTH.] "Low or moderate net worth" means:*

*(1) for an individual, an aggregate net worth of the individual and the individual's spouse and minor children of less than \$200,000; or*

*(2) for a partnership, an aggregate net worth of all partners, including each partner's net capital in the partnership, and each partner's spouse and minor children, of less than \$400,000. However, the aggregate net worth of each partner and that partner's spouse and minor children may not exceed \$200,000.*

#### **Sec. 8. [41C.03] [GUIDING PRINCIPLES.]**

*(a) In the performance of its duties, implementation of its powers, and selection of specific programs and projects to receive its assistance under this chapter, the authority must be guided by the principles in paragraphs (b) to (e).*

*(b) The authority shall not become an owner of real or depreciable property, except on a temporary basis if it is necessary in order to implement its programs, to protect its investments by means of foreclosure or other means, or to facilitate transfer of real or depreciable property for the use of beginning farmers.*

*(c) The authority shall exercise diligence and care in selection of projects to receive its assistance and shall apply customary and acceptable business and lending standards in selection and subsequent implementation of the projects. The authority may delegate primary responsibility for determination and implementation of the projects to any federal governmental agency that assumes any obligation to repay the loan, either directly or by insurance or guarantee.*

*(d) The authority shall establish a beginning farmer and agricultural business enterprise loan program to aid in the acquisition of agricultural land and improvements and depreciable agricultural property by beginning farmers, and real and personal property for an agricultural business enterprise.*

*(e) The authority shall develop programs for providing financial assistance to agricultural producers in this state.*

#### **Sec. 9. [41C.04] [COMBINATION PROGRAMS.]**

*Programs authorized in this chapter may be combined with any other programs authorized in this chapter or under another state or federal program in order to facilitate as far as practicable the acquisition of agricultural*

*land and property by beginning farmers, to facilitate the implementation of permanent soil and water conservation practices and the acquisition of conservation farm equipment, and to encourage the development of agricultural business enterprises.*

**Sec. 10. [41C.05] [AGRICULTURAL DEVELOPMENT BOND BEGINNING FARMER AND AGRICULTURAL BUSINESS ENTERPRISE LOAN PROGRAM.]**

*Subdivision 1. [DEVELOPMENT OF PROGRAM.] The authority shall develop an agricultural development bond beginning farmer and agricultural business enterprise loan program to facilitate the acquisition of agricultural land and improvements and depreciable agricultural property by beginning farmers and real and personal property by an agricultural business enterprise. The authority shall exercise the powers granted to it in this chapter in order to fulfill the goal of providing financial assistance to beginning farmers and agricultural business enterprises in the acquisition of agricultural land, agricultural improvements, depreciable agricultural property, and real and personal property for an agricultural business enterprise. The authority may participate in and cooperate with programs of the Farmers Home Administration, Federal Land Bank, or any other agency or instrumentality of the federal government or with any program of any other state agency in the administration of the agricultural development bond beginning farmer and agricultural business enterprise loan program and in the making or purchasing of mortgage or secured loans under this chapter.*

*Subd. 2. [ELIGIBILITY; BEGINNING FARMERS.] The authority shall provide in the agricultural development bond beginning farmer and agricultural business enterprise loan program that a mortgage or a contract on behalf of a beginning farmer may be provided if the borrower qualifies under section 41B.03, subdivisions 1 and 3, and authority rules and under federal tax law governing qualified small issue bonds.*

*Subd. 3. [ELIGIBILITY; AGRICULTURAL BUSINESS ENTERPRISES.] (a) The authority shall provide in the agricultural development bond beginning farmer and agricultural business enterprise loan program that a mortgage or contract on behalf of an agricultural business enterprise may be provided if the borrower qualifies under this chapter and rules of the authority and under federal tax law governing qualified small issue bonds.*

*(b) An agricultural business enterprise is eligible for a program loan in an aggregate amount not exceeding \$250,000.*

*(c) An agricultural business enterprise is eligible for program loans only for new or expanded operations located in a community with a population of 5,000 or less.*

*Subd. 4. [LOANS AND CONTRACTS FOR BEGINNING FARMERS AND AGRICULTURAL BUSINESS ENTERPRISES.] (a) The authority may:*

*(1) make loans to qualified beginning farmers for the acquisition of agricultural land, agricultural improvements, and depreciable agricultural property, and to an agricultural business enterprise for real and personal property. Each loan made by the authority under this program and all collateral securing the loan may be assigned as security for the authority's bond.*

(2) enter into contracts to purchase agricultural land, agricultural improvements, depreciable agricultural property, and real and personal property for an agricultural business enterprise. Each contract entered into by the authority under this program and all obligations of the authority under the contract shall be assigned to the beginning farmer or agricultural business enterprise without recourse.

(b) Loan documents and contracts entered into by the authority shall contain such terms and conditions of repayment as may be agreed to between the beginning farmer or agricultural business enterprise and the individual or agricultural lender involved, and such terms and conditions as the authority may deem necessary.

(c) Each individual or agricultural lender purchasing a bond from the authority under this program is responsible for making their own independent credit evaluation of the beginning farmer or the agricultural business enterprise involved, and for the creation and perfection of any security interest which they deem necessary for the loan or contract to be made on behalf of the beginning farmer or the agricultural business enterprise.

(d) The authority shall bear no continuing responsibility for repayment of any bond issued under the program other than the assignment of its interests under the loan document made with the proceeds of the bond or the contract entered into in connection with the bond.

Subd. 5. [OTHER TERMS.] The authority may provide that loans and contracts made under this program may not be assumed, or any interest in the agricultural land or improvements or depreciable agricultural property or real or personal property of an agricultural business enterprise may not be leased, sold, or otherwise conveyed without its prior written consent, and may provide a due-on-sale clause with respect to the occurrence of any of the foregoing events without its prior written consent. The authority may provide by rule the grounds for permitted assumptions of loans and contracts or for the leasing, sale, or other conveyance of any interest in the agricultural land or improvements or real or personal property of an agricultural business enterprise. However, the authority shall provide and state in its loan documents and contracts that the interest rate of the loan or contracts shall increase to the then prevailing market rate if the loan or contract is assumed by anyone other than a qualified beginning farmer or agricultural business enterprise. This subdivision controls with respect to a loan or contract made under this program, notwithstanding other law.

Sec. 11. [41C.06] [LOAN ALLOCATION.]

Not more than 25 percent of the total bond allocation available for beginning farmer and agricultural business enterprise loans may be used for agricultural business enterprise loans. However, any portion of the bond allocation that remains unencumbered on November 1 of each year may be made available for agricultural business enterprise loans.

Sec. 12. [41C.07] [BONDS.]

Subdivision 1. [AUTHORITY.] The authority may issue its negotiable bonds in principal amounts which, in the opinion of the authority, are necessary to provide sufficient funds for achievement of its corporate purposes, the payment of interest on its bonds, the establishment of reserves to secure its bonds, and all other expenditures of the authority incident to and necessary or convenient to carry out its purposes and powers. The bonds are investment securities and negotiable instruments within the meaning of

and for all purposes of the Uniform Commercial Code.

*Subd. 2. [PAYMENT OF BONDS.] Bonds are payable solely and only out of the money, assets, or revenues of the authority and as provided in the agreement with bondholders pledging any particular money, assets, or revenues. Bonds are not an obligation of this state or any political subdivision of this state other than the authority within the meaning of any constitutional or statutory debt limitations, but are special obligations of the authority payable solely and only from the sources provided in this chapter, and the authority shall not pledge the credit or taxing power of this state or any political subdivision of this state other than the authority or make its debts payable out of any money except that of the authority.*

*Subd. 3. [RESOLUTION OF AUTHORITY.] Bonds must be authorized by a resolution of the authority. However, a resolution authorizing the issuance of bonds may delegate to an officer of the authority the power to negotiate and fix the details of an issue of bonds by an appropriate certificate of the authorized officer.*

*Subd. 4. [REQUIREMENTS.] Bonds must:*

*(1) state the date and series of the issue, be consecutively numbered, and state on their face that they are payable both as to principal and interest solely out of the assets of the authority and do not constitute an indebtedness of this state or any political subdivision of this state other than the authority within the meaning of any constitutional or statutory debt limit; and*

*(2) be either registered, registered as to principal only, issued in denominations as the authority prescribes, fully negotiable instruments under the laws of this state, signed on behalf of the authority with the manual or facsimile signature of the chair or vice-chair, attested by the manual or facsimile signature of the secretary, have impressed or imprinted on them the seal of the authority or a facsimile of it, be payable as to interest at rates and at times as the authority determines, be payable as to principal at times over a period not to exceed 50 years from the date of issuance, at places and with reserved rights of prior redemption as the authority prescribes, be sold at prices, at public or private sale, and in a manner as the authority prescribes, and the authority may pay all expenses, premiums, and commissions that it considers necessary or advantageous in connection with the issuance and sale, and be issued under and subject to the terms, conditions, and covenants providing for the payment of the principal, redemption premiums, if any, interest and other terms, conditions, covenants, and protective provisions safeguarding payment, not inconsistent with this chapter, as are found to be necessary by the authority for the most advantageous sale.*

*Subd. 5. [REFUNDING.] The authority may issue its bonds for the purpose of refunding any bonds of the authority then outstanding, including the payment of any redemption premiums and any interest accrued or to accrue to the date of redemption of the outstanding bonds. Until the proceeds of bonds issued for the purpose of refunding outstanding bonds are applied to the purchase or retirement of outstanding bonds or the redemption of outstanding bonds, the proceeds may be placed in escrow and be invested and reinvested in accordance with the provisions of this chapter. The interest, income, and profits earned or realized on an investment may also be applied to the payment of the outstanding bonds to be refunded by purchase, retirement, or redemption. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest earned or realized*

on the investments may be returned to the authority for use by it in any lawful manner. All refunding bonds shall be issued and secured and are subject to the provisions of this chapter in the same manner and to the same extent as other bonds.

*Subd. 6. [ANTICIPATION NOTES.] The authority may issue negotiable bond anticipation notes and may renew them from time to time, but the maximum maturity of the notes, including renewals, must not exceed ten years from the date of issue of the original notes. Notes are payable from any available money of the authority not otherwise pledged or from the proceeds of the sale of bonds in anticipation of which the notes were issued. Notes may be issued for any corporate purpose of the authority. Notes must be issued in the same manner as bonds and notes and the resolution authorizing them may contain any provisions, conditions, or limitations, not inconsistent with the provisions of this subdivision, which the bonds or a bond resolution of the authority may contain. Notes may be sold at public or private sale. In case of default on its notes or violation of any obligations of the authority to the noteholders, the noteholders have all the remedies provided in this chapter for bondholders. Notes are as fully negotiable as bonds of authority.*

*Subd. 7. [FILING.] A copy of each pledge agreement by or to the authority, including without limitation each bond resolution, indenture of trust or similar agreement, or any revisions or supplements to it, must be filed with the secretary of state and no further filing or other action under article 9 of the Uniform Commercial Code or any other law of the state is required to perfect the security interest in the collateral or any additions to it or substitutions for it; and the lien and trust so created are binding from and after the time made against all parties having claims of any kind in tort, contract, or otherwise against the pledgor.*

*Subd. 8. [PERSONAL LIABILITY LIMITED.] Members of the authority and any person executing its bonds are not liable personally on the bonds or subject to personal liability or accountability by reason of the issuance of the authority's bonds.*

*Subd. 9. [NOTICE.] The authority shall publish a notice of intention to issue bonds in a newspaper published and of general circulation in the state. The notice shall include a statement of the maximum amount of bonds proposed to be issued and, in general, what net revenues will be pledged to pay the bonds and interest on them. An action may not be brought questioning the legality of the bonds or the power of the authority to issue the bonds or the legality of any proceedings in connection with the authorization or issuance of the bonds after 60 days from the date of publication of the notice.*

### Sec. 13. [41C.08] [RESERVE FUNDS AND APPROPRIATIONS.]

*Subdivision 1. [AUTHORITY.] The authority may create and establish one or more special funds, each to be known as a "bond reserve fund," and shall pay into each bond reserve fund any money appropriated and made available by the state for the purpose of the fund, any proceeds of sale of bonds to the extent provided in the resolutions of the authority authorizing their issuance, and any other money that is available to the authority for the purpose of the fund from any other sources. Money held in a bond reserve fund, except as otherwise provided in this chapter, must be used as required solely for the payment of the principal of bonds secured in whole or in part by the fund or of the sinking fund payments with respect*

to the bonds, the purchase or redemption of the bonds, the payment of interest on the bonds, or the payments of any redemption premium required to be paid when the bonds are redeemed prior to maturity.

*Subd. 2. [WITHDRAWALS.] Money in a bond reserve fund may not be withdrawn from it in an amount that will reduce the amount of the fund to less than the bond reserve fund requirement established for the fund, as provided in this section, except for the purpose of making payment when due of principal, interest, redemption premiums, and the sinking fund payments with respect to the bonds for the payment of which other money of the authority is not available. Any income or interest earned by, or incremental to, a bond reserve fund due to the investment of it may be transferred by the authority to other funds or accounts of the authority to the extent the transfer does not reduce the amount of that bond reserve fund below the bond reserve fund requirement for it.*

*Subd. 3. [ISSUANCE OF SECURED BONDS.] The authority may not at any time issue bonds, secured in whole or in part by a bond reserve fund if, upon the issuance of the bonds, the amount in the bond reserve fund will be less than the bond reserve fund requirement for the fund, unless the authority at the time of issuance of the bonds deposits in the fund from the proceeds of the bonds issued or from other sources an amount which, together with the amount then in the fund, will not be less than the bond reserve fund requirement for the fund. For the purposes of this section, the term "bond reserve fund requirement" means, as of any particular date of computation, an amount of money required to be on deposit therein in the bond reserve fund, as provided in the resolutions of the authority authorizing the bonds with respect to which the fund is established.*

*Subd. 4. [MAINTENANCE OF LEVELS.] To assure the continued operation and solvency of the authority for the carrying out of its corporate purposes, provision is made in subdivision 1 for the accumulation in each bond reserve fund of an amount equal to the bond reserve fund requirement for the fund. In order further to assure maintenance of the bond reserve funds, the chair of the authority shall, on or before July 1 of each calendar year, make and deliver to the governor a certificate stating the sum, if any, required to restore each bond reserve fund to its bond reserve fund requirement. Within 30 days after the beginning of the session of the legislature next following the delivery of the certificate, the governor may submit to both houses printed copies of a budget including any sum required to restore each bond reserve fund to its bond reserve fund requirement. Sums appropriated by the legislature and paid to the authority under this section must be deposited by the authority in the applicable bond reserve fund.*

*Subd. 5. [REPAYMENT.] Amounts paid over to the authority by the state under this section constitute and must be accounted for as advances by the state to the authority and, subject to the rights of the holders of any bonds of the authority, must be repaid to the state without interest from all available operating revenues of the authority in excess of amounts required for the payment of bonds, the bond reserve fund, and operating expenses.*

*Subd. 6. [ANNUAL REPORT.] The authority shall cause to be delivered to the senate committee on finance and the house of representatives committee on appropriations, within 90 days of the close of its fiscal year, its annual report certified by an independent certified public accountant, who may be the accountant or a member of the firm of accountants who regularly audits the books and accounts of the authority selected by the authority. In the*



*event that the principal amount of any bonds deposited in a bond reserve fund is withdrawn for payment of principal or interest thereby reducing the amount of that fund to less than the bond reserve fund requirement, the authority shall immediately notify the legislature of this event and take steps to restore the fund to its bond reserve fund requirement from any amounts available, other than principal of a bond issue, that are not pledged to the payment of other bonds.*

Sec. 14. [41C.09] [REMEDIES OF BONDHOLDERS.]

*Subdivision 1. [DEFAULT.] If the authority defaults in the payment of principal or interest on an issue of bonds at maturity or upon call for redemption, and the default continues for a period of 30 days, or if the authority fails or refuses to comply with the provisions of this chapter, or defaults in an agreement made with the holders of an issue of bonds, the holders of 25 percent in aggregate principal amount of bonds of the issue then outstanding, by instrument filed in the office of the clerk of the county in which the principal office of the authority is located and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of the bonds for the purposes provided in this section.*

*Subd. 2. [ACTIONS.] The authority or any trustee appointed under the indenture under which the bonds are issued may, but upon written request of the holders of 25 percent in aggregate principal amount of the issue of bonds then outstanding shall:*

*(1) enforce all rights of the bondholders including the right to require the authority to carry out its agreements with the holders and to perform its duties under this chapter;*

*(2) bring suit upon the bonds;*

*(3) by action require the authority to account as if it were the trustee of an express trust for the holders;*

*(4) by action enjoin any acts or things which are unlawful or in violation of the rights of the holders; and*

*(5) declare all the bonds due and payable and, if all defaults are made good, with the consent of the holders of 25 percent of the aggregate principal amount of the issue of bonds then outstanding, annul the declaration and its consequences.*

*Subd. 3. [TRUSTEE'S POWERS.] The trustees may exercise functions specifically set forth or incident to the general representation of bondholders in the enforcement and protection of their rights.*

*Subd. 4. [NOTICE.] Before declaring the principal of bonds due and payable, the trustee shall first give 30 days' notice in writing to the governor, to the authority, and to the attorney general of the state.*

*Subd. 5. [JURISDICTION.] The district court has jurisdiction of any action by the trustee on behalf of bondholders. The venue of the action is in the county in which the principal office of the authority is located.*

*The bondholders may, to the extent provided in the resolution to which the bonds were issued or in its agreement with the authority, enforce any of the remedies in subdivision 2, clauses (1) to (5), or the remedies provided in the proceedings or agreements for and on their own behalf.*

## Sec. 15. [41C.10] [BONDS AS LEGAL INVESTMENTS.]

*Bonds are securities in which public officers, state departments and agencies, political subdivisions, insurance companies, and other persons carrying on an insurance business, banks, trust companies, savings and loan associations, investment companies, and other persons carrying on a banking business, administrators, executors, guardians, conservators, trustees, and other fiduciaries and other persons authorized to invest in bonds or other obligations of this state may properly and legally invest funds including capital in their control or belonging to them. The bonds are also securities which may be deposited with and may be received by public officers, state departments and agencies, and political subdivisions for any purpose for which the deposit of bonds or other obligations of this state is authorized.*

## Sec. 16. [41C.11] [CONFLICTS OF INTEREST.]

*If a member or employee of the authority has an interest, either direct or indirect, in a contract to which the authority is or is to be a party or in a mortgage lender requesting a loan from or offering to sell mortgage or secured loans to the authority, the interest must be disclosed to the authority in writing and must be set forth in the minutes of the authority. The member or employee having the interest may not participate in action by the authority with respect to that contract or mortgage lender.*

*The total base level of appropriations and complement currently assigned to the department of finance for purposes of administering the rural finance authority, under chapter 41B, is transferred to the department of agriculture. This transfer is effective July 1, 1991.*

## Sec. 17. [41C.12] [APPLICATION AND ORIGINATION FEE; FUND CREATED.]

*(a) There is created in the general fund a rural finance authority administrative fund. Proceeds from the application and origination fees assessed by the authority under paragraph (b) must be deposited in the dedicated fund. Beginning July 1, 1993, money in the fund is appropriated as needed to the director of the Minnesota rural finance authority for administrative costs of the agricultural development bond beginning farmer and agricultural business enterprise loan program.*

*(b) The authority may impose a reasonable application and origination fee for each loan issued under the beginning farmer and agricultural business enterprise loan program. The fee must be deposited in the rural finance authority administrative fund created in paragraph (a).*

Sec. 18. Minnesota Statutes 1990, section 474A.02, subdivision 13a, is amended to read:

Subd. 13a. [~~MANUFACTURING SMALL ISSUE POOL.~~] "~~Manufacturing Small issue pool~~" means the amount of the annual volume cap allocated under section 474A.061, that is available for the issuance of small issue bonds to finance manufacturing projects, and the agricultural development bond beginning farmer and agricultural business enterprise loan program authorized in sections 6 to 17.

Sec. 19. Minnesota Statutes 1990, section 474A.02, subdivision 23a, is amended to read:

Subd. 23a. [QUALIFIED BONDS.] "Qualified bonds" means the specific

type or types of obligations that are subject to the annual volume cap. Qualified bonds include the following types of obligations as defined in federal tax law:

(a) "public facility bonds" means "exempt facility bonds" as defined in federal tax law, except for residential rental project bonds, which are those obligations issued to finance airports, docks and wharves, mass commuting facilities, facilities for the furnishing of water, sewage facilities, solid waste disposal facilities, facilities for the local furnishing of electric energy or gas, local district heating or cooling facilities, and qualified hazardous waste facilities;

(b) "residential rental project bonds" which are those obligations issued to finance qualified residential rental projects;

(c) "mortgage bonds";

(d) "small issue bonds" issued to finance manufacturing projects *and the acquisition or improvement of agricultural property under sections 6 to 17;*

(e) "student loan bonds";

(f) "redevelopment bonds"; and

(g) "governmental bonds" with a nonqualified amount in excess of \$15,000,000 as set forth in section 141(b)5 of federal tax law.

Sec. 20. Minnesota Statutes 1990, section 474A.03, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL VOLUME CAP UNDER FEDERAL TAX LAW; POOL ALLOCATIONS.] At the beginning of each calendar year after December 31, ~~1990~~ 1991, the commissioner shall determine the aggregate dollar amount of the annual volume cap under federal tax law for the calendar year, and of this amount the commissioner shall make the following allocation:

(1) \$75,000,000 to the ~~manufacturing~~ *small issue pool, of which \$ . . . . . must be reserved for the agricultural development bond beginning farmer and agricultural business enterprise loan program authorized under sections 6 to 17;*

(2) \$46,000,000 to the housing pool;

(3) \$10,000,000 to the public facilities pool; and

(4) amounts to be allocated as provided in subdivision 2a.

If the annual volume cap is greater or less than the amount of bonding authority allocated under clauses (1) to (4) and subdivision 2a, paragraph (a), clauses (1) to (3), the allocation must be adjusted so that each adjusted allocation is the same percentage of the annual volume cap as each original allocation is of the total bonding authority originally allocated.

Sec. 21. Minnesota Statutes 1990, section 474A.061, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] (a) An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued,

(4) an application deposit in the amount of one percent of the requested allocation before the last Monday in August, or in the amount of two percent of the requested allocation on or after the last Monday in August, and (5) a public purpose scoring worksheet for ~~small issue~~ *manufacturing project* applications. The issuer must pay the application deposit by check. The Minnesota housing finance agency *and the Minnesota rural finance authority* may apply for and receive an allocation under this section without submitting an application deposit.

(b) An entitlement issuer may not apply for an allocation from the housing pool or from the public facilities pool unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount of bonding authority carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

(c) If an application is rejected under this section, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by a certificate of allocation.

Sec. 22. Minnesota Statutes 1990, section 474A.061, subdivision 2b, is amended to read:

Subd. 2b. [~~MANUFACTURING SMALL ISSUE POOL ALLOCATION.~~] From the beginning of the calendar year until the last Monday in August, the commissioner shall allocate available bonding authority from the ~~manufacturing small issue~~ pool on Monday of each week to applications received on or before the Monday of the preceding week. The amount of allocation provided to an issuer for a specific manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 474A.045. Proposed projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed projects that receive less than 50 points are eligible to receive a proportionally reduced share of the proposed authority.

If there are two or more applications for manufacturing projects from the ~~manufacturing small issue~~ pool and there is insufficient bonding authority to provide allocations for all projects in any one week after all eligible bonding authority has been transferred as provided in section 474A.081, the available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

Sec. 23. Minnesota Statutes 1990, section 474A.061, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL DEPOSIT.] An issuer which has received an allocation under this section may retain any unused portion of the allocation after the first Tuesday in September only if the issuer has submitted to the department before the first Tuesday in September a letter stating its intent to issue obligations pursuant to the allocation before the end of the calendar year or within the time period permitted by federal tax law and a deposit in addition to that provided under subdivision 1, equal to one percent of the amount of allocation to be retained. The Minnesota housing finance agency *and the Minnesota rural finance authority* may retain an unused portion of an allocation after the first Tuesday in September without submitting an additional

deposit.

Sec. 24. Minnesota Statutes 1990, section 474A.061, subdivision 4, is amended to read:

Subd. 4. [RETURN OF ALLOCATION; DEPOSIT REFUND.] (a) If an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section within 90 days of allocation or within the time period permitted by federal tax law, whichever is less, the issuer must notify the department. If the issuer notifies the department or the 90-day period since allocation has expired prior to the last Monday in August, the amount of allocation is canceled and returned for reallocation through the pool from which it was originally allocated. If the issuer notifies the department or the 90-day period since allocation has expired on or after the last Monday in August, the amount of allocation is canceled and returned for reallocation through the unified pool. If the issuer notifies the department after the last Monday in November, the amount of allocation is canceled and returned for reallocation to the Minnesota housing finance agency.

(b) An issuer that returns for reallocation all or a portion of an allocation received under this section within 90 days of allocation shall receive within 30 days a refund equal to:

(1) one-half of the application deposit for the amount of bonding authority returned within 30 days of receiving allocation;

(2) one-fourth of the application deposit for the amount of bonding authority returned between 31 and 60 days of receiving allocation; and

(3) one-eighth of the application deposit for the amount of bonding authority returned between 61 and 90 days of receiving allocation.

No refund shall be available for allocations returned 90 or more days after receiving the allocation. This subdivision does not apply to the Minnesota housing finance agency or the Minnesota rural finance authority.

Sec. 25. Minnesota Statutes 1990, section 474A.081, is amended to read:  
474A.081 [POOL TRANSFERS.]

Subdivision 1. [AUTHORITY TO TRANSFER BONDING AUTHORITY.] If there is insufficient bonding authority in either the ~~manufacturing~~ *small issue* pool or the multifamily housing pool to provide allocations for applications received in any one week, additional bonding authority for small issue bonds and residential rental project bonds may be obtained under this section.

Subd. 2. [TRANSFER LIMITS.] No transfer of bonding authority may be made from any pool for qualified bonds not eligible to receive allocations from that pool (i) prior to June 30, or (ii) if, on June 30, allocations of bonding authority have been made from that pool equal to or exceeding 50 percent of the annual volume cap originally allocated to that pool. For 1987, the amount considered originally allocated to each of the pools shall be \$80,000,000 for the ~~manufacturing~~ *small issue* pool and \$60,000,000 for the multifamily housing pool.

Subd. 4. [POOL TRANSFERS.] If there is insufficient bonding authority to provide allocations for all small issue bonds or residential rental project

bonds in any one week, applications for small issue bonds may receive bonding authority from the multifamily housing pool or applications for residential rental project bonds may receive bonding authority from the ~~manufacturing small issue~~ pool, except as provided in subdivision 2. If bonding authority is transferred from one pool to the other pool, applications for small issue bonds must receive priority for allocations from the ~~manufacturing small issue~~ pool, and applications for residential rental project bonds must receive priority for allocations from the multifamily housing pool.

Sec. 26. Minnesota Statutes 1990, section 474A.091, is amended to read:  
474A.091 [ALLOCATION OF UNIFIED POOL.]

Subdivision 1. [UNIFIED POOL AMOUNT.] On the day after the last Monday in August any bonding authority remaining unallocated from the ~~manufacturing small issue~~ pool, the housing pool, and the public facilities pool is transferred to the unified pool and must be reallocated as provided in this section.

Subd. 2. [APPLICATION.] ~~An issuer~~ *Issuers other than the Minnesota rural finance authority* may apply for an allocation under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of two percent of the requested allocation, and (5) a public purpose scoring worksheet for ~~small issue manufacturing~~ applications. The issuer must pay the application deposit by check. An entitlement issuer may not apply for an allocation for public facility bonds, residential rental project bonds, or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

*For calendar year 1991, \$5,000,000 must be reserved upon creation of the unified pool for use by the Minnesota rural finance authority for the agricultural development bond program authorized under sections 6 to 17. This reservation remains in effect until the last Monday in November.*

The Minnesota housing finance agency may not apply for an allocation for mortgage bonds under this section until after the last Monday in September. Notwithstanding the restrictions imposed on unified pool allocations after October 1 under subdivision 3, paragraph (c)(2), the Minnesota housing finance agency may be awarded allocations for mortgage bonds from the unified pool after October 1. The Minnesota housing finance agency may apply for and receive an allocation under this section without submitting an application deposit.

Subd. 3. [ALLOCATION PROCEDURE.] (a) The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in September through and on the last Monday in November. Applications for allocations must be received by the department by the Monday preceding the Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation will be made or the applications must be received by the next business day after the holiday.

(b) On or before October 1, allocations shall be awarded from the unified pool in the following order of priority:

- (1) applications for small issue bonds;
- (2) applications for residential rental project bonds;
- (3) applications for public facility projects funded by public facility bonds;
- (4) applications for redevelopment bonds;
- (5) applications for mortgage bonds; and
- (6) applications for governmental bonds.

Allocations for residential rental projects may only be made during the first allocation in September. The amount of allocation provided to an issuer for a specific manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 474A.045. Proposed manufacturing projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed manufacturing projects that receive less than 50 points under section 474A.045 are only eligible to receive a proportionally reduced share of the proposed authority. If there are two or more applications for manufacturing projects from the unified pool and there is insufficient bonding authority to provide allocations for all manufacturing projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045 with those projects receiving the greatest number of points receiving allocation first.

(c)(1) On the first Monday in October, \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the ~~manufacturing~~ *small issue* pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the ~~manufacturing~~ *small issue* pool for that year, whichever is less, is reserved within the unified pool for small issue bonds. On the first Monday in October, \$2,500,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the public facilities pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the public facilities pool for that year, whichever is less, is reserved within the unified pool for public facility bonds. If sufficient bonding authority is not available to reserve the required amounts for both small issue bonds and public facility bonds, seven-eighths of the remaining available bonding authority is reserved for small issue bonds and one-eighth of the remaining available bonding authority is reserved for public facility bonds.

(2) The total amount of allocations for mortgage bonds from the housing pool and the unified pool may not exceed:

- (i) \$10,000,000 for any one city; or
- (ii) \$20,000,000 for any number of cities in any one county.

An allocation for mortgage bonds may be used for mortgage credit certificates.

After October 1, allocations shall be awarded from the unified pool only for the following types of qualified bonds: small issue bonds, public facility bonds, and residential rental project bonds.

(d) If there is insufficient bonding authority to fund all projects within any qualified bond category, allocations shall be awarded by lot unless otherwise

agreed to by the respective issuers. If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.

Subd. 4. [MORTGAGE BONDS.] All remaining bonding authority available for allocation under this section on December 1, is allocated to the Minnesota housing finance agency.

Subd. 5. [RETURN OF ALLOCATION; DEPOSIT REFUND.] (a) If an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section within 90 days of the allocation or within the time period permitted by federal tax law, whichever is less, the issuer must notify the department. If the issuer notifies the department or the 90-day period since allocation has expired prior to the last Monday in November, the amount of allocation is canceled and returned for reallocation through the unified pool.

(b) An issuer that returns for reallocation all or a portion of an allocation received under this section within 90 days of the allocation shall receive within 30 days a refund equal to:

(1) one-half of the application deposit for the amount of bonding authority returned within 30 days of receiving the allocation;

(2) one-fourth of the application deposit for the amount of bonding authority returned between 31 and 60 days of receiving the allocation; and

(3) one-eighth of the application deposit for the amount of bonding authority returned between 61 and 90 days of receiving the allocation.

No refund of the application deposit shall be available for allocations returned on or after the last Monday in November. This subdivision does not apply to the Minnesota housing finance agency or the Minnesota rural finance authority.

Subd. 6. [FINAL ALLOCATION; CARRYFORWARD.] Any bonding authority remaining unissued by the Minnesota housing finance agency after the last Monday in December is allocated to the department of finance for reallocation for qualified bonds eligible to be carried forward under federal tax law.

Sec. 27. Minnesota Statutes 1990, section 474A.14, is amended to read:  
474A.14 [NOTICE OF AVAILABLE AUTHORITY.]

The department shall publish in the State Register a notice of the amount of bonding authority in the housing, ~~manufacturing~~ *small issue*, and public facilities pools as soon after January 1 as possible. The department shall publish in the State Register a notice of the amount of bonding authority available for allocation in the unified pool as soon after September 1 as possible.

Sec. 28. [APPROPRIATION.]

(a) \$ . . . . . is appropriated from the general fund to the Minnesota rural finance authority for the purposes of sections 6 to 17 for the biennium ending June 30, 1993.

(b) It is the intent of the legislature that the agricultural development bond



*beginning farmer and agricultural business enterprise loan program established in sections 6 to 17 will be self-supporting after fiscal year 1993.*

Sec. 29. [EFFECTIVE DATE.]

*Sections 1 to 28 are effective the day after final enactment."*

Delete the title and insert:

"A bill for an act relating to agriculture; transferring the rural finance authority to the department of agriculture; providing for an agricultural development bond program to finance agricultural business enterprises and beginning farmers; appropriating funds; amending Minnesota Statutes 1990, sections 41B.025, subdivisions 1, 3, and 6; 41B.03, subdivision 3; 41B.211; 474A.02, subdivisions 13a and 23a; 474A.03, subdivision 1; 474A.061, subdivisions 1, 2b, 3, and 4; 474A.081; 474A.091; 474A.14; proposing coding for new law as Minnesota Statutes, chapter 41C."

And when so amended the bill do pass and be re-referred to the Committee on Economic Development and Housing. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 723: A bill for an act relating to commerce; requiring accessibility specialists; requiring certification by building officials; amending Minnesota Statutes 1990, sections 16B.63, by adding a subdivision; and 16B.65, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 22, insert:

"Sec. 3. Minnesota Statutes 1990, section 471.468, is amended to read:  
471.468 [BUILDING PLANS; APPROVAL; EXCEPTIONS.]

On site construction or remodeling shall not hereafter be commenced of any building or facility until the plans and specifications of the building or facility have been reviewed and approved by the local authority. The provisions of sections 471.465 to 471.469 are applicable only to contracts awarded subsequent to May 22, 1971. *The local authority shall certify in writing that the review and approval under this section have occurred. The certification must be attached to the permit of record."*

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "requiring local authority certification of review and approval of certain building plans and specifications;"

Page 1, line 5, delete "and"

Page 1, line 6, after "subdivision" insert "; and 471.468"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1248: A bill for an act relating to workers' compensation; regulating benefits and insurance; establishing a permanent commission on workers' compensation; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 79.252, by adding a subdivision; 176.011, subdivisions 3, 11a, and 18; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivisions 1, 2, 3, 3a, 4, 6, 9, and 11; 176.111, subdivision 18; 176.135, subdivisions 1, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.645, subdivisions 1 and 2; 176.83, subdivisions 5, 6, and by adding a subdivision; 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 175 and 176; repealing Minnesota Statutes 1990, sections 175.007; and 176.136, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, line 5, delete everything after "job" and insert "*through no fault of the employee*"

Page 6, delete line 6

Page 6, line 7, delete everything before the comma

Page 15, line 36, reinstate the stricken "chiropractic,"

Page 16, lines 9 and 10, reinstate the stricken language

Page 16, delete lines 11 to 23

Page 16, line 24, delete "(c)" and insert "(b)"

Page 16, line 27, delete "(d)" and insert "(c)"

Page 16, line 29, delete "(e)" and insert "(d)"

Page 17, line 14, delete "(f)" and insert "(e)"

Page 17, line 17, delete "(g)" and insert "(f)"

Page 19, line 28, delete "*other treatment*" and insert "*practice*"

Page 19, line 29, after "*commissioner*" insert "*that are based upon standards adopted by the health care licensing boards if those standards exist*" and after "*medical*" insert "*, chiropractic,*"

Page 19, line 32, before the semicolon, insert "*. Nothing in this paragraph or section is intended to restrict access to individual health disciplines required by this chapter*"

Page 19, line 36, after "*of*" insert "*intradiscipline*"

Page 20, line 17, delete "*maintains the*" and insert "*agrees to adhere to standards adopted by the health care licensing boards if those standards exist,*"

Page 20, delete lines 18 to 22

Page 20, line 23, delete "*employee may require, and*" and after "*provider*" insert "*and any referral provider*"

Page 20, line 24, delete "*agrees*" and insert "*agree*"

Page 27, after line 20, insert:

“Sec. 2. Minnesota Statutes 1990, section 176.185, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF COVERAGE, TERMINATION, CANCELLATION.] (a) Within ten days after the issuance of a policy of insurance covering the liability to pay compensation under this chapter written by an insurer licensed to insure such liability in this state, the insurer shall file notice of coverage with the commissioner under rules and on forms prescribed by the commissioner. No policy shall be canceled by the insurer within the policy period nor terminated upon its expiration date until a notice in writing is delivered or mailed to the insured and filed with the commissioner, fixing the date on which it is proposed to cancel it, or declaring that the insurer does not intend to renew the policy upon the expiration date. A cancellation or termination is not effective until 30 days after written notice has been filed with the commissioner in a manner prescribed by the commissioner unless prior to the expiration of the 30-day period the employer obtains other insurance coverage or an order exempting the employer from carrying insurance as provided in section 176.181. Upon receipt of the notice, the commissioner shall notify the insured that the insured must obtain coverage from some other licensed carrier and that, if unable to do so, the insured shall request the commissioner of commerce to require the issuance of a policy as provided in section 79.251, subdivision 4. Upon a cancellation or termination of a policy by the insurer, the employer is entitled to be assigned a policy in accordance with sections 79.251 and 79.252.

(b) Notice of cancellation or termination by the insured shall be served upon the insurer by written statement mailed or delivered to the insurer. Upon receipt of the notice, the insurer shall notify the commissioner of the cancellation or termination and the commissioner shall ask the employer for the reasons for the cancellation or termination and notify the employer of the duty under this chapter to insure the employer's employees.

(c) In addition to the requirements under paragraphs (a) and (b), with respect to any trucker employer in classification 7219, 7230, 7231, ~~or~~ 7360, or 8293 pursuant to the classification plan required to be filed under section 79.61, if the insurer or its agent has delivered or mailed a written certificate of insurance certifying that a policy in the name of a trucker employer under this paragraph is in force, then the insurer or its agent shall also deliver or mail written notice of any midterm cancellation to the trucker employer recipient of the certificate of insurance at the address listed on the certificate. If an insurer or its agent fails to mail or deliver notice of any midterm cancellation of the trucker employer's policy to the trucker employer recipient of the certificate of insurance, then the special compensation fund shall indemnify and hold harmless the recipient from any award of benefits or other damages under this chapter resulting from the failure to give notice.”

Page 27, line 34, delete “11” and insert “12”

Page 28, line 1, delete “11” and insert “12”

Page 28, lines 3 and 11, delete “an 11” and insert “a 12”

Page 28, after line 23, insert:

“Sec. 5. [TRUCK DRIVER CLASSIFICATIONS.]

*The commissioner of commerce shall evaluate the current system of classification of truck drivers for workers' compensation rate purposes that*

*separates truck drivers in classes 7219, 7380, and 8293 from the classifications for the vast majority of truck drivers employed in the private carrier industry as defined in Minnesota Statutes, section 221.011, subdivision 26. The commissioner shall determine if the classification is fair and equitable to employers of truck drivers in those three classes. If the commissioner determines that those classifications are not fair and equitable to those three classes, the commissioner shall make findings and issue an order correcting the unfairness or inequity."*

Page 28, line 25, delete "2" and insert "3"

Page 28, line 26, after the period, insert "*Section 2 is effective August 1, 1991.*" and delete "3" and insert "4"

Page 28, line 27, delete "3" and insert "4"

Re-number the sections of article 3 in sequence

Page 30, after line 3, insert:

"Sec. 4. [176.307] [COMPENSATION JUDGES; BLOCK SYSTEM.]

*The chief administrative law judge must assign workers' compensation cases to compensation judges using a block system type of assignment that, among other things, ensures that a case will remain with the same judge from commencement to conclusion unless the judge is removed from the case by exercise of a legal right of a party or by incapacity. The block system must be the principal means of assigning cases, but it may be supplemented by other systems of case assignment to ensure that cases are timely decided."*

Page 30, delete section 5

Page 30, after line 19, insert:

"Sec. 6. [SPECIAL FUND ASSESSMENTS.]

*The commissioner of labor and industry shall, in addition to any other adjustments, reduce the assessment rate for the special compensation fund under Minnesota Statutes, section 176.129, by a percentage that yields a decrease in the gross amount that would otherwise be collected from the assessment in the period January 1, 1992, to January 1, 1993, equal to the appropriation made from the general fund by sections 3 and 5."*

Page 30, line 22, delete "4" and insert "5" and delete everything after the period and insert "*Section 4 is effective July 1, 1991.*"

Page 30, delete line 23 and insert "*Section 6 is effective the day following final enactment.*"

Re-number the sections of article 4 in sequence

Page 32, line 20, before "salary" insert "range of"

Page 32, line 21, delete "of" and insert "*and the salary level within it for*"

Page 33, after line 26, insert:

## "ARTICLE 6

## WORKERS' COMPENSATION REHABILITATION PROGRAM

## Section 1. [VOCATIONAL REHABILITATION.]

*The responsibilities of the workers' compensation program of the rehabilitation services division of the department of jobs and training are transferred to the department of labor and industry pursuant to Minnesota Statutes, section 15.039. The transferred employees shall constitute the vocational rehabilitation unit of the department of labor and industry.*

Sec. 2. Minnesota Statutes 1990, section 176.104, subdivision 1, is amended to read:

Subdivision 1. [DISPUTE.] If there exists a dispute regarding medical causation or whether an injury arose out of and in the course and scope of employment and an employee has been disabled for the requisite time under section 176.102, subdivision 4, prior to determination of liability, the employee shall be referred by the commissioner to the ~~division of department's~~ vocational rehabilitation unit which shall provide rehabilitation consultation if appropriate. The services provided by the ~~division of department's~~ vocational rehabilitation unit and the scope and term of the rehabilitation are governed by section 176.102 and rules adopted pursuant to that section. Rehabilitation costs and services under this subdivision shall be monitored by the commissioner.

Sec. 3. Minnesota Statutes 1990, section 176.1041, is amended to read:

## 176.1041 [CERTIFICATION FOR FEDERAL TAX CREDIT.]

Subdivision 1. [CERTIFICATION PROGRAM.] The ~~division of~~ vocational rehabilitation unit shall establish a program authorizing qualified rehabilitation consultants and approved vendors to refer an employee to the ~~division unit~~ for the sole purpose of federal targeted jobs tax credit eligibility determination. The ~~division unit~~ shall set forth the specific requirements, procedures and eligibility criteria for purposes of this section. The ~~division unit~~ shall not be required to certify an injured employee who does not meet the eligibility requirements set forth in the federal Rehabilitation Act of 1973, as amended.

Subd. 2. [FEE.] The ~~division unit~~ is authorized to collect a fee from the qualified rehabilitation consultant or approved vendor in the amount necessary to determine eligibility and to certify an employee for this program.

Sec. 4. Minnesota Statutes 1990, section 268A.03, is amended to read:

## 268A.03 [POWERS AND DUTIES.]

The commissioner shall:

(a) certify the rehabilitation facilities to offer extended employment programs, grant funds to the extended employment programs, and perform the duties as specified in section 268A.09;

(b) provide vocational rehabilitation services to persons with disabilities in accordance with the state plan for vocational rehabilitation. These services include but are not limited to: diagnostic and related services incidental to determination of eligibility for services to be provided, including medical diagnosis and vocational diagnosis; vocational counseling, training and instruction, including personal adjustment training; physical restoration, including corrective surgery, therapeutic treatment, hospitalization and

prosthetic and orthotic devices, all of which shall be obtained from appropriate established agencies; transportation; occupational and business licenses or permits, customary tools and equipment; maintenance; books, supplies, and training materials; initial stocks and supplies; placement; on-the-job skill training and time-limited postemployment services leading to supported employment; acquisition of vending stands or other equipment, initial stocks and supplies for small business enterprises; supervision and management of small business enterprises, merchandising programs, or services rendered by severely disabled persons. Persons with a disability are entitled to free choice of vendor for any medical, dental, prosthetic, or orthotic services provided under this paragraph;

(c) expend funds and provide technical assistance for the establishment, improvement, maintenance, or extension of public and other nonprofit rehabilitation facilities or centers;

~~(d) formulate plans of cooperation with the commissioner of labor and industry for providing services to workers covered under the workers' compensation act;~~

(e) maintain a contractual or regulatory relationship with the United States as authorized by the Social Security Act, as amended. Under this relationship, the state will undertake to make determinations referred to in those public laws with respect to all individuals in Minnesota, or with respect to a class or classes of individuals in this state that is designated in the agreement at the state's request. It is the purpose of this relationship to permit the citizens of this state to obtain all benefits available under federal law;

~~(f) (e) provide an in-service training program for division of rehabilitation services employees by paying for its direct costs with state and federal funds;~~

~~(g) (f) conduct research and demonstration projects; provide training and instruction, including establishment and maintenance of research fellowships and traineeships, along with all necessary stipends and allowances; disseminate information to persons with a disability and the general public; and provide technical assistance relating to vocational rehabilitation and independent living;~~

~~(h) (g) receive and disburse pursuant to law money and gifts available from governmental and private sources including, but not limited to, the federal Department of Education and the Social Security Administration, for the purpose of vocational rehabilitation or independent living. Money received from workers' compensation carriers for vocational rehabilitation services to injured workers must be deposited in the general fund;~~

~~(i) (h) design all state plans for vocational rehabilitation or independent living services required as a condition to the receipt and disbursement of any money available from the federal government;~~

~~(j) (i) cooperate with other public or private agencies or organizations for the purpose of vocational rehabilitation or independent living. Money received from school districts, governmental subdivisions, mental health centers or boards, and private nonprofit organizations is appropriated to the commissioner for conducting joint or cooperative vocational rehabilitation or independent living programs;~~

~~(k)~~ (j) enter into contractual arrangements with instrumentalities of federal, state, or local government and with private individuals, organizations, agencies, or facilities with respect to providing vocational rehabilitation or independent living services;

~~(h)~~ (k) take other actions required by state and federal legislation relating to vocational rehabilitation, independent living, and disability determination programs;

~~(m)~~ (l) hire staff and arrange services and facilities necessary to perform the duties and powers specified in this section; and

~~(n)~~ (m) adopt, amend, suspend, or repeal rules necessary to implement or make specific programs that the commissioner by sections 268A.01 to 268A.10 is empowered to administer.

Sec. 5. [REPEALER.]

*Minnesota Statutes 1990, section 268A.05, subdivision 2, is repealed.*

Sec. 6. [EFFECTIVE DATE.]

*This article is effective July 1, 1991.*"

Amend the title as follows:

Page 1, line 9, after "11;" insert "176.104, subdivision 1; 176.1041;"

Page 1, line 11, after the first semicolon, insert "176.185, subdivision 1;"

Page 1, line 13, after the semicolon, insert "268A.03;"

Page 1, line 16, delete "and" and before the period, insert "; and 268A.05, subdivision 2"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Mr. Benson, D.D. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 462: A bill for an act relating to the environment; establishing an environmental enforcement account; establishing a field citation pilot project for unauthorized disposal of solid waste; amending Minnesota Statutes 1990, sections 115.072; and 116.07, subdivision 4d; proposing coding for new law in Minnesota Statutes, chapter 115.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 115.072, is amended to read:

115.072 [RECOVERY OF LITIGATION COSTS AND EXPENSES.]

In any action brought by the attorney general, in the name of the state, pursuant to the provisions of this chapter and chapter 116, for civil penalties, injunctive relief, or in an action to compel compliance, if the state shall finally prevail, and if the proven violation was willful, the state, in addition to other penalties provided in this chapter, may be allowed an amount

determined by the court to be the reasonable value of all or a part of the litigation expenses incurred by the state. In determining the amount of such litigation expenses to be allowed, the court shall give consideration to the economic circumstances of the defendant.

~~All~~ Amounts recovered under the provisions of this section and section 115.071, subdivisions 3 to 5, shall be paid into the *environmental enforcement account in the environmental fund in the state treasury to the extent provided in section 2. Any amounts remaining must be deposited in the general fund.*

Sec. 2. [115.073] [ENFORCEMENT FUNDING.]

*Subdivision 1. [ENVIRONMENTAL ENFORCEMENT ACCOUNT.] An environmental enforcement account is created in the environmental fund in the state treasury.*

*Subd. 2. [REVENUE SOURCES.] Revenue from the following sources must be deposited in the state treasury and credited to the environmental enforcement account:*

*(1) except as provided in sections 115B.20, subdivision 4, clause (2), 115C.05, and 473.845, subdivision 8, all money recovered by the state under this chapter and chapters 115A and 116, including civil penalties and money paid under an agreement, stipulation, or settlement, excluding money paid for past due fees or taxes, up to a maximum of \$ . . . . per year; and*

*(2) all interest attributable to investment of money deposited in the account.*

*Subd. 3. [PURPOSES FOR WHICH MONEY MAY BE SPENT.] Subject to appropriation by the legislature, the money in the account may be spent only for the following purposes:*

*(1) paying the costs of sampling, laboratory testing, and monitoring necessary to support enforcement actions;*

*(2) establishing or improving data management systems necessary to monitor compliance with the requirements of this chapter or chapter 115A or 116;*

*(3) training of enforcement personnel including legal, technical, and investigative staff of the state and of local units of government;*

*(4) paying the costs of equipment and other expenses necessary to investigate violations of this chapter and chapters 115A and 116;*

*(5) providing information to regulated entities and to the public on the requirements of this chapter and chapters 115A and 116;*

*(6) paying the costs of studies required under sections 5 and 6;*

*(7) paying the costs of hearings related to enforcement actions; and*

*(8) reimbursing the game and fish fund and the general fund for costs attributable to the field citation pilot project under section 3.*

Sec. 3. [115.074] [FIELD CITATION PILOT PROJECT.]

*Subdivision 1. [AUTHORITY TO ISSUE.] Department of natural resources conservation officers may issue citations to a person who disposes of solid waste as defined in section 116.06, subdivision 10, at a location not authorized by law for the disposal of solid waste.*



*Subd. 2. [PENALTY AMOUNT.] The citation must impose the following penalty amounts:*

*(1) \$100 per major appliance, as defined in section 115A.03, subdivision 17a, up to a maximum of \$2,000;*

*(2) \$25 per waste tire, as defined in section 115A.90, subdivision 11, unless utilized in an agricultural pursuit, up to a maximum of \$2,000;*

*(3) \$25 per lead acid battery governed by section 115A.915 up to a maximum of \$2,000;*

*(4) \$1 per pound of other solid waste or \$20 per cubic foot up to a maximum of \$2,000; and*

*(5) \$200 for any amount of waste that escapes from a vehicle used for the transportation of solid waste if, after receiving actual notice that waste has escaped from the vehicle, the person or company transporting the waste fails to collect the waste.*

*Subd. 3. [APPEALS.] Citations may be appealed under the procedures in section 116.072, subdivision 6, if the person requests a hearing by notifying the commissioner within 15 days after receipt of the citation. If a hearing is not requested within the 15-day period, the citation becomes a final order not subject to further review.*

*Subd. 4. [ENFORCEMENT OF FIELD CITATIONS.] Field citations may be enforced under section 116.072, subdivision 9.*

*Subd. 5. [CUMULATIVE REMEDY.] The authority of conservation officers to issue field citations is in addition to other remedies available under statutory or common law, except that the state may not seek penalties under any other provision of law for the incident subject to the citation.*

Sec. 4. Minnesota Statutes 1990, section 116.07, subdivision 4d, is amended to read:

*Subd. 4d. [PERMIT FEES.] The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of reviewing and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The agency shall adopt rules under section 16A.128 establishing the amounts and methods of collection of any permit fees collected under this subdivision. The fee schedule must reflect reasonable and routine permitting, implementation, and enforcement costs. Any money collected under this subdivision shall be deposited in the special revenue account.*

Sec. 5. [STUDY OF FIELD CITATION PILOT PROGRAM.]

*The pollution control agency, in consultation with the department of natural resources and the attorney general, shall prepare a study on the effectiveness and limitations of the field citation pilot program. The study must make recommendations about the continued use of field citations. The study must be submitted to the legislative commission on waste management by November 15, 1992.*

Sec. 6. [STUDY OF THE ROLE OF LOCAL GOVERNMENTAL UNITS IN ENVIRONMENTAL PROGRAMS.]

*The pollution control agency shall conduct a study of the role that local*

*governmental units should play in enforcing the requirements of state environmental programs within the jurisdiction of the pollution control agency. The study must involve representatives of the attorney general, local governmental units, environmental organizations, and businesses. Public meetings must be held in at least four locations in the state prior to the completion of the study. The study must identify which environmental programs, or parts of programs, could be enforced at the local level; criteria for approving local enforcement programs; resources needed to support local enforcement programs; sources of funding to ensure adequate resources are available; the ability of local governmental units to enforce the laws; and the training and testing needs of local governmental units to support enforcement. If the study concludes that additional elements of the state's environmental programs should be enforced by local governmental units, the study report must include a recommended strategy for involving local governmental units in the enforcement of program elements. The strategy must consider methods of maintaining consistent enforcement throughout the state of environmental program elements that may be enforced by local governmental units and methods of avoiding duplicative enforcement activities. The study must be submitted to the committees on environment and natural resources of the legislature by October 1, 1992.*

**Sec. 7. [REPORT TO THE LEGISLATURE.]**

*The pollution control agency shall monitor the use of the new enforcement authority provided in the 1991 legislative session and the use of the environmental enforcement account, and after consulting with the attorney general report the results to the legislature by November 15, 1992. The report must also contain recommendations on establishing a permanent system for reporting progress in achieving compliance with environmental laws to the legislature and to the public.*

**Sec. 8. [REPEALER.]**

*Section 3 is repealed.*

**Sec. 9. [EFFECTIVE DATE.]**

*Section 8 is effective July 1, 1993."*

Delete the title and insert:

*"A bill for an act relating to the environment; establishing an environmental enforcement account; establishing a field citation pilot project for unauthorized disposal of solid waste; amending Minnesota Statutes 1990, sections 115.072; and 116.07, subdivision 4d; proposing coding for new law in Minnesota Statutes, chapter 115."*

And when so amended the bill do pass and be re-referred to the Committee on Finance.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 480: A bill for an act relating to the environment; authorizing background investigations of environmental permit applicants; expanding current authority to impose administrative penalties for air and water pollution and solid waste management violations; amending Minnesota Statutes

1990, sections 115.071, by adding a subdivision; 115C.05; and 116.072, subdivisions 1, 2, and 6; proposing coding for new law in Minnesota Statutes, chapter 115.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 115.071, is amended by adding a subdivision to read:

*Subd. 6. [ADMINISTRATIVE PENALTIES.] A provision of law that may be enforced under this section may also be enforced under section 116.072.*

Sec. 2. [115.075] [INFORMATION AND MONITORING.]

*A person may not:*

*(1) make a material false statement, representation, or certification in; omit material information from; or alter, conceal, or fail to file or maintain a notice, application, record, report, plan, manifest, or other document required under section 103F.701 or this chapter or chapter 115A or 116; or*

*(2) falsify, tamper with, render inaccurate, or fail to install a monitoring device or method required to be maintained or followed for the purpose of compliance with sections 103F.701 to 103F.761 or this chapter or chapter 115A or 116.*

Sec. 3. [115.076] [BACKGROUND OF PERMIT APPLICANTS.]

*Subdivision 1. [AUTHORITY OF COMMISSIONER.] The agency may refuse to issue or to authorize the transfer of a hazardous waste facility permit or a solid waste facility permit to construct or operate a commercial waste facility as defined in section 115A.03, subdivision 6, if the agency determines that the permit applicant does not possess sufficient expertise and competence to operate the facility in conformance with the requirements of chapters 115 and 116, or if other circumstances exist that demonstrate that the permit applicant may not operate the facility in conformance with the requirements of chapters 115 and 116. In making this determination, the agency may consider:*

*(1) the experience of the permit applicant in constructing or operating commercial waste facilities;*

*(2) the expertise of the permit applicant;*

*(3) the past record of the permit applicant in operating commercial waste facilities in Minnesota and other states;*

*(4) any criminal convictions of the permit applicant in state or federal court during the past five years that bear on the likelihood that the permit applicant will operate the facility in conformance with the requirements of chapters 115 and 116; and*

*(5) in the case of a corporation or business entity, any criminal convictions in state or federal court during the past five years of any of the permit applicant's officers, partners, or facility managers that bear on the likelihood that the facility will be operated in conformance with the requirements of chapters 115 and 116.*

*Subd. 2. [INVESTIGATION.] The commissioner may conduct an investigation to assist in making determinations under subdivision 1. The reasonable costs of an investigation must be paid by the permit applicant.*

*Subd. 3. [NOTICE OF PERMIT DENIAL.] The agency may not refuse to issue or transfer a permit under this section without first providing the permit applicant with the relevant information and with an opportunity to respond by commenting on the information and submitting additional information. The agency shall consider the permit applicant's response prior to making a final decision on the permit.*

*Subd. 4. [HEARING.] If the agency proposes to deny a permit under this section, the permit applicant may request a hearing under chapter 14. The permit applicant may request that the hearing be held under Minnesota Rules, parts 1400.8510 to 1400.8612.*

Sec. 4. Minnesota Statutes 1990, section 115C.05, is amended to read:  
115C.05 [CIVIL PENALTY.]

The agency may enforce section 115C.03 using the actions and remedies authorized under ~~section~~ sections 115.071, subdivision 3; and 116.072. The civil penalties recovered by the state must be credited to the fund.

Sec. 5. Minnesota Statutes 1990, section 116.072, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO ISSUE PENALTY ORDERS.] The commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for ~~hazardous waste violations under sections 115.061 and 116.07, and Minnesota Rules, chapter 7045~~ of this chapter and chapters 115, 115A, and 115D, any rules promulgated under those chapters, and any standards, limitations, or conditions established in an agency permit; and for failure to respond to a request for information under section 115B.17, subdivision 3. The order must be issued as provided in this section.

Sec. 6. Minnesota Statutes 1990, section 116.072, subdivision 2, is amended to read:

Subd. 2. [AMOUNT OF PENALTY; CONSIDERATIONS.] (a) The commissioner may issue an order assessing a penalty up to \$10,000 for all violations identified during an inspection or other compliance review.

(b) In determining the amount of a penalty the commissioner may consider:

- (1) the willfulness of the violation;
  - (2) the gravity of the violation, including damage to humans, animals, air, water, land, or other natural resources of the state;
  - (3) the history of past violations;
  - (4) the number of violations;
  - (5) the economic benefit gained by the person by allowing or committing the violation; and
  - (6) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order.
- (c) For a violation after an initial violation, the commissioner shall, in

determining the amount of a penalty, consider the factors in paragraph (b) and the:

- (1) similarity of the most *recent* previous violation and the violation to be penalized;
- (2) time elapsed since the last violation;
- (3) number of previous violations; and
- (4) response of the person to the most *recent* previous violation identified.

Sec. 7. Minnesota Statutes 1990, section 116.072, subdivision 6, is amended to read:

Subd. 6. [EXPEDITED ADMINISTRATIVE HEARING.] (a) Within 30 days after receiving an order or within 20 days after receiving notice that the commissioner has determined that a violation has not been corrected or appropriate steps have not been taken, the person subject to an order under this section may request an expedited hearing, *utilizing the procedures of Minnesota Rules, parts 1400.8510 to 1400.8612*, to review the commissioner's action. *The hearing request must specifically state the reasons for seeking review of the order.* The person to whom the order is directed and the ~~director~~ commissioner are the parties to the expedited hearing. The commissioner must notify the person to whom the order is directed of the time and place of the hearing at least 20 days before the hearing. The expedited hearing must be held within 30 days after a request for hearing has been filed with the commissioner unless the parties agree to a later date.

(b) All written arguments must be submitted within ten days following the close of the hearing. The hearing shall be conducted under ~~the conference contested case rules of the office of administrative hearings~~ *Minnesota Rules, parts 1400.8510 to 1400.8612*, as modified by this subdivision. The office of administrative hearings may, in consultation with the agency, adopt rules specifically applicable to cases under this section.

(c) The administrative law judge shall issue a report making recommendations about the commissioner's action to the commissioner within 30 days following the close of the record. The administrative law judge may not recommend a change in the amount of the proposed penalty unless the administrative law judge determines that, based on the factors in subdivision 2, the amount of the penalty is unreasonable.

(d) If the administrative law judge makes a finding that the hearing was requested solely for purposes of delay or that the hearing request was frivolous, the commissioner may add to the amount of the penalty the costs charged to the agency by the office of administrative hearings for the hearing.

(e) If a hearing has been held, the commissioner may not issue a final order until at least five days after receipt of the report of the administrative law judge. The person to whom an order is issued may, within those five days, comment to the commissioner on the recommendations and the commissioner will consider the comments. The final order may be appealed in the manner provided in sections 14.63 to 14.69.

(f) If a hearing has been held and a final order issued by the commissioner, the penalty shall be paid by 30 days after the date the final order is received unless review of the final order is requested under sections 14.63 to 14.69.

If review is not requested or the order is reviewed and upheld, the amount due is the penalty, together with interest accruing from 31 days after the original order was received at the rate established in section 549.09.

Sec. 8. Minnesota Statutes 1990, section 116.072, subdivision 10, is amended to read:

Subd. 10. [REVOCATION AND SUSPENSION OF PERMIT.] If a person fails to pay a penalty owed under this section, the agency has grounds to revoke or refuse to reissue or renew a ~~hazardous waste~~ permit issued by the agency.

Sec. 9. Minnesota Statutes 1990, section 116.072, subdivision 11, is amended to read:

Subd. 11. [CUMULATIVE REMEDY.] The authority of the agency to issue a corrective order assessing penalties is in addition to other remedies available under statutory or common law, *except that the state may not seek penalties under any other provision of law for the violations covered by the administrative penalty order.* The payment of a penalty does not preclude the use of other enforcement provisions *under which penalties are not assessed* in connection with the violation for which the penalty was assessed.

Sec. 10. [116.90] [CITIZEN REPORTS OF ENVIRONMENTAL VIOLATIONS.]

*The agency shall maintain and publicize a toll-free number to enable citizens to report information about potential environmental violations. The agency may establish a program to pay awards from funds raised from private sources to persons who provide information that leads to the conviction for an environmental crime.*

Sec. 11. [PLAN FOR USE OF ADMINISTRATIVE PENALTY ORDERS.]

*The commissioner shall prepare a plan for using the administrative penalty authority in Minnesota Statutes, section 116.072. The commissioner shall provide a 30-day period for public comment on the plan. The plan must be submitted to the agency for approval by October 1, 1991.*

Sec. 12. [INSTRUCTION TO REVISOR.]

*In Minnesota Statutes 1992 and subsequent editions, the revisor of statutes shall, in each of the following sections, before "115.071" delete "section" and insert "sections" and after "115.071" insert "and 116.072":*

*18D.325, subdivision 2;*

*115A.906, subdivision 2;*

*115A.915;*

*115A.916;*

*115A.9561;*

*116.07, subdivision 4i;*

*116.83, subdivision 2; and*

*473.845, subdivision 8."*

Delete the title and insert:

"A bill for an act relating to the environment; authorizing background

investigations of environmental permit applicants; expanding current authority to impose administrative penalties for air and water pollution and solid waste management violations; amending Minnesota Statutes 1990, sections 115.071, by adding a subdivision; 115C.05; and 116.072, subdivisions 1, 2, 6, 10, and 11; proposing coding for new law in Minnesota Statutes, chapters 115 and 116.”

And when so amended the bill do pass and be re-referred to the Committee on Judiciary.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 546: A bill for an act relating to crimes; environmental enforcement; imposing criminal penalties for knowing violations of standards related to hazardous air pollutants and toxic pollutants in water; providing that certain property is subject to forfeiture in connection with convictions for water pollution and air pollution violations; imposing criminal penalties for unauthorized disposal of solid waste; authorizing prosecution of environmental crimes by the attorney general; providing for environmental restitution as part of a sentence; increasing criminal penalties for false statements on documents related to permits and record keeping; amending Minnesota Statutes 1990, sections 18D.331, subdivision 4; 609.531, subdivision 1; and 609.671.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [18D.151] [HANDLING AND DISPOSAL OF WASTE AGRICULTURAL CHEMICALS.]

*Subdivision 1. [WASTE AGRICULTURAL CHEMICALS.] (a) Agricultural chemicals not intended for regular use shall be collected, recycled, and reused, including reuse and disposal of agricultural chemicals as provided by the label, land application of soil containing agricultural chemicals, and collection of waste pesticides under section 18B.065.*

*(b) The commissioner shall adopt rules prescribing procedures for the storage, handling, transportation, and disposal of waste agricultural chemicals. Waste agricultural chemicals are agricultural chemicals that cannot be recycled or reused, including suspended use agricultural chemicals, canceled use agricultural chemicals, and certain off-specification and adulterated agricultural chemicals that cannot be recycled or reused.*

*(c) The rules must be consistent with the federal Insecticide, Fungicide, and Rodenticide Act, United States Code, title . . . . ., sections . . . . . et seq., and other federal law.*

*(d) The commissioner shall establish separate procedures for the storage, handling, transportation, and disposal of: (1) agricultural chemicals for application to land and waters in silvicultural and agricultural practices; (2) agricultural chemicals used for industrial or other commercial purposes; and (3) agricultural chemicals used for residential purposes.*

*Subd. 2. [HAZARDOUS WASTES.] Waste agricultural chemicals are*

*hazardous wastes under other law if the waste agricultural chemicals are not stored, handled, transported, and disposed as provided in subdivision 1 and would otherwise be hazardous wastes. The commissioner and the commissioner of the pollution control agency shall determine which agricultural chemicals have hazardous waste characteristics, and shall make a list available to registrants and notify users of the agricultural chemicals. The commissioner of agriculture shall administer and enforce provisions of law relating to waste agricultural chemicals that are hazardous wastes under other law.*

Sec. 2. Minnesota Statutes 1990, section 18D.331, subdivision 4, is amended to read:

Subd. 4. [~~DISPOSAL THAT BECOMES OF HAZARDOUS WASTE.~~] A person who knowingly, ~~or with reason to know,~~ disposes of an agricultural chemical ~~so that the product becomes hazardous waste that is a hazardous waste in violation of section 18D.151 and causes an unreasonable adverse effect on the environment~~ is subject to the penalties in section ~~445.074~~ 609.671, subdivision 4, paragraph (b).

Sec. 3. Minnesota Statutes 1990, section 609.531, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purpose of sections 609.531 to 609.5317, 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, the suburban Hennepin regional park district park rangers, 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; 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, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 237.73; 617.246; or a gross misdemeanor or felony violation of section 609.891.



(g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

Sec. 4. Minnesota Statutes 1990, section 609.671, is amended to read:  
609.671 [ENVIRONMENT; CRIMINAL PENALTIES.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Agency" means the pollution control agency.

(b) "Deliver" or "delivery" means the transfer of possession of hazardous waste, with or without consideration.

(c) "Dispose" or "disposal" has the meaning given it in section 115A.03, subdivision 9.

(d) "*Hazardous air pollutant*" means an air pollutant listed under United States Code, title 42, section 7412(b).

(e) "Hazardous waste" means any waste identified as hazardous under the authority of section 116.07, subdivision 4, except for those wastes exempted under Minnesota Rules, part 7045.0120, wastes generated under Minnesota Rules, part 7045.0213 or 7045.0304, and household appliances.

(e) (f) "Permit" means a permit issued by the pollution control agency ~~or interim status for a treatment, storage, or disposal facility under chapter 115 or 116 or the rules promulgated under those chapters including interim status for hazardous waste that qualifies under the agency rules facilities.~~

(g) "*Solid waste*" has the meaning given in section 116.06, subdivision 10.

(h) "*Toxic pollutant*" means a toxic pollutant on the list established under United States Code, title 33, section 1317.

Subd. 2. [PROOF OF KNOWING STATE OF MIND.] (a) ~~Knowledge possessed by a person other than the defendant but not by the defendant may not be attributed to the defendant. In proving a defendant's actual knowledge, circumstantial evidence may be used, including evidence that the defendant took affirmative steps to shield the defendant from relevant information.~~

(b) ~~Proof of a defendant's reason to know may not consist solely of the fact that the defendant held a certain job or position of management responsibility. If evidence of the defendant's job or position is offered, it must be corroborated by evidence of defendant's reason to know. Corroborating evidence must include evidence that the defendant had information regarding the offense for which the defendant is charged, that the information pertained to hazardous waste management practices directly under the defendant's control or within the defendant's supervisory responsibilities, and that the information would cause a reasonable and prudent person in the defendant's position to learn the actual facts. For purposes of this section, an act is committed knowingly if it is done voluntarily and is not the result of negligence, mistake, accident, or circumstances that are beyond the control of the defendant. Whether an act was knowing may be inferred from the person's conduct, from the person's familiarity with the subject matter in question, or from all of the facts and circumstances connected with the case. Knowledge may also be established by evidence that the person took affirmative steps to shield the person from relevant information. Proof of knowledge does not require that a person knew a particular act or failure to act was a violation of law or that the person had specific knowledge of the regulatory limits or testing procedures involved in~~

a case.

(b) Knowledge by a corporate official may be established under paragraph (a) or by proof that the person is a responsible corporate official. To prove that a person is a responsible corporate official, it must be shown that:

- (1) the person is an official of the corporation, not merely an employee;
- (2) the person has direct control of or supervisory responsibility for the activities, but not solely that the person held a certain job or position in a corporation; and
- (3) the person had information regarding the offense for which the defendant is charged that would lead a reasonable and prudent person in the defendant's position to learn the actual facts.

(c) Knowledge by a corporation may be established by showing that an illegal act was performed by an agent acting on behalf of the corporation within the scope of employment and in furtherance of the corporation's business interest, unless a high managerial person with direct supervisory authority over the agent demonstrated due diligence to prevent the crime's commission.

Subd. 3. [~~HAZARDOUS WASTE; KNOWING ENDANGERMENT.~~] (a) A person is guilty of a felony if the person:

(1) ~~knowingly, or with reason to know, transports, treats, stores, or disposes of hazardous waste in violation of~~ commits an act described in subdivision 4 ~~or, 5, 8, paragraph (a), or 12; and~~

(2) at the time of the violation knowingly places, or has reason to know that the person's conduct places, another person in imminent danger of death, great bodily harm, or substantial bodily harm.

(b) A person convicted under this subdivision may be sentenced to imprisonment for not more than ten years, or to ~~pay~~ payment of a fine of not more than \$100,000, or both, except that a defendant that is an organization may be sentenced to ~~pay~~ payment of a fine of not more than \$1,000,000.

Subd. 4. [~~HAZARDOUS WASTE; UNLAWFUL DISPOSAL OR ABANDONMENT.~~] (a) A person who knowingly, ~~or with reason to know,~~ disposes of or abandons hazardous waste or arranges for the disposal of hazardous waste at a location other than one authorized by the pollution control agency or the United States Environmental Protection Agency, or in violation of any material term or condition of a hazardous waste facility permit, is guilty of a felony and may be sentenced to imprisonment for not more than five years or to ~~pay~~ payment of a fine of not more than \$50,000, or both.

(b) A person who knowingly disposes of an agricultural chemical in violation of section 18D.151, causes an unreasonable adverse effect on the environment, and the agricultural chemical is a hazardous waste, 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 \$50,000, or both.

Subd. 5. [~~HAZARDOUS WASTE; UNLAWFUL TREATMENT, STORAGE, TRANSPORTATION, OR DELIVERY; FALSE STATEMENTS.~~] (a) A person is guilty of a felony who knowingly, ~~or with reason to know,~~ does any of the following:

(1) delivers hazardous waste to any person other than a person who is authorized to receive the waste under rules adopted under section 116.07,

subdivision 4, or under United States Code, title 42, sections ~~9604 6921 to 9675 6938~~;

(2) treats or stores hazardous waste without a permit if a permit is required, or in violation of a material term or condition of a permit held by the person, unless:

(i) the person notifies the agency prior to the time a permit would be required that the person will be treating or storing waste without a permit; or

(ii) for a violation of a material term or condition of a permit, the person immediately notifies the agency issuing the permit of the circumstances of the violation as soon as the person becomes aware of the violation;

(3) transports hazardous waste to any location other than a facility that is authorized to receive, treat, store, or dispose of the hazardous waste under rules adopted under section 116.07, subdivision 4, or under United States Code, title 42, sections ~~9604 6921 to 9675 6938~~;

(4) transports hazardous waste without a manifest as required by the rules under sections 116.07, subdivision 4, and 221.172; or

(5) transports hazardous waste without a license required for the transportation of hazardous waste by chapter 221;

~~(6) makes a false material statement or representation, or a material omission, in an application for a permit or license required by chapter 116 or 221 to treat, transport, store, or dispose of hazardous waste; or~~

~~(7) makes a false material statement or representation, or a material omission, in or on a label, manifest, record, report, or other document filed, maintained, or used for the purpose of compliance with chapter 116 or 221 in connection with the generation, transportation, disposal, treatment, or storage of hazardous waste.~~

(b) A person convicted under this subdivision may be sentenced to imprisonment for not more than three years, or to ~~pay~~ payment of a fine of not more than \$25,000, or both. A person convicted for a second or subsequent offense may be sentenced to imprisonment for not more than five years, or to ~~pay~~ payment of a fine of not more than \$50,000, or both.

Subd. 6. [NEGLIGENT VIOLATION AS GROSS MISDEMEANOR.] A person who commits any of the acts set forth in subdivision 4 ~~or~~, 5, or 12 as a result of the person's gross negligence is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year, or to ~~pay~~ payment of a fine of not more than \$15,000, or both.

Subd. 7. [AGGREGATION PROSECUTION.] When two or more offenses in violation of ~~subdivision 4 this section~~ are committed by the same person in two or more counties within a two-year period, ~~the offenses may be aggregated and~~ the accused may be prosecuted in any county in which one of the offenses was committed.

Subd. 8. [WATER POLLUTION.] (a) *A person is guilty of a felony who knowingly:*

(1) *causes the violation of an effluent standard or limitation for a toxic pollutant in a national pollutant discharge elimination system permit or state disposal system permit;*

(2) *introduces into a sewer system or into a publicly owned treatment*

works a hazardous substance that the person knew or reasonably should have known is likely to cause personal injury or property damage; or

(3) except in compliance with all applicable federal, state, and local requirements and permits, introduces into a sewer system or into a publicly owned treatment works a hazardous substance that causes the treatment works to violate an effluent limitation or condition of the treatment works national pollutant discharge elimination system permit.

(b) For purposes of paragraph (a), "hazardous substance" means a substance on the list established under United States Code, title 33, section 1321(b).

(c) A person convicted under paragraph (a) may be sentenced to imprisonment for not more than three years, or to payment of a fine of not more than \$50,000 a day of violation, or both.

(d) A person is guilty of a gross misdemeanor who ~~willfully commits any of the following acts knowingly:~~

(1) violates any effluent standard or limitation, or any water quality standard adopted by the agency;

(2) violates any national pollutant discharge elimination system permit or state disposal system permit or any material term or condition of the permit;

(3) fails to ~~permit allow~~ or carry out any recording, reporting, monitoring, sampling, or information entry, access, copying, or other inspection or investigation gathering requirement provided for under chapter 115 or, with respect to pollution of the waters of the state, chapter 116; or

(4) fails to ~~comply with any~~ file a discharge monitoring report or other document required for compliance with a national pollutant discharge elimination system or state disposal system filing requirement.

~~(b)~~ (e) A person convicted under this subdivision paragraph (d) may be sentenced to imprisonment for not more than one year, or to pay payment of a fine of not less than \$2,500 and not more than ~~\$40,000~~ \$25,000 per day of violation, or both. A person convicted for a second or subsequent offense may be sentenced to imprisonment for not more than two years, or to pay payment of a fine of not more than \$50,000 per day of violation, or both.

(f) A person is not guilty of a crime under this subdivision if the person notified the pollution control agency as soon as the person discovered the violation and took steps to promptly remedy the violation, unless the violation was intentional.

Subd. 9. ~~[INFORMATION AND MONITORING FALSE STATEMENTS; TAMPERING.]~~ (a) ~~Except as provided in subdivision 5, paragraph (a), clauses (6) and (7);~~ A person is guilty of a gross misdemeanor felony who knowingly:

(1) makes any ~~material~~ materially false statement, representation, or certification in ~~any~~; omits material information from; or alters, conceals, or fails to file or maintain a notice, application, record, report, plan, manifest, permit, license, or other document ~~filed, maintained, or used for the purpose of compliance with~~ required under sections 103F.701 to 103F.761; or, chapter 115, 115A, or, with respect to pollution of the waters of the state, chapter 116; or the hazardous waste transportation requirements of chapter 221; or

(2) falsifies, tampers with, ~~or renders inaccurate, or fails to install any~~ monitoring device or method *required to be maintained or used followed* for the purpose of compliance with sections 103F.701 to 103F.761, or chapter 115, 115A, or ~~;~~ *with respect to pollution of the waters of the state, chapter* 116.

(b) A person convicted under this subdivision may be sentenced to imprisonment for not more than ~~six months~~ *two years*, or to ~~pay~~ *payment of* a fine of not more than ~~\$20,000~~ *\$10,000* per day of violation, or both.

Subd. 10. [FAILURE TO REPORT A RELEASE OF A HAZARDOUS SUBSTANCE OR AN EXTREMELY HAZARDOUS SUBSTANCE.] (a) A person is, upon conviction, subject to a fine of up to \$25,000 or imprisonment for up to two years, or both, who:

(1) is required to report the release of a hazardous substance under United States Code, title 42, section 9603, or the release of an extremely hazardous substance under United States Code, title 42, section 11004;

(2) knows ~~or has reason to know~~ that a hazardous substance or an extremely hazardous substance has been released; and

(3) fails to provide immediate notification of the release of a reportable quantity of a hazardous substance or an extremely hazardous substance to the state emergency response center, or a firefighting or law enforcement organization.

(b) For a second or subsequent conviction under this subdivision, the violator is subject to a fine of up to \$50,000 or imprisonment for not more than five years, or both.

(c) For purposes of this subdivision, a "hazardous substance" means a substance on the list established under United States Code, title 42, section 9602.

(d) For purposes of this subdivision, an "extremely hazardous substance" means a substance on the list established under United States Code, title 42, section 11002.

(e) For purposes of this subdivision, a "reportable quantity" means a quantity that must be reported under United States Code, title 42, section 9602 or 11002.

Subd. 11. [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 116.76 at a location or in a manner that is prohibited by section 116.78 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.

Subd. 12. [AIR POLLUTION.] (a) A person is guilty of a felony who knowingly:

(1) causes a violation of a national emission standard for a hazardous air pollutant adopted under United States Code, title 42, section 7412; or

(2) causes a violation of an emission standard, limitation, or operational limitation for a hazardous air pollutant established in a permit issued by

*the pollution control agency.*

*(b) A person is not guilty of a crime under this subdivision if the person notified the pollution control agency as soon as the person discovered the violation and took steps to promptly remedy the violation, unless the violation was intentional.*

*(c) A person convicted under this subdivision may be sentenced to imprisonment for not more than three years, or to payment of a fine of not more than \$50,000 a day of violation, or both.*

Sec. 5. [EFFECTIVE DATE.]

*Sections 1 to 4 are effective August 1, 1991, and apply to crimes committed on or after that date."*

Delete the title and insert:

"A bill for an act relating to crimes; environmental enforcement; imposing criminal penalties for knowing violations of standards related to hazardous air pollutants and toxic pollutants in water; providing that certain property is subject to forfeiture in connection with convictions for water pollution and air pollution violations; imposing criminal penalties for unauthorized disposal of solid waste; authorizing prosecution of environmental crimes by the attorney general; providing for environmental restitution as part of a sentence; increasing criminal penalties for false statements on documents related to permits and record keeping; amending Minnesota Statutes 1990, sections 18D.331, subdivision 4; 609.531, subdivision 1; and 609.671; proposing coding for new law in Minnesota Statutes, chapter 18D."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 3: A bill for an act relating to wetlands; preserving, enhancing, establishing, and restoring wetlands; identifying wetlands; establishing wetland public value criteria; designating priority areas to establish and preserve wetlands; requiring local water plans to include wetlands with high public value; establishing wetland preservation areas; authorizing a tax exemption for wetland preservation areas; establishing a wetland restoration and compensation fund; establishing fees to pay for wetland establishment, preservation, and restoration; requiring permits and providing criteria for alternative uses of wetlands; requiring compensation for denied uses of wetlands; providing authority to establish and restore wetlands on private land; requiring assessment of direct benefits and payment of damages for establishment of wetlands; requiring a report on simplification and coordination of state and federal wetland permitting procedures; amending Minnesota Statutes 1990, sections 97A.475, by adding a subdivision; 103B.155; 103B.231, subdivision 6; 103B.311, subdivision 6; 103G.005, subdivisions 15 and 18; 103G.221; 103G.225; 103G.231; 103G.235; 103G.301, by adding a subdivision; 103I.208, by adding a subdivision; and 272.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 103F; 103G; 116P; and 144.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“WETLAND PRESERVATION, ENHANCEMENT, RESTORATION,  
AND ESTABLISHMENT ACT

ARTICLE 1

POLICY

Section 1. [CITATION.]

*This act may be cited as the “wetland preservation, enhancement, restoration, and establishment act.”*

Sec. 2. [103G.236] [POLICY.]

*The state shall:*

- (1) identify and prioritize the importance of wetlands in the state;*
- (2) promote multiple use of wetlands wherever practical;*
- (3) ensure that where activities decrease the public value of wetlands the lost public value is replaced;*
- (4) compensate owners of private wetlands where they are protected for public use;*
- (5) promote preservation, enhancement, restoration, and establishment of wetlands for water quality, wildlife habitat, floodwater retention, recreational and other uses; and*
- (6) work cooperatively with private landowners and local governments to implement the policy of this section.*

ARTICLE 2

WETLAND IDENTIFICATION, PRIORITIZATION, AND PLANNING

Section 1. Minnesota Statutes 1990, section 103B.155, is amended to read:

103B.155 [STATE WATER AND RELATED LAND RESOURCE PLAN.]

The commissioner of natural resources, in cooperation with other state and federal agencies, regional development commissions, the metropolitan council, local governmental units, and citizens, shall prepare a statewide framework and assessment water and related land resources plan for presentation to the legislature by November 15, 1975, for its review and approval or disapproval. This plan must relate each of the programs of the department of natural resources for specific aspects of water management to the others. The statewide plan must include:

- (1) regulation of improvements and land development by abutting landowners of the beds, banks, and shores of lakes, streams, watercourses, and marshes by permit or otherwise to preserve them for beneficial use;*
- (2) regulation of construction of improvements on and prevention of encroachments in the flood plains of the rivers, streams, lakes, and marshes of the state;*

- (3) reclamation or filling of wet and overflowed lands;
- (4) repair, improvement, relocation, modification or consolidation in whole or in part of previously established public drainage systems within the state;
- (5) preservation of wetland areas;
- (6) management of game and fish resources as related to water resources;
- (7) control of water weeds;
- (8) control or alleviation of damages by flood waters;
- (9) alteration of stream channels for conveyance of surface waters, navigation, and any other public purposes;
- (10) diversion or changing of watercourses in whole or in part;
- (11) regulation of the flow of streams and conservation of their waters;
- (12) regulation of lake water levels;
- (13) maintenance of water supply for municipal, domestic, industrial, recreational, agricultural, aesthetic, wildlife, fishery, or other public use;
- (14) sanitation and public health and regulation of uses of streams, ditches, or watercourses to dispose of waste and maintain water quality;
- (15) preventive or remedial measures to control or alleviate land and soil erosion and siltation of affected watercourses or bodies of water; ~~and~~
- (16) regulation of uses of water surfaces; *and*
- (17) *identification of high priority regions for wetland preservation, enhancement, restoration, and establishment.*

Sec. 2. Minnesota Statutes 1990, section 103B.231, subdivision 6, is amended to read:

Subd. 6. [CONTENTS.] (a) The plan shall:

- (1) describe the existing physical environment, land use, and development in the area and the environment, land use, and development proposed in existing local and metropolitan comprehensive plans;
- (2) present information on the hydrologic system and its components, including drainage systems previously constructed under chapter 103E, and existing and potential problems related thereto;
- (3) state objectives and policies, including management principles, alternatives and modifications, water quality, and protection of natural characteristics;
- (4) set forth a management plan, including the hydrologic and water quality conditions that will be sought and significant opportunities for improvement;
- (5) describe the effect of the plan on existing drainage systems;
- (6) *identify high priority areas for wetland preservation, enhancement, restoration, and establishment and describe any conflicts with wetlands and land use in these areas;*
- (7) describe conflicts between the watershed plan and existing plans of local government units;



(7) (8) set forth an implementation program consistent with the management plan, which includes a capital improvement program and standards and schedules for amending the comprehensive plans and official controls of local government units in the watershed to bring about conformance with the watershed plan; and

(8) (9) set out a procedure for amending the plan.

(b) The board shall adopt rules to establish standards and requirements for amendments to watershed plans. The rules must include:

(1) performance standards for the watershed plans, which may distinguish between plans for urban areas and rural areas;

(2) minimum requirements for the content of watershed plans and plan amendments, including public participation process requirements for amendment and implementation of watershed plans;

(3) standards for the content of capital improvement programs to implement watershed plans, including a requirement that capital improvement programs identify structural and nonstructural alternatives that would lessen capital expenditures; and

(4) how watershed plans are to specify the nature of the official controls required to be adopted by the local units of government, including uniform erosion control, stormwater retention, and wetland protection ordinances in the metropolitan area.

Sec. 3. Minnesota Statutes 1990, section 103B.311, subdivision 6, is amended to read:

Subd. 6. [SCOPE OF PLANS.] Comprehensive water plans must include:

(1) a description of the existing and expected changes to physical environment, land use, and development in the county;

(2) available information about the surface water, groundwater, and related land resources in the county, including existing and potential distribution, availability, quality, and use;

(3) objectives for future development, use, and conservation of water and related land resources, including objectives that concern water quality and quantity, and sensitive areas, wellhead protection areas, *high priority areas for wetland preservation, enhancement, restoration, and establishment*, and related land use conditions, and a description of actions that will be taken in affected watersheds or groundwater systems to achieve the objectives;

(4) a description of potential changes in state programs, policies, and requirements considered important by the county to management of water resources in the county;

(5) a description of conflicts between the comprehensive water plan and existing plans of other local units of government;

(6) a description of possible conflicts between the comprehensive water plan and existing or proposed comprehensive water plans of other counties in the affected watershed units or groundwater systems;

(7) a program for implementation of the plan that is consistent with the plan's management objectives and includes schedules for amending official

controls and water and related land resources plans of local units of government to conform with the comprehensive water plan, and the schedule, components, and expected state and local costs of any projects to implement the comprehensive water plan that may be proposed, although this does not mean that projects are required by this section; and

(8) a procedure for amending the comprehensive water plan.

**Sec. 4. [103G.2363] [WETLAND IDENTIFICATION AND CLASSIFICATION.]**

*Subdivision 1. [IDENTIFICATION.] (a) The commissioner of natural resources and the board of water and soil resources shall identify the wetlands in the state using all available information, including existing maps and information developed by federal and state agencies and local government units. The wetlands must be identified by mapping and digitization and the information must be made available to the public on a county basis.*

*(b) By February 1, 1993, the commissioner of natural resources shall file with the recorder of each county and with each soil and water conservation district a map showing the location of wetlands in the county and shall publish notice of the availability of the map in an official newspaper of general circulation in each county.*

*For purposes of this paragraph, "notice" means the following information in 8-point or larger type:*

**"NOTICE OF AVAILABILITY OF WETLANDS MAPS**

*Maps showing the location of wetlands in (name of county) county are available from the Minnesota Department of Natural Resources. Persons wishing to obtain further information regarding the maps should contact (name, address, and telephone number of regional contact person at the department) or their local soil and water conservation district office. **WETLANDS IDENTIFIED ON THE MAPS ARE SUBJECT TO REGULATION BY THE STATE AND ACTIVITIES AFFECTING THE WETLANDS MAY BE RESTRICTED OR PROHIBITED UNDER RULES TO BE ADOPTED BY THE BOARD OF WATER AND SOIL RESOURCES AND THE DEPARTMENT OF NATURAL RESOURCES.** Persons wishing to participate in the rule-making process should contact (name, address, and telephone number of contact person at the board) or (name, address, and telephone number of contact person at the department).*

*Persons on whose property wetlands are identified on the maps may appeal the identification to their local soil and water conservation district. For further information contact your local soil and water conservation district office."*

*(c) A landowner on whose property wetlands are identified on a map published under this subdivision may appeal the identification to the soil and water conservation district where the wetland is located. The appeal must be in a form prescribed by the soil and water conservation district and must be filed within 60 days after publication of the map. Within 60 days after receiving an appeal, the soil and water conservation district shall notify the landowner and the commissioner of natural resources of the district's decision regarding the wetland identification. With notice to the landowner, the commissioner, and the board, the district may delay its decision regarding the wetland identification for an additional 60 days. The*

commissioner or the landowner may appeal the decision of the soil and water conservation district to the board of water and soil resources. Within 60 days after receiving an appeal, the board shall notify the landowner and the commissioner of its decision on the wetland identification. With notice to the landowner and the commissioner, the board may delay its decision on the wetland identification for an additional 60 days. The board's decision is final.

*Subd. 2. [EFFECT OF WETLAND DESIGNATION.] The designation of waters of this state as wetlands under subdivision 1:*

*(1) does not grant the public additional or greater right of access to the wetlands;*

*(2) does not diminish the right of ownership or usage of the beds underlying the designated wetlands, except as otherwise provided by law;*

*(3) does not affect state law forbidding trespass on private lands; and*

*(4) does not require the commissioner to acquire access to the designated wetlands under section 97A.141.*

*Subd. 3. [PROPERTY OWNER'S USE OF WETLANDS.] (a) A property owner may use the bed of wetlands for pasture or cropland during periods of drought if:*

*(1) dikes, ditches, tile lines, or buildings are not constructed; and*

*(2) the agricultural use does not result in the drainage of the wetlands.*

*(b) A landowner may fill a wetland to accommodate wheeled booms on irrigation devices if the fill does not impede normal drainage.*

*Subd. 4. [PUBLIC VALUE.] (a) The board of water and soil resources, in consultation with the commissioner of natural resources, shall adopt rules establishing criteria to determine the public value of wetlands. The rules must consider the public benefit and use of the wetlands and include:*

*(1) criteria to determine the benefits of wetlands for water quality, including filtering of pollutants to surface and groundwater, utilization of nutrients that would otherwise pollute public waters, trapping of sediments, and utilization of the wetland as a recharge area for groundwater;*

*(2) criteria to determine the benefits of wetlands for floodwater retention, including the potential for flooding in the watershed, the value of property subject to flooding, and the reduction in potential flooding by the wetland;*

*(3) criteria to determine the benefits of wetlands for public recreation, including wildlife habitat, hunting and fishing areas, wildlife breeding areas, wildlife viewing areas, aesthetically enhanced areas, and nature areas;*

*(4) criteria to determine the benefits of wetlands for commercial uses, including wild rice growing and harvesting and aquaculture; and*

*(5) criteria to determine the benefits of wetlands for other public uses.*

*(b) The criteria established under this subdivision must be used to determine the public value of wetlands in the state. The board of water and soil resources, in consultation with the commissioner of natural resources, shall also use the criteria in identifying regions of the state where preservation, enhancement, restoration, and establishment of wetlands would have high*

*public value. Before the criteria are adopted, the commissioner, in consultation with the board, may identify high priority wetland regions using available information relating to the factors listed in paragraph (a). The board shall notify local units of government with water planning authority of these high priority regions.*

*Subd. 5. [CLASSIFICATION OF WETLANDS.] (a) The board of water and soil resources, in consultation with the commissioner of natural resources, shall adopt criteria by rule to classify wetlands according to allowed uses of the wetland, as described in paragraphs (b) to (f). Classes A through D classify wetlands according to their relative public value, with class A wetlands having the highest public value and class D the lowest.*

*(b) Class A wetlands are to be preserved and alternative uses are not allowed. Class A wetlands include calcareous fens.*

*(c) Class B wetlands must be substantially preserved in their present location but alternative uses that do not permanently diminish the public value of the wetlands are allowed.*

*(d) Alternative uses of class C wetlands are allowed, including uses that permanently diminish the public value of the wetlands, but lost public value must be replaced to an extent greater than the loss.*

*(e) Alternative uses of class D wetlands are allowed, including uses that permanently diminish the public value of the wetlands, but lost public value must be replaced to an extent at least equal to the loss.*

*(f) Class E wetlands are wetlands for which the board of water and soil resources is the permitting authority. The board may designate class E wetlands based on the existence of:*

- (1) issues of statewide or regional importance;*
- (2) technical issues of particular complexity; or*
- (3) other factors deemed sufficient by the board.*

*Subd. 6. [RULEMAKING.] In adopting the rules required under subdivisions 4 and 5, the commissioner of natural resources shall comply with subdivision 1, paragraph (b), before publishing the proposed rules in the State Register under chapter 14. Before the rules are adopted and no later than March 1, 1993, the proposed rules and any public comments thereon must be submitted to the agriculture and environment committees of the legislature. The rules must not be adopted earlier than 60 days after submittal to the legislature.*

### ARTICLE 3

#### WETLAND PRESERVATION AREAS

##### Section 1. [103F.6112] [WETLAND PRESERVATION AREAS.]

*Subdivision 1. [DEFINITION.] For purposes of sections 1 to 5, "wetland" has the meaning given in article 6, section 7.*

*Subd. 2. [APPLICATION.] (a) A wetland owner may apply to the county where a wetland is located for designation of a wetland preservation area in a high priority wetland area identified in the county's comprehensive water plan and located within a high priority wetland region designated by the board of water and soil resources. The application must be made on forms provided by the board. If a wetland is located in more than one county,*

*the application must be submitted to the county where the majority of the wetland is located.*

*(b) The application must contain at least the following information and other information the board of soil and water resources requires:*

*(1) legal description of the area to be approved, which must include an upland strip at least 16-1/2 feet in width around the perimeter of wetlands within the area and may include total upland area of up to four acres for each acre of wetland;*

*(2) parcel identification numbers where designated by the county auditor;*

*(3) name and address of the owner;*

*(4) a witnessed signature of the owner covenanting that the land will be preserved as a wetland and will only be used in accordance with conditions prescribed by the board of water and soil resources; and*

*(5) a statement that the restrictive covenant will be binding on the owner and the owner's successors or assigns, and will run with the land.*

*(c) The upland strip required in paragraph (b), clause (1), must be planted with permanent vegetation other than a noxious weed.*

*(d) For registered property, the owner shall submit the owner's duplicate certificate of title with the application.*

*Subd. 3. [REVIEW AND NOTICE.] Upon receipt of an application, the county shall determine if all material required by subdivision 2 has been submitted and, if so, shall determine that the application is complete. The term "date of application" means the date the application is determined to be complete by the county. The county shall send a copy of the application to the county assessor, the regional development commission, where applicable, the board of water and soil resources, and the soil and water conservation district where the land is located. The soil and water conservation district shall prepare an advisory statement of existing and potential preservation problems or conflicts and send the statement to the owner of record and to the county.*

*Subd. 4. [RECORDING.] Within five days of the date of application, the county shall forward the application to the county recorder, with the owner's duplicate certificate of title in the case of registered property. The county recorder shall record the restrictive covenant and return it to the applicant. In the case of registered property, the recorder shall memorialize the restrictive covenant upon the certificate of title and the owner's duplicate certificate of title. The recorder shall notify the county that the covenant has been recorded or memorialized.*

*Subd. 5. [COMMENCEMENT OF WETLAND PRESERVATION AREA.] The wetland is a wetland preservation area commencing 30 days from the date the county determines the application is complete under subdivision 3.*

*Subd. 6. [FEE.] The county may require an application fee, not to exceed \$50.*

*Subd. 7. [MAPS.] The board of water and soil resources shall maintain wetland preservation area maps illustrating land covenanted as wetland preservation areas.*

**Sec. 2. [103F:6113] [DURATION OF WETLAND PRESERVATION**

AREA.]

*Subdivision 1. [GENERAL.] A wetland preservation area continues in existence until the owner initiates expiration as provided in this section. The date of expiration must be at least eight years from the date of notice under this section.*

*Subd. 2. [TERMINATION BY OWNER.] The owner may initiate expiration of a wetland preservation area by notifying the county on a form prepared by the board of water and soil resources and made available in each county. The notice must describe the property involved and must state the date of expiration. The notice may be rescinded by the owner during the first two years following notice.*

*Subd. 3. [NOTICE AND RECORDING; TERMINATION.] When the county receives notice under subdivision 2, the county shall forward the original notice to the county recorder for recording and shall notify the regional development commission, where applicable, the board of water and soil resources, and the county soil and water conservation district of the date of expiration. The benefits and limitations of the wetland preservation area and the restrictive covenant filed with the application cease on the date of expiration. For registered property, the county recorder shall cancel the restrictive covenant upon the certificate of title and the owner's duplicate certificate of title on the effective date of the expiration.*

*Subd. 4. [EARLY EXPIRATION.] A wetland preservation area may be terminated earlier than as provided in this section only in the event of a public emergency upon petition from the owner or county to the governor. The determination of a public emergency must be made by the governor through executive order under section 4.035 and chapter 12. The executive order must identify the wetland preservation area, the reasons requiring the action, and the date of expiration.*

Sec. 3. [103F:6114] [EMINENT DOMAIN ACTIONS.]

*Subdivision 1. [APPLICABILITY.] An agency of the state, a public benefit corporation, a local government, or any other entity with the power of eminent domain under chapter 117, except a public utility as defined in section 216B.02, a municipal electric or gas utility, a municipal power agency, a cooperative electric association organized under chapter 308A, or a pipeline operating under the authority of the Natural Gas Act, United States Code, title 15, sections 717 to 717z, shall follow the procedures in this section before:*

*(1) acquiring land or an easement in land with a total area over ten acres within a wetland preservation area; or*

*(2) advancing a grant, loan, interest subsidy, or other funds for the construction of dwellings, commercial or industrial facilities, or water or sewer facilities that could be used to serve structures in areas that are not for agricultural use, that require an acquisition of land or an easement in a wetland preservation area.*

*Subd. 2. [NOTICE OF INTENT.] At least 60 days before an action described in subdivision 1, notice of intent must be filed with the environmental quality board containing information and in the manner and form required by the environmental quality board. The notice of intent must contain a report justifying the proposed action, including an evaluation of alternatives that would not affect land within a wetland preservation area.*

*Subd. 3. [REVIEW AND ORDER.] The environmental quality board, in consultation with affected local governments, shall review the proposed action to determine its effect on the preservation and enhancement of wetlands and the relationship to local and regional comprehensive plans. If the environmental quality board finds that the proposed action might have an unreasonable effect on a wetland preservation area, the environmental quality board shall issue an order within the 60-day period under subdivision 2 for the party to refrain from the proposed action for an additional 60 days.*

*Subd. 4. [PUBLIC HEARING.] During the additional 60 days, the environmental quality board shall hold a public hearing concerning the proposed action at a place within the affected wetland preservation area or easily accessible to the wetland preservation area. Notice of the hearing must be published in a newspaper having a general circulation within the area. Individual written notice must be given to the local governments with jurisdiction over the wetland preservation area, the agency, corporation or government proposing to take the action, the owner of land in the wetland preservation area, and any public agency having the power of review or approval of the action.*

*Subd. 5. [JOINT REVIEW.] The review process required in this section may be conducted jointly with any other environmental impact review by the environmental quality board.*

*Subd. 6. [SUSPENSION OF ACTION.] The environmental quality board may suspend an eminent domain action for up to one year if it determines that the action is contrary to wetland preservation and that there are feasible and prudent alternatives that may have a less negative impact on the wetland preservation area.*

*Subd. 7. [TERMINATION OF WETLAND PRESERVATION AREA.] The benefits and limitations of a wetland preservation area, including the restrictive covenant for the portion of the wetland preservation area taken, end on the date title and possession of the property is obtained.*

*Subd. 8. [ACTION BY ATTORNEY GENERAL.] The environmental quality board may request the attorney general to bring an action to enjoin an agency, corporation, or government from violating this section.*

*Subd. 9. [EXCEPTION.] This section does not apply to an emergency project that is immediately necessary for the protection of life and property.*

#### Sec. 4. [103F.6115] [LIMITATION ON CERTAIN PUBLIC PROJECTS.]

*Subdivision 1. [PROJECTS AND ASSESSMENTS PROHIBITED; EXCEPTION.] Notwithstanding any other law, construction projects for public sanitary sewer systems, public water systems, and new public drainage systems are prohibited in wetland preservation areas. New connections between land or buildings in a wetland preservation area and public projects are prohibited. Land in a wetland preservation area may not be assessed for public projects built in the vicinity of the wetland preservation area.*

*Subd. 2. [EXCEPTION; OWNER OPTION.] Subdivision 1 does not apply to public projects if the owner of the wetland preservation area elects to use and benefit from a public project.*

#### Sec. 5. [103F.6116] [SOIL CONSERVATION PRACTICES.]

*An owner of a wetland preservation area shall manage the area and*

*surrounding upland areas with sound soil conservation practices that prevent excessive soil loss according to the model ordinance adopted by the board of water and soil resources. The model ordinance and soil loss provisions under sections 103F.401 to 103F.455 relating to soil loss apply to all upland areas within a wetland preservation area and to surrounding upland areas. A sound soil conservation practice prevents excessive soil loss or reduces soil loss to the most practicable extent.*

Sec. 6. Minnesota Statutes 1990, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) all public burying grounds;
- (2) all public schoolhouses;
- (3) all public hospitals;
- (4) all academies, colleges, and universities, and all seminaries of learning;
- (5) all churches, church property, and houses of worship;
- (6) institutions of purely public charity except parcels of property containing structures and the structures described in section 273.13, subdivision 25, paragraph (c), clauses (1), (2), and (3), or paragraph (d);
- (7) all public property exclusively used for any public purpose;
- (8) except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d), shall be exempt.

The following personal property shall be taxable:

(a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;

(b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;

(c) personal property defined in section 272.03, subdivision 2, clause (3);

(d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;

(e) manufactured homes and sectional structures; and

(f) flight property as defined in section 270.071.

(9) Personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, and real property which is used primarily for abatement and control of air, water, or land pollution as part of an agricultural operation or as part of an electric generation system. For purposes of this clause, personal property includes



ponderous machinery and equipment used in a business or production activity that at common law is considered real property.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, rules, or criteria prescribed by the Minnesota pollution control agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota pollution control agency shall upon request of the commissioner furnish information or advice to the commissioner. On determining that property qualifies for exemption, the commissioner shall issue an order exempting the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota pollution control agency remains in effect.

(10) Wetlands. For purposes of this subdivision, "wetlands" means (1) land described in section 103G.005, subdivision 18, or (2) land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. "Wetlands" shall not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms in a wetland preservation area under sections 1 to 5. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause. Upon receipt of an application for the exemption provided in this clause for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of the decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated

exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility, or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or 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 103G.535.

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band; and

(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band.

An exemption provided by clause (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(16) Real and personal property owned and operated by a private, 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 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. 7. [WETLANDS EXEMPTION; REPLACEMENT OF REVENUE.]

*Subdivision 1. [CERTIFICATION.] The total amount of revenue lost as a result of the exemption provided in Minnesota Statutes, section 272.02, subdivision 1, paragraph (10), must be certified by the county auditor to the commissioner of revenue and submitted to the commissioner as part of the abstract of tax lists to be filed with the commissioner under the provisions of Minnesota Statutes, section 275.29. The amount of revenue lost as a result of the exemption must be computed each year by applying the current tax rates of the taxing jurisdictions in which the wetlands are located to the assessed valuation of the wetlands for purposes of taxes levied beginning in 1991. Payment to the county for lost revenue must not be less than the revenue that would have been received in taxes if the wetlands had an assessed value of \$5 per acre. The commissioner of revenue shall review the certification for accuracy and may make necessary changes or return the certification to the county auditor for corrections.*

*Subd. 2. [PAYMENT.] Based on current year tax data reported in the abstracts of tax lists, the commissioner of revenue shall annually determine the taxing district distribution of the amounts certified under subdivision 1. The commissioner shall pay to each taxing district, other than school districts, its total payment for the year in equal installments on or before July 15 and December 15 of each year.*

*Subd. 3. [APPROPRIATION.] There is appropriated from the general fund to the commissioner of revenue the amount necessary to make the payments required in subdivision 2.*

*Subd. 4. [DEDUCTION.] The total exemption allowed by subdivision 1 must be deducted from the gross property tax before determination of the homestead credit provided by Minnesota Statutes, section 273.13, subdivisions 22 and 23, and the taconite homestead credit provided in Minnesota Statutes, section 273.135.*

## ARTICLE 4

WETLAND PRESERVATION, ENHANCEMENT, RESTORATION,  
AND ESTABLISHMENT FUND

Section 1. [103F6111] [WETLAND PRESERVATION, ENHANCEMENT, RESTORATION, AND ESTABLISHMENT PROGRAM.]

*Subdivision 1. [FUND ADMINISTRATION.] The board of water and soil resources shall administer amounts appropriated from the wetland preservation, enhancement, restoration, and establishment fund. The board shall prepare a budget plan for allocations for:*

- (1) compensation to landowners;*
- (2) establishment of new wetlands;*
- (3) restoration of wetlands; and*
- (4) enhancement and preservation of existing wetlands.*

*Subd. 2. [PRIORITY PLAN.] By November 1 of each even-numbered year, the commissioners of health, natural resources, and the pollution control agency shall jointly submit a plan to the board of water and soil resources identifying high priority areas for preservation, enhancement, restoration, and establishment of wetlands. The board shall utilize the plan in making allocations of money appropriated from the wetland preservation, enhancement, restoration, and establishment fund.*

*Subd. 3. [APPLICATIONS.] (a) Public and private entities may apply to the board of water and soil resources for grants and cost sharing to preserve, enhance, restore, and establish wetlands. Applications must be made on forms prescribed by the board.*

*(b) The board of water and soil resources shall give preference to applications for projects that would preserve, enhance, restore, or establish wetlands with the highest public value and to assessments by wetland authorities against the state.*

Sec. 2. [103F614] [WETLAND PRESERVATION, ENHANCEMENT, RESTORATION, AND ESTABLISHMENT FUND.]

*Subdivision 1. [ESTABLISHMENT.] A wetland preservation, enhancement, restoration, and establishment fund is established in the state treasury.*

*Subd. 2. [REVENUE SOURCES.] (a) The fund consists of:*

- (1) receipts from the Minnesota environment and natural resources trust fund as provided by law; and*
  - (2) other appropriations and funds designated to be credited to the fund.*
- (b) Accounts must be maintained for each revenue source.*

*Subd. 3. [EXPENDITURES.] Money in the fund may only be spent for:*

- (1) compensation to landowners for restricted uses of wetlands;*
- (2) compensation to landowners for land used to restore or establish wetlands; and*
- (3) preservation, enhancement, restoration, and establishment of wetlands.*

Sec. 3. [116P.14] [WETLAND ACCELERATION.]

*Subdivision 1. [PURPOSE.] Due to the overwhelming public need and support for preservation, enhancement, restoration, and establishment of wetlands, the legislature finds that an acceleration program is necessary and must receive priority funding from the trust fund proceeds and money deposited in the Minnesota future resources fund under section 116P.13.*

*Subd. 2. [TRANSFER TO WETLAND FUND.] Notwithstanding sections 116P.11 and 116P.13, \$15,000,000 each fiscal year until June 30, 2001, must be transferred from the proceeds of the trust fund and the Minnesota future resources fund and credited to the wetland preservation, enhancement, restoration, and establishment fund as follows:*

*(1) the first \$15,000,000 of proceeds available each fiscal year to fund projects under section 116P.11; and*

*(2) from the amount credited to the Minnesota future resources fund under section 116P.13, any additional amount needed so that \$15,000,000 each fiscal year is credited under this section to the wetland preservation, enhancement, restoration, and establishment fund.*

## ARTICLE 5

### WETLAND ESTABLISHMENT AND RESTORATION PROGRAM

#### Section 1. [103F.901] [FINDINGS.]

*The legislature finds that the disappearance of wetlands has caused and will continue to cause adverse effects on the health and general welfare of the people of the state. The establishment and restoration of wetlands: improves public health and potable water by purifying and filtering surface run-off and water that recharges aquifers; is a public benefit by retaining surface water and sediments that would cause downstream flooding, sedimentation, and further soil erosion; and improves the public welfare by providing wildlife habitat and recreational opportunities for the people of this state.*

#### Sec. 2. [103F.902] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 63.*

*Subd. 2. [AFFECTED.] "Affected" means benefited or damaged by a wetland system proposed to be established or established under this chapter.*

*Subd. 3. [AUDITOR.] "Auditor" means the county auditor of a county where the proceeding is located.*

*Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of natural resources.*

*Subd. 5. [COUNTY BOARD.] "County board" means the county board of the county where the proceeding is located.*

*Subd. 6. [DRAINAGE AUTHORITY.] "Drainage authority" has the meaning given under section 103E.005, subdivision 9.*

*Subd. 7. [ENGINEER.] "Engineer" means a professional engineer registered under state law.*

*Subd. 8. [ESTABLISHED.] "Established" means the wetland authority has made the order to develop and preserve the wetland system.*

*Subd. 9. [PROCEEDING.] "Proceeding" means a procedure under this*

*chapter to establish a wetland system.*

*Subd. 10. [PROPERTY.] "Property" means real property.*

*Subd. 11. [WATERSHED.] "Watershed" means one of the 81 major watershed units delineated by the map, "State of Minnesota Watershed Boundaries - 1979."*

*Subd. 12. [WETLAND.] "Wetland" means land that is transitional between terrestrial and aquatic systems where the water table is usually at or near the surface or the land is covered by shallow water. A wetland:*

- (1) at least periodically supports hydrophytes;*
- (2) the substrate is predominantly undrained hydric soil; or*
- (3) the substrate is nonsoil and is saturated with water at some time during the growing season.*

*Subd. 13. [WETLAND AUTHORITY.] "Wetland authority" means a county board, joint county board, drainage authority, or the board of managers of a watershed district that have jurisdiction over the property affected by a wetland system.*

*Subd. 14. [WETLAND SYSTEM.] "Wetland system" means one or more wetlands and adjoining areas established or to be established for a common purpose.*

**Sec. 3. [103F903] [WETLAND AUTHORITY POWERS.]**

*Subdivision 1. [GENERALLY.] The wetland authority may make orders to:*

- (1) acquire, construct, and maintain wetland systems;*
- (2) deepen, widen, straighten, or change the channel or bed of a natural waterway that is part of the drainage system or is located at the outlet of a drainage system;*
- (3) change the course of a drainage system;*
- (4) impound the waters from a drainage system; and*
- (5) construct necessary dikes, dams, and control structures and power appliances, pumps, and pumping machinery as provided by law.*

*Subd. 2. [PERMISSION OF COMMISSIONER FOR WORK IN PUBLIC WATERS; APPLICATION.] (a) The wetland authority must receive permission from the commissioner to:*

- (1) remove, construct, or alter a dam affecting public waters; or*
  - (2) establish, raise, or lower the level of public waters.*
- (b) The petitioners for a proposed wetland system or the wetland authority may apply to the commissioner for permission to do work in public waters or for the determination of public waters status of a water body or watercourse.*

**Sec. 4. [103F904] [CONSIDERATIONS BEFORE WETLANDS ARE ESTABLISHED.]**

*Subdivision 1. [ENVIRONMENTAL AND LAND USE CRITERIA.] Before establishing a wetland system the wetland authority must consider:*

- (1) private and public benefits and damages of the proposed wetland*

system;

(2) the present and anticipated agricultural land acreage availability and use in the wetland system area;

(3) the present and anticipated land use within the wetland system area;

(4) flooding characteristics of property in the wetland system;

(5) the waters to be affected and alternative measures to conserve, allocate, and develop the waters;

(6) the effect on water quality of constructing the proposed wetland system;

(7) fish and wildlife resources affected by the proposed wetland system;

(8) shallow groundwater availability, distribution, and use in the wetland system;

(9) the public value of the wetland system; and

(10) the overall environmental impact of all the above criteria.

*Subd. 2. [DETERMINING PUBLIC UTILITY, BENEFIT, OR WELFARE.] In a proceeding to establish a wetland system, the wetland authority having jurisdiction of the proceeding must give proper consideration to conservation of soil, water, forests, wild animals, and related natural resources, and to other public interests affected, together with other material matters as provided by law in determining whether the project will be of public utility, benefit, or welfare.*

*Subd. 3. [PRIVATE PROPERTY OWNERS.] The wetland authority must consider the effects on private property owners affected by the wetland system.*

#### Sec. 5. [103F905] [BUFFER ZONES.]

*Subdivision 1. [ESTABLISHMENT.] In any proceeding to establish, construct, improve, or do any work affecting a wetland system, the wetland authority shall order that permanent vegetation, other than a noxious weed, be planted on a strip at least 16-1/2 feet in width around the perimeter of the wetland system. The acreage and additional property required for the planting must be acquired by the wetland authority.*

*Subd. 2. [HARVESTING GRASS.] Harvest of the grass from the grass strip in a manner not harmful to the grass or the wetland system is the privilege of the fee owner or assigns. The wetland authority shall establish rules for the fee owner and assigns to harvest the grass.*

*Subd. 3. [AGRICULTURAL PRACTICES PROHIBITED.] Agricultural practices, other than those required for the maintenance of a permanent growth of grass, are not permitted on any portion of the property acquired for planting.*

*Subd. 4. [WORK BY WETLAND AUTHORITY.] If a property owner does not bring an area into compliance with this section, the wetland authority shall issue an order to have the work performed to bring the property into compliance. After the work is completed, the wetland authority shall send a statement of the expenses incurred to bring the property into compliance to the auditor of the county where the property is located and to the property owner.*

*Subd. 5. [COLLECTION OF EXPENSES.] (a) The amount of the expenses*

*to bring an area into compliance with this section is a lien in favor of the wetland authority against the property where the expenses were incurred. The auditor shall certify the expenses and enter the amount in the same manner as drainage liens on the tax list for the following year. The amount must be collected in the same manner as real estate taxes for the property. The provisions of law relating to the collection of real estate taxes shall be used to enforce payment of amounts due under this section. The auditor must include a notice of collection of compliance expenses with the tax statement.*

*(b) The amounts collected under this subdivision must be deposited in the wetland system account.*

**Sec. 6. [103F906] [DEFECTIVE NOTICE.]**

*If notice is required under this chapter and proper notice has been given to some parties but the notice is defective or not given to other parties, the wetland authority has jurisdiction of all parties that received proper notice. The proceedings may be continued by order of the wetland authority for the time necessary to publish, post, or mail a new notice. The new notice need only be given to those not properly notified by the first notice.*

**Sec. 7. [103F907] [PERSONAL SERVICE IN LIEU OF OTHER METHODS OF NOTICE.]**

*If notice is to be given under this chapter, personal service at least ten days before the date of hearing may be given in lieu of the manner provided. The notice must be served in the manner provided for the service of summons in a civil action in district court.*

**Sec. 8. [103F908] [FAILURE OF WETLAND AUTHORITY TO ATTEND HEARINGS.]**

*If an order has been made and notice for a hearing given under this chapter, and the wetland authority does not appear at the time and place specified for any reason, the auditor shall continue the hearing to a date set by the auditor. The auditor shall notify the wetland authority of the continuance and the date of hearing. The jurisdiction is continued until the date set by the auditor.*

**Sec. 9. [103F909] [DEFECTIVE PROCEEDINGS.]**

*(a) A party may not take advantage of an error in a proceeding or an informality, error, or defect appearing in the record of the proceeding or construction, unless the party complaining is directly affected. The modification of the benefits or damages to any property, or the enjoining of collection of any assessment, does not affect any other property or the collection of any assessment on other property.*

*(b) If a wetland system has been established and a contract awarded in good faith, without collusion, and at a reasonable price:*

*(1) a defect or lack of notice in awarding, making, or executing the contract does not affect the enforcement of an assessment; and*

*(2) if the contract is performed in good faith in whole or in part, a defect does not invalidate the contract.*

**Sec. 10. [103F910] [RIGHT OF ENTRY.]**

*In proceedings under this chapter, the wetland authority, the engineer, the engineer's assistants, the appraisers, and the appraisers' assistants may*



*enter any property to make a survey, examine the property, or estimate the benefits and damages.*

**Sec. 11. [103F.911] [ATTORNEY.]**

*(a) An attorney shall represent the wetland authority in all wetland proceedings and related matters.*

*(b) A county attorney, the county attorney's assistant, or any attorney associated with the county attorney in business, may not otherwise appear in a wetland proceeding for an interested person.*

**Sec. 12. [103F.912] [ALTERATION OR DAMAGE OF WETLAND SYSTEM.]**

*Subdivision 1. [NOTIFICATION TO RESPONSIBLE PARTY.] If the wetland authority determines that a wetland system has been altered or damaged, the wetland authority shall notify the person or public authority responsible for the alteration or damage as soon as possible and direct the responsible party to remove the cause of the alteration or damage or show the wetland authority why the cause of the alteration or damage should not be removed. The wetland authority shall set a time and location in the notice for the responsible person to appear before the wetland authority.*

*Subd. 2. [CAUSE OF ALTERATION OR DAMAGE ON PRIVATE PROPERTY.] If the cause of the alteration or damage is on private property, the owner is responsible unless the owner proves otherwise. The owner must be notified by certified mail at least ten days before the hearing.*

*Subd. 3. [CAUSE OF ALTERATION OR DAMAGE HEARING.] The wetland authority shall hear all interested parties and if the wetland authority determines that the wetland system has been altered or damaged by a person or public authority, the wetland authority shall order the cause of the alteration or damage removed by the responsible party within a reasonable time set in the order. If the cause of the alteration or damage is not removed by the prescribed time, the wetland authority shall have the cause of the alteration or damage removed and the auditor shall make a statement of the removal cost. The statement must be filed in the county recorder's office as a lien on the property where the cause of the alteration or damage is located or against the responsible party. The lien must be enforced and collected as liens for wetland repairs under this chapter, except that a lien may not be filed against private property if the wetland authority determines that the owner of the property is not responsible for the obstruction. The lien may be enforced against the responsible party by civil action.*

**Sec. 13. [103F.913] [CRIMES RELATED TO WETLAND SYSTEMS; PENALTIES.]**

*Subdivision 1. [OBSTRUCTION OR DAMAGE OF A WETLAND SYSTEM.] A person may not willfully obstruct or damage a wetland system.*

*Subd. 2. [ALTERING MARKING OF STAKES.] A person may not willfully change the location or alter markings of stakes set by the engineer in a wetland system.*

*Subd. 3. [PENALTY.] Violation of this section is a misdemeanor.*

**Sec. 14. [103F.914] [ENFORCEMENT.]**

*Subdivision 1. [WARRANTS AND ARRESTS.] The commissioner of natural resources, game refuge patrol officers, and conservation officers*

*may execute and serve warrants, and arrest persons detected in actual violation of sections 2 to 63 as provided in sections 97A.205 and 97A.211.*

*Subd. 2. [PROSECUTION.] The county attorney shall prosecute all criminal actions.*

**Sec. 15. [103E915] [APPEALS.]**

*Subdivision 1. [GROUNDS FOR APPEAL.] A party may appeal to the district court from a recorded order of a wetland authority made in a proceeding that determines:*

- (1) the amount of benefits;*
- (2) the amount of damages;*
- (3) fees or expenses allowed; or*
- (4) whether the environmental and land use requirements and criteria are met.*

*Subd. 2. [PROCEDURE FOR APPEALS RELATED TO BENEFITS AND DAMAGES.] (a) A person who appeals the amount of benefits or damages may include benefits and damages affecting property not owned by the appellant. Notice of the appeal must be served to the auditor and to the owner or occupant of property included in the appeal or to the attorney representing the property owner in the proceedings.*

*(b) The appellant must file a notice of appeal with the auditor within 30 days after the order to be appealed is filed. The notice must state the particular benefits or damages appealed and the basis for the appeal. Within 30 days after the notice is filed, the auditor must file the original notice with the court administrator of the district court.*

*Subd. 3. [PROCEDURE FOR APPEAL RELATED TO ALLOWANCE OF FEES OR EXPENSES.] An appeal related to the allowance of fees or expenses may be to the district court of any county where the affected property is located. The appeal must be made within 30 days after the order allowing or disallowing the claim and is governed as applicable by the provisions of subdivision 4.*

*Subd. 4. [APPEAL TRIAL.] (a) The issues in the appeal are entitled to a trial by a jury at the next term of the district court after the appeal is filed that is held within the county where the proceeding was pending.*

*(b) If the appellant requests, the trial must be held at the next term of the district court of the county where the affected property is located. The court administrator of the district court where the appeal is first filed shall make, certify, and file with the court administrator of the district court of the county where the trial is transferred, a transcript of the papers and documents on file in the court administrator's office in the proceedings related to the matters of the appeal. After the final determination of the appeal, the court administrator of the district court that tried the appeal shall certify and return the verdict to the district court of the county where the proceedings were filed.*

*(c) The appeal shall take precedence over all other civil court matters. If there is more than one appeal to be tried in one county, the court may, on its own motion or the motion of an interested party, consolidate two or more appeals and try them together, but the rights of the appellants must be determined separately. If the appellant does not prevail, the cost of the*

*trial must be paid by the appellant.*

*(d) The court administrator of the district court where the appeal is filed shall file a certified copy of the final determination of the appeal with the auditor of the affected counties.*

*Subd. 5. [EFFECT OF DETERMINATION.] For all appeals, the amount awarded by the jury as a determination of the issue appealed shall replace the amount that was appealed.*

**Sec. 16. [103F916] [APPEAL FROM ORDERS DISMISSING OR ESTABLISHING WETLAND SYSTEMS.]**

*Subdivision 1. [NOTICE OF APPEAL.] A party may appeal an order made by the wetland authority that dismisses proceedings or establishes or refuses to establish a wetland system to the district court of the county where the proceedings are pending. The appellant must serve notice of the appeal to the auditor within 30 days after the order is filed. After notice of the appeal is served, the appeal may be brought to trial by the appellant or the drainage authority after notifying the other party at least ten days before the trial date.*

*Subd. 2. [TRIAL.] The appeal must be tried by the court without a jury. The court shall examine the entire proceeding and related matters and receive evidence to determine whether the findings made by the wetland authority can be sustained. At the trial the findings made by the wetland authority are prima facie evidence of the matters stated in the findings, and the wetland authority's order is prima facie reasonable. If the court finds that the order appealed is lawful and reasonable, it shall be affirmed. If the court finds that the order appealed is arbitrary, unlawful, or not supported by the evidence, it shall make an order, justified by the court record, to take the place of the appealed order, or remand the order to the wetland authority for further proceedings. After the appeal has been determined by the court, the wetland authority shall proceed in conformity with the court order.*

*Subd. 3. [DETERMINATION OF BENEFITS AND DAMAGES AFTER COURT ORDER.] If the order establishing a wetland system is appealed, the trial of appeals related to benefits or damages in the proceeding must be stayed until the establishment appeal is determined. If the order establishing the wetland system is affirmed, appeals related to benefits and damages must then be tried.*

*Subd. 4. [PROCEDURE IF APPEAL ORDER ESTABLISHES WETLAND SYSTEM.] If an order refusing to establish a wetland system is appealed, and the court, by order, establishes the wetland system, the auditor shall give notice by publication of the filed order. The notice is sufficient if it refers to the wetland system by number or other descriptive designation, states the meaning of the order, and states the date the court order was filed. A person may appeal the establishment order to the district court as provided in this section.*

*Subd. 5. [APPEAL OF APPELLATE ORDER.] A party aggrieved by a final order or judgment rendered on appeal to the district court may appeal as in other civil cases. The appeal must be made and perfected within 30 days after the filing of the order or entry of judgment.*

**Sec. 17. [103F917] [WETLAND PROCEEDING AND CONSTRUCTION RECORDS.]**

*Subdivision 1. [DOCUMENTS ARE PUBLIC RECORDS.] All maps, plats, charts, drawings, plans, specifications, and other documents that have been filed, received in evidence, or used in connection with a proceeding or construction are subject to the provisions on public records in section 15.17.*

*Subd. 2. [RECORD REQUIREMENTS.] All maps, plats, profiles, plans, and specifications prepared and used in relation to a proceeding must:*

- (1) be uniform;*
- (2) have each sheet bound and marked to identify the proceeding by the wetland system number;*
- (3) show the name of the person preparing the sheet;*
- (4) show the date the sheet was prepared; and*
- (5) conform to rules and standards prescribed by the director of the division of waters.*

*Subd. 3. [INDEX OF PROCEEDINGS AND RECORDS.] The auditor shall keep all orders, exhibits, maps, charts, profiles, plats, plans, specifications, and records of the proceedings. These records may not be removed except when the wetland authority makes a written order to remove them. The auditor shall keep an accurate index of the proceedings and related documents in a bound book.*

*Subd. 4. [DOCUMENTS.] All original plats, profiles, records, and field books made by the engineer during the proceedings or the construction related to a wetland system are public records and the property of the wetland authority. These public records must be filed with the auditor under the direction of the wetland authority when construction is completed or when the engineer stops acting for the wetland system, whichever is earlier.*

*Subd. 5. [FILING AND STORAGE FACILITIES.] County boards shall provide the auditor with necessary filing and storage facilities to protect the files and records of all proceedings. The county boards may provide for the copying and filing of the documents and records of proceedings by photographic devices as provided for public records under section 15.17. In the event of loss of the originals, the photographic copies are originals after authentication by the auditor.*

*Subd. 6. [RECORDS ARE PRIMA FACIE EVIDENCE.] The record of proceedings under this chapter and of orders made by the wetland authority or the district court in the proceedings, or a certified copy of a record or order, is prima facie evidence of the facts stated in the record or order and of the regularity of all proceedings prior to the making of the order.*

## PROCEDURE TO ESTABLISH WETLAND SYSTEMS

### Sec. 18. [103F918] [NEW WETLAND SYSTEMS.]

*Subdivision 1. [PROCEDURE.] To establish a wetland system under sections 1 to 63, the petitioners and wetland authority must proceed according to this section and the provisions applicable to establishment of wetland systems.*

*Subd. 2. [FILING PETITION AND BOND.] A petition for a wetland system and a bond must be filed with the auditor. If a wetland system is within two or more counties, the petition must be filed with the auditor of the county with the greatest area of property to be established as a wetland*

system.

**Subd. 3. [SIGNATURES ON PETITION.]** *(a) The petition must be signed by the wetland authority or 100 owners of affected property within the watershed where the wetland system is to be located and within the jurisdiction of the wetland authority.*

*(b) Before signing a petition, the wetland authority shall first attempt to obtain voluntary establishment of the proposed wetland system under other available programs for establishing and restoring wetlands.*

**Subd. 4. [PETITION REQUIREMENTS.]** *The petition must:*

*(1) describe the property where the proposed wetland system is to be located;*

*(2) describe the general course of the watercourses or water basins affecting the proposed wetland system;*

*(3) state why the proposed wetland system is necessary;*

*(4) state that the proposed wetland system will benefit and be useful to the public and will promote public health;*

*(5) state how the proposed wetland system will be financed; and*

*(6) state that the petitioners will pay all costs of the proceedings, if the proceedings are dismissed or the wetland system is not established and acquired.*

**Subd. 5. [WITHDRAWAL OF A PETITIONER.]** *After a petition has been filed, a petitioner may not withdraw from the petition except with the written consent of all other petitioners on the filed petition.*

**Subd. 6. [NOTICE AND HEARING.]** *(a) When a petition is filed, the auditor shall promptly notify the wetland authority. The wetland authority shall hold a public hearing on the petition within 30 days after the petition is filed. At least ten days before the hearing, the wetland authority shall give notice of the petition and of the time and location of the hearing by:*

*(1) mailing the notice to the petitioners, owners of affected property, and political subdivisions likely to be affected by the proposed wetland system; and*

*(2) publishing the notice in an official newspaper of general circulation in the county.*

*(b) At the hearing, the wetland authority shall describe the petitions and hear comments of interested persons regarding it. Copies of the petition must be made available at the hearing.*

**Sec. 19. [103F:919] [PETITIONER'S BOND.]**

*One or more petitioners must file a bond with the petition for at least \$10,000 that is payable to the county where the petition is filed, or for a petition for a proposed joint county wetland system that is payable to all of the counties named in the petition. The bond must have adequate surety and be approved by the auditor. The bond must be conditioned to pay the costs incurred if the proceedings are dismissed or the wetland system proposed in the petition is not established and acquired.*

**Sec. 20. [103F:920] [EXPENSES NOT TO EXCEED BOND.]**

*The costs incurred before the proposed wetland system is established may*

*not exceed the amount of the petitioner's bond. A claim for expenses greater than the amount of the bond may not be paid unless an additional bond is filed. If the wetland authority determines that the cost of the proceeding will be greater than the petitioner's bond before the proposed wetland system is established, the wetland authority must require an additional bond to cover all costs to be filed within a prescribed time. The proceeding must be stopped until the additional bond prescribed by the wetland authority is filed. If the additional bond is not filed within the time prescribed, the proceeding may be dismissed.*

**Sec. 21. [103F.921] [DISMISSAL OF PROCEEDINGS BY PETITIONERS.]**

*A proceeding under this chapter may be dismissed by a majority of the petitioners. The proceeding may be dismissed at any time before the proposed wetland system is established after payment of the cost of the proceeding. The wetland authority shall determine the cost of the proceeding. After the proceeding is dismissed any other action on the proposed wetland system must begin with a new petition.*

**Sec. 22. [103F.922] [PRELIMINARY SURVEY AND REPORT.]**

*Subdivision 1. [ORDER FOR SURVEY.] Within 30 days after the petition to establish a wetland system is filed, the wetland authority shall, by order, direct the soil and water conservation engineer where the wetland system is located to conduct a preliminary survey of the property where the proposed wetland system is to be located.*

*Subd. 2. [SURVEY.] The engineer shall proceed promptly to:*

- (1) examine the petition and order;*
- (2) make a preliminary survey of the area likely to be affected by the proposed wetland system;*
- (3) determine how the wetland will be affected by the hydrology of the area;*
- (4) examine and gather information related to determining how the proposed wetland system affects private property owners; and*
- (5) if the proposed wetland system requires construction, examine the nature and capacity of the inflow, outlet, and any necessary extension.*

*Subd. 3. [LIMITATION OF SURVEY.] The engineer shall restrict the preliminary survey to the wetland area described in the petition, except that to secure an outlet the engineer may run levels necessary to determine the distance for the proper fall. The preliminary survey must consider the impact of the proposed wetland system on the environmental and land use criteria in section 4. The wetland authority may have other areas surveyed after:*

- (1) giving notice by mail of a hearing to survey additional areas, to be held at least ten days after the notice is mailed, to the petitioners and persons liable on the petitioner's bond;*
- (2) holding the hearing;*
- (3) obtaining consent of the persons liable on the petitioner's bond; and*
- (4) ordering the additional area surveyed by the engineer.*

*Subd. 4. [PRELIMINARY SURVEY REPORT.] The engineer shall report the proposed wetland system plan or recommend a different practical plan.*

*The report must give sufficient information, in detail, to inform the wetland authority on issues related to feasibility, and show changes necessary to make the proposed plan practicable and feasible. If the engineer finds the proposed wetland system in the petition is feasible and complies with the environmental and land use criteria in section 4, the engineer shall include in the preliminary survey report a preliminary plan of the proposed wetland system showing the proposed wetland area to be acquired, the watershed of the wetland system, and the property likely to be affected and its known owners. The plan must show:*

*(1) the controlling elevations of the property likely to be affected referenced to standard sea level datum, if practical;*

*(2) the probable size and character of the construction necessary to make the plan practicable and feasible;*

*(3) the probable cost of the improvements shown on the plan;*

*(4) all other information and data necessary to disclose the practicability, necessity, and feasibility of the proposed wetland system;*

*(5) consideration of the project under the environmental and land use criteria in section 4; and*

*(6) other information as ordered by the wetland authority.*

**Sec. 23. [103F:923] [WETLAND SYSTEM IN TWO OR MORE COUNTIES.]**

*Subdivision 1. [DESIGNATION.] A petition for a proposed wetland system in the jurisdiction of two or more wetland authorities must be designated as a joint wetland system with a number assigned by the auditor of the county with the largest area of property in the wetland system.*

*Subd. 2. [JOINT WETLAND AUTHORITY.] The wetland authority where a petition for a proposed joint wetland system is filed shall notify the wetland authority of each jurisdiction where property is affected by the wetland system and request the wetland authorities to meet jointly and consider the petition. The wetland authorities shall select five of their members at the meeting to be the joint wetland authority. At least one member must be from each county. The wetland authority shall be known as the joint wetland authority with a joint wetland system number. A vacancy in the membership of the joint wetland authority must be filled by joint action of the boards.*

**Sec. 24. [103F:924] [FILING PRELIMINARY SURVEY REPORT.]**

*The engineer shall file the completed preliminary survey report in duplicate with the auditor. The auditor shall send one copy of the report to the director of the division of waters and the director of the division of fish and wildlife. If the proposed wetland system involves a joint wetland system, a copy of the report must be filed with the auditor of each affected county.*

**Sec. 25. [103F:925] [COMMISSIONER'S PRELIMINARY ADVISORY REPORT.]**

*The commissioner shall make a preliminary advisory report to the wetland authority with an opinion about the adequacy of the preliminary survey report. The commissioner shall state any additional investigation and evaluation that should be done, the public value of the wetland system, and the environmental and land use criteria, and shall cite specific portions of the*

*preliminary survey report that are inadequate. The commissioner shall also indicate the potential benefits and damages to fish and wildlife by establishing the wetland system. The commissioner shall file an initial preliminary advisory report with the auditor before the date of the preliminary hearing. The commissioner may request additional time for review and evaluation of the preliminary survey report if additional time is necessary for proper evaluation. A request for additional time for filing the commissioner's preliminary advisory report may not be made more than five days after the date of the notice by the auditor that a date is to be set for the preliminary hearing. An extension of time may not exceed two weeks after the date of the request.*

Sec. 26. [103F:926] [PRELIMINARY HEARING.]

*Subdivision 1. [NOTICE.] When the preliminary survey report is filed, the auditor shall promptly notify the wetland authority. The wetland authority in consultation with the auditor shall set a time, by order, not more than 30 days after the date of the order, for a hearing on the preliminary survey report. At least ten days before the hearing, the wetland authority after consulting with the auditor shall give notice by mail of the time and location of the hearing to the petitioners, owners of property, and political subdivisions likely to be affected by the proposed wetland system in the preliminary survey report.*

*Subd. 2. [HEARING.] The engineer shall attend the preliminary hearing and provide necessary information. The petitioners and all other interested parties may appear and be heard. The commissioner's advisory report on the preliminary plan must be publicly read and included in the record of proceedings.*

*Subd. 3. [SUFFICIENCY OF PETITION.] (a) The wetland authority shall first examine the petition and determine if it meets the legal requirements.*

*(b) If the petition does not meet the legal requirements of this chapter, the hearing shall be adjourned and the petition referred back to the petitioners. The petitioners, by unanimous action, may amend the petition. The petitioners may obtain signatures.*

*(c) If at the adjourned hearing the petition does not meet the legal requirements, the proceedings must be dismissed.*

*Subd. 4. [DISMISSAL.] (a) The wetland authority shall dismiss the proceedings if it determines that:*

*(1) the proposed wetland system is not feasible;*

*(2) the adverse environmental impact is greater than the public benefit and utility after considering the environmental and land use criteria and the engineer has not reported a plan to make the proposed wetland system feasible and acceptable; or*

*(3) the proposed wetland system is not of public benefit or utility.*

*(b) If the proceedings are dismissed, any other action on the proposed wetland system must begin with a new petition.*

*Subd. 5. [FINDINGS AND ORDER.] (a) The wetland authority shall state, by order, its findings, a proposed financing plan, and any changes that must be made in the proposed wetland system from those outlined in the petition, including changes necessary to minimize or mitigate adverse*



*impact on the environment, if it determines that:*

*(1) the proposed wetland system outlined in the petition, or modified and recommended by the engineer, is feasible;*

*(2) there is necessity for the proposed wetland system; and*

*(3) the proposed wetland system will be of public benefit and promote the public health, after considering the environmental and land use criteria.*

*(b) Changes may be stated by describing them in general terms or filing a map that outlines the changes in the proposed wetland system with the order. The order and accompanying documents must be filed with the auditor.*

*Subd. 6. [EFFECT OF FINDINGS.] (a) For all further proceedings, the order modifies the petition and the order must be considered with the petition.*

*(b) The findings and order of the wetland authority at the preliminary hearing are conclusive only for the signatures and legal requirements of the petition, the nature and extent of the proposed plan, and the need for a detailed survey, and only for the persons or parties shown by the preliminary survey report as likely to be affected by the proposed wetland system. All questions related to the practicability and necessity of the proposed wetland system are subject to additional investigation and consideration at the final hearing.*

**Sec. 27. [103F927] [ORDER FOR DETAILED SURVEY AND DETAILED SURVEY REPORT.]**

*When the preliminary hearing order is filed with the auditor, the wetland authority shall order the engineer to make a detailed survey with plans and specifications for the proposed wetland system and submit a detailed survey report to the wetland authority as soon as possible.*

**Sec. 28. [103F928] [DETAILED SURVEY.]**

*Subdivision 1. [SURVEY AND EXAMINATION.] When an order for a detailed survey is filed, the engineer shall proceed to survey the lines of the proposed wetland system in the preliminary hearing order, and survey and examine affected property.*

*Subd. 2. [SURVEY REQUIREMENTS.] All boundary lines must be surveyed in 100-foot stations and elevations must be based on standard sea level datum, if practical. Bench marks must be established on permanent objects along the boundary line, not more than one mile apart. Field notes made by the engineer must be entered in bound field books and preserved by the engineer until they are filed with the auditor.*

**Sec. 29. [103F929] [VARIANCE FROM WETLAND AUTHORITY ORDER.]**

*In planning a proposed wetland system, the engineer may vary from the plan described by the preliminary hearing order if the property likely to be assessed in the proposed wetland system has not been included.*

**Sec. 30. [103F930] [SOIL SURVEY.]**

*The engineer shall make a soil survey if: (1) the wetland authority orders a soil survey; (2) the commissioner requests a soil survey; or (3) the engineer determines a soil survey is necessary. The soil survey must show the nature and character of the soil in the proposed wetland area and include the district board's findings from the soil survey. The report on the soil survey*

*must be included in the detailed survey report or reported and filed separately before the final hearing.*

Sec. 31. [103F931] [DETAILED SURVEY REPORT.]

*Subdivision 1. [REPORT AND INFORMATION REQUIRED.] The engineer shall prepare a detailed survey report that includes the data and information in this section.*

*Subd. 2. [MAP.] A complete map of the proposed wetland system must be drawn to scale, showing:*

- (1) the area to be included in the wetland system;*
- (2) the location and situation of the outlet;*
- (3) the watershed of the proposed wetland system and the subwatershed of wetlands, if any, with the location of existing highway bridges and culverts;*
- (4) all property affected, with the names of the known owners;*
- (5) public roads and railways affected;*
- (6) the outline of any lake basin, wetland, or public water body affected;*
- (7) areas of groundwater recharge affected by the proposed wetland system;*
- (8) areas where flooding will be reduced due to surface water retention by the wetland;*
- (9) areas where fish and wildlife habitat will be improved;*
- (10) areas where water quality will be improved due to the existence of the wetland;*
- (11) areas that use water flowing through the wetland as a potable water supply; and*
- (12) other physical characteristics of the watershed necessary to understand the proposed wetland system.*

Sec. 32. [103F932] [FILING DETAILED SURVEY REPORT.]

*The engineer must file the detailed survey report with the auditor where the proceedings are pending and the auditor must deliver a copy of the detailed survey report to the commissioner. The engineer must also file copies of the detailed survey report with the auditors of any affected counties.*

Sec. 33. [103F933] [REVISION OF DETAILED SURVEY REPORT AFTER ACCEPTANCE.]

*After the final acceptance of the proposed wetland system, the engineer shall revise the plan, profiles, and designs of structures to show the project as actually constructed on the original tracings. The engineer shall file the revised detailed survey report with the auditor. The auditor shall forward the original or a copy to the director as a permanent record.*

Sec. 34. [103F934] [COMMISSIONER'S FINAL ADVISORY REPORT.]

*(a) The commissioner shall examine the detailed survey report and within 30 days of receipt make a final advisory report to the wetland authority. The final advisory report must state whether the commissioner:*

(1) finds the detailed survey report is incomplete and not in accordance with the provisions of this chapter, specifying the incomplete or nonconforming provisions;

(2) approves the detailed survey report as an acceptable plan to establish a wetland system;

(3) does not approve the plan and recommendations for changes;

(4) finds the proposed wetland system is not of public benefit or utility under the environmental and land use criteria, specifying the facts and evidence supporting the findings; or

(5) finds a soil survey is needed, and, if needed, makes a request to the engineer to make a soil survey.

(b) The commissioner shall direct the final advisory report to the wetland authority and file it with the auditor.

### Sec. 35. [103F.935] [ APPRAISERS' APPOINTMENT AND QUALIFICATION.]

*Subdivision 1. [APPOINTMENT.] When the order for a detailed survey is made, the wetland authority shall, by order, appoint appraisers consisting of three disinterested persons knowledgeable in wetland values and benefits, hydrology, floodland protection, water use values, and property values. One of the appraisers must be a member of the soil and water conservation district board.*

*Subd. 2. [AUDITOR'S ORDER FOR FIRST MEETING.] Within five days after the detailed survey report is filed, the auditor shall, by order, designate the time and location for the first meeting of the appraisers, and issue a copy to the appraisers of the auditor's order and a certified copy of the order appointing the appraisers.*

*Subd. 3. [FIRST MEETING.] At the first meeting and before beginning their duties, the appraisers shall subscribe to an oath to faithfully perform their duties. If an appointed appraiser does not qualify for any reason, the auditor shall designate another qualified person to take the disqualified appraiser's place.*

### Sec. 36. [103F.936] [APPRAISERS' DUTIES.]

*The appraisers, with or without the engineer, shall determine the damages and direct benefits to all property and watercourses affected by the proposed wetland system and make an appraisers' report.*

### Sec. 37. [103F.937] [ASSESSMENT OF BENEFITS AND DAMAGES.]

*Subdivision 1. [PRIVATE PROPERTY.] (a) The wetland authority must assess damages and direct benefits to private property in the wetland system. If establishment of the wetland would convert the property to an entirely different use and restrict the owner's use, the damages must be equal to the current market value of the property or the owner may enter into an agreement with the wetland authority to accept replacement land under paragraph (b).*

*(b) If the private property owner enters into an agreement with the wetland authority to accept replacement land, the replacement land must be a functional replacement consisting of land substantially equal in acreage, use, interest, or estate to the private property damaged. If the parties are unable to agree on the designation of the replacement land, the parties may agree*

*to submit to an arbiter or the district court the issue of which replacement land proposed by the parties is a functional replacement for the property damaged.*

*Subd. 2. [FLOODWATER RETENTION.] If the wetland system is designed to retain floodwaters, benefits must be assessed against property protected from flooding.*

*Subd. 3. [PUBLIC VALUE BENEFITS.] The public value benefits of the wetland system must be assessed against the state.*

*Subd. 4. [STATE LAND.] Property owned by the state must have benefits and damages reported in the same manner as other property.*

*Subd. 5. [GOVERNMENT PROPERTY.] The appraisers shall report the benefits and damages to the state, counties, and municipalities from the proposed wetland system.*

*Subd. 6. [PUBLIC ROADS.] If a public road or street is benefited or damaged, the state, county, or political subdivision that is the governmental unit with the legal duty of maintaining the road or street, must be assessed benefits or damages to the road or street, except that benefits and damages for bridges and culverts must be assessed to the governmental unit that has the legal duty to construct and maintain the bridge or culvert.*

*Subd. 7. [RAILWAY AND OTHER UTILITIES.] The appraisers shall report the benefits and damages to railways and other utilities, including benefits and damages to property used for railway or other utility purposes.*

*Subd. 8. [EXTENT OF BENEFITS.] The appraisers shall determine the amount of direct benefits to all property as provided in this section.*

**Sec. 38. [103F938] [APPRAISERS' REPORT.]**

*Subdivision 1. [REQUIREMENTS.] The appraisers' report must show, in tabular form, for each lot, 40-acre tract, and fraction of a lot or tract under separate ownership that is benefited or damaged:*

*(1) a description of the lot or tract, under separate ownership, that is benefited or damaged;*

*(2) the names of the owners as they appear on the current tax records of the county;*

*(3) the number of acres in each tract or lot;*

*(4) the number and value of acres of a tract or lot added by the proposed wetland system;*

*(5) the damage, if any, to riparian rights;*

*(6) the amount that each tract or lot will be benefited or damaged; and*

*(7) the public value benefits based on criteria adopted under article 2, section 4, subdivision 4.*

*Subd. 2. [DISAGREEMENT OF APPRAISERS.] If the appraisers are unable to agree, each appraiser shall separately state findings on the disagreed issue. A majority of the appraisers may perform the required duties under this chapter.*

*Subd. 3. [FILING.] When the appraisers complete their duties, they shall file the appraisers' report with the auditor of each affected county. A detailed statement must be filed with the appraisers' report showing the actual time*

*the appraisers were engaged and the costs incurred. The appraisers shall perform their duties and complete the appraisers' report as soon as possible after their first meeting.*

**Sec. 39. [103F.939] [FINAL HEARING.]**

*Subdivision 1. [TIME.] Promptly after the filing of the appraisers' report and the commissioner's final advisory report, the wetland authority after consulting with the auditor shall set a time and location for the final hearing on the petition, the detailed survey report, and the appraisers' report. The hearing must be set 25 to 50 days after the date of the final hearing notice.*

*Subd. 2. [NOTICE.] (a) The final hearing notice must state:*

*(1) that the petition is pending;*

*(2) that the detailed survey report is filed;*

*(3) that the appraisers' report is filed;*

*(4) the time and place set for the final hearing;*

*(5) a brief description of the proposed wetland system, giving in general terms the location of the wetland system;*

*(6) a description of property benefited and damaged, and the names of the owners of the property; and*

*(7) the municipal and other corporations affected by the proposed wetland system as shown by the detailed survey report and appraisers' report.*

*(b) Names may be listed in a narrative form and property affected may be separately listed in narrative form by governmental sections or otherwise.*

*(c) For a joint county proceeding, separate notice may be prepared for each county affected, showing the portion of the proposed wetland system and the names and descriptions of affected property in the county.*

*Subd. 3. [METHOD OF NOTICE.] The auditor shall notify the wetland authority, auditors of affected counties, and all interested persons of the time and location of the final hearing by publication, posting, and mail. A printed copy of the final hearing notice for each affected county must be posted at least three weeks before the date of the final hearing at the front door of the courthouse in each county. Within one week after the first publication of the notice, the auditor shall give notice by mail of the time and location of the final hearing to the commissioner, all property owners, and others affected by the proposed wetland system and listed in the detailed survey report and the appraisers' report.*

*Subd. 4. [DEFECTIVE NOTICE.] If the final hearing notice is not given or is not legally given, the auditor shall properly publish, post, and mail the notice or provide the notice under the provisions to cure defective notice in section 6.*

**Sec. 40. [103F.940] [PROCEEDINGS AT THE FINAL HEARING.]**

*Subdivision 1. [CONSIDERATION OF PETITION AND REPORTS.] At the time and location for the final hearing specified in the notice, or after the hearing adjourns, the wetland authority shall consider the petition for the wetland system, with all matters pertaining to the detailed survey report, the appraisers' report, and the commissioner's final advisory report. The wetland authority shall hear and consider the testimony presented by all interested parties. The engineer or the engineer's assistant and at least one*

*appraiser shall be present. The commissioner may appear and be heard. If the commissioner does not appear personally, the final advisory report shall be read during the hearing. The final hearing may be adjourned and reconvened as is necessary.*

*Subd. 2. [CHANGES IN WETLAND PLAN.] If the wetland authority determines that the general plan reported by the engineer may be improved by changes, or that the appraisers have made an inequitable assessment of benefits or damages to any property, the wetland authority may amend the detailed survey report or the appraisers' report, and make necessary and proper findings in relation to the reports. The wetland authority may resubmit matters to the engineer or to the appraisers for immediate consideration. The engineer or appraisers shall proceed promptly to reconsider the resubmitted matters and shall make and file the amended findings and reports. The amended reports are a part of the original reports.*

*Subd. 3. [REEXAMINATION.] If the wetland authority determines that property not included in the notice should be included and assessed or that the engineer or appraisers, or both, should reexamine the proposed wetland system or the property benefited or damaged by the system, the wetland authority may resubmit the reports to the engineer and appraisers. If a report is resubmitted, the final hearing may be continued as is necessary to make the reexamination and reexamination report. If the reexamination report includes property not included in the original report, the wetland authority may, by order, adjourn the hearing and direct the auditor to serve or publish, post, and mail a final hearing notice with reference to all property not included in the previous notice. The jurisdiction of the wetland authority continues in the property given proper notice, and new or additional notice is not required for that property.*

**Sec. 41. [103F.941] [WETLAND AUTHORITY FINAL ORDER.]**

*Subdivision 1. [DISMISSAL OF PROCEEDINGS.] The wetland authority must dismiss the proceedings and petition, by order, if it determines that:*

- (1) the benefits of the proposed wetland system including the public value benefits are less than the total cost, including damages awarded;*
  - (2) the proposed wetland system will not be of public benefit and utility;*
  - (3) the proposed wetland system is not practicable after considering the environmental and land use criteria;*
  - (4) the state will pay more than 50 percent of the benefits and the commissioner has recommended against establishment of the wetland system;*
- or*

*(5) written approval for financing the wetland system has not been obtained from counties if bonds are required or from the board of water and soil resources for public value benefits.*

*Subd. 2. [ESTABLISHMENT OF PROPOSED WETLAND SYSTEM.] (a) The wetland authority shall establish, by order, a proposed wetland system if it determines that:*

- (1) the detailed survey report and appraisers' report have been made and other proceedings have been completed under this chapter;*
- (2) the reports made or amended are complete and correct;*
- (3) the damages and benefits have been properly determined;*

(4) the estimated benefits including the public value of the wetland are greater than the total estimated cost, including damages;

(5) the proposed wetland system will be of public utility and benefit, and will promote the public health;

(6) the assessment against the state has been presented to the board of water and soil resources and the board has agreed to pay the assessment;

(7) the proposed wetland system is practicable; and

(8) written approval of counties for issuing bonds or the board of water and soil resources for paying public value benefits has been obtained.

(b) The order must contain the wetland authority's findings, adopt and confirm the appraisers' report as made or amended, and establish the proposed wetland system as reported and amended.

(c) A wetland system established under this section must be included in the wetland inventory established under article 2, section 4, subdivision 1. Establishing a wetland system does not give the public any greater right of access to the wetland system than is provided in section 103G.205.

*Subd. 3. [CONSERVATION EASEMENT.] The owner of land on which a wetland system is established under this section shall convey to the board of water and soil resources a permanent conservation easement, as defined in section 84C.01, paragraph (1). In the easement agreement between the landowner and the board, the landowner shall agree:*

(1) not to drain, burn, fill, or otherwise destroy the wetland character of the wetland system, or to use the wetlands for agricultural purposes, as determined by the board;

(2) not to adopt a practice specified by the board in the easement agreement as a practice that would tend to defeat the purposes of the wetland system and the easement; and

(3) to additional provisions that the commissioner determines are desirable.

#### Sec. 42. [103F.942] [APPORTIONMENT OF COST FOR JOINT WETLAND SYSTEMS.]

*For joint proceedings, the auditor where the petition is filed shall file a certified copy of the appraisers' report with the auditor of each affected county within 20 days after the date of the final order establishing the system. When the final order to establish the wetland system is made, the wetland authority shall determine and order the percentage of the cost of the wetland system to be paid by each affected county. The cost shall be in proportion to the benefits received, unless there is a contrary reason. An auditor of an affected county may petition the wetland authority after the final order is made to determine and order the percentage of costs to be paid by the affected counties. The wetland authority shall hold a hearing five days after giving written notice to the auditor of each affected county. After giving the notice to the auditors of the affected counties, the wetland authority may, at any time that it is necessary, modify an order or make an additional order to allocate the cost among the affected counties.*

#### Sec. 43. [103F.943] [USE OF WETLAND SYSTEM AS AN OUTLET.]

*Subdivision 1. [EXPRESS AUTHORITY NECESSARY.] After the establishment of a wetland system, the property not assessed benefits may not*

*discharge additional flow of water to the wetland system as an outlet without obtaining express authority from the wetland authority of the wetland system proposed to be used as the outlet. This section is applicable to the construction of a public or private drainage system that outlets water into an established wetland system regardless of the actual physical connection.*

*Subd. 2. [PETITION.] A person seeking authority to use an established wetland system as an outlet must petition the wetland authority. When the petition is filed, the wetland authority in consultation with the auditor shall set a time and location for a hearing on the petition and shall give notice by mail and notice by publication of the hearing. The auditor must be paid a fee of \$25 plus 30 cents for each notice mailed in excess of ten.*

*Subd. 3. [HEARING.] At the hearing the wetland authority shall consider the capacity of the wetland system as an outlet. If express authority is given to use the wetland system as an outlet, the wetland authority shall state, by order, the terms and conditions for use of the established wetland system as an outlet and shall set the amount to be paid as an outlet fee. The order must describe the property to be benefited by the wetland system and must state the amount of benefits to the property for the outlet. The property benefited is liable for assessments levied after that time in the wetland system, on the basis of the benefits as if the benefits had been determined in the order establishing the wetland system.*

*Subd. 4. [PAYMENT OF OUTLET FEE.] The outlet fee for a proposed wetland system is a part of the cost of the proposed wetland system and is to be paid by assessment against the property benefited by the proposed wetland system and credited to the account to establish the wetland system.*

**Sec. 44. [103F.944] [WETLAND SYSTEM AS OUTLET FOR MUNICIPALITY.]**

*Subdivision 1. [PETITION.] After a wetland system has been established, a municipality may discharge additional flow of water to a wetland system as an outlet for its municipal drainage system or the overflow from the system under the provisions of this section. The municipality must petition to the wetland authority to use the wetland system. The petition must:*

- (1) show the necessity for the use of the wetland system as an outlet;*
- (2) show that the use of the wetland system will be of public benefit and utility and promote the public health;*
- (3) be accompanied by a plat showing the location of the wetland system and the location of the municipal drainage system; and*
- (4) be accompanied by specifications showing the plan of connection from the municipal drainage system to the wetland system.*

*Subd. 2. [APPROVAL BY POLLUTION CONTROL AGENCY.] The plan for connecting the municipal drainage system to the wetland system must be approved by the pollution control agency.*

*Subd. 3. [FILING; NOTICE.] (a) If proceedings to establish the wetland system to be used as an outlet are pending, the petition must be filed with the auditor. The municipal drainage system petition must be presented to the wetland authority at the final hearing to consider the detailed survey report and appraisers' report. Notice of the municipal drainage system petition must be included in the final hearing notice.*

- (b) If the wetland system to be used as an outlet is established, the*



*municipal drainage system petition must be filed with the auditor. When the petition is filed, the wetland authority in consultation with the auditor shall, by order, set a time and place for hearing on the petition. Notice of the hearing must be given by publication and by mailed notice to the auditor of each affected county.*

*Subd. 4. [HEARING AND ORDER.] (a) At the hearing the wetland authority may receive all evidence of interested parties for or against the granting of the petition. The wetland authority, by order, may authorize the municipality to use the wetland system as an outlet, subject to the conditions that are necessary and proper to protect the rights of the parties and safeguard the interests of the general public, if the wetland authority determines:*

*(1) that a necessity exists for the use of the wetland system as an outlet for the municipal drainage system or the overflow from the system;*

*(2) that use of the wetland system will be of public utility and promote the public health; and*

*(3) that the proposed connection conforms to the requirements of the pollution control agency and provides for the construction and use of proper disposal works.*

*(b) The wetland authority must, by order, make the municipality a party to the proceedings and determine the benefits from using the wetland system as an outlet.*

*Subd. 5. [BENEFITS AND ASSESSMENTS IF WETLAND SYSTEM IS ESTABLISHED.] If the wetland system is established, the wetland authority must determine the amount the municipality must pay for the privilege of using the wetland system as an outlet for additional flow. The amount must be paid to the affected counties and credited to the account of the wetland system used as an outlet. The municipality is liable for all subsequent liens and assessments for the repair and maintenance of the wetland system in proportion to the benefits, as though the benefits were determined in the order establishing the wetland system.*

## CONSTRUCTION OF WETLAND SYSTEM

### Sec. 45. [103F.945] [CONTRACT AND BOND.]

*Subdivision 1. [PREPARATION.] The engineer and the wetland authority attorney shall prepare the contract and bond. The contract and bond must include the provisions required by this chapter and section 574.26 for bonds given by contractors for public works and must be conditioned as provided by section 574.26 for the better security of the contracting counties and parties performing labor and furnishing material in performance of the contract. The prepared contract and bond must be attached and provided to the contractor for execution.*

*Subd. 2. [CONTRACTOR'S BOND.] The contractor shall file a bond with the auditor for an amount not less than 75 percent of the contract price of the work. The bond must have adequate surety and be approved by the auditor. The bond must provide that the surety for the bond is liable for all damages resulting from a failure to perform work under the contract, whether the work is resold or not, and that a person or political subdivision showing damages from the failure to perform work under the contract may maintain an action against the bond in their own names. Actions may be successive in favor of all persons injured, but the aggregate liability of the surety for*

*all the damages may not exceed the amount of the bond. The surety is liable for the tile work guaranteed by the contractor. The contractor is considered a public officer and the bond an official bond within the meaning of section 574.24 construing the official bonds of public officers as security to all persons and providing for actions on the bonds by a party that is damaged.*

*Subd. 3. [CONTRACT.] The contract must contain a specific description of the work to be done, either expressly or by reference to the plans and specifications, and must provide that the work must be done and completed as provided in the plans and specifications and subject to the inspection and approval of the engineer. The contract must provide that time is of the essence of the contract, and that if there is a failure to perform the work according to the terms of the contract within the time given in the original contract or as extended, the contractors shall forfeit and pay counties an amount stated in the contract as liquidated damages. The amount must be fixed by the auditor for each day that the failure of performance continues.*

*Subd. 4. [CONTRACT PROVISIONS FOR CHANGES DURING CONSTRUCTION.] The contract must give the engineer the right, with the consent of the wetland authority, to modify the detailed survey report, plans, and specifications as the work proceeds and as circumstances require. The contract must provide that the increased cost resulting from the changes will be paid by the wetland authority to the contractor at a rate not greater than the amount for similar work in the contract. A change may not be made that will substantially impair the usefulness of any part of the wetland system, substantially alter its original character, or increase its total cost by more than ten percent of the total original contract price. A change may not be made that will cause the cost to exceed the total estimated benefits found by the wetland authority, or that will cause any detrimental effects to the public interest under section 1.*

*Subd. 5. [CONTRACT WITH FEDERAL UNIT.] If any portion of the work is to be done by the United States or an agency of the United States, a bond or contract is not necessary for that portion of the work, except that a contract must be made if the United States or its agencies require a contract with the local governmental units. The contract must contain the terms, conditions, provisions, and guaranties required by the United States or its agencies to proceed with the work.*

*Subd. 6. [MODIFICATION OF CONTRACT BY AGREEMENT.] This chapter does not prevent the persons with property affected by the construction of a wetland system from uniting in a written agreement with the contractor and the surety of the contractor's bond to modify the contract as to the manner or time when any portion of the wetland system is constructed, if the modification is recommended, in writing, by the engineer and approved by the wetland authority.*

**Sec. 46. [103F.946] [AWARDING THE CONSTRUCTION CONTRACT.]**

*Subdivision 1. [AUDITORS AND WETLAND AUTHORITY TO PROCEED.] Thirty days after the order establishing a wetland system is filed, the auditor and the wetland authority or, for a joint wetland system, a majority of the auditors of the affected counties shall proceed to award the contract to construct the wetland system.*

*Subd. 2. [PENDING APPEAL OF BENEFITS AND DAMAGES.] If an appeal regarding the determination of benefits and damages is made within*

30 days after the order establishing the wetland system has been filed, a contract may not be awarded until the appeal has been determined, unless the wetland authority orders the contract awarded. The auditor of an affected county or an interested person may request the wetland authority to make the order. If the request is not made by an affected auditor, the auditors of affected counties must be given notice five days before the hearing on the request.

*Subd. 3. [NOTICE OF CONTRACT AWARDING.]* The auditor of an affected county shall give notice of the awarding of the contract by publication in a newspaper in the county. The notice must state the time and location for awarding the contract. For a joint wetland system the auditors shall award the contract at the office of the auditor where the proceedings are pending. If the estimated cost of construction is more than \$3,000, the auditor shall also place a notice in a construction trade paper. The trade paper notice must state:

- (1) the time and location for awarding the contract;
- (2) the approximate amount of work and its estimated cost;
- (3) that bids may be for the work as one job, or in sections, or separately, for bridges, ditches and open work, tile, or tile construction work, if required or advisable;
- (4) that each bid must be accompanied by a certified check or a bond furnished by an approved surety corporation payable to the auditors of affected counties for ten percent of the bid, as security that the bidder will enter into a contract and give a bond as required by section 45; and
- (5) that the wetland authority reserves the right to reject any and all bids.

*Subd. 4. [ENGINEER SHALL ATTEND AWARDING OF CONTRACT.]* The engineer shall attend the meeting to award the contract. A bid may not be accepted without the engineer's approval of compliance with plans and specifications.

*Subd. 5. [HOW CONTRACT MAY BE AWARDED.]* The contract may be awarded in one job, in sections, or separately for labor and material and must be let to the lowest responsible bidder.

*Subd. 6. [BIDS EXCEEDING 130 PERCENT OF ESTIMATED COST NOT ACCEPTED.]* Bids that in the aggregate exceed the total estimated cost of construction by more than 130 percent may not be accepted.

*Subd. 7. [AFFECTED COUNTIES CONTRACT THROUGH AUDITOR.]* The wetland authority and the auditor of each affected county shall contract, in the names of their respective counties, to construct the wetland system in the time and manner and according to the plans and specifications and the contract provisions in this chapter.

*Subd. 8. [WORK DONE BY FEDERAL GOVERNMENT.]* If any of the wetland work is to be done by the United States or its agencies, a notice of awarding that contract does not need to be published and a contract for that construction is not necessary. Affected municipalities may contract or arrange with the United States or its agencies for cooperation or assistance in constructing, maintaining, and operating the wetland system, for control of waters in the district, or for making a survey and investigation or reports on the wetland system. The municipalities may provide required guaranty and protection to the United States or its agencies.

**Sec. 47. [103F947] [PROCEDURE IF CONTRACT IS NOT AWARDED DUE TO BIDS OR COSTS.]**

*Subdivision 1. [CONDITIONS TO USE PROCEDURE IN THIS SECTION.] The procedure in this section may be used if after a wetland system is established:*

*(1) the only bids received are for more than 30 percent in excess of the engineer's estimated cost, or in excess of the benefits, less damages and other costs; or*

*(2) a contract is awarded, but due to unavoidable delays not caused by the contractor, the contract cannot be completed for an amount equal to or less than the benefits, less damages and other costs.*

*Subd. 2. [PETITION AFTER COST ESTIMATE ERROR OR CHANGE TO LOWER COST.] A person interested in the wetland system may petition the wetland authority if the person determines that the engineer made an error in the estimate of the wetland system cost or that the plans and specifications could be changed in a manner materially affecting the cost of the wetland system without interfering with the efficiency. The petition must state the person's determinations and request that the detailed survey report and appraisers' report be referred back to the engineer and to the appraisers for additional consideration.*

*Subd. 3. [PETITION AFTER EXCESSIVE COST DUE TO INFLATION.] (a) A person interested in the wetland system may petition the wetland authority for an order to reconsider the detailed survey report and appraisers' report if the person determines:*

*(1) that bids were received only for a price more than 30 percent in excess of the detailed survey report estimate because inflation increased the construction cost between the time of the detailed survey cost estimate and the time of awarding the contract; or*

*(2) that after the contract was awarded there was unavoidable delay not caused by the contractor, and between the time of awarding the contract and completion of construction inflation increased construction costs resulting in the contract not being completed for an amount equal to or less than the assessed benefits.*

*(b) The person may request in the petition that the wetland authority reconsider the original cost estimate in the detailed survey report and appraisers' report and adjust the cost estimate consistent with the increased construction cost.*

*Subd. 4. [HEARING ORDERED AFTER RECEIPT OF PETITION.] After receiving a petition, the wetland authority shall order a hearing. The order must designate the time and place of the hearing and direct the auditor to give notice by publication.*

*Subd. 5. [HEARING ON COST PETITION.] (a) At the hearing the wetland authority shall consider the petition and hear all interested parties.*

*(b) The wetland authority may, by order, authorize the engineer to amend the detailed survey report, if the wetland authority determines that:*

*(1) the detailed survey report cost estimate was erroneous and should be corrected;*

*(2) the plans and specifications could be changed in a manner materially*

*affecting the cost of the wetland system without interfering with the efficiency; and*

*(3) with the correction or modification a contract could be awarded within the 30 percent limitation and equal to or less than benefits.*

*(c) If the wetland authority determines that the amended changes affect the amount of benefits or damages to any property or that the benefits should be reexamined because of inflated land values or inflated construction costs, it shall refer the appraisers' report to the appraisers to reexamine the benefits and damages.*

*(d) The wetland authority may, by order, direct the engineer and appraisers to amend their detailed survey report and appraisers' report to consider the inflationary cost increases if the wetland authority determines that:*

*(1) bids were not received; or*

*(2) because of inflationary construction cost increases, construction under the awarded contract cannot be completed for 30 percent or less over the detailed survey cost estimate or in excess of the benefits, less damages and other costs.*

*(e) The wetland authority may continue the hearing to give the engineer or appraisers additional time to amend the reports. The jurisdiction of the wetland authority continues at the adjourned hearing.*

*(f) The wetland authority has full authority to consider the amended reports and make findings and orders. A party may appeal to the district court.*

**Sec. 48. [103F:948] [DAMAGES; PAYMENT.]**

*The wetland authority where the damaged property is located must order the awarded damages to be paid, less any assessment against the property, before the property is entered for construction of the wetland system. If a county or a municipality that is awarded damages requests it, the assessment may not be deducted. If there is an appeal, the damages may not be paid until the final determination. If it is not clear who is entitled to the damages, the wetland authority may pay the damages to the court administrator of the district court of the county. The court shall direct the court administrator, by order, to pay the parties entitled to the damages.*

**Sec. 49. [103F:949] [SUPERVISION OF CONSTRUCTION.]**

*The wetland authority shall require the engineer to supervise and inspect the construction under contract. The wetland authority shall cause the contracts under this chapter to be performed properly.*

**Sec. 50. [103F:950] [EXTENSION OF TIME ON CONTRACTS.]**

*The auditors of affected counties may extend the time for the performance of a contract as provided in this section. The contractor may apply, in writing, for an extension of the contract. Notice of the application must be given to:*

*(1) the engineer and the attorney for the petitioners; and*

*(2) for a joint wetland system, to the auditors of the affected counties. The auditors may grant an extension if sufficient reasons are shown. The extension does not affect a claim for liquidated damages that may arise after the original time expires and before an extension or a claim that may*

arise after the time for the extension expires.

Sec. 51. [103F.951] [REDUCTION OF CONTRACTOR'S BOND.]

*Subdivision 1. [APPLICATION TO WETLAND AUTHORITY.] The contractor, at the end of each season's work and before the contract is completed, may make a verified application to the wetland authority to reduce the contractor's bond and file the application with the auditor. The application must state:*

- (1) the work certified as completed by the engineer;*
- (2) the certified work's value;*
- (3) the amount of money received by the contractor and the amount retained;*
- (4) the amount unpaid by the contractor for labor or material furnished on the contract; and*

*(5) a request for an order to reduce the amount of the contractor's bond.*

*The application must be filed with the auditor.*

*Subd. 2. [NOTICE OF HEARING.] When an application is filed, the auditor, by order, shall set the time and location for a hearing on the application. Ten days before the hearing, notice of the hearing must be published in each affected county and notice by mail given to the engineer, the attorney for the petitioners, and the auditor of each affected county. The contractor must pay the cost of the hearing notice by publication.*

*Subd. 3. [HEARING; REDUCTION OF BOND.] The wetland authority may, by order, reduce the contractor's bond if it determines that the contractor is not in default and that a loss will not result from reducing the bond. The bond may be reduced to an amount sufficient to protect the affected counties from loss and damage, but the reduction:*

- (1) may not be more than 35 percent of the amount already paid to the contractor;*
- (2) may not affect the remaining amount of the bond; and*
- (3) does not affect liability incurred on the bond before the reduction.*

Sec. 52. [103F.952] [CONTRACTOR'S DEFAULT.]

*Subdivision 1. [NOTICE.] If a contractor defaults in the performance of the contract, the auditor shall mail a notice of the default to the contractor, the surety of the contractor's bond, the engineer, and the auditors of the affected counties. The notice must specify the default and state that if the default is not promptly removed and the contract completed, the unfinished portion of the contract will be awarded to another contractor.*

*Subd. 2. [COMPLETION OF CONTRACT BY SURETY.] If the surety of the contractor's bond promptly proceeds with the completion of the contract, the affected auditors may grant an extension of time. If the contract is completed by the surety, the balance due on the contract must be paid to the surety, less damages incurred by the affected counties from the default.*

*Subd. 3. [AWARDING OF CONTRACT; RECOVERY ON BOND.] If the surety of the contractor's bond does not undertake the completion of the contract or does not complete the contract within the time specified or extended, auditors of the affected counties shall advertise for bids to complete*

*the contract in the manner provided in the original awarding of contracts. The wetland authority may recover the increased amounts paid to a subsequent contractor after reselling the work, and damages incurred by affected counties, from the first contractor's bond.*

**Sec. 53. [103F.953] [ACCEPTANCE OF CONTRACT.]**

*Subdivision 1. [ENGINEER'S REPORT AND NOTICE.] When a contract is completed, the engineer shall make a report to the wetland authority showing the contract price, the amount paid on certificates, the unpaid balance, and the work that is completed under the contract. When the report is filed, the auditor shall set a time and location for a hearing on the report. The auditor shall give notice of the hearing by publication or notice by mail at least ten days before the hearing to the owners of affected property. The notice must state that the report is filed, the time and location for the hearing, and that a party objecting to the acceptance of the contract may appear and be heard.*

*Subd. 2. [HEARING.] At the hearing the wetland authority may, by order, direct payment of the balance due if it determines that the contract has been completed in accordance with the plans and specifications. If good cause is shown, the wetland authority may waive any part of the liquidated damages accruing under the contract. When the order is filed, the wetland authority shall pay for the balance due on the contract. For a joint wetland system the auditor shall make an order to the wetland authorities to pay for their proportionate shares of the balance due on the contract. After receiving the order, the wetland authorities shall pay the amount specified in the order.*

**Sec. 54. [103F.954] [WETLAND LIEN STATEMENT.]**

*Subdivision 1. [DETERMINATION OF PROPERTY LIABILITY.] When the contract for the construction of a wetland system is awarded, the auditor of an affected county shall make a statement showing the total cost of the wetland system with the estimated cost of all items required to complete the work. The cost must be prorated to each tract of property affected in direct proportion to the benefits. The cost, less any damages, is the amount of liability for each tract for the wetland system. The property liability must be shown in the tabular statement under subdivision 2, opposite the property owner's name and description of each tract of property. The amount of liability on a tract of property for establishment and construction of a wetland system may not exceed the benefits determined in the proceedings that accrue to the tract.*

*Subd. 2. [WETLAND LIEN STATEMENT.] The auditor of each affected county shall make a lien statement in tabular form showing:*

*(1) the names of the property owners, corporate entities, or political subdivisions of the county benefited or damaged by the construction of the wetland system in the appraisers' report as approved by the final order for establishment;*

*(2) the description of the property in the appraisers' report, and the total number of acres in each tract according to the county tax lists;*

*(3) the number of acres benefited or damaged in each tract shown in the appraisers' report;*

*(4) the amount of benefits and damages to each tract of property as stated in the appraisers' report and confirmed by the final order that established*

*the wetland system unless the order is appealed and a different amount is set; and*

*(5) the amount each tract of property will be liable for and must pay the wetland authority for the establishment and construction of the wetland system.*

*Subd. 3. [SUPPLEMENTAL WETLAND LIEN STATEMENT.] If any items of the cost of the wetland system have been omitted from the original wetland lien statement, a supplemental wetland lien statement with the omitted items must be made and recorded in the same manner provided for a wetland lien statement. The total amount of the original wetland lien and any supplemental wetland liens may not exceed the benefits.*

*Subd. 4. [RECORDING WETLAND LIEN STATEMENT.] The wetland lien statement and supplemental wetland lien statements must be certified by the auditor and recorded by the county recorder of the county where the tract is located. The county recorder's fees for recording must be paid on allowance by the wetland authority. The wetland lien statement and any supplemental wetland lien statements, after recording, must be returned and preserved by the auditor.*

**Sec. 55. [103F.955] [EFFECT OF FILED WETLAND LIEN.]**

*The amount recorded on the wetland lien statement and supplemental wetland lien statements that each tract of property will be liable for, and the interest allowed on that amount, is a wetland lien on the property. The wetland lien is a first and paramount lien until fully paid, and has priority over all mortgages, charges, encumbrances, and other liens unless the county board subordinates the wetland lien to easements of record. The recording of the wetland lien statement or a supplemental wetland lien statement is notice to all parties of the existence of the wetland lien.*

**Sec. 56. [103F.956] [PAYMENT OF WETLAND LIENS AND INTEREST.]**

*Subdivision 1. [PAYMENT OF WETLAND LIEN PRINCIPAL.] (a) Wetland liens against property benefited under this chapter are payable to the treasurer of the county in five or less equal annual installments. The first installment of the principal is due on or before November 1 after the wetland lien statement is recorded, and each subsequent installment is due on or before November 1 of each year afterwards until the principal is paid.*

*(b) The wetland authority may, by order, direct the wetland lien to be paid by one-fifth of the principal on or before five years from November 1 after the lien statement is recorded, and one-fifth on or before November 1 of each year afterwards until the principal is paid.*

*(c) The wetland authority may order that the wetland lien must be paid by one or two installments, notwithstanding paragraphs (a) and (b), if the principal amount of a lien against a lot or tract of property or against a county or municipality is less than \$500.*

*Subd. 2. [INTEREST.] (a) Interest is an additional wetland lien on all property until paid. The interest rate on the wetland lien principal must be set by the county board, but may not exceed seven percent per year from the date the wetland lien statement is recorded.*

*(b) Before the tax lists for the year are given to the county treasurer, the auditor shall compute the interest on the unpaid balance of the wetland lien*



*at the rate set by the county board. The amount of interest must be computed on the entire unpaid principal from the date the wetland lien was recorded to August 15 of the next calendar year, and afterwards from August 15 to August 15 of each year.*

*(c) Interest is due and payable after November 1 of each year the wetland lien principal or interest is due and unpaid.*

*Subd. 3. [COLLECTION OF PAYMENTS.] Interest and any installment due must be entered on the tax lists for the year. The installment and interest must be collected in the same manner as real estate taxes for that year by collecting one-half of the total of the installment and interest with and as a part of the real estate taxes on or before May 15 and one-half on or before October 15 of the next year.*

*Subd. 4. [PREPAYMENT OF INTEREST.] Interest may be paid at any time, computed to the date of payment, except that after the interest is entered on the tax lists for the year, it is due as entered, without a reduction for prepayment.*

*Subd. 5. [PAYMENT OF WETLAND LIENS WITH BONDS.] The county board may direct the county treasurer to accept any outstanding bond that is a legal obligation of the county under this chapter issued on account of a wetland lien in payment of wetland liens under the provisions of this chapter. The bonds must be accepted at their par value plus accrued interest.*

*Subd. 6. [WETLAND LIEN RECORD.] The auditor shall keep a wetland lien record for each wetland system showing the amount of the wetland lien remaining unpaid against each tract of property.*

*Subd. 7. [COLLECTION AND ENFORCEMENT OF WETLAND LIENS.] The provisions of law that exist relating to the collection of real estate taxes are adopted to enforce payment of wetland liens. If there is a default, a penalty may not be added to an installment of principal and interest, but each defaulted payment, principal, and interest draws interest from the date of default until paid at seven percent per year.*

**Sec. 57. [103F:957] [ENFORCEMENT OF ASSESSMENTS.]**

*Subdivision 1. [MUNICIPALITIES.] Assessments filed for benefits to a municipality are a liability of the municipality and are due and payable with interest in installments on November 1 of each year. If the installments and interest are not paid on or before November 1, the amount due with interest added must be extended by the county auditor against all property in the municipality that is liable to taxation. A levy must be made and the amount due must be paid and collected in the same manner and time as other taxes.*

*Subd. 2. [RAILROAD AND UTILITY PROPERTY.] Property owned by a railroad or other utility corporation benefited by a wetland system is liable for the assessments of benefits on the property as other taxable property. From the date the wetland lien is recorded, the amount of the assessment with interest is a lien against all property of the corporation within the county. Upon default the assessment may be collected by civil action or the wetland lien may be foreclosed by action in the same manner as provided by law for the foreclosure of mortgage liens. The county where the wetland lien is filed has the right of action against the corporation to enforce and collect the assessment.*

**Sec. 58. [103F:958] [SATISFACTION OF LIENS.]**

*When a wetland lien with the accumulated interest is fully paid, the auditor shall issue a certificate of payment with the auditor's official seal and record the certificate with the county recorder. The recorded certificate releases and discharges the wetland lien. The auditor may collect 25 cents for each description in the certificate. The auditor's fee and the fee of the county recorder must be paid from the account for the wetland system.*

**Sec. 59. [103F959] [SUBDIVISION BY PLATTING MUST HAVE LIENS APPORTIONED.]**

*A tract of property with a wetland lien that is subdivided by platting is not complete and the plat may not be recorded until the wetland liens against the tracts are apportioned and the apportionment filed with the county recorder of the county where the tract is located.*

**Sec. 60. [103F960] [APPORTIONMENT OF LIENS.]**

*Subdivision 1. [PETITION.] A person who has an interest in property that has a wetland lien attached to it may petition the wetland authority to apportion the lien among specified portions of the tract if the payments of principal and interest on the property are not in default.*

*Subd. 2. [NOTICE.] When the petition is filed, the wetland authority shall, by order, set a time and location for a hearing on the petition. The wetland authority shall give notice of the hearing by personal service to the auditor, the occupants of the tract, and on all parties having an interest in the tract as shown by the records in the county recorder's office. The service must be made at least ten days before the hearing. If personal service cannot be made to all interested persons, notice may be given by publication. The petitioner shall pay the costs for service or publication.*

*Subd. 3. [HEARING.] The wetland authority shall hear all related evidence and, by order, apportion the lien. A certified copy of the order must be recorded in the county recorder's office and filed with the auditor.*

**Sec. 61. [103F961] [WETLAND BOND ISSUES.]**

*Subdivision 1. [AUTHORITY.] After the contract for the construction of a wetland system is awarded, the county board of an affected county may issue the bonds of the county in an amount necessary to pay the cost of establishing and constructing the wetland system.*

*Subd. 2. [SINGLE ISSUE FOR TWO OR MORE WETLAND SYSTEMS.] The county board may include two or more wetland systems in a single wetland bond issue. The total amount of the wetland bond issue may not exceed the total cost, including expenses, to be assessed to pay for the wetland systems. The total cost to be assessed must be determined or estimated by the county board when the wetland bonds are issued.*

*Subd. 3. [SECURITY AND SOURCE OF PAYMENT.] The wetland bonds must be issued in accordance with chapter 475 and must pledge the full faith, credit, and resources of the county for the prompt payment of the principal and interest of the wetland bonds. The wetland bonds are primarily payable from the funds of the wetland systems financed by the bonds or from the common wetland bond redemption fund of the county. The common wetland bond redemption fund may be created by resolution of the county board as a debt redemption fund for the payment of wetland bonds issued under this chapter.*

**Subd. 4. [PAYMENT PERIOD AND INTEREST ON WETLAND**

BONDS.] (a) *The county board shall determine, by resolution:*

*(1) the time of payment for the wetland bonds not exceeding 23 years from their date;*

*(2) the rates of interest for the wetland bonds, with the net average rate of interest over the term of the bonds not to exceed the rate established under section 475.55; and*

*(3) whether the wetland bonds are payable annually or semiannually.*

*(b) The county board shall determine the years and amounts of principal maturities that are necessary by the anticipated collections of the wetland systems assessments, without regard to any limitations on the maturities imposed by section 475.54.*

*Subd. 5. [TEMPORARY WETLAND BONDS MATURING IN TWO YEARS OR LESS.] The county board may issue and sell temporary wetland bonds under this subdivision maturing not more than two years after their date of issue, instead of bonds under subdivision 4. The county shall issue and sell definitive wetland bonds before the maturity of bonds issued under this subdivision and use the proceeds to pay for the temporary wetland bonds and interest to the extent that the temporary bonds are not paid for by assessments collected or other available funds. The holders of temporary wetland bonds and the taxpayers of the county have and may enforce by mandamus or other appropriate proceedings:*

*(1) all rights respecting the levy and collection of assessments sufficient to pay the cost of proceedings and construction financed by the temporary wetland bonds that are granted by law to holders of other wetland bonds, except the right to require levies to be collected before the temporary wetland bonds mature; and*

*(2) the right to require the offering of definitive wetland bonds for sale, or to require the issuance of definitive wetland bonds in exchange for the temporary wetland bonds, on a par for par basis, bearing interest at the rate established under section 475.55 if the definitive wetland bonds have not been sold and delivered before the maturity of the temporary wetland bonds.*

*Subd. 6. [DEFINITIVE WETLAND BONDS.] The definitive wetland bonds issued in exchange for an issue of temporary wetland bonds must be numbered and mature serially at times and in amounts to allow the principal and interest to be paid when due by the collection of assessments levied for the wetland systems financed by the temporary bond issue. The definitive bonds are subject to redemption and prepayment on any interest payment date by the county notifying each definitive bondholder who has registered their name and address with the county treasurer. The bondholders must be notified by mail 30 days before the interest payment date. The definitive bonds must be delivered in order of their serial numbers, lowest numbers first, to the holders of the temporary wetland bonds in order of the serial numbers of the bonds held by them.*

*Subd. 7. [SALE OF DEFINITIVE WETLAND BONDS.] The county board must sell and negotiate the definitive wetland bonds for at least their par value. The definitive bonds must be sold in accordance with section 475.60.*

*Subd. 8. [COUNTY INVESTMENT, PURCHASE, AND SELLING OF TEMPORARY WETLAND BONDS.] (a) Funds of the issuing county may*

*be invested in temporary wetland bonds under sections 471.56 and 475.66, except that the temporary wetland bonds may be:*

*(1) purchased by the county when the temporary wetland bonds are initially issued;*

*(2) purchased only out of funds that the county board determines will not be required for other purposes before the temporary wetland bonds mature; and*

*(3) resold before the temporary wetland bonds mature only if there is an unforeseen emergency.*

*(b) If a temporary wetland bond purchase is made from money held in a sinking fund for other bonds of the county, the holders of the other bonds may enforce the county's obligation to sell definitive bonds at or before the maturity of the temporary wetland bonds, or exchange the other bonds, in the same manner as holders of the temporary wetland bonds.*

**Subd. 9. [DELIVERY OF BONDS AS WETLAND WORK PROCEEDS.]** *The county board may provide in the contract for the sale of wetland bonds, temporary wetland bonds, and definitive wetland bonds, that the bonds are delivered as the wetland work proceeds and the money is needed, and that interest is paid only from the date of delivery.*

**Subd. 10. [BOND RECITAL.]** *Each wetland bond, temporary wetland bond, and definitive wetland bond must contain a recital that it is issued by authority of and in strict accordance with this chapter. The recital is conclusive in favor of the holders of the bonds as against the county, that the wetland system has been properly established, that property within the county is subject to assessment for benefits in an amount not less than the amount of the bonds, and that all proceedings and construction relative to the wetland systems financed by the bonds have been or will be made according to law.*

**Subd. 11. [HOW BONDS MAY BE PAID.]** *The county board may pay wetland bonds, temporary wetland bonds, and definitive wetland bonds issued under this chapter from any available funds in the county treasury if the money in the common wetland bond redemption fund or in the wetland fund for the issued bonds is insufficient. The county treasury funds that money is transferred from must be reimbursed, with interest at a rate of seven percent per year for the time the money is actually needed, from assessments on the wetland systems or from the sale of wetland funding bonds.*

**Sec. 62. [103F.962] [ALLOWANCE AND PAYMENT OF FEES AND EXPENSES.]**

**Subdivision 1. [FEES AND EXPENSES.]** *The fees and expenses in this section are allowed and must be paid for services provided under this chapter.*

**Subd. 2. [ENGINEER, ENGINEER'S ASSISTANTS, AND OTHER EMPLOYEES.]** *The compensation of the engineer, the engineer's assistants, and other employees is on a per diem basis and must be set by order of the wetland authority. The order setting compensation must provide for payment of the actual and necessary expenses of the engineer, the engineer's assistants, and other employees, including the cost of the engineer's bond.*

**Subd. 3. [APPRAISERS.]** *Each appraiser may be paid for every necessary day the appraiser is engaged on a per diem basis and for the appraiser's*

*actual and necessary expenses. The compensation must be set by the wetland authority.*

*Subd. 4. [WETLAND AUTHORITY MEMBERS.] Each member of a wetland authority may be paid a per diem under section 375.055, subdivision 1, and actual and necessary expenses incurred while actually employed in proceedings or construction, or in the inspection of any wetland system if the member is appointed to a committee for that purpose.*

*Subd. 5. [AUDITOR, ATTORNEY, AND OTHER COUNTY OFFICIALS.] The county auditor and the attorney for the petitioners and wetland authority must each be paid reasonable compensation for services actually provided as determined by the wetland authority. The fees and compensation of all county officials in proceedings and construction are in addition to other fees and compensation allowed by law.*

*Subd. 6. [PETITIONERS' BOND.] The cost of the petitioners' bond must be allowed and paid.*

*Subd. 7. [PAYMENT.] The fees and expenses provided for in this chapter for a wetland system in one county must be audited, allowed, and paid by order of the county board or for a wetland system in more than one county must be audited, allowed, and paid by order of the wetland authority after ten days' written notice to each affected county. The notice must be given by the auditor to the auditors of affected counties. The notice must state the time and location of the hearing and that all bills on file with the auditor at the date of the notice must be presented for hearing and allowance.*

#### **Sec. 63. [103F963] [WETLAND SYSTEM ACCOUNT.]**

*Subdivision 1. [FUNDS FOR WETLAND SYSTEM COSTS.] The wetland authority shall provide funds to pay the costs of wetland systems.*

*Subd. 2. [WETLAND SYSTEM ACCOUNT.] The wetland authority shall keep a separate account for each wetland system. The account must be credited with all money from the sale of bonds and bond premiums and all money received from interest, liens, assessments, and other sources for the wetland system. The account must be debited with every item of expense made for the wetland system.*

*Subd. 3. [INVESTMENT OF SURPLUS FUNDS.] If a wetland system account or the common wetland bond redemption fund has a surplus over the amount required for payment of obligations presently due and payable from the account or fund, the county board may invest any part of the surplus in bonds or certificates of indebtedness of the United States or of the state.*

*Subd. 4. [DORMANT WETLAND SYSTEM ACCOUNT TRANSFERRED TO GENERAL REVENUE FUND.] If a surplus has existed in a wetland system account for a period of 20 years or more and there have not been any expenditures from the account during the period, the wetland authority, by a unanimous resolution, may transfer the surplus remaining in the wetland system account to the county general revenue fund of affected counties.*

## **ARTICLE 6**

### **WETLAND USE PERMITS**

Section 1. Minnesota Statutes 1990, section 103G.005, subdivision 15, is amended to read:

Subd. 15. [PUBLIC WATERS.] (a) "Public waters" means:

(1) waterbasins assigned a shoreland management classification by the commissioner under sections 103F.201 to 103F.221, except wetlands less than 80 acres in size that are classified as natural environment lakes;

(2) waters of the state that have been finally determined to be public waters or navigable waters by a court of competent jurisdiction;

(3) meandered lakes, excluding lakes that have been legally drained;

(4) waterbasins previously designated by the commissioner for management for a specific purpose such as trout lakes and game lakes pursuant to applicable laws;

(5) waterbasins designated as scientific and natural areas under section 84.033;

(6) waterbasins located within and totally surrounded by publicly owned lands;

(7) waterbasins where the state of Minnesota or the federal government holds title to any of the beds or shores, unless the owner declares that the water is not necessary for the purposes of the public ownership;

(8) waterbasins where there is a publicly owned and controlled access that is intended to provide for public access to the waterbasin;

(9) natural and altered watercourses with a total drainage area greater than two square miles;

(10) natural and altered watercourses designated by the commissioner as trout streams; and

(11) *public waters* wetlands, unless the statute expressly states otherwise.

(b) Public waters are not determined exclusively by the proprietorship of the underlying, overlying, or surrounding land or by whether it is a body or stream of water that was navigable in fact or susceptible of being used as a highway for commerce at the time this state was admitted to the union.

Sec. 2. Minnesota Statutes 1990, section 103G.005, subdivision 18, is amended to read:

Subd. 18. [PUBLIC WATERS WETLANDS.] "*Public waters* wetlands" means all types 3, 4, and 5 wetlands, as defined in United States Fish and Wildlife Service Circular No. 39 (1971 edition), not included within the definition of public waters, that are ten or more acres in size in unincorporated areas or 2-1/2 or more acres in incorporated areas.

Sec. 3. Minnesota Statutes 1990, section 103G.221, is amended to read:  
103G.221 [DRAINAGE OF PUBLIC WATERS WETLANDS.]

Subdivision 1. [DRAINAGE OF PUBLIC WATERS WETLANDS GENERALLY PROHIBITED WITHOUT REPLACEMENT.] Except as provided in subdivisions 2 and 3, *public waters* wetlands may not be drained, and a permit authorizing drainage of *public waters* wetlands may not be issued, unless the *public waters* wetlands to be drained are replaced by wetlands that will have equal or greater public value.

Subd. 2. [DRAINAGE OF PUBLIC WATERS WETLANDS FOR CROPLAND.] (a) *Public waters* wetlands that are lawful, feasible, and practical to drain and if drained would provide high quality cropland and that is the

projected land use, as determined by the commissioner, may be drained without a permit and without replacement of by wetlands of equal or greater public value if the commissioner does not choose, within 60 days of receiving an application for a permit to drain the *public waters* wetlands to:

(1) place the *public waters* wetlands in the state water bank program under section 103F.601; or

(2) acquire them in fee under section 97A.145.

(b) If the commissioner does not make the offer under paragraph (a), clause (1) or (2), to a person applying for a permit, the *public waters* wetlands may be drained without a permit.

Subd. 3. [PERMIT TO DRAIN *PUBLIC WATERS* WETLANDS TEN YEARS AFTER *PUBLIC WATERS* DESIGNATION.] (a) The owner of property underneath *public waters* wetlands on privately owned property may apply to the commissioner for a permit to drain the *public waters* wetlands after ten years from their original designation as public waters. After receiving the application, the commissioner shall review the status of the *public waters* wetlands and current conditions.

(b) If the commissioner finds that the status of the *public waters* wetlands and the current conditions make it likely that the economic or other benefits from agricultural use to the owner from drainage would exceed the public benefits of maintaining the *public waters* wetlands, the commissioner shall grant the application and issue a drainage permit.

(c) If the application is denied, the owner may not apply again for another ten years.

Sec. 4. Minnesota Statutes 1990, section 103G.225, is amended to read:

103G.225 [STATE WETLANDS AND PUBLIC DRAINAGE SYSTEMS.]

If the state owns *public waters* wetlands on or adjacent to existing public drainage systems, the state shall consider the use of the *public waters* wetlands as part of the drainage system. If the *public waters* wetlands interfere with or prevent the authorized functioning of the public drainage system, the state shall provide for necessary work to allow proper use and maintenance of the drainage system while still preserving the *public waters* wetlands.

Sec. 5. Minnesota Statutes 1990, section 103G.231, is amended to read:

103G.231 [PROPERTY OWNER'S USE OF *PUBLIC WATERS* WETLANDS.]

Subdivision 1. [AGRICULTURAL USE DURING DROUGHT.] A property owner may use the bed of *public waters* wetlands for pasture or cropland during periods of drought if:

(1) dikes, ditches, tile lines, or buildings are not constructed; and

(2) the agricultural use does not result in the drainage of the *public waters* wetlands.

Subd. 2. [FILLING *PUBLIC WATERS* WETLANDS FOR IRRIGATION BOOMS.] A landowner may fill a *public waters* wetland to accommodate wheeled booms on irrigation devices if the fill does not impede normal drainage.

Sec. 6. Minnesota Statutes 1990, section 103G.235, is amended to read:  
103G.235 [RESTRICTIONS ON ACCESS TO PUBLIC WATERS WETLANDS.]

To protect the public health or safety, local units of government may by ordinance restrict public access to *public waters* wetlands from municipality, county, or township roads that abut *public waters* wetlands.

Sec. 7. [103G.2361] [DEFINITION.]

*Subdivision 1.* [APPLICABILITY.] *The definitions in this section apply to article 2, section 4, and sections 7 to 11 of this article.*

*Subd. 2.* [METROPOLITAN AREA.] *"Metropolitan area" has the meaning given in section 473.121, subdivision 2.*

*Subd. 3.* [PERMITTING AUTHORITY.] *"Permitting authority" means:*

*(1) outside the metropolitan area, the county in which a wetland is located or a soil and water conservation district to which the county has delegated its authority to issue permits under section 8, subdivision 5;*

*(2) within the metropolitan area, except as provided in clause (3), a watershed management organization or a local government unit with planning and zoning authority to which the watershed management organization has delegated its authority to issue permits under section 8, subdivision 5; or*

*(3) in areas within the metropolitan area that are not within a watershed management organization, the county in which a wetland is located or a soil and water conservation district to which the county has delegated its authority to issue permits under section 8, subdivision 5.*

*Subd. 4.* [WATERSHED MANAGEMENT ORGANIZATION.] *"Watershed management organization" has the meaning given in section 103B.205, subdivision 13.*

*Subd. 5.* [WETLAND.] *(a) "Wetland" means transitional areas between terrestrial and aquatic systems where the water table is usually at, near, or above the land surface and the area:*

*(1) at least periodically supports predominantly hydrophytes;*

*(2) has a substrate of predominantly undrained hydric soil; or*

*(3) has a nonsoil substrate that is saturated with water or covered by water at some time during the growing season each year.*

*(b) "Wetland" does not include public waters wetlands as defined in section 103G.005, subdivision 18.*

Sec. 8. [103G.2362] [JURISDICTION.]

*Subdivision 1.* [COOPERATION.] *The commissioner of natural resources, the board of water and soil resources, soil and water conservation districts, and local governments shall work cooperatively to implement article 2, section 4, and sections 7 to 12 of this article.*

*Subd. 2.* [COMMISSIONER OF NATURAL RESOURCES.] *The commissioner of natural resources shall promote and act as an advocate of wetlands under article 2, section 4, and sections 7 to 12 of this article.*



*Subd. 3. [BOARD OF WATER AND SOIL RESOURCES.] The board of water and soil resources shall make determinations of law and policy and provide guidance to permitting authorities and soil and water conservation districts under article 2, section 4, and sections 7 to 12 of this article.*

*Subd. 4. [SOIL AND WATER CONSERVATION DISTRICTS.] Soil and water conservation districts shall evaluate wetlands according to established criteria and provide other technical assistance as requested by the permitting authority under article 2, section 4, and sections 7 to 12 of this article.*

*Subd. 5. [PERMITTING AUTHORITIES.] The permitting authority shall issue or deny permits for alternative wetland uses. A county may delegate its permitting authority to the soil and water conservation district. A watershed management organization may delegate its permitting authority to a local government unit with planning and zoning authority.*

**Sec. 9. [103G.2364] [WETLAND USE PERMITS.]**

*Subdivision 1. [PERMIT REQUIRED.] After the effective date of the rules adopted under article 2, section 4, subdivision 4 or 5, whichever is later, a wetland use permit is required to conduct actions that change the water level, area, vegetation, cross section, or character of a wetland.*

*Subd. 2. [EXEMPTIONS.] A wetland use permit is not required for:*

*(1) activities in a wetland that was planted and harvested with annually seeded crops or was in a crop rotation seeding six of the ten years prior to January 1, 1991;*

*(2) activities in a wetland that was included in a request for a commenced drainage determination provided for by the 1985 federal Food Security Act that was made to the county agricultural stabilization and conservation service office prior to September 19, 1988, and a ruling and any subsequent appeals or reviews have determined that drainage of the wetland had been commenced prior to December 23, 1985;*

*(3) activities necessary to repair and maintain existing public private drainage systems;*

*(4) activities exempted from federal regulation under United States Code, title 33, section 1344(f); and*

*(5) activities in a wetland created solely as a result of:*

*(i) beaver dam construction;*

*(ii) blockage of culverts through roadways maintained by a public authority;*

*(iii) actions by public entities that were taken for a purpose other than creating the wetland; or*

*(iv) any combination of (i) to (iii).*

*Subd. 3. [APPLICATION.] (a) A person shall apply to the permitting authority where the wetland is located to receive a permit. The application must be on forms approved by the board of water and soil resources and include:*

*(1) the location of the wetland;*

*(2) the owner of the wetland;*

*(3) the proposed alternative use of the wetland;*

(4) any proposed mitigation or replacement of the wetland; and

(5) other information determined by the board of water and soil resources to be necessary for the application.

(b) The permitting authority shall provide to the applicant information, including permit application forms, concerning other local, state, and federal permit programs under which the applicant's proposed use may be regulated.

(c) After receiving an application, the permitting authority, where it is not the soil and water conservation district, shall forward a copy of the application to the soil and water conservation district where the wetland is located. The permitting authority shall assign a classification of class A, class B, class C, or class D wetland based on the wetland classification criteria adopted under article 2, section 4, subdivision 4, and shall report the classification to the permitting authority.

(d) The permitting authority shall meet with the applicant and determine whether the alternative use requested in the application is allowed for the particular class of wetland. The permitting authority shall also discuss actions required to replace the public value of the wetland that would be lost as a result of the requested alternative use, and other conditions that may be imposed as a requirement of receiving a permit.

**Subd. 4. [REVIEW.]** (a) If the permitting authority makes a preliminary determination that it will approve the wetland use permit, the permitting authority shall submit the proposed permit with any conditions to the board of water and soil resources and the commissioner of natural resources for review and comment. The commissioner of natural resources and the board of water and soil resources shall review and comment on the proposed wetland use permit by 30 days after it is received from the permitting authority.

(b) The permitting authority must consider the comments of the board of water and soil resources and the commissioner of natural resources and may impose conditions on the permit to reflect their comments.

(c) Notwithstanding paragraph (b), if the board of water and soil resources determines that the wetland should be classified as a class E wetland, the board shall notify the permitting authority and the applicant of this determination. After considering the comments of the commissioner of natural resources, the board of water and soil resources may issue a permit in accordance with subdivision 5.

**Subd. 5. [ISSUANCE.]** (a) For class B, C, or D wetlands, the permitting authority may issue a wetland use permit subject to rules adopted by the board of water and soil resources.

(b) The permitting authority shall impose reasonable permit conditions to require replacement of the public value of the wetland to an extent that is commensurate with the loss of public value resulting from the permitted use of the wetland. Conditions may include:

(1) implementation of soil and water conservation practices;

(2) maintenance of buffer strips;

(3) wildlife enhancement projects including improvement of nesting habitat, food sources, and shelter areas;

(4) increased water retention capacity of the wetland; and

(5) other projects and practices that increase the public value of the wetland.

(c) The permitting authority must notify the applicant and give public notice whether the wetland use permit is approved or denied by 60 days after the application is received.

(d) The wetland use permit must be issued by 20 days after public notice of approval is given if an appeal is not filed.

(e) The permit must be issued for a time period determined by the permitting authority and may be revoked if the permitting authority determines the public value of the wetland, after taking into account required mitigation, is diminished because of the use allowed under the permit.

Subd. 6. [ACTIVITY PERMITS.] (a) Notwithstanding subdivisions 1 to 5, the board of water and soil resources may issue activity permits by rule. An activity permit may allow certain uses in specified areas or the entire state that do not diminish the long-term public value of wetlands. The board of water and soil resources shall include provisions that protect and enhance the wetland resources of the state and shall require written notice to the appropriate soil and water conservation district at least ten days before a person engages in an activity covered by an activity permit. The board shall review activity permits issued under this section at least every three years.

(b) The board shall issue statewide activity permits under this subdivision for:

(1) placement of water lines to serve a single-family house and the installation of cables for utilities, such as telephone and power cables, provided that the excavated trench is backfilled and appropriate measures are taken to prevent erosion;

(2) normal maintenance and minor repair of structures causing no additional intrusion of an existing structure into the wetland, and maintenance and repair of private crossings, provided that:

(i) erosion control measures are taken to prevent sedimentation of the water; and

(ii) the crossing does not block fish passage in the watercourse;

(3) alteration of a wetland for the purpose of exploring for or mining peat;

(4) alteration of wetlands associated with the construction, operation, maintenance, or repair of an interstate pipeline;

(5) forest management activities, including associated road construction or maintenance, in an existing forested wetland or harvested forested wetland, provided:

(i) any road construction is solely for forest management activities;

(ii) the road is the minimum feasible width and total length consistent with the forest management activities; and

(iii) the road is removed and the site restored to its prior natural condition;

(6) emergency repair and normal maintenance and repair of existing public works, provided that the activity employs erosion control measures

*to prevent sedimentation of surface water, does not block fish passage in a watercourse, and does not result in additional intrusion of the public works into the wetland;*

*(7) aquiculture activities, except building or altering of docks and activities involving the filling of wetlands;*

*(8) wild rice production activities including necessary diking and other activities authorized under a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344;*

*(9) activities associated with routine maintenance of existing public highways, roads, streets, and bridges, provided the activities do not result in additional intrusion into the wetland;*

*(10) duck blinds; and*

*(11) activities associated with routine maintenance of utility right-of-way, provided the activities do not result in additional intrusion into the wetland.*

*(c) In addition to the conditions in paragraphs (a) and (b), the board shall include in each activity permit a condition that the permitted activity be conducted in compliance with all other applicable requirements under state and federal law, including best management practices and water resource protection requirements established under chapter 103H.*

*Subd. 7. [APPEAL.] (a) The applicant, the commissioner of natural resources, or other affected parties may appeal a permitting authority's decision in classifying a wetland, issuing a wetland use permit with conditions, or denying or revoking a permit to the board of water and soil resources under sections 103A.305 to 103A.341. The appeal must be filed within 15 days after public notice is given of the decision to issue, deny, or revoke the permit.*

*(b) On appeal of a permit decision under paragraph (a), the board of water and soil resources may classify the wetland as a class E wetland, and may issue a permit in accordance with the procedures in subdivision 5.*

**Sec. 10. [103G.2365] [COMPENSATION FOR LOSS OF PRIVATE USE.]**

*Subdivision 1. [ELIGIBILITY.] A person who is not allowed to make requested uses of a wetland shall be compensated as provided in this section. A person is eligible for compensation if:*

*(1) the person applies for a wetland use permit;*

*(2) the permit is denied or the permit conditions make the proposed use unworkable or not feasible;*

*(3) the person appeals the permit;*

*(4) the proposed use would otherwise be allowed under federal, state, and local laws, rules, ordinances, and other legal requirements;*

*(5) the person has suffered or will suffer damages;*

*(6) disallowing the proposed use will enhance the public value of the wetland; and*

(7) the person applies to the board of water and soil resources for compensation.

*Subd. 2. [APPLICATION.] An application for compensation must be made on forms prescribed by the board of water and soil resources and include:*

*(1) the location and classification of the wetland where the use was proposed;*

*(2) a description and reason for the proposed wetland use; and*

*(3) the objection to the permitted wetland use, if any.*

*Subd. 3. [COMPENSATION.] (a) If the applicant's proposed use of the wetland is an agricultural use, as defined in section 40A.02, subdivision 3, the board shall award compensation in an amount equal to 70 percent of the average equalized estimated market value of agricultural property in the township as established by the commissioner of revenue at the time application for compensation is made, minus the total cost of conversion of the wetland to the proposed use.*

*(b) If the applicant's proposed use of the wetland is other than an agricultural use, the board may award compensation not to exceed 70 percent of the estimated fair market value of the wetland minus the total cost of conversion of the wetland to the proposed use.*

*(c) For the purpose of this subdivision, "total cost of conversion" means the sum of all costs of converting the wetland to accomplish the applicant's proposed use, including but not limited to:*

*(1) the cost of draining, burning, or filling the wetland;*

*(2) the cost of replacing lost wetland values under a mitigation requirement if the permit were issued;*

*(3) reduction in benefits under a federal, state, or local program that would result from the applicant's proposed use; and*

*(4) increased value of other land owned by the applicant resulting from the retention of the wetland values.*

*Subd. 4. [CONSERVATION EASEMENT] (a) In exchange for compensation under subdivision 3, paragraph (a), the applicant shall convey to the board of water and soil resources a permanent conservation easement, as defined in section 84C.01, paragraph (1), on the wetland. In the easement agreement between the landowner and the board, the landowner shall agree:*

*(1) not to drain, burn, fill, or otherwise destroy the wetland character of the wetland system, or to use the wetlands for agricultural purposes, as determined by the board;*

*(2) not to adopt a practice specified by the board in the easement agreement as a practice that would tend to defeat the purposes of the wetland system and the easement; and*

*(3) to additional provisions that the board determines are desirable.*

*(b) In exchange for compensation under subdivision 3, paragraph (b), the board may require appropriate covenants, easements, or other restrictions on the applicant's use of the wetlands, commensurate with the amount of compensation awarded.*

Sec. 11. [103G.2366] [RULES.]

*The board of water and soil resources shall adopt rules to implement sections 9 and 10.*

**Sec. 12. [103G.2367] [ENFORCEMENT.]**

*Subdivision 1. [COMMISSIONER OF NATURAL RESOURCES.] The commissioner of natural resources and conservation officers shall enforce laws preserving and protecting wetlands. The commissioner of natural resources may issue a cease and desist order to stop any illegal activity adversely affecting a wetland. In the order, or by separate order, the commissioner may require:*

- (1) restoration of the wetland;*
- (2) replacement with a wetland of equal or greater value; or*
- (3) payment of the cost of restoring or replacing the wetland, as determined by the commissioner in consultation with the board of water and soil resources.*

*Subd. 2. [MISDEMEANOR.] A violation of an order issued by the commissioner of natural resources under subdivision 1 is a misdemeanor and must be prosecuted by the county attorney where the wetland is located or the illegal activity occurred.*

*Subd. 3. [RESTITUTION.] The court may, as part of sentencing, require a person convicted under subdivision 2 to:*

- (1) restore the wetland;*
- (2) replace the wetland with a wetland of equal or greater value; or*
- (3) pay the cost of restoring or replacing the wetland, as determined by the commissioner of natural resources in consultation with the board of water and soil resources.*

**Sec. 13. [103G.2368] [ANNUAL WETLANDS REPORT.]**

*By January 1 of each year, the commissioner of natural resources and the board of water and soil resources shall jointly report to the committees of the legislature with jurisdiction over matters relating to agriculture, the environment, and natural resources on:*

- (1) the status of implementation of state laws and programs relating to wetlands;*
- (2) the quantity, quality, size, and public value of wetlands in the state; and*
- (3) changes in the items in clause (2).*

**Sec. 14. [PERMIT SIMPLIFICATION REPORT.]**

*The board of water and soil resources and the commissioner of the department of natural resources, in consultation with the appropriate federal agencies, shall jointly develop a plan to simplify and coordinate state and federal permitting procedures related to wetland use and shall report on the plan to the legislature by January 1, 1992.*

**Sec. 15. [LAND EXEMPTED FROM REGULATION.]**

*Notwithstanding section 9, subdivision 1, a wetland use permit is not required for activities on a parcel containing approximately 50 acres in Washington county described as: the northeast quarter of the northwest*

quarter and the southeast quarter of the northwest quarter of section 32, township 29 north, range 21 west, lying east of Minnesota trunk highway no. 694, and the south 466.69 feet of the west 466.69 feet of the northwest quarter of the northeast quarter of section 32, township 29 north, range 21 west.

## ARTICLE 7

### ECOLOGICALLY SIGNIFICANT PEATLANDS

#### Section 1. [84.0335] [PEATLAND PROTECTION.]

*Subdivision 1. [CITATION.] This section may be cited as the "Minnesota peatland protection act."*

*Subd. 2. [FINDINGS.] The legislature finds that certain Minnesota peatlands possess unique scientific, aesthetic, vegetative, hydrologic, geologic, wildlife, wilderness, and educational values and represent the various peatland ecological types in the state. The legislature finds that it is desirable and appropriate to protect and preserve these patterned peatlands as a peatland management system through establishment and designation of certain peatland core areas as scientific and natural areas.*

*Subd. 3. [DEFINITIONS.] (a) Unless language or context clearly indicates that a different meaning is intended, the following words and terms, for the purposes of section 1, have the meanings given them.*

*(b) "Commissioner" means the commissioner of natural resources.*

*(c) "Winter road" means an access route that may be used by vehicles only when the substrate is frozen.*

*(d) "Corridors of disturbance" means rights-of-way such as ditches, ditch banks, transmission lines, pipelines, permanent roads, winter roads, and recreational trails. The existence of a corridor of disturbance may be demonstrated by physical evidence, a document recorded in the office of a county recorder or the public official, an aerial survey, or other similar evidence.*

*(e) "State land" means land owned by this state and administered by the commissioner.*

*Subd. 4. [DESIGNATION OF PEATLAND SCIENTIFIC AND NATURAL AREAS.] The areas listed in section 3 are hereby established and designated as peatland scientific and natural areas to be preserved and managed by the commissioner in accordance with subdivision 5, and section 86A.05, subdivision 5.*

*Subd. 5. [ACTIVITIES IN PEATLAND SCIENTIFIC AND NATURAL AREAS.] (a) Areas designated in subdivision 4 as peatland scientific and natural areas are subject to the conditions in this subdivision.*

*(b) Except as provided in paragraph (c) of this subdivision, all restrictions otherwise applicable to scientific and natural areas designated under section 86A.05, subdivision 5, apply to the surface use and to any use of the mineral estate that would significantly modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas, including but not limited to prohibitions on:*

*(1) construction of a new public drainage system or improvement or repair of an existing public drainage system under chapter 103E or any other*

*alteration of surface water or groundwater levels or flows unless specifically permitted under paragraph (c), clause (5) or (6);*

*(2) removal of peat, sand, gravel, or other industrial minerals;*

*(3) exploratory boring or other exploration for or removal of oil, natural gas, radioactive materials, or metallic minerals that would significantly modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas, except in the event of a national emergency declared by Congress;*

*(4) commercial timber harvesting;*

*(5) construction of new corridors of disturbance; and*

*(6) ditching, draining, filling, or any other activities that modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas.*

*(c) The following activities are allowed in peatland scientific and natural areas:*

*(1) recreational activities, including hunting, fishing, trapping, cross-country skiing, snowshoeing, nature observation, and other recreational activities permitted in a management plan approved by the commissioner;*

*(2) scientific and educational work and research;*

*(3) maintenance of corridors of disturbance, including survey lines, consistent with protection of the peatland ecosystem;*

*(4) use of corridors of disturbance unless limited by a management plan adopted by the commissioner under subdivision 6;*

*(5) improvements to a public drainage system only for the protection and maintenance of the ecological integrity of the peatland scientific and natural area and when included in a management plan adopted by the commissioner under subdivision 6;*

*(6) repairs to a public drainage system that crosses a peatland scientific and natural area and is used for the purposes of providing a drainage outlet for lands outside of the peatland scientific and natural area, provided that there are no other feasible and prudent alternative means of providing the drainage outlet. The commissioner shall cooperate with the ditch authority in the determination of feasible and prudent alternatives. No repairs that would significantly modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas may be made unless approved by the commissioner;*

*(7) motorized uses on corridors of disturbance before the effective date of this act;*

*(8) control of forest insects, disease, and wildfires, as described in a management plan adopted by the commissioner under subdivision 6; and*

*(9) geological and geophysical surveys that do not significantly modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural area.*



*Subd. 6. [MANAGEMENT PLANS.] The commissioner shall develop a management plan for each peatland scientific and natural area designated in subdivision 4 in a manner prescribed by section 86A.09.*

*Subd. 7. [ESTABLISHING BASELINE ECOLOGICAL DATA.] The commissioner shall establish baseline data on the ecology and biological diversity of peatland scientific and natural areas and provide for ongoing long-term ecological monitoring to determine whether changes are occurring in the peatland scientific and natural areas and to identify any changes occurring as a result of permitted activities outside the peatland scientific and natural areas. The baseline data may include, but is not limited to, the history of the peatlands and their geologic origins, plant and animal communities, hydrology, water chemistry, and contaminants introduced from remote sources by atmospheric deposition.*

*Subd. 8. [DITCH ABANDONMENTS.] In order to eliminate repair or improvement to a public drainage system that crosses a peatland scientific and natural area where the repair or improvement adversely affects the area, the commissioner may petition for the abandonment of parts of the public drainage system under section 103E.811. If the public drainage system is necessary as a drainage outlet for lands outside of the peatland scientific and natural area, the commissioner shall cooperate with the ditch authority in the development of feasible and prudent alternative means of providing a drainage outlet that avoids the crossing of and damage to the peatland scientific and natural area. The commissioner may grant flowage easements to the ditch authority for disposal of the outlet water on other state lands. The ditch authority shall approve the abandonment of parts of a public drainage system crossing a peatland scientific and natural area if the portion of the public drainage system crossing the area is not necessary as a drainage outlet for lands outside of the area or if there are feasible and prudent alternative means of providing a drainage outlet without crossing the area. In an abandonment under this subdivision, the commissioner may enter into an agreement with the ditch authority regarding apportionment of costs and, contingent upon appropriations of money for this purpose, may agree to pay a reasonable share of the cost of abandonment.*

*Subd. 9. [COMPENSATION FOR TRUST FUND LANDS.] The commissioner shall acquire by exchange or eminent domain the surface interests, including peat, on trust fund lands contained in peatland scientific and natural areas designated in subdivision 4.*

Sec. 2. Minnesota Statutes 1990, section 103G.231, is amended by adding a subdivision to read:

*Subd. 3. [PEAT MINING.] Peat mining, as defined in section 93.461, is permitted subject to the mine permit and reclamation requirements of sections 93.44 to 93.51, and rules adopted under those sections, except as provided for in section 1.*

Sec. 3. [PEATLAND SCIENTIFIC AND NATURAL AREAS, DESIGNATION.]

*The following scientific and natural areas are established and are composed of all of the core peatland areas identified on maps in the 1984 report by the commissioner of natural resources entitled "Recommendations for the Protection of Ecologically Significant Peatlands in Minnesota" and maps on file at the department of natural resources:*

*(1) Red Lake scientific and natural area in Beltrami, Koochiching, and*

*Lake of the Woods counties;*

- (2) *Myrtle Lake scientific and natural area in Koochiching county;*
- (3) *Lost River scientific and natural area in Koochiching county;*
- (4) *North Black River scientific and natural area in Koochiching county;*
- (5) *Sand Lake scientific and natural area in Lake county;*
- (6) *Mulligan Lake scientific and natural area in Lake of the Woods county;*
- (7) *Lost Lake scientific and natural area in St. Louis county;*
- (8) *Pine Creek scientific and natural area in Roseau county;*
- (9) *Hole in the Bog scientific and natural area in Cass county;*
- (10) *Wawina scientific and natural area in St. Louis county;*
- (11) *Nett Lake scientific and natural area in Koochiching county;*
- (12) *East Rat Root River scientific and natural area in Koochiching county;*
- (13) *South Black River scientific and natural area in Koochiching county;*
- (14) *Winter Road Lake scientific and natural area in Lake of the Woods county;*
- (15) *Sprague Creek scientific and natural area in Roseau county;*
- (16) *Luxemberg scientific and natural area in Roseau county;*
- (17) *West Rat Root River scientific and natural area in Koochiching county; and*
- (18) *Norris Camp scientific and natural area in Lake of the Woods county.*

Sec. 4. [EFFECTIVE DATE.]

*Sections 1 to 3 are effective the day following final enactment.*

ARTICLE 8  
GRANTS

Section 1. [GRANTS.]

*The board of water and soil resources may make grants to the Minnesota association of soil and water conservation districts for education and training of local government officials relating to the implementation of this act. Not more than five percent of a grant made under this section may be used for administrative expenses.*

Sec. 2. [APPROPRIATION.]

*§ . . . . . is appropriated from the general fund to the board of water and soil resources for grants under section 1 to be available until June 30, 1993.*

ARTICLE 9  
INTERIM REGULATION

Section 1. [103G.2369] [INTERIM REGULATION.]

*Subdivision 1. [DEFINITION.] For purposes of this section, "wetland" means a wetland as defined in article 6, section 7, subdivision 5, that:*

(1) is identified on a United States Fish and Wildlife Service National Wetlands Inventory map; or

(2) for areas not covered by a map under clause (1), is identified using the "Federal Manual for Identifying and Delineating Jurisdictional Wetlands" (January 1989).

*Subd. 2. [REGULATION AS PUBLIC WATERS WETLANDS.] Except as provided in subdivisions 3 and 4, until the permit requirement in article 6, section 9, subdivision 1, becomes effective, activities in a wetland are regulated as public waters wetlands under chapter 103G, except that section 103G.221, subdivisions 2 and 3, do not apply.*

*Subd. 3. [EXEMPTIONS.] The following activities are exempt from this section:*

(1) development projects and ditch improvement projects that have received preliminary or final plat approval or for which infrastructure has been installed, or that have received site plan approval or a conditional use permit, on or before the effective date of this act; and

(2) activities listed in article 6, section 9, subdivision 2.

*Subd. 4. [REPLACEMENT OF WETLANDS.] (a) Wetlands must not be drained or filled, wholly or partially, unless there are no feasible and prudent alternatives and unless replaced by restoring or creating wetland areas of at least equivalent size, quantity, character, and diversity under a mitigation plan approved under subdivision 5.*

(b) Mitigation or replacement must be within the same watershed or county as the impacted wetlands, except that counties or watersheds in which 80 percent or more of the presettlement wetland acreage is intact may accomplish mitigation in counties or watersheds in which 50 percent or more of the presettlement wetland acreage has been filled, drained, or otherwise degraded.

(c) Mitigation must be in the ratio of two acres of mitigated wetland for each acre of drained or filled wetland, of which from ten to 50 percent must be a buffer zone of permanent vegetative cover.

(d) Wetlands that are restored or created as a result of an approved mitigation plan are subject to the provisions of this section for any subsequent drainage or filling.

*Subd. 5. [MITIGATION PLANS.] (a) Mitigation plans required in subdivision 4 must be approved or disapproved by a five-member review panel within 120 days of application for a permit required in section 103G.245, subdivision 1. The review panel must be composed of the area regional administrator for the department of natural resources, one board member of the local soil and water conservation district or districts within the county or one manager of the watershed district, one member of the local water planning organization who must be appointed by the county board, the commissioner of agriculture or the commissioner's designee, and one landowner within the county appointed by the local water planning organization.*

(b) The review panel shall use the "Minnesota Wetland Evaluation Methodology" as the criteria for ensuring that degraded wetlands are mitigated effectively before a permit is approved.

(c) The review panel shall determine whether avoidance of activities that directly or indirectly impact, destroy, or diminish a wetland is feasible and

*prudent. In cases where the review panel determines that avoidance of activity in a wetland is not feasible and prudent, the panel must be guided by the following principles in approving mitigation plans:*

*(1) minimizing the impact by limiting the degree or magnitude of the wetland activity and its implementation;*

*(2) rectifying the impact by repairing, rehabilitating, or restoring the affected wetland environment;*

*(3) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the activity; and*

*(4) compensating for the impact by replacing or providing substitute wetland resources or environments.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment.*

## ARTICLE 10

### MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 84.085, is amended to read:  
84.085 [ACCEPTANCE OF GIFTS.]

*Subdivision 1. [AUTHORITY.] (a) The commissioner of natural resources may accept for and on behalf of the state any gift, bequest, ~~devise~~ devise, or grants of lands or interest in lands or personal property of any kind or of money tendered to the state for any purpose pertaining to the activities of the department or any of its divisions. Any money so received is hereby appropriated and dedicated for the purpose for which it is granted. Lands and interests in lands so received may be sold or exchanged as provided in chapter 94.*

*(b) The commissioner may accept for and on behalf of the permanent school fund a donation of lands, interest in lands, or improvements on lands. A donation so received shall become state property, be classified as school trust land as defined in section 92.025, and be managed consistent with section 120.85.*

*Subd. 2. [WETLANDS.] The commissioner of natural resources must accept a gift, bequest, devise, or grant of wetlands, as defined in article 6, section 7, subdivision 5, or public waters wetlands, as defined in section 103G.005, subdivision 18, unless:*

*(1) the commissioner determines that the value of the wetland for water quality, floodwater retention, public recreation, wildlife habitat, or other public benefits is minimal;*

*(2) the wetland has been degraded by activities conducted without a required permit by the person offering the wetland and the person has not taken actions determined by the commissioner to be necessary to restore the wetland;*

*(3) the commissioner determines that the wetland has been contaminated by a hazardous substance as defined in section 115B.02, subdivision 8, a pollutant or contaminant as defined in section 115B.02, subdivision 13, or petroleum as defined in section 115C.02, subdivision 10, and the contamination has not been remedied as required under chapter 115B or 115C;*

(4) *the wetland is subject to a lien or other encumbrance; or*

(5) *the commissioner, after reasonable effort, has been unable to obtain an access to the wetland.*

Sec. 2. Minnesota Statutes 1990, 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 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 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 may incur the expense necessary to make the determinations. The commissioner of revenue may reimburse any county or governmental official for requested services performed in ascertaining 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 April 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 local tax rates. A copy of the report so filed shall be 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 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.

(c) [AGRICULTURAL LANDS.] For purposes of determining the adjusted gross tax capacity and adjusted net tax capacity of agricultural lands for the calculation of adjusted gross tax capacities and adjusted net tax capacities, the market value of *tillable* agricultural lands shall be ~~the price for which the property would sell in an arms length transaction determined as provided in section 273.11, subdivision 11.~~

Sec. 3. Minnesota Statutes 1990, 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. The assessor shall take into account the effect on the market value of property of environmental factors in the vicinity of the property. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the valuation of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, that lot or any single contiguous lot fronting on the same street shall be eligible for revaluation. All property, or the use thereof, which is taxable under section 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 4. Minnesota Statutes 1990, section 273.11, is amended by adding a subdivision to read:

*Subd. 11. [AGRICULTURAL LAND.] (a) Tillable agricultural land must be valued under this subdivision. The department of revenue shall determine the following data on a per acre basis by soil productivity index, based on moving averages for the most recent five-year period for which statistics are available:*

*(1) gross income, estimated by using yields per acre as assigned to soil productivity indexes, the crop mix for each soil productivity index as determined by the University of Minnesota agricultural extension service, and average prices received by farmers for principal crops as published by the Minnesota crop reporting service;*

*(2) production costs, other than land costs, provided by the University of Minnesota agricultural extension service; and*

*(3) net return to land, which is the difference between clauses (1) and (2).*

*(b) The department of revenue shall certify a proposed agricultural economic value per acre for each soil productivity index, determined by dividing the net return to land as calculated in paragraph (a), clause (3), by the moving average of the federal land bank farmland mortgage interest rate for the same five-year period used in calculating the net return to land.*

*(c) If the crop equivalency rating is not available in a county, the department of revenue shall use rentals or yield records of the United States Department of Agriculture agricultural stabilization and conservation services in determining the net income. The rentals or yield records must be capitalized in the same manner to determine the valuation of the tillable agricultural land.*

*(d) Cropland must be valued at the full amount determined under this subdivision. Permanent pasture must be valued at no less than one-third of the cropland value. Other agricultural land, including wetlands, must be valued at no less than one-sixth of the cropland value.*

Sec. 5. Minnesota Statutes 1990, section 273.111, subdivision 4, is amended to read:

Subd. 4. The value of any real estate described in subdivision 3 shall upon timely application by the owner, in the manner provided in subdivision 8, be determined solely with reference to its appropriate agricultural classification and value notwithstanding sections 272.03, subdivision 8, and 273.11. In determining the value for ad valorem tax purposes, the assessor shall use sales data obtained from agricultural lands located outside the seven metropolitan counties but within the region used for computing the range of values under section 273.11, subdivision 10. ~~The sales shall have similar soil types, number of degree days, and other similar agricultural characteristics as contained in section 273.11, subdivision 10.~~ *The sales data used must be for tillable agricultural land having a corresponding soil productivity index under section 273.11, subdivision 11.* Furthermore, the assessor shall not consider any added values resulting from nonagricultural factors.

Sec. 6. [REPEALER.]

*Minnesota Statutes 1990, section 273.11, subdivision 10, is repealed.*

Sec. 7. [EFFECTIVE DATE.]

*Sections 3 to 6 are effective for assessments in 1992 and subsequent years, for taxes payable in 1993 and subsequent years."*

Delete the title and insert:

"A bill for an act relating to wetlands; providing for preservation, enhancement, restoration, and establishment of wetlands; requiring identification of wetlands; requiring adoption of wetland public value and classification criteria; requiring designation of priority areas to establish and preserve wetlands; requiring local water plans to include wetlands with high public value; providing for establishment of wetland preservation areas; authorizing a tax exemption for wetland preservation areas; establishing a wetland restoration and compensation fund; requiring permits for alternative uses of wetlands; requiring compensation for denied uses of wetlands; providing authority to establish and restore wetlands on private land; requiring assessment of direct benefits and payment of damages for establishment and restoration of wetlands; requiring a report on simplification and coordination of state and federal wetland permitting procedures; designating and regulating activities in peatland scientific and natural areas; requiring the commissioner of natural resources to accept donated wetlands with certain exceptions; modifying the method of determining agricultural market value for property tax purposes; amending Minnesota Statutes 1990, sections 84.085; 103B.155; 103B.231, subdivision 6; 103B.311, subdivision 6;

103G.005, subdivisions 15 and 18; 103G.221; 103G.225; 103G.231; 103G.235; 124.2131, subdivision 1; 272.02, subdivision 1; 273.11, subdivision 1, and by adding a subdivision; and 273.111, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 84; 103F; 103G; and 116P; repealing Minnesota Statutes 1990, section 273.11, subdivision 10.”

And when so amended the bill do pass and be re-referred to the Committee on Agriculture and Rural Development.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

### **SECOND READING OF SENATE BILLS**

S.F. Nos. 174, 708, 775, 837, 1034, 899, 268, 691, 822, 1206, 753, 762, 1244, 1198, 875, 1315, 1224, 108, 931, 204, 946, 1178, 508, 1053, 525, 766, 788, 1411, 553, 634 and 969 were read the second time.

### **SECOND READING OF HOUSE BILLS**

H.F. Nos. 87, 126, 357, 106, 1042, 155, 466, 1006 and 843 were read the second time.

### **MOTIONS AND RESOLUTIONS**

Mr. Bertram moved that the name of Mr. Beckman be added as a co-author to S.F. No. 760. The motion prevailed.

Mr. McGowan moved that the name of Mr. Marty be added as a co-author to S.F. No. 858. The motion prevailed.

Mr. Metzen moved that the name of Mr. Beckman be added as a co-author to S.F. No. 1037. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Ms. Flynn be added as a co-author to S.F. No. 1268. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Larson be added as a co-author to S.F. No. 1443. The motion prevailed.

Mr. Neuville introduced—

Senate Resolution No. 57: A Senate resolution observing the 125th Anniversary of the Minnesota State Academy for the Blind.

Referred to the Committee on Rules and Administration.

Mr. Samuelson moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1468. The motion prevailed.

Mr. McGowan moved that S.F. No. 108, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Benson, D.D. moved that his name be stricken as a co-author to S.F. No. 835. 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. 1473: A bill for an act relating to education; requiring the higher education coordinating board to make certain recommendations to the legislature.

Referred to the Committee on Education.

Mr. Dicklich introduced—

S.F. No. 1474: A bill for an act relating to occupations and professions; barber registration; clarifying registration requirements for barbers, apprentices, and instructors; expanding causes for discipline; providing for summary suspension; amending Minnesota Statutes 1990, sections 154.01; 154.03; 154.04; 154.05; 154.06; 154.065, subdivisions 2 and 4; 154.07, subdivisions 1, 3, 5, 6, and by adding a subdivision; 154.09; 154.10; 154.11; 154.12; 154.14; 154.15; 154.16; 154.18; and 154.22; proposing coding for new law in Minnesota Statutes, chapter 154; repealing Minnesota Statutes 1990, sections 154.065, subdivisions 1, 3, 5, 7, and 8; 154.07, subdivision 2; 154.085; 154.13; and 154.17.

Referred to the Committee on Commerce.

Mr. Sams, Ms. Berglin, Messrs. Renneke and Samuelson introduced—

S.F. No. 1475: A bill for an act relating to human services; allowing additional variances for payment rates for county funded day training and habilitation services; amending Minnesota Statutes 1990, section 252.46, subdivision 6.

Referred to the Committee on Health and Human Services.

Mr. Pogemiller introduced—

S.F. No. 1476: A bill for an act relating to education; requiring districts to develop five-year facilities plans; changing the review and comment procedure; authorizing joint powers debt sharing; promoting shared facilities; requiring formation of a county facilities group; requiring an evaluation; amending Minnesota Statutes 1990, sections 121.15, subdivisions 1, 2, 3, 6, 7, 8, 9, and by adding subdivisions; and 121.155; proposing coding for new law in Minnesota Statutes, chapter 373.

Referred to the Committee on Education.

Mr. Marty, Ms. Berglin, Messrs. Metzen and Kroening introduced—

S.F. No. 1477: A bill for an act relating to the state lottery; providing for the distribution of a portion of net proceeds from the state lottery in fiscal years 1992 and 1993 to the housing trust fund account and a head start account; amending Minnesota Statutes 1990, section 349A.10, subdivision 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Gaming Regulation.

Messrs. Frederickson, D.J.; Marty; Ms. Piper and Mr. Beckman introduced—

S.F. No. 1478: A bill for an act relating to taxation; imposing a sales or excise tax on sales of certain property and services; increasing the sales tax on certain items of tangible personal property; amending Minnesota Statutes 1990, sections 295.01, subdivision 10; 297A.01, subdivisions 3 and 8; 297A.02, by adding a subdivision; 297A.25, subdivisions 2 and 8; 297B.02, by adding a subdivision; 297C.01, by adding a subdivision; 297C.02, by adding subdivisions; 297C.06, subdivision 1; 297C.07; and 297C.10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 297A and 297C.

Referred to the Committee on Taxes and Tax Laws.

Mr. Vickerman introduced—

S.F. No. 1479: A bill for an act relating to health; allowing licensed practitioners to delegate the dispensing of a legend drug under certain circumstances; amending Minnesota Statutes 1990, section 151.37, subdivision 2.

Referred to the Committee on Health and Human Services.

Mr. Bertram introduced—

S.F. No. 1480: A bill for an act relating to the military; appropriating money for a museum of the national guard.

Referred to the Committee on Veterans and General Legislation.

Mr. Frank introduced—

S.F. No. 1481: A bill for an act relating to housing; requiring disclosure of conditions in sales of used manufactured homes; creating a used manufactured home transfer disclosure form; authorizing the commissioner of commerce to adopt rules; proposing coding for new law in Minnesota Statutes, chapter 327B.

Referred to the Committee on Commerce.

Mses. Ranum, Berglin, Reichgott, Messrs. Spear and McGowan introduced—

S.F. No. 1482: A bill for an act relating to the prevention of child abuse and neglect; authorizing the commissioner of state planning to award grants for programs designed to prevent child abuse and neglect; authorizing the commissioner of health to award grants for programs to prevent child abuse and neglect; establishing a bonus incentive for counties to provide family-based services; amending Minnesota Statutes 1990, section 256F.05, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 116K and 145.

Referred to the Committee on Health and Human Services.

Mr. Dahl introduced—

S.F. No. 1483: A bill for an act relating to the environment; regulating the distribution of copies of reports to the legislature; requiring public

entities to conform to certain printing requirements; amending Minnesota Statutes 1990, sections 3.195, subdivision 1; and 16B.122; repealing Minnesota Statutes 1990, section 16B.125.

Referred to the Committee on Environment and Natural Resources.

Mr. Dahl introduced—

S.F. No. 1484: A bill for an act relating to education; adding a requirement for licensure of teachers of hearing impaired students; proposing coding for new law in Minnesota Statutes, chapter 125.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S.F. No. 1485: A bill for an act relating to taxation; increasing the rate of interest on certain delinquent property taxes; reducing the period for redemption of certain tax-forfeited property; amending Minnesota Statutes 1990, sections 279.03, subdivision 1a; and 281.17.

Referred to the Committee on Taxes and Tax Laws.

Mr. Kelly introduced—

S.F. No. 1486: A bill for an act relating to public safety; establishing the board of jail employee training and standards; regulating jail employees; requiring an assessment to be dedicated from work-release earnings to be used by the board of jail employee training and standards; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 214.01, subdivision 3; 214.04, subdivisions 1 and 3; 364.09; and 631.425, subdivision 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 214; proposing coding for new law as Minnesota Statutes, chapter 644.

Referred to the Committee on Health and Human Services.

Mr. Kelly introduced—

S.F. No. 1487: A bill for an act relating to courts; permitting a joint committee to determine functions to be discharged in Ramsey county municipalities; amending Minnesota Statutes 1990, section 488A.18, subdivision 10; repealing Minnesota Statutes 1990, sections 488A.18, subdivision 13; and 488A.185.

Referred to the Committee on Judiciary.

Ms. Reichgott, Messrs. Pogemiller, Metzen and Johnson, D.J. introduced—

S.F. No. 1488: A bill for an act relating to taxation; property; providing for classification of certain low-income housing; amending Minnesota Statutes 1990, sections 13.51, by adding a subdivision; 13.54, by adding a subdivision; and 273.13, subdivision 25; proposing coding for new law in Minnesota Statutes, chapter 273.

Referred to the Committee on Taxes and Tax Laws.

Mr. DeCramer introduced—

S.F. No. 1489: A bill for an act relating to taxation; imposing personal liability for unpaid property taxes on owners of certain property used for retail sales; allowing county auditors to impose charges for certain collection activities; amending Minnesota Statutes 1990, section 384.151, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 279.

Referred to the Committee on Taxes and Tax Laws.

### RECESS

Mr. Moe, R.D. moved that the Senate do now recess until immediately after the conclusion of the Joint Convention. The motion prevailed.

The Senate reconvened at the appropriate time.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, April 18, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

### THIRTY-FIFTH DAY

St. Paul, Minnesota, Thursday, April 18, 1991

The Senate met at 2:00 p.m. and was called to order by the President.

#### CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Nancy L. Anderson.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Johnson, J.B.	Metzen	Reichgott
Beckman	Day	Johnston	Moe, R.D.	Renneke
Belanger	DeCramer	Kelly	Mondale	Riveness
Benson, D.D.	Dicklich	Kroening	Morse	Sams
Benson, J.E.	Finn	Laidig	Neuville	Samuelson
Berg	Flynn	Langseth	Novak	Solon
Berglin	Frank	Larson	Olson	Spear
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Storm
Bertram	Gustafson	Luther	Pariseau	Stumpf
Brataas	Hottinger	Marty	Piper	Traub
Chmielewski	Hughes	McGowan	Pogemiller	Vickerman
Cohen	Johnson, D.E.	Mehrkens	Price	Waldorf
Dahl	Johnson, D.J.	Merriam	Ranum	

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. Halberg and Knaak were excused from the Session of today. Mr. Beckman was excused from the Session of today from 2:50 to 3:10 p.m.

#### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 15, 1991

The Honorable Robert E. Vanasek  
Speaker of the House of Representatives

The Honorable Jerome M. Hughes  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the

1991 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1991	Date Filed 1991
	1209	Res. No. 6	6:30 p.m. April 12	April 13

Sincerely,  
Joan Anderson Growe  
Secretary of State

### CERTIFICATION

April 17, 1991

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, April 17, 1991, 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, 1991:

Stanley D. Sahlstrom, Seventh Congressional District, Six Years

Wendell R. Anderson, Sixth Congressional District, Six Years

Ann J. Wynia, Fourth Congressional District, Six Years

H. Bryan Neel, III, First Congressional District, Six Years

Jerome M. Hughes  
President of the Senate

Robert E. Vanasek  
Speaker of the  
House of Representatives

### 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. 34, 254, 391 and 713.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 17, 1991

Mr. President:

I have the honor to announce the passage by the House of the following

House Files, herewith transmitted: H.F. Nos. 49, 121, 470, 664, 954, 1179, 1405, 1455, 1509, 1536, 1551, 200, 808, 1001, 248, 579, 1035, 551, 674, 173, 345, 716, 815, 914, 1017 and 1584.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 17, 1991

### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 49: A bill for an act relating to stepparents; designating Stepparents Day; proposing coding for new law in Minnesota Statutes, chapter 10.

Referred to the Committee on Veterans and General Legislation.

H.F. No. 121: A bill for an act relating to education; encouraging a Minnesota international volunteer corps; amending Minnesota Statutes 1990, section 16B.88, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 553, now on General Orders.

H.F. No. 470: A bill for an act relating to metropolitan government; providing for the powers of the mosquito control district; amending Minnesota Statutes 1990, sections 473.1623, subdivision 6, and by adding a subdivision; 473.704, by adding a subdivision; and 473.705.

Referred to the Committee on Metropolitan Affairs.

H.F. No. 664: A bill for an act relating to commerce; requiring accessibility specialists; requiring certification by building officials; amending Minnesota Statutes 1990, sections 16B.63, by adding a subdivision; 16B.65, by adding a subdivision; and 471.468.

Referred to the Committee on Governmental Operations.

H.F. No. 954: A bill for an act relating to retirement; public employees retirement association; granting the equivalent of two months maternity leave to a certain St. Louis county employee.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 679, now on General Orders.

H.F. No. 1179: A bill for an act relating to metropolitan government; directing the metropolitan council to conduct a study.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1124, now on General Orders.

H.F. No. 1405: A bill for an act relating to charitable organizations; changing distribution requirements for charitable organizations; amending Minnesota Statutes 1990, section 309.501, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1245.

H.F. No. 1455: A bill for an act relating to the Minneapolis park and recreation board; providing for two members appointed by the Minneapolis

park and recreation board on the Minneapolis reapportionment commission; establishing standards for park board redistricting.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1330, now on General Orders.

H.F. No. 1509: A bill for an act relating to water resources; allowing certain land to be used as a veterans cemetery under certain circumstances; amending Minnesota Statutes 1990, section 103F.369, subdivision 2, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1265, now on General Orders.

H.F. No. 1536: A bill for an act relating to the city of St. Cloud; authorizing the commissioner of administration to sell certain surplus lands to the city.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 1551: A bill for an act relating to retirement; Edina volunteer firefighters relief association; modifying limitations on survivor benefit coverage; amending Laws 1965, chapter 592, section 4, as amended.

Referred to the Committee on Governmental Operations.

H.F. No. 200: A bill for an act relating to courts; allowing counties with chambered judges to retain the judicial position; recognizing adequate access to the courts as a factor in determining whether a judicial position should remain or be abolished or transferred; amending Minnesota Statutes 1990, section 2.722, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 193.

H.F. No. 808: A bill for an act relating to child care; permitting variances from certain staffing requirements for parent cooperative programs; amending Minnesota Statutes 1990, sections 245A.02, by adding a subdivision; and 245A.14, subdivision 6.

Referred to the Committee on Health and Human Services.

H.F. No. 1001: A bill for an act relating to game and fish; authorizing radio communication between a handler and dog; amending Minnesota Statutes 1990, section 97B.085, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 248: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water or natural wetlands in Anoka county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 219, now on General Orders.

H.F. No. 579: A bill for an act relating to retirement; contributions and benefit computation for members of the Richfield police relief association; amending Laws 1965, chapter 458, sections 2, 4, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 708, now on General Orders.

H.F. No. 1035: A bill for an act relating to retirement; teachers retirement association; making various changes in laws governing the administration



of the association; amending Minnesota Statutes 1990, sections 136.82, subdivision 1; 176.021, subdivision 7; 354.05, subdivisions 5, 13, 22, 35, 35a, and by adding a subdivision; 354.071, subdivision 2; 354.092; 354.093; 354.094, subdivision 1; 354.095; 354.10, subdivisions 1, 2, and 4; 354.33, subdivision 6; 354.35; 354.41, subdivision 7; 354.46, subdivision 2; 354.48, subdivisions 2, 4, 6, 7, and 8; 354.49, subdivision 3; 354.50, subdivision 1; 354.52, subdivision 2, and by adding a subdivision; 356.30, by adding a subdivision; and 356.87; repealing Minnesota Statutes 1990, sections 354.094, subdivisions 1a and 1b; and 354.48, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1030.

H.F. No. 551: A bill for an act relating to drivers' licenses; extending waiting period for person to receive limited driver's license who has been convicted of certain crimes; providing a penalty; amending Minnesota Statutes 1990, sections 171.17; and 171.30, subdivisions 2, 4, and by adding a subdivision.

Referred to the Committee on Judiciary.

H.F. No. 674: A bill for an act relating to commerce; regulating irrevocable funeral trusts; excluding certain trusts from the asset limitation requirements for medical assistance; amending Minnesota Statutes 1990, sections 149.11; and 256B.056, subdivision 3.

Referred to the Committee on Commerce.

H.F. No. 173: A bill for an act relating to the University of Minnesota; changing the structure of certain bargaining units; amending Minnesota Statutes 1990, section 179A.11, subdivisions 1 and 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 447, now on General Orders.

H.F. No. 345: A bill for an act relating to sexual abuse; extending the statute of limitations for intentional torts involving the sexual abuse of a minor; expanding the statute of limitations in criminal sexual conduct cases involving a minor victim; amending Minnesota Statutes 1990, sections 541.073; and 628.26.

Referred to the Committee on Judiciary.

H.F. No. 716: A bill for an act relating to crime victims; requiring victims to be notified of offender's escape; requiring notification to victim of final disposition of case; waiving fees necessary to obtain a temporary restraining order for harassment if petitioner is indigent; amending Minnesota Statutes 1990, sections 609.748, subdivisions 3, 4, and 6; 611A.02, subdivision 2; and 611A.06; proposing coding for new law in Minnesota Statutes, chapter 611A.

Referred to the Committee on Judiciary.

H.F. No. 815: A bill for an act relating to insurance; the Minnesota comprehensive health insurance plan; regulating premium determinations, meetings, and experimental delivery and managed care delivery methods; authorizing preferred provider networks; classifying PPO agreement data; regulating access; amending Minnesota Statutes 1990, sections 13.71, by adding a subdivision; 62E.08, by adding a subdivision; 62E.10, subdivisions 4 and 9; 62E.12; 62E.13, by adding a subdivision; and 62E.14, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter

62E.

Referred to the Committee on Judiciary.

H.F. No. 914: A bill for an act relating to state lands; authorizing Otter Tail county to return donated state land to the donor's heir; requiring that description of certain tax-forfeited land bordering public water be submitted to commissioner of natural resources before proposing legislation to permit conveyance of the land; amending Minnesota Statutes 1990, section 282.018, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 844, now on General Orders.

H.F. No. 1017: A bill for an act relating to agriculture; regulating certain sales and services offered by grocery stores; limiting applicability of certain licensing and regulatory provisions; amending Minnesota Statutes 1990, sections 28A.05; 145A.03, by adding a subdivision; 157.01, subdivision 1; and 412.221, subdivision 30; proposing coding for new law in Minnesota Statutes, chapter 28A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 664, now on General Orders.

H.F. No. 1584: A bill for an act relating to retirement; the public employees retirement association; making various changes reflecting benefits, administration, and investment practices; amending Minnesota Statutes 1990, sections 353.01, subdivisions 2b, 6, 10, 15, 16, and 20; 353.03, subdivision 1; 353.27, subdivisions 4, 7, 12, 12a, and by adding subdivisions; 353.28, subdivision 6; 353.29, subdivision 4; 353.31, subdivision 1; 353.32, subdivision 1a; 353.33, subdivision 3a; 353.34, subdivision 1; 353.64, by adding a subdivision; 353.656, subdivision 1a; 353.657; 353A.01, subdivision 1; 353A.02, subdivision 16, and by adding a subdivision; 353A.03; 353A.06; 353A.08, subdivision 1; 353C.06, subdivision 3; 353C.07, subdivision 1; 353C.08, subdivision 2; 353C.09; 353D.01, subdivision 2; 353D.02; 353D.04; 353D.05, subdivision 2; 353D.07, subdivisions 2 and 3; 353D.12, subdivision 1; 356.371, subdivision 3; 356.86, subdivisions 2 and 4; 356.87; Laws 1990, chapter 570, article 8, section 14, subdivision 1; and repealing Minnesota Statutes 1990, sections 353.33, subdivision 5a; and 353C.07, subdivision 2.

Referred to the Committee on Governmental Operations.

## REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 622: A bill for an act relating to human services; clarifying and establishing requirements for implementing the Minnesota family investment plan; amending Minnesota Statutes 1990, sections 256.031; 256.032; 256.033; 256.034; 256.035; and 256.036, subdivisions 1, 2, 4, and 5; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1990, sections 256.032, subdivisions 5 and 9; 256.035, subdivisions 6 and 7; 256.036, subdivision 10; Laws 1989, chapter 282, article 5, section 130.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 21, after "action" insert "*consistent with Public Law Numbers 101-202 and 101-239*"

Page 2, line 22, after the period, insert "*Before taking such corrective action, the commissioner shall consult with the chairs of the senate health and human services committee, the house of representatives health and human services committee, the health and human services division of the senate finance committee, and the human resources division of the house of representatives appropriations committee, or if the legislature is not in session, consult with the legislative advisory commission.*"

Page 5, lines 8 and 17, delete "*excluded from*" and insert "*included in*"

Page 5, line 9, delete "*elects to be excluded*" and insert "*does not elect to be included*"

Page 5, line 12, delete "*excluded from*" and insert "*included in*" and delete "*chooses*" and insert "*does not choose*"

Page 5, lines 13 and 18, delete "*excluded*" and insert "*included*"

Page 5, line 19, delete "*from*" and insert "*in*"

Page 5, line 20, delete "*chooses to be excluded*" and insert "*does not choose to be included*"

Page 7, line 12, before "*attending*" insert "*regularly*" and delete the comma

Page 7, line 13, delete from the first "a" through page 7, line 16, to "19." and insert "*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.*"

Page 8, line 27, delete "(a)"

Page 8, line 30, strike "(1)"

Page 8, line 35, delete the first "the" and insert "(a)(1) The"

Page 9, line 13, delete "available"

Page 9, line 16, delete "gross" and insert "total"

Page 9, line 19, before the colon, insert "*\$50 of child support collected in that month and from gross earned income deducting*"

Page 9, line 20, after the semicolon, insert "and"

Page 9, line 23, delete "; and" and insert a period

Page 9, delete line 24

Page 9, line 26, delete everything after "in" and insert "*paragraph (a) of this subdivision*"

Page 9, line 27, delete "4"

Page 10, line 16, after "who" insert "do not" and delete "excluded from" and insert "included in"

Page 19, line 32, after "family" insert "and"

Page 21, line 4, delete "may include" and insert "are limited to"

Page 21, line 9, before “*Services*” insert “*Social*”

Page 21, line 27, delete “*participants*” and insert “*parental caregiver’s*”

Page 21, line 34, after “*the*” insert “*parental*”

Page 24, line 32, strike “*cooperate*” and insert “*comply*”

Page 25, lines 8 and 9, delete “OF ADMINISTRATIVE COSTS” and before “*Up*” insert “*(a)*”

Page 25, line 10, delete “*county*”

Page 25, line 11, delete “*county*” and insert “*site*”

Page 25, after line 16, insert:

“*(b) Section 256.025, subdivision 2, applies to Minnesota family investment plan assistance.*”

Page 25, after line 20, insert:

“Sec. 12. [INSTRUCTION TO THE REVISOR.]

*In the next edition of Minnesota Statutes, the revisor of statutes shall renumber Minnesota Statutes, section 256.035, subdivision 4, as Minnesota Statutes, section 256.033, subdivision 1a.*”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1037: A bill for an act relating to economic development; establishing the regional seed capital program; amending Minnesota Statutes 1990, sections 290.06, by adding a subdivision; and 469.101, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116O.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [116O.122] [SEED CAPITAL FUND.]

*Subdivision 1. [ESTABLISHMENT.] The corporation shall, in consultation with private venture and seed capital companies and other public and private organizations as appropriate, implement a centrally managed seed capital fund to invest in early stage companies and small companies in Minnesota through equity or equity-type investments. The seed capital fund may receive contributions from the corporation, as well as from local, state, or federal government, private foundations, or other sources. Total investments by the seed capital fund in seven-county metropolitan area based companies must not exceed 20 percent of the total amount invested. Investments which contribute to the 20 percent metropolitan area limitation are those which will primarily enhance the operations of a metropolitan based facility. Investments that benefit a Greater Minnesota facility of a metropolitan based company are not subject to the limitation. Investments by the seed capital fund must be matched by other sources of capital at a ratio to be determined by the corporation. The seed capital fund shall identify sources of technical, management, and marketing assistance for companies*

*funded by the seed capital program and make appropriate referrals. The seed capital fund shall establish a procedure for liquidating private investments.*

*Subd. 2. [REGIONAL SEED CAPITAL REPORT.] By February 15, the board shall submit to the legislature and governor an annual report on the activities of the seed capital program.*

*Subd. 3. [CREDIT LIMIT.] The sum of the credits for investment in the fund under section 2 may not exceed \$ . . . . million in each fiscal year. In order to administer and enforce this limit, the corporation shall provide to investors in the fund, on a first-come first-served basis, credit entitlement certificates up to the annual limit.*

Sec. 2. Minnesota Statutes 1990, section 290.06, is amended by adding a subdivision to read:

*Subd. 24. [SEED CAPITAL FUND CREDIT.] (a) A taxpayer is allowed a credit against the tax imposed by this chapter equal to . . . . percent of the amount of a qualified investment in the regional seed capital program established and operated by the Greater Minnesota Corporation under section 1, during the taxable year. The maximum amount of this credit is \$ . . . . .*

*(b) The credit for the taxable year may not exceed the liability for tax. If the amount of the credit exceeds the liability for tax for the taxable year, the balance of the credit is a carryover credit to each of the next three taxable years. The entire amount of the credit shall be a credit carryover to the earliest of the taxable years to which it may be carried and then to each successive year to which the credit may be carried. In no case may the sum of credits allowed in a taxable year exceed the liability for tax.*

*(c) For purposes of this subdivision, the following terms have the meanings given.*

*(1) "Liability for tax" means the tax imposed by this chapter, except the tax under sections 290.091, 290.0921, and 290.0922, reduced by the sum of nonrefundable credits allowed under this chapter.*

*(2) "Qualified investment" means the amount of an investment in the regional seed capital fund that receives a credit entitlement certificate from the Greater Minnesota Corporation under section 1.*

Sec. 3. Minnesota Statutes 1990, section 469.101, is amended by adding a subdivision to read:

*Subd. 23. [SUPPLYING SMALL BUSINESS CAPITAL.] Notwithstanding any contrary law, the authority may participate with public or private corporations or other entities, whose purpose is to provide seed or venture capital to small businesses that have facilities located or to be located in the district. For that purpose the authority may use not more than . . . . percent of available annual net income or \$ . . . . annually, whichever is less, to invest in equities or acquire equity-type investments. These investments can be made directly in eligible corporations or entities or acquired through participation in a public or private seed or venture capital fund. The participation by the authority may not exceed in any year 25 percent of the total amount of funds provided for venture or seed capital purposes by all of the participants. The corporation, entity, or fund shall report in writing each six months to the commissioners of the authority all investments and other action taken by it since the last report. Funds contributed to the corporation or entity*

*must be invested pro rata with each contributor of capital taking proportional risks on each investment. As used in this subdivision, the term "small business" has the meaning given it in section 645.445, subdivision 2.*

Sec. 4. [EFFECTIVE DATE.]

*Section 2 is effective for taxable years beginning after December 31, 1990."*

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "authorizing economic development authorities to provide seed capital to small businesses;"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1024: A bill for an act relating to civil actions; recognizing a cause of action for tortious interference with access rights to a child; proposing coding for new law as Minnesota Statutes, chapter 604A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 17, before "*decree*" insert "*valid*" and delete the first "*or*" and insert a comma and after "*judgment*" insert a comma

Page 2, line 4, before the period, insert "*and the child*"

Page 2, line 5, delete "*engages in,*"

Page 2, line 9, after "*child*" insert "*and who aids or assists in conduct for which a cause of action is authorized by paragraph (a)*"

Page 2, line 27, after the semicolon, insert "*and*"

Page 2, line 30, delete "*; and*" and insert a period

Page 2, delete line 31

Page 3, line 8, delete "*first*" and insert "*promptly*"

Page 3, line 9, delete the comma and insert "*and*"

Page 3, line 10, delete "*, and the agency failed to respond*" and insert a period

Page 3, delete line 11

Page 3, line 22, after "*that*" insert "*the plaintiffs access rights have been violated or the time that*" and delete "*current*"

Page 3, line 23, after "*plaintiff*" insert "*after access rights are violated, whichever occurs later. Section 541.13 applies to actions under this chapter*"

Page 3, line 32, delete "*reliefs*" and insert "*relief*"

Page 3, line 36, delete "*since*" and insert "*on or after*" and delete "*1963*" and insert "*1991*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 809: A bill for an act relating to crimes; providing that it is a prima facie case for certification to adult court if a juvenile used a firearm at the time of the offense or is alleged to have committed a firearms violation after a previous firearms violation; increasing the penalty for furnishing a firearm to a minor; increasing the penalty for unlawful possession of a pistol by a minor; amending Minnesota Statutes 1990, sections 260.125, subdivision 3; 609.66, subdivision 1a, and by adding a subdivision; and 624.713, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, lines 19 and 20, delete "*or 97B.021,*"

Page 3, lines 22 and 23, delete "*, or 97B.021*"

Pages 3 and 4, delete sections 2 to 5 and insert:

"Sec. 2. Minnesota Statutes 1990, section 299C.065, is amended to read:

299C.065 [UNDERCOVER BUY FUND; WITNESS PROTECTION SERVICES.]

Subdivision 1. The commissioner of public safety shall make grants to local officials for *the following purposes:*

(1) the cooperative investigation of cross jurisdictional criminal activity relating to the possession and sale of controlled substances;

(2) receiving or selling stolen goods;

(3) participating in gambling activities in violation of section 609.76;

(4) violations of section 609.322, 609.323, or any other state or federal law prohibiting the recruitment, transportation, or use of juveniles for purposes of prostitution; *and*

(5) *witness protection services in cases involving criminal gang activity in violation of section 6, or domestic assault, as defined in section 611A.0315.*

Subd. 2. A county sheriff or the chief administrative officer of a municipal police department may apply to the commissioner of public safety for a grant for any of the purposes described in subdivision 1, on forms and pursuant to procedures developed by the superintendent. The application shall describe the type of intended criminal investigation, an estimate of the amount of money required, and any other information the superintendent deems necessary.

Subd. 3. A report shall be made to the commissioner at the conclusion of an investigation pursuant to this section stating: (1) the number of persons arrested, (2) the nature of charges filed against them, (3) the nature and value of controlled substances or contraband purchased or seized, (4) the amount of money paid to informants during the investigation, and (5) a separate accounting of the amount of money spent for expenses, other than "buy money", of bureau and local law enforcement personnel during the investigation. The commissioner shall prepare and submit to the legislature by January 1 of each year a report of investigations pursuant to this section.

Subd. 3a. *The head of a law enforcement agency that receives a grant under this section for witness protection services shall file a report with the*

*commissioner at the conclusion of the case detailing the specific purposes for which the money was spent. The commissioner shall prepare and submit to the legislature by January 1 of each year a summary report of witness protection services provided under this section.*

Subd. 4. An application to the commissioner for money is a confidential record. Information within investigative files that identifies or could reasonably be used to ascertain the identity of *protected witnesses*, sources, or undercover investigators is a confidential record. A report at the conclusion of an investigation is a public record, *except that information in a report pertaining to the identity or location of a protected witness is private data.*

Sec. 3. Minnesota Statutes 1990, section 609.05, subdivision 4, is amended to read:

Subd. 4. A person liable under this section may be charged with and convicted of the crime although the person who directly committed it has not been convicted, or has been convicted of some other degree of the crime or of some other crime based on the same act, *or if the person is a juvenile who has not been found delinquent for the act.*

Sec. 4. Minnesota Statutes 1990, section 609.05, is amended by adding a subdivision to read:

*Subd. 5. For purposes of this section, a crime also includes an act committed by a juvenile that would be a crime if committed by an adult.*

Sec. 5. Minnesota Statutes 1990, section 609.11, is amended by adding a subdivision to read:

*Subd. 5a. [DRUG OFFENSES.] Notwithstanding section 609.035, whenever a defendant is subject to a mandatory minimum term of imprisonment for a felony violation of chapter 152 and is also subject to this section, the minimum term of imprisonment imposed under this section shall be consecutive to that imposed under chapter 152.*

Sec. 6. [609.229] [CRIME COMMITTED FOR BENEFIT OF A GANG.]

*Subdivision 1. [DEFINITION.] As used in this section, "criminal gang" means any ongoing organization, association, or group of three or more persons, whether formal or informal, that:*

*(1) has, as one of its primary activities, the commission of one or more of the offenses listed in section 609.11, subdivision 9;*

*(2) has a common name or common identifying sign or symbol; and*

*(3) includes members who individually or collectively engage in or have engaged in a pattern of criminal activity.*

*Subd. 2. [CRIMES.] A person who commits a crime for the benefit of, at the direction of, or in association with a criminal gang, with the intent to promote, further, or assist in criminal conduct by gang members is guilty of a crime and may be sentenced as provided in subdivision 3.*

*Subd. 3. [PENALTY.] (a) If the crime committed in violation of subdivision 2 is a felony, the statutory maximum for the crime is three years longer than the statutory maximum for the underlying crime.*

*(b) If the crime committed in violation of subdivision 2 is a misdemeanor, the person is guilty of a gross misdemeanor.*



*(c) If the crime committed in violation of subdivision 2 is a gross misdemeanor, the person is guilty of a felony and may be sentenced to a term of imprisonment of not more than one year and a day or to payment of a fine of not more than \$5,000, or both.*

Sec. 7. [609.494] [SOLICITATION OF JUVENILES.]

*Subdivision 1. [CRIME.] A person is guilty of a crime and may be sentenced as provided in subdivision 2 if the person solicits a minor to commit a criminal act.*

*Subd. 2. [SENTENCE.] (a) A person who violates subdivision 1 is guilty of a misdemeanor if the intended criminal act is a misdemeanor, and is guilty of a gross misdemeanor if the intended criminal act is a gross misdemeanor.*

*(b) A person who violates subdivision 1 is guilty of a felony if the intended criminal act is a felony, and may be sentenced to imprisonment for not more than one-half the statutory maximum term for the intended criminal act or to payment of a fine of not more than one-half the maximum fine for the intended criminal act, or both.*

Sec. 8. Minnesota Statutes 1990, section 609.52, subdivision 3, is amended to read:

Subd. 3. [SENTENCE.] Whoever commits theft may be sentenced as follows:

(1) to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if *the property is a firearm, or the value of the property or services stolen is more than \$35,000 and the conviction is for a violation of subdivision 2, clause (3), (4), (15), or (16); or*

(2) to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the value of the property or services stolen exceeds \$2,500, or if the property stolen was an article representing a trade secret, an explosive or incendiary device, or a controlled substance listed in schedule I or II pursuant to section 152.02 with the exception of marijuana; or

(3) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:

(a) the value of the property or services stolen is more than \$500 but not more than \$2,500; or

(b) the property stolen was a controlled substance listed in schedule III, IV, or V pursuant to section 152.02; or

(c) the value of the property or services stolen is more than \$200 but not more than \$500 and the person has been convicted within the preceding five years for an offense under this section, section 256.98; 268.18, subdivision 3; 609.24; 609.245; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821, or a statute from another state in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; or

(d) the value of the property or services stolen is not more than \$500,

and any of the following circumstances exist:

(i) the property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or

(ii) the property is a record of a court or officer, or a writing, instrument or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or

(iii) the property is taken from a burning building or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or

(iv) the property consists of public funds belonging to the state or to any political subdivision or agency thereof; or

(v) ~~the property is a firearm; or~~

~~(vi) the property stolen is a motor vehicle; or~~

(4) to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the value of the property or services stolen is more than \$200 but not more than \$500; or

(5) in all other cases where the value of the property or services stolen is \$200 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both, provided, however, in any prosecution under subdivision 2, clauses (1), (2), (3), (4), and (13), the value of the money or property or services received by the defendant in violation of any one or more of the above provisions within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 9. Minnesota Statutes 1990, section 609.66, subdivision 1, is amended to read:

Subdivision 1. [~~MISDEMEANOR~~ MISDEMEANORS AND GROSS MISDEMEANORS.] (a) Whoever does any of the following is guilty of a ~~misdeemeanor~~ crime and may be sentenced as provided in paragraph (b):

(1) recklessly handles or uses a gun or other dangerous weapon or explosive so as to endanger the safety of another; or

(2) intentionally points a gun of any kind, capable of injuring or killing a human being and whether loaded or unloaded, at or toward another; or

(3) manufactures or sells for any unlawful purpose any weapon known as a slungshot or sand club; or

(4) manufactures, transfers, or possesses metal knuckles or a switch blade knife opening automatically; or

(5) possesses any other dangerous article or substance for the purpose of being used unlawfully as a weapon against another; or

(6) without the parent's or guardian's consent, furnishes a child under 14 years of age, or as a parent or guardian permits the child to handle or use, outside of the parent's or guardian's presence, a firearm or airgun of any kind, or any ammunition or explosive.

*Self-defense is an applicable defense to a charge under clause (2).*

*Possession of written evidence of prior consent signed by the minor's parent or guardian is a complete defense to a charge under clause (6).*

*(b) A person convicted under paragraph (a) may be sentenced as follows:*

*(1) if the act was committed in a public housing zone, as defined in subdivision 1d, a school zone, as defined in section 152.01, subdivision 14a, or a park zone, as defined in section 152.01, subdivision 12a, to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both; or*

*(2) otherwise, including where the act was committed on residential premises within a zone described in clause (1) if the offender was at the time an owner, tenant, or invitee for a lawful purpose with respect to those residential premises, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both.*

Sec. 10. Minnesota Statutes 1990, section 609.66, subdivision 1a, is amended to read:

Subd. 1a. [FELONY.] Whoever does any of the following is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$5,000, or both:

(1) sells or has in possession any device designed to silence or muffle the discharge of a firearm; or

(2) ~~in any municipality of this state, furnishes a minor under 18 years of age with a firearm, airgun, ammunition, or explosive without the written consent of the minor's parent or guardian or of the police department of the municipality; or~~

(3) intentionally discharges a firearm under circumstances that endanger the safety of another.

Sec. 11. Minnesota Statutes 1990, section 609.66, is amended by adding a subdivision to read:

*Subd. 1b. [FELONY; FURNISHING A DANGEROUS WEAPON.] Whoever furnishes a person with a dangerous weapon in disregard of a substantial risk that the object will be possessed or used in furtherance of a felony crime of violence 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.*

Sec. 12. Minnesota Statutes 1990, section 609.66, is amended by adding a subdivision to read:

*Subd. 1c. [FELONY; FURNISHING TO MINORS.] Whoever, in any municipality of this state, furnishes a minor under 18 years of age with a firearm, airgun, ammunition, or explosive without the prior consent of the minor's parent or guardian or of the police department of the municipality is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both. Proof of a prior written consent signed by the minor's parent or guardian or of the police department of the municipality is a complete defense to a charge under this subdivision.*

Sec. 13. Minnesota Statutes 1990, section 609.66, is amended by adding a subdivision to read:

*Subd. 1d. [PUBLIC HOUSING ZONE.] As used in this section, "public housing zone" means a public housing project or development administered by a local housing agency, except public housing for the elderly or the handicapped, plus the area within 300 feet of the property's boundary, or one city block, whichever is greater.*

Sec. 14. Minnesota Statutes 1990, section 609.902, subdivision 4, is amended to read:

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; 609.496; 609.497; 609.498; 609.52, subdivision 3, clause (3)(b), or clause (4)(e) or (f); 609.53; 609.561; 609.562; 609.582, subdivision 1 or 2; 609.67; 609.687; 609.713; 609.86; 624.713; or 624.74, and also includes an act for which a juvenile was found delinquent that would have been a criminal act under this subdivision if committed by an adult.

Sec. 15. Minnesota Statutes 1990, section 624.713, subdivision 2, is amended to read:

Subd. 2. A person named in subdivision 1, clause (a) or (b), who possesses a pistol is guilty of a felony. A person named in any other clause of subdivision 1 who possesses a pistol is guilty of a gross misdemeanor.

Sec. 16. [EFFECTIVE DATE.]

*Sections 1 to 15 are effective August 1, 1991, and apply to offenses committed on or after that date."*

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "providing for witness protection services; providing for consecutive mandatory minimum sentences for firearm and controlled substances violations; increasing the penalty for theft of a firearm; prohibiting soliciting a juvenile to commit a crime; imposing enhanced penalties for committing a crime to benefit a gang; enhancing penalties for weapons violations in public housing zones;"

Page 1, line 10, delete everything after the semicolon and insert "299C.065; 609.05, subdivision 4, and by adding a subdivision; 609.11, by adding a subdivision; 609.52, subdivision 3; 609.66, subdivisions 1, 1a, and by adding subdivisions; 609.902, subdivision 4;"

Page 1, line 11, delete "adding a subdivision; and" and before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 609"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 338: A bill for an act relating to retirement; legislators retirement plan; eliminating the requirement of the discontinuation of surviving spouse benefits in the event of the remarriage of the surviving spouse; amending Minnesota Statutes 1990, section 3A.04, 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**

**SURVIVING SPOUSE BENEFIT MODIFICATIONS**

Section 1. Minnesota Statutes 1990, section 3A.04, subdivision 1, is amended to read:

Subdivision 1. [SURVIVING SPOUSE.] Upon the death of a member of the legislature while serving as a member, or upon the death of a former legislator who has rendered at least the number of years of service as required by section 3A.02, subdivision 1, clause (1) and who was not receiving a retirement allowance, the surviving spouse shall be entitled to receive a survivor benefit in the amount of ~~one-half of~~ *equal to* the retirement allowance of the member of the legislature or former legislator computed as though the member or former legislator had attained at least the normal retirement age on the date of death and based upon the average monthly salary as of the date of death or as of the date of termination, whichever is applicable, and the allowable service of the member or the former legislator or eight years, whichever is greater. The augmentation provided in section 3A.02, subdivision 4, if applicable, shall be applied from the first day of the month next following the date of termination of service as a member of the legislature to the month of death. Upon the death of a former legislator who was receiving a retirement allowance, the surviving spouse shall be entitled to ~~one-half of~~ the amount of the allowance being paid to the former legislator. The surviving spouse benefit shall be paid during the lifetime of the surviving spouse, ~~but shall cease and terminate upon the remarriage of the surviving spouse.~~

Sec. 2. Minnesota Statutes 1990, 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 2, dies from any cause, the surviving spouse and dependent children are entitled to benefit payments as follows:

(a) A member with at least three 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 three years of service shall receive, for life, a monthly annuity equal to 50 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 three years service and who died after becoming 55 years old, 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 three years

or more and who was not 55 years old at death, shall receive the benefit equal to 50 percent of the average monthly salary as described in clause (b) until the deceased member would have become 55 years old, 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 birth date, 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 23 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 for any one family must not be less than 50 nor exceed 70 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 three or more years of allowable service, but not the spouse of a former member receiving a disability benefit under section 352B.10, subdivision 2, is entitled to receive the 100 percent joint and survivor annuity at the time the deceased member would have become 55 years old, 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 six percent per year compounded annually.

Sec. 3. Minnesota Statutes 1990, section 352C.04, subdivision 1, is amended to read:

Subdivision 1. [SURVIVING SPOUSE BENEFIT.] Upon the death of a constitutional officer or commissioner while actively serving in office, or a former constitutional officer or commissioner with at least eight years of allowable service, the surviving spouse is entitled to a survivor benefit in the amount of one-half of the retirement allowance of the constitutional officer or commissioner or the former constitutional officer or commissioner computed as though the constitutional officer or commissioner or the former constitutional officer or commissioner were at least age 62 on the date of death and based upon the attained allowable service or eight years, whichever is greater. The augmentation provided in section 352C.033, if applicable, shall be applied to the month of death. Upon the death of a former constitutional officer or commissioner receiving a retirement allowance, the surviving spouse shall be entitled to one-half of the amount of the retirement

allowance being paid to the former constitutional officer or commissioner as of the date of death. The benefit shall be paid to a surviving spouse eligible therefor during the remainder of the spouse's natural life ~~or until remarriage. Upon remarriage, the spouse shall no longer be eligible for the benefit except as provided in section 356.31.~~

Sec. 4. Minnesota Statutes 1990, section 352C.04, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FOR SURVIVOR BENEFITS.] A surviving spouse or a guardian of the estate of the dependent child or children entitled to the payment of benefits under this section shall file an application for the benefit with the director, and payment shall commence as of the first day of the month next following the filing of the application and shall be retroactive to the first of the month following the death of the constitutional officer or commissioner or the former constitutional officer or commissioner; provided, however, that no payment shall be retroactive for more than 12 months prior to the month in which the application is filed with the director. Such benefits shall be paid on the first day of each calendar month for that month. The surviving spouse benefit shall cease with the payment for the month in which the surviving spouse dies ~~or remarries as the case may be.~~ The dependent child's benefit shall cease with the payment for the month in which the child no longer qualifies for payment as a dependent child.

Sec. 5. Minnesota Statutes 1990, section 353.01, subdivision 20, is amended to read:

Subd. 20. [SURVIVING SPOUSE.] "Surviving spouse" means the ~~unre-~~~~married~~ spouse of a deceased member who was legally married to the member at the time of death, or at the time the member became totally and permanently disabled.

Sec. 6. Minnesota Statutes 1990, section 353.31, subdivision 1, is amended to read:

Subdivision 1. [BENEFITS FOR SURVIVING SPOUSE AND DEPENDENT CHILDREN; BEFORE RETIREMENT.] Upon the death of a basic member before retirement or upon the death of a basic member who was disabled and receiving disability benefits pursuant to section 353.33 at the time of death who has had at least 18 months of credited allowable service, the surviving spouse and dependent children of the member, as defined in section 353.01, subdivisions 15 and 20, shall be entitled to receive the monthly benefit provided below:

- |                          |  |
|--------------------------|--|
| (a) Surviving spouse     | 50 percent of the member's monthly average salary in effect over the last full six months of allowable service preceding the month in which death occurred |
| (b) Each dependent child | 10 percent of the member's monthly average salary in effect over the last full six months of allowable service preceding the month in which death occurred |

Payments for the benefit of any dependent child, as defined in section 353.01, subdivision 15, shall be made to the surviving parent, or if there be none, to the legal guardian of the child. The maximum monthly benefit for a family shall not exceed \$1,000, and the minimum benefit per family

shall not be less than 50 percent of the basic member's specified average monthly salary, subject to the aforementioned maximum. ~~The surviving spouse benefit shall terminate upon the remarriage of the spouse, and~~ The dependent children's benefit shall be reduced pro tanto when any child is no longer dependent.

Any survivor of a basic member whose average salary was less than \$75 per month shall not be entitled to the benefits provided in this subdivision. Prior to payment of any survivor benefit pursuant to this subdivision, in lieu of that benefit, the surviving dependent spouse may elect to receive the joint and survivor annuity provided pursuant to section 353.32, subdivision 1a.

Except for any benefits provided pursuant to section 353.32, subdivisions 1 and 1a, there are no survivor benefits payable to the surviving spouse or dependent children of a deceased coordinated member.

Sec. 7. Minnesota Statutes 1990, section 353.657, subdivision 2, is amended to read:

Subd. 2. The spouse, for life ~~or until remarriage~~, shall receive a monthly benefit equal to 50 percent of the member's average full-time monthly salary rate as a police officer or firefighter in effect over the last six months of allowable service preceding the month in which death occurred.

Sec. 8. Minnesota Statutes 1990, section 353B.11, subdivision 6, is amended to read:

Subd. 6. [DISCONTINUATION; SURVIVING SPOUSE BENEFIT.] (a) Except as specified in paragraph (b) or (c), a surviving spouse benefit shall terminate upon the death or the subsequent marriage of the person entitled to receive or receiving a surviving spouse benefit.

(b) A surviving spouse benefit shall terminate upon the subsequent marriage of the person entitled to receive or receiving a surviving spouse benefit but shall recommence at the appropriate amount without any retroactive payments in the event of the termination of the subsequent marriage for any reason for the former members of the following consolidating relief associations:

- (1) Albert Lea firefighters relief association;
- (2) Albert Lea police relief association;
- (3) Duluth firefighters relief association;
- (4) ~~Duluth police pension association;~~
- (~~5~~) Minneapolis fire department relief association;
- (~~6~~) (5) St. Paul fire department relief association; and
- (~~7~~) (6) St. Paul police relief association.

(c) A surviving spouse benefit shall terminate only upon the death of the person entitled to receive or receiving a surviving spouse benefit for the former members of the following consolidating relief associations:

- (1) *Anoka police relief association;*
- (2) *Buhl police relief association;*
- (3) *Chisholm fire department relief association;*



- (4) Chisholm police relief association;
- (5) Crookston fire department relief association;
- (6) Duluth police relief association;
- (7) Faribault fire department relief association;
- (8) Hibbing firefighters relief association;
- (9) Hibbing police relief association;
- (10) Mankato fire department relief association;
- ~~(11)~~ (11) Red Wing fire department relief association;
- (12) Red Wing police relief association;
- (13) Rochester fire department relief association;
- (14) Rochester police relief association;
- (15) St. Cloud fire department relief association;
- (16) St. Louis Park fire department relief association;
- (17) St. Louis Park police relief association;
- (18) South St. Paul firefighters relief association;
- ~~(19)~~ (19) South St. Paul police relief association;
- ~~(20)~~ (20) West St. Paul firefighters relief association; **and**
- ~~(21)~~ (21) Winona fire department relief association; **and**
- (22) Winona police relief association.

Sec. 9. Minnesota Statutes 1990, section 354.05, subdivision 15, is amended to read:

Subd. 15. [DEPENDENT SPOUSE.] "Dependent spouse" means the spouse of a deceased member who ~~has not remarried and~~ was living with and dependent upon the member at the time of death.

Sec. 10. Minnesota Statutes 1990, section 354.46, subdivision 1, is amended to read:

Subdivision 1. [BASIC PROGRAM; BENEFITS FOR SPOUSE AND CHILDREN OF TEACHER.] If a basic member who has at least 18 months of allowable service credit and who has an average salary as defined in section 354.44, subdivision 6, equal to or greater than \$75 dies prior to retirement or if a former basic member who, at the time of death, was totally and permanently disabled and receiving disability benefits pursuant to section 354.48 dies prior to attaining the age of 65 years, the surviving dependent spouse and dependent children of the basic member or former basic member shall be entitled to receive a monthly benefit as follows:

- (a) Surviving dependent spouse . . . . . 50 percent of the basic member's monthly average salary paid in the last full fiscal year preceding death
- (b) Each dependent

child . . . . .ten percent of the basic member's  
monthly average salary paid in the last  
full fiscal year preceding death

Payments for the benefit of any dependent child under the age of 22 years shall be made to the surviving parent, or if there be none, to the legal guardian of the child. The maximum monthly benefit shall not exceed \$1,000 for any one family, and the minimum benefit per family shall not be less than 50 percent of the basic member's average salary, subject to the foregoing maximum. ~~The surviving dependent spouse benefit shall terminate upon remarriage, and the surviving dependent children's benefit shall be reduced pro tanto when any surviving child is no longer dependent.~~

If the basic member and the surviving dependent spouse are killed in a common disaster and if the total of all survivors benefits payable pursuant to this subdivision is less than the accumulated deductions plus interest payable, the surviving dependent children shall receive the difference in a lump sum payment.

If the survivor benefits provided in this subdivision exceed in total the monthly average salary of the deceased basic member, these benefits shall be reduced to an amount equal to the deceased basic member's monthly average salary.

Prior to payment of any survivor benefit pursuant to this subdivision, in lieu of that benefit, the surviving dependent spouse may elect to receive the joint and survivor annuity provided pursuant to subdivision 2, or may elect to receive a refund of accumulated deductions with interest in a lump sum as provided pursuant to section 354.47, subdivision 1. If there are any surviving dependent children, the surviving dependent spouse may elect to receive the refund of accumulated deductions only with the consent of the district court of the district in which the surviving dependent child or children reside.

Sec. 11. Minnesota Statutes 1990, section 354A.011, subdivision 26, is amended to read:

Subd. 26. [SPOUSE.] "Spouse" means the person who was legally married to and living with the member immediately prior to the member's death ~~and who has not remarried subsequent to the member's death.~~

Sec. 12. [SURVIVING SPOUSE BENEFITS.]

*Subdivision 1. Notwithstanding any laws to the contrary, the benefit payable to the surviving spouse of a deceased deferred or deceased retired former member of the following consolidated relief associations is as specified in subdivision 2:*

- (a) *Chisholm fire relief association;*
- (b) *Chisholm police relief association;*
- (c) *Hibbing fire relief association; and*
- (d) *Hibbing police relief association.*

*The benefit specified in subdivision 2 is payable to current and prospective surviving spouses eligible to receive a benefit under the benefit provisions of the applicable local relief association benefit plan.*

*Subd. 2. The benefit provided for individuals identified in subdivision 1 is 50 percent of the annuity amount being received by the former member*

*immediately prior to death, unless the survivor benefit computed under prior law is greater.*

Sec. 13. [EFFECTIVE DATE.]

*(a) Sections 1 to 11 are effective the day following final enactment.*

*Section 12 is effective for the former relief associations of the city of Chisholm the day following approval by the Chisholm city council and upon compliance with Minnesota Statutes, section 645.021. Section 12 is effective for the former relief associations of the city of Hibbing the day following approval by the Hibbing city council and upon compliance with Minnesota Statutes, section 645.021.*

*(b) The elimination of the surviving spouse benefit discontinuation requirement provided for in sections 1 to 11 also applies to any surviving spouse receiving a surviving spouse benefit on the date of final enactment of the act and the potential surviving spouse of active, deferred or retired plan members who have that status on the effective date of the change. Sections 1 to 11 do not apply to persons who formerly were receiving surviving spouse benefits and had those benefits discontinued by virtue of a remarriage and may not be considered to authorize the payment of any retroactive survivor benefit amounts to any person or to an estate.*

ARTICLE 2

PUBLIC PENSION PLAN ACTUARIAL REPORTING REVISIONS

Section 1. Minnesota Statutes 1990, section 3.85, subdivision 11, is amended to read:

Subd. 11. [VALUATIONS AND REPORTS TO LEGISLATURE.] (a) The commission shall contract with an established actuarial consulting firm to conduct annual actuarial valuations ~~and financial adequacy studies~~ for the retirement plans named in paragraph (b). The contract ~~shall~~ *must* include provisions for performing cost analyses of proposals for changes in benefit and funding policies.

(b) The contract for actuarial valuation ~~and analysis shall~~ *must* include the following retirement plans:

- (1) the ~~statewide~~ *teachers retirement plan*, teachers retirement association;
- (2) the ~~general state~~ *employees retirement plan*, Minnesota state retirement system;
- (3) the ~~correctional~~ *employees retirement plan*, Minnesota state retirement system;
- (4) the ~~state patrol~~ *retirement plan*, Minnesota state retirement system;
- (5) the ~~judges~~ *retirement plan*, Minnesota state retirement system;
- (6) the ~~Minneapolis~~ *employees retirement plan*, Minneapolis employees retirement fund;
- (7) the ~~general~~ *public employees retirement plan*, public employees retirement association;
- (8) the ~~public employees~~ *police and fire plan*, public employees retirement association;
- (9) the ~~Duluth~~ *teachers retirement plan*, Duluth teachers retirement fund association;

(10) the *Minneapolis teachers retirement plan*, Minneapolis teachers retirement fund association;

(11) the *St. Paul teachers retirement plan*, St. Paul teachers retirement fund association;

(12) the ~~legislator's~~ *legislators retirement plan*, Minnesota state retirement system; and

(13) the elective state officers retirement plan, Minnesota state retirement system; and

(14) the *public employees local government correctional service retirement plan*, *public employees retirement association*, if there are any participants in that plan.

(c) ~~Every year~~ The contract shall must specify completion of standard annual actuarial valuations for the valuation calculations on a fiscal year basis with their contents as described specified in section 356.215, subdivisions 4 to 4k, and cash flow forecasts through the amortization target date and the standards for actuarial work adopted by the commission.

~~For every plan year~~ The contract shall must specify preparation completion of an exhibit on the experience of the fund for inclusion in the annual actuarial valuation and completion of a periodic experience study annual experience data collection and processing and a quadrennial published experience study for the plans listed in paragraph (b), clauses (1), (2), and (7), as provided for in the standards for actuarial work adopted by the commission. The experience study shall data collection, processing, and analysis must evaluate the appropriateness of continuing to use for future valuations the assumptions relating to the following:

(1) individual salary progression;

(2) rate of return on investments based on current asset value;

(3) payroll growth;

(4) mortality; ~~withdrawal; disability;~~

(5) retirement; and any other experience-related factor that could impact the future financial condition of the retirement funds age;

(6) ~~withdrawal; and~~

(7) ~~disablement.~~

(d) The actuary retained by the commission shall annually prepare a report to the legislature, including the commentary on the actuarial valuation calculations for the plans named in paragraph (b) and summarizing the results of the valuations and cash flow projections actuarial valuation calculations. ~~It~~ The commission-retained actuary shall include with its the report the actuary's recommendations concerning the appropriateness of the support rates to achieve proper funding of the retirement funds by the required funding dates. ~~It~~ The commission-retained actuary shall, ~~within two months of the completion as part of the periodic quadrennial published experience studies study, prepare a report include recommendations to the legislature on the appropriateness of the actuarial valuation assumptions required for evaluation in the periodic experience study.~~

(e) If the actuarial gain and loss analysis in the actuarial valuation calculations indicates a persistent pattern of sizable gains or losses, as

directed by the commission, the actuary retained by the commission shall prepare a special experience study for a plan listed in paragraph (b), clause (3), (4), (5), (6), (8), (9), (10), (11), (12), (13), or (14), in the manner provided for in the standards for actuarial work adopted by the commission.

(f) The term of the contract between the commission and the actuary retained by the commission is two years, plus not to exceed two one-year extensions before competitive bidding. The contract is subject to competitive bidding procedures as specified by the commission.

*Subd. 12. [ALLOCATION OF ACTUARIAL COST.]* (a) The commission shall assess each retirement plan specified in subdivision 11, paragraph (b), ~~other than clauses (12) and (13)~~, for a portion of the compensation paid to the actuary retained by the commission for the cost of its actuarial valuations valuation calculations and quadrennial experience studies. The assessment shall be that part is 72 percent of the amount of contract compensation for the actuarial consulting firm retained by the commission for these functions that bears the same relationship that the total active, deferred, inactive, and benefit recipient membership of the retirement plan bears to the total active, deferred, inactive, and benefit recipient membership of all retirement plans specified in paragraph (b) actuarial valuation calculations, including the public employees police and fire plan consolidation accounts of the public employees retirement association, annual experience data collection and processing, and quadrennial experience studies.

The portion of the total assessment payable by each retirement system or pension plan must be determined as follows:

(1) Each pension plan specified in subdivision 11, paragraph (b), clauses (1) to (14), must pay the following indexed amount based on its total active, deferred, inactive, and benefit recipient membership:

up to 2,000 members, inclusive	\$2.55 per member
2,001 through 10,000 members	\$1.13 per member
over 10,000 members	\$0.11 per member

The amount specified is applicable for the assessment of the July 1, 1991, to June 30, 1992, fiscal year actuarial compensation amounts. For the July 1, 1992, to June 30, 1993, fiscal year and subsequent fiscal year actuarial compensation amounts, the amount specified must be increased at the same percentage increase rate as the implicit price deflator for state and local government purchases of goods and services for the 12-month period ending with the first quarter of the calendar year following the completion date for the actuarial valuation calculations, as published by the federal Department of Commerce, and rounded upward to the nearest full cent.

(2) The total per-member portion of the allocation must be determined, and that total per-member amount must be subtracted from the total amount for allocation. Of the remainder dollar amount, the following per-retirement system and per-pension plan charges must be determined and the charges must be paid by the system or plan:

(i) 37.87 percent is the total additional per-retirement system charge, of which one-seventh must be paid by each retirement system specified in subdivision 11, paragraph (b), clauses (1), (2), (6), (7), (9), (10), and (11).

(ii) 62.13 percent is the total additional per-pension plan charge, of which one-thirteenth must be paid by each pension plan specified in subdivision 11, paragraph (b), clauses (1) to (13), if there are not any participants in

*the plan specified in subdivision 11, paragraph (b), clause (14), or of which one-fourteenth must be paid by each pension plan specified in subdivision 11, paragraph (b), clauses (1) to (14), if there are participants in the plan specified in subdivision 11, paragraph (b), clause (14).*

(b) The assessment ~~shall~~ must be made ~~upon~~ following the completion of the actuarial ~~valuations~~ valuation calculations and the experience ~~studies~~ analysis. The amount of the assessment is appropriated from the retirement fund applicable to the retirement plan. Receipts from assessments ~~shall~~ must be deposited in the state treasury and credited to the general fund.

Sec. 2. Minnesota Statutes 1990, section 356.20, subdivision 4, is amended to read:

Subd. 4. [CONTENTS OF FINANCIAL REPORT.] The financial report required by this section ~~shall include:~~

~~(1)~~ must contain financial statements and disclosures that indicate the financial operations and position of the retirement plan and fund. The report must conform with generally accepted governmental accounting principles, applied on a consistent basis. The report must be audited. The report must include, as part of its exhibits or footnotes, an ~~exhibit~~ actuarial disclosure item based on the actuarial valuation calculations prepared by the commission-retained actuary or by the actuary retained by the retirement fund or plan, if applicable, according to applicable actuarial requirements enumerated in section 356.215, and specified in the most recent standards for actuarial work adopted by the legislative commission on pensions and retirement. The ~~exhibit shall show the~~ accrued assets of the fund, the accrued liabilities, including accrued reserves, and the unfunded actuarial accrued liability of the fund or plan must be disclosed. The ~~exhibit shall~~ disclosure item must contain the ~~certificate of~~ a declaration by the actuary retained by the legislative commission on pensions and retirement or the actuary retained by the fund or plan, whichever applies, specifying that the required reserves for any retirement, disability, or survivor benefits provided under a benefit formula are computed in accordance with the entry age actuarial cost method and ~~any~~ with the most recent applicable standards for actuarial work adopted by the legislative commission on pensions and retirement.

(a) Assets ~~shown in the exhibit shall~~ of the fund or plan contained in the disclosure item must include the following ~~items of actual assets:~~

Cash in office

Deposits in banks

Accounts receivable:

Accrued members' contributions

Accrued employer contributions

Other

Accrued interest on investments

Dividends on stocks, declared but not yet received

Investment in bonds at cost

Investment in stocks at cost

Investment in real estate

Equipment at cost, less depreciation

Other

Total assets - - - - -

(b) The exhibit shall include a statement of the actuarial value of current assets as specified defined in section 356.215, subdivision 4, including:

Cash, cash equivalents, and short-term securities

Fixed income investments

Equity investments

Real estate investments

Equity in the Minnesota postretirement investment fund

Other 1:

	Value at cost	Value at market
Cash, cash equivalents, and short-term securities	.....	.....
Accounts receivable	.....	.....
Accrued investment income	.....	.....
Fixed income investments	.....	.....
Equity investments other than real estate	.....	.....
Real estate investments	.....	.....
Equipment	.....	.....
Equity in the Minnesota postretirement investment fund	.....	.....
Other	.....	.....
Total assets		
Value at cost	.....	
Value at market		.....
Value of current assets		.....

(e) (b) The exhibit shall include a statement of the unfunded actuarial accrued liability of the fund which shall or plan contained in the disclosure item must include the following measures of unfunded actuarial accrued liability, using the actuarial value of current assets as specified in section 356.215, subdivision 4:

(i) (1) unfunded actuarial accrued liability, which shall be determined by subtracting the current assets and the present value of future normal costs from the total current and expected future benefit obligations; and

(ii) current (2) unfunded actuarial liability pension benefit obligation, which is the total current benefit obligations less determined by subtracting the total current assets; and

(iii) current and future unfunded actuarial liability, which is the total current and expected future benefit obligations less the total current and expected future assets from the actuarial present value of credited projected benefits.

If the current assets of the fund or plan exceed the actuarial accrued liabilities, the excess shall must be listed disclosed and indicated as a surplus and indicated in the exhibit following the itemization of benefit obligations.

(d) The exhibit shall include a footnote showing accumulated member

contributions without interest.

(e) Current liabilities shown in the exhibit shall include the following items:

Current:

Accounts payable

Retirement annuity payments

Disability benefit payments

Survivor benefit payments

Refund to members

Accrued expenses

Suspense items

Total current liabilities . . . . .

(f) (c) The exhibit shall include a schedule which shall be listed as the "current and expected future pension benefit obligations." The schedule shall included in the disclosure must contain the following information on the benefit obligations:

1. Current (1) The pension benefit obligations obligation, which shall be determined as the actuarial present value of benefit obligations credited projected benefits on account of service rendered to date, separately identified as follows:

- (a) (i) For annuitants
  - Retirement annuities
  - Disability benefits
  - Surviving spouse and child benefits
- (b) (ii) For former members without vested rights
- (c) (iii) For deferred annuitants' benefits, including any augmentation
- (d) (iv) For active employees
  - Retirement annuities
  - Disability benefits
  - Refund liability due to death or withdrawal
  - Survivors' benefits
  - Accumulated employee contributions, including allocated investment income
  - Employer-financed benefits vested
  - Employer-financed benefits nonvested

Total current benefits obligations pension benefit obligation;

2. Expected future benefit obligations which shall be the actuarial value of benefit obligations on account of future service for active employees

3. Total current and expected future benefit obligations

4. In addition to the foregoing, (2) If there are additional benefits not appropriately covered by the foregoing three items of benefit obligations, they shall be listed separately a separate identification of the obligation.

(2) An income statement prepared on an accrual basis showing all income and all deductions from income for the fiscal year. The statement shall show separate items for employee contributions, employer regular contributions,



employer additional contributions if provided by law; investment income; profit on the sale of investments; and other income; if any.

(3) A statement of deductions from income, which shall include separate items for the payment of retirement annuities, disability benefits, surviving spouse benefits, surviving children's benefits, refunds to members terminating employment, refunds due to death of members and due to death of annuitants, the increase in total reserves required, general administrative expense incurred, loss on sale of investments, and any other deductions.

(4) A statement showing appropriate statistics concerning the membership and beneficiaries of the fund, with indications of changes in the statistical data which may result from the current year's operation.

(5) (d) Any additional statements or exhibits which or more detailed or subdivided itemization of a disclosure item that will enable the management of the fund to portray a true interpretation of the fund's financial condition, except that the term "surplus" or the term "excess of assets" shall not be used except as otherwise specifically provided for in this section; nor shall any representation of assets and liabilities other than as provided for in this section be included in the additional statements or exhibits.

(6) A more detailed or subdivided itemization of any of the items required by this section, if the management of the fund so desires.

Sec. 3. Minnesota Statutes 1990, section 356.215, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of sections 3.85 and 356.20 to 356.23, each of the following terms shall have the meaning given:

(1) "Actuarial valuation" or "actuarial valuation calculations" means a set of calculations prepared by the actuary retained by the legislative commission on pensions and retirement if so required under section 3.85, or otherwise, by an approved actuary, to determine the normal cost and the accrued actuarial liabilities of a benefit plan, according to a stated the entry age actuarial cost method and based upon stated assumptions including, but not limited to rates of interest, mortality, salary increase, disability, withdrawal, and retirement and to determine the payment necessary to amortize over a stated period any unfunded accrued actuarial liability disclosed as a result of the actuarial valuation and the resulting actuarial balance sheet of the benefit plan.

(2) "Approved actuary" means a person who is regularly engaged in the business of providing actuarial services and who has at least 15 years of service to major public employee pension or retirement funds or who is a fellow in the society of actuaries.

(3) "Entry age actuarial cost method" means an actuarial cost method under which the actuarial present value of the projected benefits of each individual currently covered by the benefit plan and included in the actuarial valuation is allocated on a level basis over the service of the individual if the benefit plan is governed by section 69.773 or over the earnings of the individual if the benefit plan is governed by any other law between the entry age and the assumed exit age, with the portion of this actuarial present value which is allocated to the valuation year to be the normal cost and the portion of this actuarial present value not provided for at the valuation date by the actuarial present value of future normal costs to be the actuarial accrued liability, with aggregation in the calculation process to be the sum

of the calculated result for each covered individual and with recognition given to any different benefit formulas which may apply to various periods of service.

(4) "Experience study" means a report ~~which provides~~ *providing* experience data and an actuarial analysis ~~which substantiate of the adequacy of~~ the actuarial assumptions on which *actuarial* valuations are based.

(5) "~~Expected future statutory supplemental contributions~~" means the sum of future employee and employer contributions at the rates specified in statute ~~when the valuation is completed, reduced by the present value of future normal costs.~~

(6) "Current assets" means the value of all assets at cost, ~~which includes~~ *including* realized capital gains or losses, plus one-third of any unrealized capital gains or losses.

(7) (6) "Unfunded actuarial accrued liability" means *the* total current and expected future benefit obligations ~~less, reduced by~~ the sum of current assets and the present value of future normal costs.

(7) "*Pension benefit obligation*" means *the actuarial present value of credited projected benefits, determined as the actuarial present value of benefits estimated to be payable in the future as a result of employee service attributing an equal benefit amount, including the effect of projected salary increases and any step rate benefit accrual rate differences, to each year of credited and expected future employee service.*

Sec. 4. Minnesota Statutes 1990, section 356.215, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS.] It is the policy of the legislature that it is necessary and appropriate to determine annually the financial status of tax supported retirement and pension plans for public employees. To achieve this goal, the legislative commission on pensions and retirement shall have prepared ~~by the actuary retained by the commission annual actuarial valuations and periodic experience studies~~ *valuation calculations of the public pension and retirement plans enumerated in section 3.85, subdivision 11, clause paragraph (b), and quadrennial experience studies of the retirement plans enumerated in section 3.85, subdivision 11, paragraph (b), clauses (1), (2), and (7). The governing or managing board or administrative officials of each public pension and retirement fund or plan enumerated in section 356.20, subdivision 2, clauses (9), (10), and (12), shall have prepared by an approved actuary annual actuarial valuations and periodic experience studies of their respective funds as provided in this section. This requirement shall also apply applies to any fund which may be a that is the successor to any organization enumerated in section 356.20, subdivision 2, or to the governing or managing board or administrative officials of any newly formed retirement fund or association operating under the control or supervision of any public employee group, governmental unit, or institution receiving a portion of its support through legislative appropriations, and any local police or fire fund coming within the provisions of section 356.216.*

Sec. 5. Minnesota Statutes 1990, section 356.215, subdivision 3, is amended to read:

Subd. 3. [REPORTS.] The actuarial ~~valuations~~ *valuation calculations* required annually ~~shall~~ *must* be made as of the beginning of each fiscal year. Two copies of the valuation ~~shall~~ *calculations must* be delivered to

the executive director of the legislative commission on pensions and retirement, to the commissioner of finance and to the legislative reference library, not later than the first day of the sixth month occurring after the end of the previous fiscal year. Two copies of ~~any a quadrennial~~ *any a quadrennial* experience study prepared periodically as provided for in the standards adopted by the commission shall ~~must~~ be filed with the executive director of the legislative commission on pensions and retirement, with the commissioner of finance, and with the legislative reference library, not later than the first day of the 11th month occurring after the end of the last fiscal year of the *four-year* period which the experience study covers. For actuarial ~~valuations~~ *valuation calculations* and experience studies prepared at the direction of the legislative commission on pensions and retirement, two copies of the document shall ~~must~~ be delivered to the governing or managing board or administrative officials of the applicable public pension and retirement fund or plan.

Sec. 6. Minnesota Statutes 1990, section 356.215, subdivision 4, is amended to read:

Subd. 4. [ACTUARIAL VALUATION; CONTENTS.] The actuarial valuation shall ~~calculations must~~ be made in conformity with the requirements of the definition contained in subdivision 1 and ~~the most recent~~ *the most recent* standards for actuarial work adopted by the legislative commission on pensions and retirement. The actuarial valuation shall ~~calculations must~~ measure all aspects of the benefit plan of the fund in accordance with changes in benefit plans, if any, and salaries as ~~will or can~~ *will or can* reasonably be anticipated to be in force during the ensuing fiscal year. The actuarial valuation shall ~~calculations must~~ be prepared in accordance with the entry age actuarial cost method.

The actuarial valuation *calculations* required under this section shall ~~must~~ include the information required in subdivisions 4a to 4k.

Sec. 7. Minnesota Statutes 1990, section 356.215, subdivision 4a, is amended to read:

Subd. 4a. [NORMAL COST.] For ~~each a~~ *each a* fund providing ~~any~~ *any* benefits in whole or in part under a defined benefit plan, the actuarial valuation shall ~~contain an exhibit indicating~~ *calculations must indicate* the level normal cost of the benefits provided by the laws governing the fund as of the date of the valuation *calculations*, calculated in accordance with the entry age actuarial cost method. The normal cost shall ~~must~~ be expressed as a level percentage of the *present value of future payroll payrolls* of the active participants of the fund as of the date of the valuation.

Sec. 8. Minnesota Statutes 1990, section 356.215, subdivision 4b, is amended to read:

Subd. 4b. [ACCRUED LIABILITY.] For ~~each a~~ *each a* fund providing ~~any~~ *any* benefits under a defined benefit plan, the actuarial valuation shall ~~calculations must~~ contain an exhibit indicating the *actuarial* accrued liabilities of the fund, ~~which shall be equal to. This figure is the present value of all future benefits minus, reduced by the present value of future normal costs,~~ calculated in accordance with the entry age actuarial cost method.

Sec. 9. Minnesota Statutes 1990, section 356.215, subdivision 4d, is amended to read:

Subd. 4d. [INTEREST AND SALARY ASSUMPTIONS.] (a) For funds governed by chapters ~~3A, 352, 352B, 352C, 353, 353C, and 354~~ *3A, 352, 352B, 352C, 353, 353C, and 354* other than

the variable annuity fund governed by section 354.62, and 490, the actuarial valuation ~~shall~~ *calculations must* use a preretirement interest assumption of 8.5 percent, a postretirement interest assumption of five percent, and ~~an a future salary increase assumption that in each future year the salary on which a retirement or other benefit is based is 1.065 multiplied by the salary for the preceding year of 6.5 percent.~~

(b) For funds governed by chapter 354A, the actuarial valuation ~~shall~~ *calculations must* use preretirement and postretirement assumptions of 8.5 percent and ~~an a future salary increase assumption that in each future year the salary on which a retirement or other benefit is based is 1.065 multiplied by the salary for the preceding year of 6.5 percent,~~ but the actuarial valuation ~~shall~~ *must* reflect the payment of postretirement adjustments to retirees ~~shall~~ *be*, based on the methods specified in the bylaws of the fund as approved by the legislature.

(c) For all other funds *not specified in paragraph (a), (b), or (d)*, the actuarial valuation ~~shall~~ *calculations must* use a preretirement interest assumption of five percent, a postretirement interest assumption of five percent, and ~~an a future salary increase assumption that in each future year the salary on which a retirement or other benefit is based is 1.035 multiplied by the salary for the preceding year of 3.5 percent.~~

(d) For funds governed by chapters 3A, 352C, and 490, the actuarial valuation ~~shall~~ *calculations must* use a preretirement interest assumption of 8.5 percent, a postretirement interest assumption of five percent, and ~~an a future salary increase assumption that of 6.5 percent in each future year in which the salary amount payable is not determinable from section 3.099, 15A.081, subdivision 6, or 15A.083, subdivision 1, whichever is applicable applies, or from applicable compensation council recommendations under section 15A.082; the salary on which a retirement or other benefit is based is 1.065 multiplied by the known or computed salary for the preceding year, whichever is applicable.~~

Sec. 10. Minnesota Statutes 1990, section 356.215, subdivision 4e, is amended to read:

Subd. 4e. [OTHER ASSUMPTIONS.] The actuarial valuation ~~shall~~ *calculations must* use assumptions concerning mortality, disability, retirement, withdrawal, retirement age, and any other relevant demographic or economic factor, ~~which shall. These must be set at levels consistent with those determined in the most recent quadrennial experience study completed pursuant to under subdivision 5, if required, or representative of the best estimate of future experience, if a quadrennial experience study is not required.~~ The actuarial valuation ~~shall~~ *calculations must* contain an exhibit indicating any actuarial assumptions used in preparing the valuation report.

Sec. 11. Minnesota Statutes 1990, section 356.215, subdivision 4f, is amended to read:

Subd. 4f. [ACTUARIAL BALANCE SHEET PUBLIC SECTOR ACCOUNTING DISCLOSURE INFORMATION.] The actuarial valuation ~~shall~~ *calculations must* contain an actuarial balance sheet, which shall indicate ~~current and expected future benefit obligations, current and expected future assets, unfunded actuarial accrued liability, current unfunded actuarial liability, and current and future unfunded actuarial liability. Specifically, the balance sheet for all funds, except local police, salaried firefighter, and specified volunteer firefighter funds, shall include the following:~~

## CURRENT AND EXPECTED FUTURE ASSETS

Current assets		
Cash, cash equivalents, and short-term securities	\$	---
Fixed income investments		---
Equity investments		---
Real estate investments		---
Equity in the Minnesota postretirement investment fund		---
Other		---
Total current assets	\$	---
Expected future assets		
Present value of expected future statutory supplemental contributions		---
Present value of future normal costs		---
Total expected future assets	\$	---
Total current and expected future assets	\$	---

## CURRENT AND EXPECTED FUTURE BENEFIT OBLIGATIONS

Current benefit obligations		
Actuarial present value of credited projected benefit obligations on account of service rendered to date:		
For annuitants		
Retirement annuities	\$	---
Disability benefits		---
Surviving spouse and child benefits		---
For former members without vested rights		---
For deferred annuitants' benefits, including any augmentation		---
For active employees		
Retirement benefits		---
Disability benefits		---
Refund liability due to death or withdrawal		---
Survivors' benefits		---
Total current benefit obligations	\$	---
Expected future benefit obligations		
Actuarial value of benefit obligations on account of future service for active employees		---
Total current and expected future benefit obligations	\$	---
Current unfunded actuarial liability (Total current benefit obligations less total current assets):	\$	---
Current and future unfunded actuarial liability		
(Total current and expected future benefit obligations less total current and expected future assets):	\$	---

In addition to that itemization of benefit obligations, separate items shall

be shown for additional benefits, if any, which may not be appropriately included in that itemization those actuarial calculations necessary to allow the retirement plan administration or participating employing units to prepare the pension-related portions of annual financial reporting that meet generally accepted accounting principles for the public sector.

Sec. 12. Minnesota Statutes 1990, section 356.215, subdivision 4g, is amended to read:

Subd. 4g. [AMORTIZATION CONTRIBUTIONS.] (a) In addition to the exhibit indicating the level normal cost, the actuarial valuation ~~shall~~ calculations must contain an exhibit indicating the additional annual contribution ~~which would be required~~ sufficient to amortize the unfunded actuarial accrued liability. For funds governed by chapters 3A, 352, 352B, 352C, 353, 353C, 354, 354A, and 490, the additional contribution ~~shall~~ must be calculated on a level percentage of covered payroll basis by the established date for full funding ~~which is~~ in effect when the valuation is prepared. The level percent additional contribution ~~shall~~ must be calculated assuming annual payroll growth of 6.5 percent. For all other funds, the additional annual contribution ~~shall~~ must be calculated on a level annual dollar amount basis.

~~If,~~ (b) For any fund other than the Minneapolis employees retirement fund, after the first actuarial valuation date occurring after June 1, 1989, if there has not been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, which change or changes by themselves without inclusion of any other items of increase or decrease produce a net increase in the unfunded actuarial accrued liability of the fund, the established date for full funding for the first actuarial valuation made after June 1, 1989, and each successive actuarial valuation ~~shall be~~ is the first actuarial valuation date ~~which occurs~~ occurring after June 1, 2020.

~~If,~~ (c) For any fund or plan other than the Minneapolis employees retirement fund, after the first actuarial valuation date occurring after June 1, 1989, if there has been a change in any or all of the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, and the change or changes, by themselves and without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability in the fund, the established date for full funding ~~shall~~ must be determined using the following procedure:

(i) the unfunded actuarial accrued liability of the fund ~~shall~~ must be determined in accordance with the plan provisions governing annuities and retirement benefits and the actuarial assumptions in effect before an applicable change;

(ii) the level annual dollar contribution or level percentage, whichever is applicable, ~~which is~~ needed to amortize the unfunded actuarial accrued liability amount determined pursuant to subclause under item (i) by the established date for full funding in effect prior to before the change ~~shall~~ must be calculated using the interest assumption specified in subdivision

4d in effect before the change;

(iii) the unfunded actuarial accrued liability of the fund ~~shall~~ *must* be determined in accordance with any new plan provisions governing annuities and benefits payable from the fund and any new actuarial assumptions and the remaining plan provisions governing annuities and benefits payable from the fund and actuarial assumptions in effect before the change;

(iv) the level annual dollar contribution or level percentage, whichever is applicable, ~~which is~~ needed to amortize the difference between the unfunded actuarial accrued liability amount calculated ~~pursuant to subclause under item (i)~~ and the unfunded actuarial accrued liability amount calculated ~~pursuant to subclause under item (iii)~~ over a period of 30 years from the end of the plan year in which the applicable change is effective ~~shall~~ *must* be calculated using the applicable interest assumption specified in subdivision 4d in effect after any applicable change;

(v) the level annual dollar or level percentage amortization contribution ~~pursuant to subclause under item (iv)~~ ~~shall~~ *must* be added to the level annual dollar amortization contribution or level percentage calculated ~~pursuant to subclause under item (ii)~~;

(vi) the period in which the unfunded actuarial accrued liability amount determined in ~~subclause item (iii)~~ ~~will be~~ *is* amortized by the total level annual dollar or level percentage amortization contribution computed ~~pursuant to subclause under item (v)~~ ~~shall~~ *must* be calculated using the interest assumption specified in subdivision 4d in effect after any applicable change, rounded to the nearest integral number of years, but ~~which shall~~ *not to* exceed a ~~period of~~ 30 years from the end of the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and ~~which shall~~ *not to* be less than the period of years beginning in the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and ending by the date for full funding in effect before the change; and

(vii) the period determined ~~pursuant to subclause under item (vi)~~ ~~shall~~ *must* be added to the date as of which the actuarial valuation was prepared and the date obtained ~~shall be~~ *is* the new established date for full funding.

(d) For the Minneapolis employees retirement fund, the established date for full funding ~~shall be~~ *is* June 30, 2017.

Sec. 13. Minnesota Statutes 1990, section 356.215, subdivision 4h, is amended to read:

Subd. 4h. [ACTUARIAL GAINS AND LOSSES.] The actuarial valuation ~~shall~~ *calculations must* contain an exhibit consisting of an analysis by the actuary explaining the net increase or decrease in the unfunded actuarial accrued liability since the last valuation ~~must be provided~~. The explanation ~~shall~~ *must* subdivide the net increase or decrease in the unfunded actuarial accrued liability into at least the following parts:

(a) increases or decreases in the unfunded actuarial accrued liability because of changes in benefits;

(b) increases and decreases in the unfunded actuarial accrued liability because of ~~each change, if any,~~ *changes* in actuarial assumptions;

(c) increases or decreases in the unfunded actuarial accrued liability

~~separately by source~~ attributable to actuarial gains or losses resulting from any ~~experience deviations of from the assumptions on which the valuation is based, as follows:~~

- (i) actual investment earnings;
- (ii) actual postretirement mortality rates; ~~and;~~
- (iii) actual salary increase rates ~~from the assumptions on which the valuations are based;~~ and
- (iv) the remainder of the increase or decrease not attributable to any separate source;
- (d) increases or decreases in unfunded actuarial accrued liability because of other reasons, including the effect of any amortization contribution *paid or additional amortization contribution previously calculated but unpaid;* and
- (e) increases or decreases in unfunded actuarial accrued liability because of changes in eligibility requirements or groups included in the membership of the fund.

Sec. 14. Minnesota Statutes 1990, section 356.215, subdivision 4i, is amended to read:

Subd. 4i. [MEMBERSHIP TABULATION.] The actuarial valuation ~~shall~~ *calculations must contain an exhibit consisting of* a tabulation of active membership and annuitants in the fund. If the membership of a fund is under more than one general benefit program, a separate tabulation ~~shall~~ *must* be made for each general benefit program. The tabulations ~~shall~~ *must* be prepared by the administration of the pension fund and must contain the following information:

- (a) (1) Active members Number
  - As of last valuation date
  - New entrants
  - Total
  - Separations from active service
  - Refund of contributions
  - Separation with deferred annuity
  - Separation with neither refund nor deferred annuity
  - Disability
  - Death
  - Retirement with service annuity
  - Total separations
  - As of current valuation date
- (b) (2) Annuitants Number
  - As of last valuation date
  - New entrants
  - Total
  - Terminations
  - Deaths
  - Other
  - Total terminations
  - As of current valuation date

The tabulation required under ~~subclause (b) shall~~ *clause (2) must* be made



separately for each of the following classes of ~~annuitants~~ *benefit recipients*:

- (a) (1) service retirement annuitants;
- (b) (2) disability benefit recipients;
- (c) (3) ~~Surviving spouse survivor~~ benefit recipients
- (d) ~~Surviving child benefit recipients~~; and
- (e) (4) deferred annuitants.

Sec. 15. Minnesota Statutes 1990, section 356.215, subdivision 4j, is amended to read:

Subd. 4j. [ADMINISTRATIVE EXPENSES.] The actuarial valuation ~~shall contain an exhibit indicating a statement of calculations~~ *must indicate* the administrative expenses *of the fund*, expressed both in dollars and ~~also~~ as a percentage of covered payroll.

Sec. 16. Minnesota Statutes 1990, section 356.215, subdivision 4k, is amended to read:

Subd. 4k. [PLAN SUMMARY.] The actuarial valuation ~~shall~~ *calculations must* contain ~~an exhibit indicating~~ a summary of the principal provisions of the plan upon which the valuation is based.

Sec. 17. Minnesota Statutes 1990, section 356.215, subdivision 5, is amended to read:

Subd. 5. [QUADRENNIAL EXPERIENCE STUDY; CONTENTS.] ~~Each~~ *A quadrennial* experience study ~~shall, if required, must~~ contain an actuarial analysis of the experience of the fund ~~or association~~ and a comparison of the experience with the actuarial assumptions on which the most recent actuarial valuation of the retirement fund ~~or relief association~~ was based; ~~and shall also contain a statement of the average ages at which service retirements have taken place.~~

Sec. 18. Minnesota Statutes 1990, section 356.215, subdivision 6, is amended to read:

Subd. 6. [ACTUARIAL SERVICES BY APPROVED ACTUARIES.] ~~Each~~ (a) *The* actuarial valuation *calculations* or *quadrennial* experience study ~~shall must~~ be made and any actuarial consulting services for a retirement fund or plan ~~shall must~~ be provided by an approved actuary. The actuarial valuation *calculations* or *quadrennial* experience study ~~shall must~~ include a ~~certification~~ *declaration* that it has been prepared ~~in accordance with the provisions of~~ *according to* sections 356.20 to 356.23 and the *most recent* standards for actuarial work adopted by the legislative commission on pensions and retirement.

(b) *Actuarial valuations, actuarial valuation calculations, or experience results prepared by an actuary retained by a retirement fund or plan must be submitted to the legislative commission on pensions and retirement within ten days of the submission of the document to the retirement fund or plan.*

Sec. 19. Minnesota Statutes 1990, section 356.215, subdivision 7, is amended to read:

Subd. 7. [ESTABLISHMENT OF ACTUARIAL ASSUMPTIONS.] Actuarial assumptions used for actuarial valuations under this section that are other than those set forth in this section may be changed only with the approval of the legislative commission on pensions and retirement. A change

in the applicable actuarial assumptions may be proposed by the governing board of the applicable pension fund or relief association, by the actuary retained by the legislative commission on pensions and retirement, by the actuarial advisor retained by to a pension fund governed by chapter 352, 353, 354, or 354A, or by the actuary retained by a local police or firefighters relief association governed by sections 69.77 or 69.771 to 69.776, if one is retained.

Sec. 20. [MODIFICATIONS IN ACTUARIAL SERVICES.]

(a) *The actuary retained by the legislative commission on pensions and retirement is not required to prepare actuarial valuation calculations of the public employees local government correctional employees retirement plan unless the plan is implemented by a county under Minnesota Statutes, section 353C.04.*

(b) *The cost of any requested benefit projections by the commission-retained actuary relating to the Minnesota postretirement investment fund for the state board of investment is payable by the state board of investment.*

(c) *Actuarial valuation calculations under Minnesota Statutes, section 356.215, for July 1, 1991, and thereafter, are not required to have an individual commentary section. The commentary section, if omitted from the individual plan actuarial valuation calculations, must be included in an appropriate generalized format as part of the report to the legislature under Minnesota Statutes, section 3.85, subdivision 11.*

(d) *Actuarial valuation calculations under Minnesota Statutes, section 356.215, for July 1, 1991, and thereafter, are not required to contain separate actuarial valuation results for basic and coordinated programs unless each program has a membership of at least ten percent of the total membership of the fund. Actuarial valuation calculations under Minnesota Statutes, section 356.215, for July 1, 1991, and thereafter, are not required to contain cash flow forecasts.*

(e) *Actuarial valuation calculations of the public employees police and fire fund local consolidation accounts for July 1, 1991, and thereafter, are not required to contain separate tabulations or summaries of active member, service retirement, disability retirement, and survivor data for each local consolidation account.*

(f) *The commission-retained actuary is:*

(1) *required to publish experience findings for plans for which experience findings are required only on a quadrennial basis for the four-year period ending June 30, 1992, and every four years thereafter;*

(2) *not required to prepare a separate experience analysis or publish separate experience findings for basic and coordinated programs if separate actuarial valuation results for the programs are not required; and*

(3) *not required to calculate investment rate of return experience results on any basis other than current asset value as defined in Minnesota Statutes, section 356.215, subdivision 1, clause (6).*

Sec. 21. [REPEALER.]

*Minnesota Statutes 1990, sections 352.85, subdivision 6; 352.86, subdivision 4; and 353A.09, subdivision 7, are repealed.*

Sec. 22. [EFFECTIVE DATE.]

*Sections 1 to 21 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to retirement; various public employee pension plans; providing for the continuation of surviving spouse benefits in the event of remarriage in certain circumstances; modifying the surviving spouse benefit of the legislators retirement plan; modifying the duties and functions of the consulting actuary retained by the legislative commission on pensions and retirement; modifying the various public pension plan actuarial reporting requirements; amending Minnesota Statutes 1990, sections 3.85, subdivision 11; 3A.04, subdivision 1; 352B.11, subdivision 2; 352C.04, subdivisions 1 and 4; 353.01, subdivision 20; 353.31, subdivision 1; 353.657, subdivision 2; 353B.11, subdivision 6; 354.05, subdivision 15; 354.46, subdivision 1; 354A.011, subdivision 26; 356.20, subdivision 4; 356.215, subdivisions 1, 2, 3, 4, 4a, 4b, 4d, 4e, 4f, 4g, 4h, 4i, 4j, 4k, 5, 6, and 7; repealing Minnesota Statutes 1990, sections 352.85, subdivision 6; 352.86, subdivision 4; and 353A.09, subdivision 7."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1030: A bill for an act relating to retirement; teachers retirement association; making various changes in laws governing the administration of the association; amending Minnesota Statutes 1990, sections 136.82, subdivision 1; 176.021, subdivision 7; 354.05, subdivisions 5, 13, 22, 35, 35a, and by adding a subdivision; 354.071, subdivision 2; 354.092; 354.093; 354.094, subdivision 1; 354.095; 354.10, subdivisions 1, 2, and 4; 354.33, subdivision 6; 354.35; 354.41, subdivision 7; 354.46, subdivision 2; 354.48, subdivisions 2, 4, 6, 7, and 8; 354.49, subdivision 3; 354.50, subdivision 1; 354.52, subdivision 2, and by adding a subdivision; 356.30, by adding a subdivision; and 356.87; repealing Minnesota Statutes 1990, sections 354.094, subdivisions 1a and 1b; and 354.48, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 10, line 28, after the stricken period, insert "*Notwithstanding the provisions of any agreements to the contrary, employee and employer contributions may not be made to receive allowable service credit under this section if the member does not retain the right to full reinstatement at the end of the leave.*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 906: A bill for an act relating to retirement; authorizing purchase of military service credit by a certain teachers retirement association member.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

**“Section 1. [TEACHER’S MILITARY SERVICE CREDIT.]**

*Subdivision 1. Notwithstanding the provisions of Minnesota Statutes, section 354.094, a member of the teachers retirement association who was born May 23, 1936, and who is employed by independent school district No. 833 may purchase allowable service credit for a one-year period of involuntary extension of military active duty performed after June 30, 1984, and before July 1, 1985, and not previously credited to the member.*

*Subd. 2. [PURCHASE PAYMENT AMOUNT.] To purchase service credit under subdivision 1, there must be paid to the teachers 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 the purchase. Present value shall be calculated using the preretirement interest rate specified in Minnesota Statutes, section 356.215, subdivision 4d, and the mortality table adopted for the fund and assuming continuous future service as a member of the association until the requirements for retirement at the minimum age for normal retirement or retirement with an annuity unreduced for early retirement are met with the additional service credit purchased. The calculation shall also assume future salary history that includes annual salary increases at the rate specified in Minnesota Statutes, section 356.215, subdivision 4d. The member must establish proof of the service for which the purchase of service credit is requested in the manner prescribed by the executive director of the teachers retirement association.*

*Subd. 3. [PAYMENT; CREDITING SERVICE.] Payment must be made in one lump sum. Allowable service may be credited only after receipt of full payment by the executive director.*

*Subd. 4. [OPTIONAL EMPLOYER PARTIAL PAYMENT.] Payment must be made by the member. However, the current or former employer of the member may, in its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect or required during the period of military service, applied to the actual salary rates in effect after the period of military 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. [EFFECTIVE DATE.]**

*Section 1 is effective the day following final enactment.”*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 982: A bill for an act relating to economic development; changing the name of the Greater Minnesota Corporation; adding duties; providing for a new structure for the board of directors; amending Minnesota Statutes 1990, sections 116O.03, subdivision 2; 116O.04, subdivision 2; 116O.05, subdivision 2; and 116O.09, subdivision 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116O; repealing Minnesota Statutes 1990, sections 116J.970; 116J.971; and 116O.03, subdivision 2a.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 28, after "*sector*" insert "*, appointed by the governor,*"

Page 2, line 1, delete "*appointed by the governor*" and delete "*who shall*"

Page 4, line 2, delete "*shall*" and insert "*must*"

Page 8, line 1, after the comma, insert "\$ . . . . . *to the Minnesota inventors congress,*"

Page 8, line 3, after the period, insert "*A spending plan must be submitted and approved by the corporation before the payment of funds.*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1316: A bill for an act relating to horse racing; authorizing the commission to adopt rules governing affirmative action plan goals and economic opportunity contract goals; amending Minnesota Statutes 1990, sections 240.06, subdivision 1; 240.07, subdivision 1; 240.19; and 240.23.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 769: A bill for an act relating to state government; providing for selection of the chair of the advisory council on mental health; appropriating money; amending Minnesota Statutes 1990, section 245.697, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, strike "A" and insert "*The*"

Page 1, line 10, strike "is created. The council must have" and insert "*consists of*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 813: A bill for an act relating to retirement; teachers retirement association; permitting purchases of prior services by certain employees for periods of leave.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, delete "*who was*"

Page 1, delete line 10

Page 1, line 11, delete "*school year,*"

Page 1, line 12, after "credit" insert "from the teachers retirement association" and delete "those two years" and insert "one year" and delete "by" and insert a period

Page 1, delete lines 13 and 14 and insert "*The purchase payment amount is an amount equal to that described in Laws 1990, chapter 570, article 8, section 14, subdivisions 2, 3, and 4.*"

Page 1, line 15, delete everything before "The"

Page 1, line 17, delete everything after "1991" and insert a period

Page 1, delete lines 18 and 19

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 377: A bill for an act relating to retirement; local police and salaried firefighters relief associations; providing for the continuation of surviving spouse benefits in the event of remarriage; amending Minnesota Statutes 1990, sections 69.48; 353B.11, subdivision 6; 423.387, subdivision 1; 423.58, subdivision 1; 423.810, subdivision 1; and 424.24, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 423A.

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 1990, section 15.53, subdivision 2, is amended to read:

Subd. 2. The period of individual assignment or detail under an interchange program shall not exceed 24 months, nor shall any person be assigned or detailed for more than 24 months during any 36-month period, *except when the assignment or detail is made to coincide with an unclassified appointment under section 15.06.* Details relating to any matter covered in sections 15.51 to 15.57 may be the subject of an agreement between the sending and receiving agencies. Elected officials shall not be assigned from a sending agency nor detailed to a receiving agency.

Sec. 2. [423A.17] [AUTHORITY TO IMPLEMENT THE CONTINUATION OF SURVIVING SPOUSE BENEFITS UPON REMARRIAGE.]

(a) *Notwithstanding a provision of section 69.48; 423.387, subdivision 1; 423.58, subdivision 1; 423.810, subdivision 1; or 424.24, subdivision 1, or other law governing a local police or salaried firefighters relief association to the contrary, the board of trustees of a local relief association governed by section 69.77, with municipal approval as provided in section 69.77, subdivision 2i, may amend the bylaws of the relief association to provide that a surviving spouse benefit is payable for the life of the surviving spouse and remains payable even in the event of the remarriage of the surviving spouse.*

(b) *If the surviving spouse benefit change described in paragraph (a) is made, the change applies to a surviving spouse benefit payable on the effective date of the change and to the potential surviving spouses of all active, deferred, or retired members of the relief association who have that*

*status on the effective date of the change.*

*(c) In addition, if the surviving spouse benefit change described in paragraph (a) is made and the bylaws so provide, a person who formerly was receiving surviving spouse benefits from the relief association and who had those benefits discontinued by virtue of the remarriage is entitled, upon application, to a resumption of the surviving spouse benefit, beginning with the last day of the month following receipt of the application by the secretary of the relief association. Nothing in this section authorizes the payment of a benefit amount to an estate.*

*(d) The bylaw amendment is not effective until a certified copy of the amendment and the municipal approval has been filed by the municipal clerk with the executive director of the legislative commission on pensions and retirement, the state auditor, and the secretary of state.*

### Sec. 3. [SERVICE EXCLUSION.]

*Notwithstanding any law to the contrary, a person serving in the state unclassified service under an employee interchange program according to Minnesota Statutes, section 15.53, who remains a member of another public pension plan during the state unclassified service is not a member of the Minnesota state retirement system for the service under the employee interchange program.*

### Sec. 4. [EFFECTIVE DATE.]

*Section 2 is effective on the day following final enactment."*

Delete the title and insert:

*"A bill for an act relating to retirement; local police and salaried firefighters relief associations; exempting certain persons participating in the employee interchange program from membership in the Minnesota state retirement system; authorizing the continuation of surviving spouse benefits in the event of remarriage; amending Minnesota Statutes 1990, section 15.53, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 423A."*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1190: A bill for an act relating to local government; permitting police and fire civil service commissions to expand certified lists in certain circumstances; amending Minnesota Statutes 1990, sections 419.06; and 420.07.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, strike everything after "shall"

Page 1, strike line 11 and insert "adopt"

Page 1, line 13, strike "shall" and insert "must"

Page 2, line 1, strike "shall" and insert "must" and strike "embraced" and insert "included"

Page 2, line 3, after "been" insert "*on the register for*"

Page 2, line 4, strike "thereon"

Page 2, line 6, strike "shall"

Page 2, line 15, after "emergency" insert a comma

Page 2, lines 16 and 17, strike "shall" and insert "*may*"

Page 2, line 19, strike "the present" and insert "*a*"

Page 2, line 25, strike "shall" and insert "*must*"

Page 2, line 31, strike "Such"

Page 2, line 34, delete everything before "*when*"

Page 3, line 7, delete "*lists*" and insert "*list*"

Page 3, line 9, after the period, insert "*These expanded certification procedures apply only to positions to be filled from the public, and do not apply to promotional appointments.*"

Page 3, line 10, strike "shall" and insert "*must*"

Page 3, line 13, strike "shall be" and insert "*are*" and strike "so"

Page 3, line 17, strike everything after "shall"

Page 3, strike line 18 and insert "*adopt*"

Page 3, line 20, strike "shall" and insert "*must*"

Page 3, line 33, strike "lists shall" and insert "*must*" and strike "embraced" and insert "*included*"

Page 3, line 36, after "been" insert "*on the register for*"

Page 4, line 1, strike "thereon"

Page 4, line 3, strike "shall"

Page 4, lines 14 and 15, strike "shall" and insert "*must*"

Page 4, line 21, strike "Such"

Page 4, line 24, delete everything before "*when*"

Page 4, line 33, delete "*lists*" and insert "*list*"

Page 4, line 35, after the period, insert "*These expanded certification procedures apply only to positions to be filled from the public, and do not apply to promotional appointments.*"

Page 4, line 36, strike "shall" and insert "*must*"

Page 5, line 1, after "house" insert a comma

Page 5, line 3, strike "shall be" and insert "*are*" and strike "so"

Page 5, after line 3, insert:

"Sec. 3. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective the day following final enactment.*"

And when so amended the bill do pass. Amendments adopted. Report adopted.



Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1099: A bill for an act relating to insurance; regulating claim denial; requiring chemical dependency claim reviewers to meet certain qualifications; requiring insurers to file an annual report on evaluations with the commissioner of commerce; amending Minnesota Statutes 1990, section 72A.201, subdivision 8.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 18, delete "in" and insert "*specified under*"

Page 2, line 19, delete everything before the period and insert "*subdivision 8a*"

Page 2, after line 28, insert:

"Sec. 2. Minnesota Statutes 1990, section 72A.201, is amended by adding a subdivision to read:

*Subd. 8a. [CHEMICAL DEPENDENCY CLAIM REVIEWER QUALIFICATIONS.] (a) The personnel file of a chemical dependency claim reviewer must include documentation of the individual's competency in the following areas:*

- (1) knowledge of chemical abuse and dependency;*
- (2) chemical use assessment, including client interviewing and screening;*
- (3) case management, including treatment planning, general knowledge of social services, and appropriate referrals, and record keeping, reporting requirements, and confidentiality rules and regulations that apply to chemical dependency clients; and*

*(4) individual and group counseling, including crisis intervention.*

*(b) The insurer may accept one of the following as adequate documentation that a chemical dependency claim reviewer is competent in the areas required under paragraph (a):*

*(1) the individual has at least a baccalaureate degree with a major or concentration in social work, nursing, sociology, human services, or psychology, is a licensed registered nurse, or is a licensed physician; has successfully completed 30 hours of classroom instruction in each of the areas identified in paragraph (a), clauses (1) and (2); and has successfully completed 480 hours of supervised experience as a chemical dependency counselor, either as a student or as an employee; or*

*(2) the individual has documented the successful completion of the following:*

*(i) 60 hours of classroom training in the subject area identified in paragraph (a), clause (1);*

*(ii) 30 hours of classroom training in the subject area identified in paragraph (a), clause (2);*

*(iii) 160 hours of classroom training in the subject areas identified in paragraph (a), clauses (3) and (4); and*

*(iv) completion of 480 hours of supervised experience as a chemical dependency counselor, either as a student or as an employee; or*

*(3) the individual is certified by the Institute for Chemical Dependency Professionals of Minnesota, Inc., as a chemical dependency counselor or as a chemical dependency counselor reciprocal, through the evaluation process established by the Certification Reciprocity Consortium Alcohol and Other Drug Abuse, Inc., and published in the Case Presentation Method Trainer's Manual, copyright 1986; or*

*(4) the individual successfully completed three years of supervised work experience as a chemical dependency counselor before January 1, 1988.*

*After January 1, 1993, chemical dependency counselors must document that they meet the requirements of clause (1), (2), or (3) in order to comply with this paragraph."*

Amend the title as follows:

Page 1, line 7, after "8" insert ", and by adding a subdivision"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 269: A bill for an act relating to liquor; requiring posting of certain signs in licensed premises; amending Minnesota Statutes 1990, section 340A.410, by adding a subdivision.

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 1990, section 340A.410, is amended by adding a subdivision to read:

*Subd. 4a. [NOTICE POSTING.] (a) A premises licensed for the retail sale of alcoholic beverages and a municipal liquor store must post and maintain in a conspicuous place within the licensed premises:*

*(1) One or more signs which read:*

*"THE MAXIMUM CRIMINAL PENALTY FOR DRIVING WHEN UNDER THE INFLUENCE OF ALCOHOL IS \$700 OR 90 DAYS IN JAIL OR BOTH. MINNESOTA STATUTES, SECTION 169.121. THE MAXIMUM CRIMINAL PENALTY FOR CRIMINAL VEHICULAR HOMICIDE IS \$20,000 OR TEN YEARS IMPRISONMENT OR BOTH. MINNESOTA STATUTES, SECTION 609.21."*

*(2) One or more signs which read:*

*"THIS ESTABLISHMENT IS PROHIBITED BY LAW FROM SERVING ALCOHOLIC BEVERAGES TO A PERSON WHO IS OBVIOUSLY INTOXICATED. MINNESOTA STATUTES, SECTION 340A.502."*

*(b) A conspicuous place is a location clearly visible to the customers.*

*(c) The commissioner shall design and manufacture the signs authorized by this subdivision. The signs must be at least 12 inches wide by eight inches high, with letters at least one inch high in clear contrast with the background. The commissioner may sell the signs at cost to persons required to post them under paragraph (a)."*

Delete the title and insert:

"A bill for an act relating to liquor; requiring posting of certain signs in licensed premises; amending Minnesota Statutes 1990, section 340A.410, by adding a subdivision."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Dahl from the Committee on Education, to which was referred

S.F. No. 19: A bill for an act relating to education; designating and appropriating money for full campus status for Cambridge community college; amending Minnesota Statutes 1990, sections 136.60 and 136.602.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 520: A bill for an act relating to legal services; providing for the creation of a state board of specialized legal assistants; requesting the supreme court to adopt rules governing the delivery of legal services by specialized legal assistants; amending Minnesota Statutes 1990, section 481.02, subdivision 3; proposing coding for new law as Minnesota Statutes, chapter 481A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 4, delete "*board of specialized legal assistants*" and insert "*supreme court*"

Pages 4 and 5, delete sections 2 and 3

Page 5, line 10, delete "[481A.03]"

Page 5, delete lines 12 to 16 and insert:

*"The supreme court shall review the feasibility of the delivery of legal services by specialized legal assistants, and shall prepare a report for the legislature by February 1, 1992. In preparing the report, the supreme court should consult with licensed attorneys, legal assistants, representatives of the educational community for legal assistants, and representatives of advocacy groups for the economically disadvantaged. The report should include at least the following:*

*(1) whether the delivery of legal services through specialized legal assistants is in the best interest of consumers of legal services;"*

Page 5, after line 24, insert:

*"(6) limits and conditions of practice under a specialty license including malpractice insurance requirements;"*

Page 5, line 25, delete "(6)" and insert "(7)"

Page 5, line 26, delete "(7)" and insert "(8)"

Page 5, line 27, delete "(8)" and insert "(9)"

Page 5, line 30, delete "(9)" and insert "(10)"

Page 5, delete lines 32 to 36

Page 6, delete lines 1 to 11 and insert:

“Sec. 3. [EFFECTIVE DATE.]

*Section 1 is effective July 1, 1992.”*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 4, delete “adopt” and insert “study the feasibility of adopting”

Page 1, line 7, delete everything after “3” and insert a period

Page 1, delete line 8

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. 271: A bill for an act relating to criminal justice; requiring the commissioner of state planning to coordinate preparation of a criminal justice system impact statement and fiscal note for certain bills creating new crimes or enhancing penalties for existing crimes; requiring the sentencing guidelines commission to project increases in criminal justice system resource utilization due to new crimes or enhanced penalties; requiring the peace officer standards and training board, attorney general, state public defender, state court administrator, and commissioner of corrections to prepare resource impact statements; proposing coding for new law in Minnesota Statutes, chapter 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [CRIMINAL JUSTICE RESOURCE MANAGEMENT.]

*Subdivision 1. [CRIMINAL JUSTICE RESOURCE MANAGEMENT PLAN.] By January 1, 1993, the judges of each judicial district shall complete a final written criminal justice resource management plan to implement the goal of ensuring the fair and economical use of the criminal justice system resources within the district and the continued effective implementation of the district's case management plan. Each criminal justice resource management plan must address the following issues:*

*(1) the relationship of the judicial district's case management plan to its use of the correctional resources within the judicial district;*

*(2) the role of individual judicial discretion in the use of the resources within the district. In addressing this issue, the plan shall make specific reference to the data and information submitted in the reports of the supreme court gender fairness and racial bias task forces and shall specifically provide for implementation of the findings of the task forces;*

*(3) the use of pretrial evaluation, bail, pretrial detention, and pretrial supervision and counseling;*

*(4) the use of criminal justice diversion programs;*

(5) *the role and use of intermediate sanctions such as community service, economic sanctions such as fines or day-fine programs, and sentencing to service programs;*

(6) *the presentence investigation process and the posttrial probation supervision process;*

(7) *the housing of various categories of nonviolent offenders;*

(8) *the adequacy of sharing of correctional resources between counties contained within multicounty judicial districts;*

(9) *the role of new correctional technologies such as electronic home monitoring or auto ignition interlocking devices;*

(10) *the use of treatment alternatives involving chemical dependency, sex offender treatment, and other psychological services; and*

(11) *the adequacy of existing correctional facilities and the possible need for a new correctional facility.*

*Subd. 2. [PRINCIPLES; ASSISTANCE.] By September 1, 1991, the sentencing guidelines commission shall develop principles to guide judicial districts in developing judicial district resource management plans. The commission shall provide technical assistance in developing the plans to districts that request assistance.*

*Subd. 3. [REVIEW OF JUDICIAL DISTRICT RESOURCE MANAGEMENT PLAN.] (a) Each judicial district shall submit its preliminary criminal justice resource management plan to the conference of chief judges by July 1, 1992. The conference shall review the plan and make recommendations it deems appropriate. Specifically, the conference shall address the adequacy and use of the sharing of correctional resources among judicial districts.*

*(b) A copy of the final draft of each judicial district's criminal justice resource management plan, along with the conference of chief judges' recommendations for changes in rules, criminal procedure, and statutes, must be filed with the chairs of the judiciary committees in the house of representatives and the senate by February 1, 1993.*

**Sec. 2. Minnesota Statutes 1990, section 244.16, is amended to read:  
244.16 [DAY-FINES.]**

**Subdivision 1. [MODEL SYSTEM.]** ~~By June 1, 1991, The sentencing guidelines commission shall develop a model day-fine system. Each judicial district must adopt either the model system or its own day-fine system by January 1, 1992. The commission shall report its model system to the legislature by February 1, 1993. Upon request of a judicial district, the commission may establish one pilot project for the development of a day-fine system.~~

**Subd. 2. [COMPONENTS.]** A day-fine system adopted under this section must provide for a two-step sentencing procedure for those receiving a fine as part of a probationary felony, gross misdemeanor, or misdemeanor sentence. In the first step, the court determines how many punishment points a person will receive, taking into account the severity of the offense and the criminal history of the offender. The second step is to multiply the punishment points by a factor that accounts for the offender's financial circumstances. The goal of the system is to provide a fine that is proportional

to the seriousness of the offense and largely equal in impact among offenders with different financial circumstances. The system may provide for community service in lieu of fines for offenders whose means are so limited that the payment of a fine would be unlikely.

Sec. 3. Minnesota Statutes 1990, section 631.425, subdivision 3, is amended to read:

Subd. 3. [CONTINUATION OF EMPLOYMENT.] If the person committed under this section has been regularly employed, the sheriff shall arrange for a continuation of the employment insofar as possible without interruption. If the person is not employed, ~~the sheriff or any court may designate a suitable person or agency designated by the court shall make every effort to make reasonable efforts~~ to secure some suitable employment for that person. An inmate employed under this section must be paid a fair and reasonable wage for work performed and must work at fair and reasonable hours per day and per week.

Sec. 4. Minnesota Statutes 1990, section 631.425, subdivision 7, is amended to read:

Subd. 7. [VIOLATION OF SENTENCE; PROCEDURE.] If the inmate violates a condition of work release relating to conduct, custody, or employment, ~~the inmate must be returned to the court. The court then (1) may require that the balance of the inmate's sentence be spent in actual confinement, (2) may cancel any earned reduction of the inmate's term, and (3) may find~~ *correctional facility administrator may require that the inmate spend the balance of the inmate's sentence in actual confinement. The facility administrator shall give the inmate an opportunity to be heard before implementing this decision. On appeal by the inmate within seven days, the court must review the facility administrator's decision and, in its review, may (1) uphold or reverse the decision; and (2) order additional sanctions for the work release violation, including canceling any earned reduction in the inmate's term and finding the inmate in contempt of court.*

Sec. 5. Minnesota Statutes 1990, section 643.29, subdivision 1, is amended to read:

Subdivision 1. ["GOOD CONDUCT" ALLOWANCE.] Any person sentenced for a term to any county jail, workhouse, or correctional work farm, *whether the term is part of an executed sentence or is imposed as a condition of probation*, shall diminish the term of the sentence ~~five days one day for each month~~ *two days*, commencing on the day of arrival, during which the person has not violated any rule or discipline of the place wherein the person is incarcerated and, if required to labor, has labored with diligence and fidelity.

Sec. 6. [COMMISSION ON CORRECTIONS CROWDING.]

*Subdivision 1. [COMMISSION; MEMBERSHIP.] (a) The commission on corrections crowding is composed of 23 members and staffed by the state planning agency. The governor shall appoint 19 members, such as representatives from among local government officials, law enforcement, the judiciary, local corrections, business and industry, experts in juvenile and criminal justice, the public, the state planning agency, the sentencing guidelines commission, the department of finance, and the department of corrections.*

*(b) Two members of the commission are members of the house of representatives, one from each party, appointed under the rules of the house of representatives, and two members of the commission are members of the senate, one from each party, appointed under the rules of the senate.*

*(c) The governor shall designate a chairperson and vice chairperson from among the membership of the commission. The commission may create ad hoc work groups as needed.*

*Subd. 2. [DUTIES.] The commission on corrections crowding shall examine the short- and long-range demand for correctional services and facilities and prepare a ten-year plan that fashions a corrections system for the 1990's. The commission shall:*

*(1) examine the relationship, interdependence, financing, and functions of the state and local correctional systems;*

*(2) review the entire system including felonies, gross misdemeanors, and misdemeanors;*

*(3) address the need for juvenile and adult, male and female correctional services and facilities;*

*(4) review the community corrections act and its funding formula;*

*(5) examine the increase of mentally ill correctional clients;*

*(6) recommend an equitable and effective solution for the short-term prison offender;*

*(7) examine the state's approach to pretrial detention, housing of various categories of nonviolent offenders, prerelease counseling, and post-release supervision; and*

*(8) conduct informational forums across the state to solicit ideas and concerns regarding corrections crowding.*

*Subd. 3. [REPORT.] The commission shall make an interim report to the governor and the legislature by January 1, 1992. The commission shall complete its examination of these matters and make a final report to the governor and legislature by January 1, 1993.*

#### **Sec. 7. [METROPOLITAN AREA CORRECTIONS REPORT.]**

*The county correctional administrators of the metropolitan area, as defined in Minnesota Statutes, section 473.121, shall report to the legislature by January 1, 1992, concerning the steps taken by those counties to:*

*(1) alleviate correctional crowding; and*

*(2) speed the processing of offenders through the system.*

#### **Sec. 8. [COMMUNITY CORRECTIONS.]**

*§ . . . . . is appropriated to the commissioner of corrections for community corrections act counties, to be used by those counties to establish local correctional facility diversion programs.*

#### **Sec. 9. [APPROPRIATION.]**

*\$95,000 is appropriated to the state planning agency for the commission on corrections crowding.*

#### **Sec. 10. [EFFECTIVE DATE.]**

*Sections 1, 2, and 7 are effective the day following final enactment. Sections 3 and 4 are effective August 1, 1991, and apply to sentences imposed after that date. Section 5 is effective June 1, 1991. Section 6 is effective July 1, 1991.*"

Delete the title and insert:

"A bill for an act relating to crimes; corrections; requiring the development of model local intermediate sanctions standards by the sentencing guidelines commission; requiring judicial districts to adopt intermediate sanction standards; allowing a court to designate an agency to seek a work release position for an offender; allowing correctional facility administrators to provide sanctions for violations of work release; changing the good conduct allowance in local correctional facilities; creating a commission on corrections crowding; removing the requirement that judicial districts adopt day-fine systems; requiring a report on metropolitan area jail crowding; appropriating money; amending Minnesota Statutes 1990, sections 244.16; 631.425, subdivisions 3 and 7; and 643.29, subdivision 1."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Novak from the Committee on Energy and Public Utilities, to which was referred

S.F. No. 1380: A bill for an act relating to utilities; limiting assessments against cooperative electric associations and municipal electric utilities to the maximum assessments that may be made against public utilities; amending Minnesota Statutes 1990, section 216B.62, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 26, insert:

"Sec. 2. Minnesota Statutes 1990, section 216D.01, subdivision 5, is amended to read:

Subd. 5. [EXCAVATION.] "Excavation" means an activity that moves, removes, or otherwise disturbs the soil by use of a motor, engine, hydraulic or pneumatically-powered tool, or machine-powered equipment of any kind, or by explosives. Excavation does not include:

(1) the repair or installation of agricultural drainage tile for which notice has been given as provided by section 116I.07, subdivision 2;

(2) the extraction of minerals;

(3) the opening of a grave in a cemetery;

(4) normal maintenance of roads and streets if the maintenance does not change the original grade and does not involve the road ditch;

(5) plowing, cultivating, planting, harvesting, and similar operations in connection with growing crops, unless any of these activities disturbs the soil to a depth of 18 inches or more; or

(6) landscaping or gardening unless one of the activities disturbs the soil to a depth of 12 inches or more; or

(7) installation of real estate "For Sale" signs, unless the installation disturbs the soil to a depth of 12 inches or more."



Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "adding real estate signs to the exemptions from the one call excavation notice system;"

Page 1, line 6, delete "section" and insert "sections" and before the period, insert "; and 216D.01, subdivision 5"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Novak from the Committee on Energy and Public Utilities, to which was re-referred

S.F. No. 559: A bill for an act relating to motor fuels; requiring ethanol as the oxygenate in oxygenated gasoline; amending Minnesota Statutes 1990, section 239.76, by adding subdivisions.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 1, line 14, delete "1b" and insert "1a" and delete "(a) After"

Page 1, delete lines 15 to 24

Page 1, line 25, delete everything before "no"

Page 2, after line 2, insert:

"Sec. 2. Minnesota Statutes 1990, section 296.01, is amended by adding a subdivision to read:

*Subd. 26. [OXYGENATED GASOLINE.] "Oxygenated gasoline" is gasoline that meets the oxygen-content standards set in the federal clean air act amendments of 1990, Public Law Number 101-549.*

Sec. 3. [EFFECTIVE DATE.]

*Section 1 is effective January 1, 1995."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "ethanol as the"

Page 1, line 3, delete "oxygenate in" and insert "the sale of"

Page 1, line 4, delete everything after the first comma and insert "sections 239.76, by adding a subdivision; and 296.01, by adding a subdivision."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 300: A bill for an act relating to health; clarifying requirements for licensing consulting psychologists and psychological associates; describing duties of the board of psychology; establishing requirements for the independent practice of psychology; amending Minnesota Statutes 1990,

sections 62A.152, subdivisions 2 and 3; 148.88; 148.89; 148.90; 148.91; 148.93; 148.95; 148.96; 148.97; 148.975, subdivisions 1 and 5; 148.976, subdivision 1; 148.98; and 253B.02, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1990, sections 148.92; and 148.97, subdivision 4.

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 1990, 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, (3) a ~~licensed psychologist~~ *psychological practitioner* 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). For purposes of determining benefits under this section, “hours of treatment” means treatment rendered on an individual or single-family basis. If treatment is rendered on a group basis, the hours of covered group treatment must be provided at a ratio of no less than two group treatment sessions to one individual treatment hour.

Sec. 2. Minnesota Statutes 1990, 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~~ *psychological practitioner* or a licensed ~~consulting~~ psychologist to the extent that the services and treatment are within the scope of ~~licensed psychologist~~ *psychological practitioner* 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 psychological practitioner 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. 3. Minnesota Statutes 1990, section 148.88, is amended to read:

148.88 [CITATION.]

Sections 148.88 to 148.98 may shall be cited as the Minnesota licensing law for psychologists.

Sec. 4. [148.881] [DECLARATION OF POLICY.]

*The practice of psychology in Minnesota affects the public health, safety, and welfare. The regulations in sections 148.88 to 148.98 protect the public from the practice of psychology by unqualified persons and from unprofessional conduct by persons licensed to practice psychology.*

Sec. 5. Minnesota Statutes 1990, section 148.89, is amended to read:

148.89 [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purpose purposes of Laws 1973, chapter 685 sections 148.88 to 148.98, the term "private practice of psychology" means the application for a fee, monetary or otherwise, to the public of psychological principles in the description, prediction and modification of human behavior and emotional adjustment, including but not restricted to such practices as:

- (1) Psychological assessment, including such functions as intelligence, personality, aptitude, and attitude appraisal;
- (2) Psychological treatment of persons who have adjustment problems;
- (3) Psychological counseling and guidance;
- (4) Conducting behavioral research; and
- (5) Teaching of psychology following terms have the meanings given them.

Subd. 2. [BOARD OF PSYCHOLOGY OR BOARD.] For the purpose of Laws 1973, chapter 685 the term "collaboration" means consultation between a licensed psychologist and a licensed consultant psychologist on at least an annual basis but shall not necessarily require consultation on each case referred to a licensed psychologist. "Board of psychology" or "board" means the board established under section 148.90.

Subd. 3. [INDEPENDENT PRACTICE.] "Independent practice" means the practice of psychology without supervision.

Subd. 4. [LICENSEE.] "Licensee" means a person who is licensed by the board as a licensed psychologist or as a psychological practitioner.

Subd. 5. [PRACTICE OF PSYCHOLOGY.] "Practice of psychology" means the observation, description, evaluation, interpretation, and modification of human behavior by the application of psychological principles, methods, and procedures, to prevent or eliminate symptomatic, maladaptive, or undesired behavior and to enhance interpersonal relationships, work and life adjustment, personal and organizational effectiveness, behavioral

health, and mental health. The practice of psychology includes, but is not limited to, the following services, regardless of whether the provider receives payment for the services:

(1) psychological research, psychological testing, and the evaluation or assessment of personal characteristics such as intelligence, personality, abilities, interests, aptitudes, and neuropsychological functioning;

(2) counseling, psychoanalysis, psychotherapy, hypnosis, biofeedback, and diagnosis and treatment of: (i) mental and emotional disorder or disability; (ii) alcoholism and substance abuse; (iii) disorders of habit or conduct; and (iv) the psychological aspects of physical illness, accident, injury, or disability; and

(3) psychoeducational evaluation, therapy, remediation, and consultation. Recipients of psychological services include individuals, families, groups, organizations, and the public.

Subd. 6. [PSYCHOLOGIST.] "Psychologist" means a person who represents himself or herself to be a psychologist by: (1) using any title or description of services incorporating the words "psychology," "psychological," or "psychologist"; and (2) representing that the person has expert qualification in any area of psychology.

Subd. 7. [SUPERVISED PSYCHOLOGICAL EMPLOYMENT.] "Supervised psychological employment" means paid or volunteer work experience and postdegree training of a person seeking to be licensed as a licensed psychologist that involves the direct professional oversight of a licensed psychologist and satisfies the supervision requirements in section 11.

Subd. 8. [SUPERVISION.] "Supervision" means:

(1) face-to-face documented consultation between a supervising licensed psychologist and a psychological practitioner under the conditions specified in section 11; or

(2) documented consultation between an applicant for licensure as a licensed psychologist and either a supervising licensed psychologist or a person designated by the supervising licensed psychologist, under the conditions specified in section 11.

Sec. 6. Minnesota Statutes 1990, section 148.90, is amended to read:

#### 148.90 [BOARD OF PSYCHOLOGY.]

Subdivision 1. [BOARD OF PSYCHOLOGY.] (a) The board of psychology is hereby created with the powers and duties as hereinafter prescribed described in this section. The board shall consist of has 11 members. In its initial composition, membership shall who consist of (1) three psychologists whose qualifications shall be not less than those specified in section 148.91, subdivision 4, (2) two psychologists whose qualifications shall be those specified in section 148.91, subdivision 5, (3) two doctoral level psychologists, not necessarily licensed under Laws 1973, chapter 685, whose specialties broadly represent the fields of interest in psychology, and (4) four public members. After the initial appointments, members specified in clause (1) shall be licensed consulting psychologists and members specified in clause (2) shall be licensed psychologists.:

(1) three persons licensed as licensed psychologists who have a doctoral degree in psychology;

(2) two persons licensed as licensed psychologists who have a master's degree in psychology;

(3) two psychologists, not necessarily licensed, one with a doctoral degree in psychology who represents a doctoral training program in psychology, and one who represents a master's degree training program in psychology;

(4) one person licensed or qualified to be licensed as a psychological practitioner; and

(5) three public members.

(b) After the date on which fewer than 30 percent of the persons licensed by the board as licensed psychologists qualify for licensure under section 148.921, subdivision 2, the first vacancy filled under paragraph (a), clause (2), must be filled by a person licensed or qualified to be licensed as a psychological practitioner. From this date on, this position when vacant must be filled by a person licensed or qualified to be licensed as a psychological practitioner.

(c) After the date on which fewer than 15 percent of the persons licensed by the board as licensed psychologists qualify for licensure under section 148.921, subdivision 2, the first vacancy under paragraph (a), clause (2), for a person licensed as a licensed psychologist with a master's degree in psychology must be filled by a person licensed as a licensed psychologist who has a doctoral degree in psychology. From this date on, this position when vacant must be filled by a person licensed as a licensed psychologist who has a doctoral degree in psychology.

(d) Following the filling of the first vacancy under paragraph (c), no further appointments shall be made pursuant to paragraph (a), clause (2).

Subd. 2. [MEMBERS.] (a) The members of the board shall:

(1) be appointed by the governor;

(2) be residents of the state;

(3) serve for not more than two consecutive terms;

(4) designate the officers of the board, and pursuant to chapter 14, prescribe rules as may be necessary to enable it to carry into effect the provisions of Laws 1973, chapter 685; and

(5) administer oaths pertaining to the business of the board.

Public members of the board shall broadly represent the public interest and shall not: (a) be members of health professions licensed by the state of Minnesota; (b) be a spouse, parent, child, or employee of a practicing psychologist or of a health professional licensed by the state of Minnesota; or (c) be persons who are or were before their retirement persons who were engaged on a full or part-time basis in the practice of psychology. (b) A public member of the board shall broadly represent the public interest and shall not:

(1) be a psychologist or engage in the practice of psychology before retirement;

(2) be an applicant or former applicant for licensure;

(3) be a member of another health profession;

(4) be a member of a household that includes a psychologist; or

(5) have conflicts of interest or the appearance of conflicts with duties

*as a board member.*

Subd. 3. [TERMS; COMPENSATION; REMOVAL OF MEMBERS.] 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~~ *chapter 214*. The provision of staff, administrative services and office space; the review and processing of complaints; the setting of board fees; and other ~~provisions~~ *activities* relating to board operations shall be ~~as provided in~~ *conducted according to* chapter 214 ~~and Laws 1976, chapter 222, sections 2 to 7.~~

Sec. 7. [148.905] [DUTIES OF THE BOARD.]

*Subdivision 1. [GENERAL.] The board shall:*

*(1) adopt and enforce rules for licensing psychologists and for regulating their professional conduct. The rules must include, but are not limited to, standards for training, supervision, the practice of psychology, and any other areas covered by sections 148.88 to 148.98;*

*(2) adopt rules that provide for examinations and establish a code of professional ethics and requirements for continuing education;*

*(3) hold examinations at least once a year to assess applicants' knowledge and skills. The examinations may be written or oral or both, and may be administered by the board or by institutions or individuals designated by the board;*

*(4) issue licenses to individuals qualified under section 148.91, according to the procedures for licensing in Minnesota Rules;*

*(5) issue copies of the rules for licensing to all applicants;*

*(6) establish and maintain annually a register of current licenses;*

*(7) establish reasonable fees for the issuance and renewal of licenses and other services by the board. Fees must be set to defray the cost of administering the provisions of sections 148.88 to 148.98 including applications, examinations, enforcement, and the cost of maintaining the operations of the board;*

*(8) educate the public about the requirements for licensing of psychologists and about the code of professional ethics, to allow consumers to file complaints against licensees who may have violated licensing requirements or professional ethics;*

*(9) establish or approve programs that qualify for professional psychology continuing educational credit. The board may hire consultants, agencies, or professional psychological associations to establish and approve continuing education courses; and*

*(10) establish and implement, by January 1, 1992, a process for certifying psychologists' competencies in specialty areas, including but not limited to the area of supervision. The process shall include steps to verify that a psychologist has had adequate education and experience in a specialty area to be considered competent to practice in that area. Recertification of competencies declared prior to the effective date of this act shall not be required.*

*Subd. 2. [ADDITIONAL POWERS.] The board may adopt rules necessary to define standards or to carry out the provisions of sections 148.88 to 148.98. Rules shall be adopted according to chapter 14.*

Sec. 8. Minnesota Statutes 1990, section 148.91, is amended to read:  
148.91 [REQUIREMENTS OF LICENSES.]

Subdivision 1. [LEVELS OF PRACTICE.] The board may grant licenses for ~~two~~ levels of psychological practice. ~~The persons so licensed are to be known and are hereafter referred to as (a) (1) licensed consulting psychologist and (b) licensed psychologist, or if both levels are referred to, as licensee (2) psychological practitioner.~~

Subd. 2. [TESTING REQUIRED.] Before granting ~~any such a~~ license, the board shall require ~~every an~~ applicant ~~therefor~~ to pass ~~a skills assessment and an examination in psychology. This examination~~ *A different skills assessment and examination may be required of applicants for each of the levels of practice enumerated in subdivision 1. The examinations shall be given at least once each a year, at such a time and place and under such supervision as the board prescribes may prescribe.*

Subd. 3. [FEE; TERM OF LICENSE.] ~~Each~~ *An* applicant shall pay a nonrefundable application fee set by the board. The licenses granted ~~hereunder by the board~~ shall be ~~valid~~ for a period as ~~set by the board of three years and shall be renewed on a three-year basis.~~ The fee for a license and for renewal shall be set by the board.

Subd. 4. [AGE AND ETHICAL REQUIREMENTS.] To become a licensed ~~consulting psychologist a person must fulfill and comply with the requirements of subdivision 2 and satisfy the board that the person:~~

- (1) ~~Has, an applicant must have attained the age of majority;~~
- (2) ~~Is be of good moral character, and is not found to be engaging have engaged in unethical practices as defined within in the code of ethics adopted pursuant to section 148.98;~~
- (3) ~~Has received a doctorate degree with a major in psychology, which may include educational and child psychology, from an educational institution meeting standards which may be prescribed by rule of the board; and~~
- (4) ~~Has had at least two full years or their equivalent of post doctoral employment as a psychologist the board adopts.~~

Subd. 5. [EDUCATIONAL REQUIREMENTS FOR LICENSED CONSULTING PSYCHOLOGIST.] To become a licensed psychologist, a person must ~~comply with the requirements of subdivisions 2 to 4 and must have:~~

- (1) ~~received a doctorate or master's degree or has received the equivalent of a master's degree in a doctoral program with a major in psychology, which may include educational and child psychology, from an educational institution meeting the standards which may be prescribed by rule of the board has established by rule; and~~
- (2) ~~completed at least two full years of experience or its their equivalent of employment as a psychologist after receiving the training upon which application for this license is made;~~
- (3) ~~Otherwise fulfilled and complied with subdivision 2 and subdivision 4, clauses (1) and (2) postdoctoral supervised psychological employment.~~

Subd. 6. [EDUCATIONAL REQUIREMENTS FOR PSYCHOLOGICAL PRACTITIONER.] *To become licensed as a psychological practitioner, a person must comply with the provisions of subdivisions 2 to 4 and must have received a doctorate or master's degree or the equivalent of a master's*

*degree in a doctoral program with a major in psychology from an educational institution meeting the standards the board has established by rule.*

**Sec. 9. [148.911] [CONTINUING EDUCATION.]**

*When the licensee renews the license, the licensee must provide the board with satisfactory evidence that the licensee has completed continuing education requirements established by the board. Continuing education programs must be approved under section 148.905, subdivision 1, clause (9). The board shall establish by rule the number of continuing education training hours required each year and may specify subject or skills areas that the licensee must address. In specifying subject or skills areas, the board shall consider the need for continuing education requirements in the areas of ethics, forensic practice, and supervision.*

**Sec. 10. [148.921] [WAIVERS.]**

*Subdivision 1. [PERSONS PREVIOUSLY LICENSED.] A person licensed in this state as a licensed consulting psychologist or a licensed psychologist on the effective date of this act qualifies for licensure as a licensed psychologist, as defined in section 148.91, at the time of license renewal.*

*Subd. 2. [PERSONS PREVIOUSLY QUALIFIED.] The board shall grant a license for a licensed psychologist without further examination to a person who:*

*(1) before November 1, 1991, entered a program granting a master's degree with a major in psychology at an educational institution meeting the standards the board has established by rule;*

*(2) before November 1, 1991, filed with the board a written declaration of intent to seek licensure under this subdivision;*

*(3) complied with all requirements of section 8, subdivisions 2 to 4, before December 31, 1997; and*

*(4) completed at least two full years or their equivalent of post-master's supervised psychological employment before December 31, 1998.*

*Subd. 3. [RECIPROCITY.] The board may grant a license without an examination to a diplomate of the American Board of Professional Psychology or to any person who at the time of application is licensed or certified by a similar board of another state whose standards, in the judgment of the board, are not lower than those required by section 148.91.*

**Sec. 11. [148.925] [SUPERVISION.]**

*Subdivision 1. [PERSONS QUALIFIED TO PROVIDE SUPERVISION.] (a) The following persons are qualified to provide supervision for master's degree level applicants for licensure as a licensed psychologist:*

*(1) a licensed psychologist with a competency in supervision in professional psychology and in the area of practice being supervised; and*

*(2) a person eligible for licensure by reciprocity who, in the judgment of the board, is competent or experienced in professional psychology and in the area of practice being supervised.*

*(b) Professional supervision of a doctoral level applicant for licensure as a licensed psychologist must be provided by a person:*

*(1) who meets the requirements of paragraph (a), clause (1) or (2), and*



(2)(i) who has a doctorate degree with a major in psychology, or

(ii) who was licensed by the board as a psychologist before August 1, 1991, and is certified by the board as competent in supervision of applicants for licensure in accord with section 7, subdivision 1, clause (10), by August 1, 1993.

*Subd. 2. [SUPERVISORY CONSULTATION.] (a) Supervisory consultation between a supervising licensed psychologist and a supervised psychological practitioner must occur on a one-to-one basis at a ratio of at least one hour of supervision for the initial 20 or fewer hours of psychological services delivered per month and no less than one hour a month. The consultation must be at least one hour in duration. For each additional 20 hours of psychological services delivered per month, an additional hour of supervision must occur. However, if more than 20 hours of psychological services are provided in a week, no time period of supervision beyond one hour per week is required, but supervision must be adequate to assure the quality and competence of the services. Supervisory consultation must include discussions on the nature and content of the practice of the psychological practitioner, including but not limited to a review of a representative sample of psychological services in the supervisee's practice.*

*(b) Supervision of an applicant for licensure as a licensed psychologist must include at least two hours of regularly scheduled face-to-face consultations a week, one hour of which must be with the supervisor on a one-to-one basis. The remaining hour may be with other mental health professionals designated by the supervisor.*

Sec. 12. Minnesota Statutes 1990, section 148.93, is amended to read:

148.93 [LIMITATION.]

*Subdivision 1. [FEE SPLITTING PROHIBITED.] A licensed psychologist may engage in private practice only in collaboration with at least one licensed consulting psychologist in the licensed psychologist field of practice. In addition, a licensed psychologist so collaborating may form any other working relationships with psychologists or other professionals insofar as these do not violate other sections of this or other Minnesota Statutes. It shall be unlawful for any licensed psychologist or licensed consulting psychologist a licensee to divide fees with, or to pay a commission to, or to pay a referral fee to any other person who calls for consultation or sends clients for psychological services as defined in Laws 1973, chapter 685, provided that unless the licensee receives a payment of a fee for collaborative services performed is not prohibited by this section in proportion to the services provided and the responsibility assumed by each professional and the licensee has disclosed the terms of the division.*

*Subd. 2. [REQUIREMENTS FOR INDEPENDENT PRACTICE.] After the effective date of this section, no person shall engage in the independent practice of psychology unless that person is licensed as a licensed psychologist.*

*Subd. 3. [REQUIREMENTS FOR PSYCHOLOGICAL PRACTITIONERS.] A psychological practitioner shall practice only under supervision that satisfies the requirements of section 11 and while employed by either a licensed psychologist or a health care or social service agency which employs or contracts with a supervising licensed psychologist who shares clinical responsibility for the care provided by the psychological practitioner.*

*Subd. 4. [WAIVER.] (a) The board shall grant a waiver from the supervision requirements of section 11 to a psychological practitioner who presents evidence of:*

*(1) completion of two full years or their equivalent of supervised post-master's degree employment, meeting the requirements of section 11;*

*(2) endorsement for specific areas of competency by the licensed psychologist who provided the two years of supervision;*

*(3) employment by a hospital or by a community mental health center or nonprofit mental health clinic or social service agency providing services as a part of the mental health service plan required by the comprehensive mental health act;*

*(4) the employer's acceptance of clinical responsibility for the care provided by the psychological practitioner; and*

*(5) a plan for supervising the work of the psychological practitioner which is satisfactory to the board.*

*(b) From the effective date of this act until December 31, 1993, the supervision requirements of section 11 must be deemed by the board to be waived for a person who has submitted a request for a waiver under paragraph (a) from the time the person submits the request for a waiver until the board has: (1) reviewed the waiver request; (2) given the applicant a reasonable opportunity to furnish additional or supplementary information required by the board; and (3) either granted the waiver or denied the request for a waiver. After December 31, 1993, the supervision requirements must be deemed waived for a person who previously received a waiver under paragraph (a) and is seeking a new waiver because of a change of employment to a different employer or employment setting. The deemed waiver continues until the board either grants or denies the waiver as provided in clauses (1) to (3). A person who has been denied a waiver is entitled to appeal the decision using a contested case hearing. The person must request a hearing within 30 days after receiving notice from the board that the request for a waiver has been denied. A deemed waiver under this paragraph continues until the appeal has been resolved.*

Sec. 13. Minnesota Statutes 1990, section 148.95, is amended to read:

148.95 [SUSPENSION AND REVOCATION.]

~~The board may suspend or revoke the license of any consulting psychologist or psychologist may be suspended or revoked by the board licensee upon proof of guilt that the licensee has been guilty of unprofessional conduct as defined by the rules established by the board or violation of has violated the code of ethics adopted by the board.~~

For reasons it ~~deems~~ *considers* sufficient and upon ~~an~~ *an* affirmative vote of six of its members, the board may restore a license ~~which~~ *that* has been revoked, reduce a period of suspension, or withdraw a reprimand.

Sec. 14. Minnesota Statutes 1990, section 148.96, is amended to read:

148.96 [PRESENTATION TO PUBLIC.]

~~Subdivision 1. [REQUIREMENTS FOR ADVERTISING.] No individual shall present or permit presentation of that individual to the public by any title incorporating the word "psychological," "psychologist," or "psychology" other than those so licensed by Laws 1973, chapter 685; except that:~~

*All psychologists and psychological practitioners, when representing themselves to the public through written materials or advertising, must use their academic degree as well as their license status in the advertising or written materials.*

*Subd. 2. [DISCLOSURE OF EDUCATION.] At the initial meeting, a psychologist shall display or make available to each new client accurate information about the qualifications and competencies of the psychologist, in accordance with regulations of the board.*

*Subd. 3. [REQUIREMENTS FOR REPRESENTATIONS TO THE PUBLIC.] Individuals shall not present themselves or permit themselves to be presented to the public as psychologists unless they are licensed under sections 148.88 to 148.98, except as provided in paragraphs (a) to (c).*

~~(1) Any (a) Psychologically trained individual individuals who are employed by an educational institutions institution recognized by a regional accrediting organization, by a federal, state, county, or local governmental institutions government institution, agencies, or research facilities, or agencies providing services on a contracting basis may be represented represent themselves by the academie or research title designated by that organization;~~

~~(2) Any (b) A psychologically trained individual from such recognized institutions, as given an institution described in clause (1), paragraph (a) may offer lecture services and be exempt from the provisions of this section; and.~~

~~(3) Persons (c) A person preparing for the profession of psychologist under qualified supervision in recognized training institutions or facilities may be designated by such titles as a "psychological intern," "psychological trainee," or others by other terms clearly indicating such describing the person's training status.~~

~~(d) Nothing in this section shall be construed to prohibit the practice of school psychology by a person licensed in accordance with chapter 125.~~

Sec. 15. Minnesota Statutes 1990, section 148.97, subdivision 1, is amended to read:

Subdivision 1. Any person who shall engage in the private practice of psychology without having obtained a license under Laws 1973, chapter 685 and any person who shall violate violates any other provision of Laws 1973, chapter 685 shall be sections 148.88 to 148.97 is guilty of a misdemeanor.

Sec. 16. Minnesota Statutes 1990, section 148.98, is amended to read:

148.98 [CODE OF ETHICS.]

The board shall adopt a code of ethics to govern appropriate practices or behavior, as referred to in section 148.89. The board shall publish the code in the State Register and file such the code with the secretary of state at least 30 days prior to the effective date of such the code. This The code of ethics shall include, but is not be limited to, the following principles: in paragraphs (a) to (c).

~~(4) (a) The psychologist recognizes personal shall recognize the boundaries of the psychologist's competence and the limitation of the psychologist's techniques and does shall not offer services or use techniques that fail to meet usual and customary professional standards established in particular fields.~~

(2) (b) The psychologist who engages in practice ~~assists the client~~ shall assist clients in obtaining professional help for all important aspects of the ~~client's problem~~ their problems that fall outside the boundaries of the psychologist's competence.

(3) (c) A psychologist ~~does~~ shall not claim either directly or by implication professional qualifications that differ from the *psychologist's* actual qualifications, nor ~~does~~ shall the psychologist misrepresent the *psychologist's* affiliation with any institution, organization, or individual, nor lead others to assume the ~~psychologist has false affiliations~~ an affiliation that does not exist.

Sec. 17. Minnesota Statutes 1990, section 253B.02, subdivision 7, is amended to read:

Subd. 7. [EXAMINER.] "Examiner" means a person who is knowledgeable, trained, and practicing in the diagnosis and treatment of the alleged impairment and who is:

(1) a licensed physician; or

(2) a licensed consulting psychologist; ~~knowledgeable, trained and practicing in the diagnosis and treatment of the alleged impairment~~ who has a doctoral degree in psychology or who became licensed as a licensed psychologist before July 2, 1975.

Sec. 18. [LEGISLATIVE INTENT.]

*In passing sections 1 to 17, the legislature does not intend to expand the jurisdiction of the board of psychology to include occupations and professions not traditionally regulated by the board, including, but not limited to, chemical dependency counselors, occupational therapists, and employment rehabilitation workers.*

Sec. 19. [INSTRUCTION TO REVISOR.]

*In the next edition of Minnesota Statutes and Minnesota Rules, the revisor of statutes shall: (1) substitute the term "psychological practitioner" for the term "licensed psychologist" wherever the latter term appears and (2) substitute the term "licensed psychologist" for the term "licensed consulting psychologist" wherever the latter term appears. This instruction does not apply to the language in this act.*

Sec. 20. [REPEALER.]

*Minnesota Statutes 1990, sections 148.92 and 148.97, subdivision 4, are repealed."*

Delete the title and insert:

"A bill for an act relating to health; clarifying requirements for licensing psychologists and psychological practitioners; describing duties of the board of psychology; establishing requirements for the independent practice of psychology; amending Minnesota Statutes 1990, sections 62A.152, subdivisions 2 and 3; 148.88; 148.89; 148.90; 148.91; 148.93; 148.95; 148.96; 148.97, subdivision 1; 148.98; and 253B.02, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1990, sections 148.92; and 148.97, subdivision 4."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 738: A bill for an act relating to public safety; requiring commissioner of public safety to implement a state hazardous materials incident response plan; creating the hazardous materials incident response account; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [221.0335] [HAZARDOUS MATERIALS SAFETY PERMIT.]

*Subdivision 1. [PERMIT REQUIREMENT.] A person may not transport hazardous material that is required to be placarded under Code of Federal Regulations, title 49, section 172, without a hazardous materials safety permit issued under this section. The permit or a copy must be retained in the motor vehicle used to transport hazardous material.*

*The commissioner shall promulgate rules establishing standards for determining the terms, conditions, or limitations of a permit.*

*Subd. 2. [FEES.] Beginning January 1, 1993, the commissioner shall collect an annual fee for issuing a hazardous material safety permit. The commissioner shall establish permit fees that are individually a percentage of the annual federal fees imposed under section 117A(h) of the Hazardous Materials Transportation Act, and in total amount collected annually are sufficient to pay the enforcement costs of the commissioner under this section and the costs of planning, developing, and maintaining the capability for emergency response to hazardous materials transportation incidents under sections 2 to 9. All fees must be deposited in the general fund and credited to the hazardous materials incident response account.*

*Subd. 3. [AUTHORITY TO ISSUE PENALTY ORDERS.] The commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for a violation of this section, of a material term or condition of a license issued under this section, or of a rule or order of the commissioner relating to the transportation of hazardous material. An order must be issued as provided in section 221.036.*

*Subd. 4. [PERMIT SUSPENSION AND REVOCATION.] (a) The commissioner may after notice and opportunity for hearing under chapter 14 suspend or revoke a permit issued under this section if the commissioner determines that a permit holder's actions constitute a serious or repeated violation of a statute or rule governing the transportation of hazardous material. Factors to be considered by the commissioner in determining whether to suspend or revoke a permit include:*

*(1) the danger of exposing the public to toxic or hazardous substances;*  
*(2) the condition of vehicles used by the licensee to transport hazardous material; and*

*(3) the history of past violations, including the similarity of the most recent violation and the violation to be penalized, the time elapsed since the last violation, the number of previous violations, and the response of the person to the most recent violation identified.*

*(b) The commissioner shall revoke by order, without a hearing, the permit of a person who fails to renew a permit. Revocation under this paragraph continues until the person renews the permit.*

Sec. 2. [299A.47] [CITATION.]

*Sections 2 to 9 may be cited as the "Minnesota hazardous materials incident response act."*

Sec. 3. [299A.48] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] For the purposes of sections 2 to 9, the following terms have the meanings given them.*

*Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of public safety.*

*Subd. 3. [DEPARTMENT.] "Department" means the department of public safety.*

*Subd. 4. [HAZARDOUS MATERIALS.] "Hazardous materials" means substances or materials that, because of their chemical, physical, or biological nature, pose a potential risk to life, health, or property if they are released. "Hazardous materials" includes any substance or material in a particular form or quantity that may pose an unreasonable risk to health, safety, and property, or any substance or material in a quantity or form that may be harmful to humans, animals, crops, water systems, or other elements of the environment if accidentally released. Substances so designated may include explosives, radioactive materials, etiologic agents, flammable liquids or solids, combustible liquids or solids, poisons, oxidizing or corrosive materials, and flammable gases.*

*Subd. 5. [HAZARDOUS MATERIALS RESPONSE TEAM.] "Hazardous materials response team" means a regional hazardous materials response team or strategic chemical assessment team established by the department.*

*Subd. 6. [LOCAL UNIT OF GOVERNMENT.] "Local unit of government" means a county, home rule charter or statutory city, or town, or combination of them.*

*Subd. 7. [REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM.] "Regional hazardous materials response team" means a team trained and equipped to respond to and mitigate a hazardous materials release.*

*Subd. 8. [STRATEGIC CHEMICAL ASSESSMENT TEAM.] "Strategic chemical assessment team" means a team trained and equipped to evaluate a hazardous materials incident and recommend the best means to control the hazard following consideration of factors such as life safety concerns, environmental effects, exposure hazards, quantity and type of hazardous material, and availability of local resources.*

Sec. 4. [299A.49] [RESPONSE PLAN.]

*Subdivision 1. [ELEMENTS OF PLAN; RULES.] (a) Following consultation with the department of natural resources, the pollution control agency, the department of agriculture, the department of transportation, the state fire marshal, the emergency response commission, and the advisory task force in section 5, the commissioner shall adopt rules to implement a state-wide hazardous materials incident response plan. The plan must include at*

least the following:

(1) locations within the state of five regional response teams, based on the location of hazardous materials, response time, and proximity to large population centers;

(2) the number of strategic chemical assessment teams necessary to support each regional hazardous materials response team;

(3) the number of members on each team and qualifications;

(4) the different responsibilities of regional hazardous materials and strategic chemical assessment teams and coordination of responsibilities in response to an incident;

(5) equipment needed for regional hazardous materials and strategic chemical assessment teams;

(6) procedures for selecting and contracting with local governments or nonpublic persons to establish hazardous materials response teams;

(7) procedures for dispatching teams at the request of local governments;

(8) a fee schedule for reimbursing local governments or nonpublic persons responding to an incident; and

(9) coordination with other state departments and agencies, local units of government, other states, Indian tribes, the federal government, and nonpublic persons.

*Subd. 2. [CONTRACTS AND AGREEMENTS.] The commissioner may cooperate and enter into necessary contracts and agreements with other state departments and agencies, local units of government, other states, Indian tribes, the federal government, or nonpublic persons approved by the commissioner, to implement the response plan.*

#### Sec. 5. [299A.50] [ADVISORY TASK FORCE.]

*Subdivision 1. [ESTABLISHMENT.] The commissioner shall establish an advisory task force under section 15.014, subdivision 2, including representatives of professional firefighters, state fire chiefs, volunteer firefighters, emergency managers, facilities storing or transporting hazardous materials, officials of local units of government, the pollution control agency, and other organizations or professions the commissioner considers appropriate. The commissioner shall ensure representation from each region of the state served by a regional hazardous materials response team.*

*Subd. 2. [DUTIES.] The advisory task force shall advise the commissioner on the implementation and technical aspects of the response plan.*

#### Sec. 6. [299A.51] [LIABILITY AND WORKERS' COMPENSATION.]

*Subdivision 1. [LIABILITY.] During operations authorized under section 4, members of a hazardous materials response team are "employees of the state" as defined in section 3.736.*

*Subd. 2. [WORKERS' COMPENSATION.] During operations authorized under section 4, members of a hazardous materials response team are considered state employees for purposes of chapter 176.*

*Subd. 3. [GOOD SAMARITAN.] A person who provides personnel and equipment to assist at the scene of a hazardous materials response incident outside the person's facility or property, at the request of the state or a local*

unit of government, is not liable for any civil damages as a result of acts or omissions by that person in providing the assistance in a hazardous materials incident, unless that person acts in a willful and wanton or reckless manner in providing the care, advice, or assistance.

*For the purposes of this section, the scene of a hazardous materials response incident is those areas not within the confines of a hospital or other institution that has hospital facilities, or an office of a person licensed to practice one or more of the healing arts under chapter 147, 148, 150A, or 153. The scene of a hazardous materials response incident includes areas threatened by or exposed to spillage, seepage, fire, explosion, or other release of hazardous materials.*

*For the purposes of this subdivision, "person" includes a public or private nonprofit volunteer firefighter, volunteer police officer, volunteer ambulance attendant, volunteer first provider of emergency medical services, and any partnership, corporation, association, or other organization.*

**Sec. 7. [299A.52] [RESPONSIBLE PERSON.]**

*Subdivision 1. [RESPONSE LIABILITY.] A responsible person, as described in section 115B.03, is liable for the reasonable and necessary costs of the regional hazardous materials response team and the local unit of government for response to a hazardous materials incident, including legal and administrative costs.*

*Subd. 2. [ATTEMPTED AVOIDANCE OF LIABILITY.] For purposes of sections 2 to 9, a responsible person may not and does not avoid liability by conveying any right, title, or interest in real property or by any indemnification, hold harmless agreement, or similar arrangement.*

**Sec. 8. [299A.53] [HAZARDOUS MATERIALS INCIDENT RESPONSE ACCOUNT.]**

*Subdivision 1. [ACCOUNT CREATED.] The hazardous materials response account is created in the general fund. The account consists of money from hazardous materials safety permit fees under section 1, fees collected from persons under section 9, and gifts received under subdivision 2.*

*Subd. 2. [GIFTS.] The commissioner may accept monetary gifts for deposit in the account and any equipment for use by regional hazardous materials response teams.*

*Subd. 3. [RECOVERED EXPENSES.] When a regional hazardous materials response team is dispatched, the commissioner shall bill the person responsible for causing the emergency, if known, for the cost of responding to the emergency. If a person fails to pay the cost set forth in a billing within 30 days after the second billing, the commissioner may bring an action for recovery of those unpaid costs, reasonable attorney fees, and any additional court costs and disbursements.*

*Subd. 4. [EXPENDITURES.] Money in the account may be spent for:*

- (1) vehicles, equipment, and personnel costs for regional hazardous materials response teams pursuant to contracts entered into under section 4;*
- (2) training members of regional hazardous materials response teams pursuant to contracts entered into under section 4;*
- (3) reimbursing response costs of regional hazardous materials response teams pursuant to contracts entered into under section 4;*



- (4) *maintaining a state 24-hour emergency response center;*
- (5) *maintaining a hazardous materials incident follow-up reporting system; and*
- (6) *department administrative costs related to sections 2 to 9.*

**Sec. 9. [299K.095] [HAZARDOUS MATERIALS INCIDENT RESPONSE FEES.]**

*(a) Persons, except individuals engaged in a farming operation, required under section 11002 of the federal act to notify the commission of the storage of an extremely hazardous substance shall pay an annual fee of \$75 for each facility.*

*(b) Persons required under section 11023 of the federal act to submit a toxic chemical release form to the commission shall pay an annual fee of \$500 for each facility. This fee is in addition to fees collected under section 115D.12.*

*(c) All fees collected under this section must be deposited in the general fund and credited to the hazardous materials incident response account."*

Delete the title and insert:

"A bill for an act relating to public safety; requiring a permit to transport hazardous materials and authorizing the commissioner of transportation to adopt rules and establish fees; requiring the commissioner of public safety to implement a state hazardous materials incident response plan; creating an advisory task force; creating the hazardous materials incident response account and distributing money to the account; proposing coding for new law in Minnesota Statutes, chapters 221; 299A; and 299K."

And when so amended the bill do pass and be re-referred to the Committee on Transportation. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 225: A bill for an act relating to elections and government ethics; reducing the contribution limits to constitutional officer candidates; limiting preprimary expenditures to the spending limit; including cost of food and beverages for volunteers as a noncampaign disbursement; reducing the public subsidy to unopposed candidates; requiring candidates to file a campaign spending report 30 days before the general election; increasing late filing fees; requiring lobbyists to report names and addresses of principals; providing for administrative enforcement of the prohibition on fundraising during legislative sessions; requiring reporting of the sum of noncampaign disbursements; requiring the reporting of last-minute loans; imposing a late filing fee for failing to correct incorrect documents; providing for withholding of public subsidy for filing a false affidavit of matching funds; requiring candidates for county attorney to be licensed to practice law in Minnesota; amending Minnesota Statutes 1990, sections 6.76; 10A.01, subdivisions 10, 10c, 25, and 26; 10A.02, subdivision 9; 10A.03, subdivision 2; 10A.04, subdivisions 5, 6, and 7; 10A.065, subdivision 3, and by adding a subdivision; 10A.09, subdivisions 2, 6a, and 7; 10A.20, subdivisions 2, 3, 5, and 12; 10A.23; 10A.25, subdivisions 5, 7, 10, and by adding a subdivision; 10A.255, subdivision 3; 10A.27, subdivision 1; 10A.30, subdivision 2; 10A.31, subdivisions 3, 10, and by adding a subdivision; 10A.322, subdivisions 1 and 4; 10A.323; 10A.324, subdivision

3; 10A.43, subdivisions 3 and 4; 10A.44, subdivision 4; 201.091, subdivision 4; 204B.06, subdivision 4; 204C.32, subdivision 2; 204C.33, subdivision 3; 290.06, subdivision 23; 383B.053, subdivision 1; and 388.01.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, after line 3, insert:

“Sec. 4. Minnesota Statutes 1990, section 10A.09, subdivision 5, is amended to read:

Subd. 5. [FORM.] A statement of economic interest required by this section shall be on a form prescribed by the board. The individual filing shall provide the following information:

- (a) Name, address, occupation and principal place of business;
- (b) The name of each associated business and the nature of that association;
- (c) A listing of all real property within the state, excluding homestead property, in which the individual holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, and which interest is valued in excess of \$2,500; or (ii) an option to buy, which property has a fair market value of \$50,000 or more;
- (d) A listing of all real property within the state in which a partnership of which the individual is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of \$2,500 or (ii) an option to buy, which property has a fair market value of \$50,000 or more. Any listing under clause (c) or (d) shall indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county wherein the property is located; ~~and~~
- (e) A listing of any investments, ownership, or interests in property connected with pari-mutuel horse racing in the United States and Canada, including a race horse, in which the individual directly or indirectly holds a partial or full interest or an immediate family member holds a partial or full interest; *and*

*(f) For an elected local official or an elected public official, the giver, nature, and approximate value of a gift with a fair market value of \$100 or more, or of gifts with an aggregate fair market value of \$100 or more, received during the period covered by the report from an association, or a person other than a member of the reporting individual's extended family, with a financial interest in a matter with which the official deals in the course of the official's duties. For purposes of this paragraph, "gift" means money, real or personal property, a favor, a service, a loan, a forbearance or forgiveness of indebtedness, or a promise of future employment, except a contribution as defined in section 10A.01, subdivision 7, that is given and received without the giver receiving consideration of equal or greater value in return."*

Renumber the sections of article 1 in sequence

Page 3, after line 25, insert:

“Sec. 2. Minnesota Statutes 1990, section 10A.02, subdivision 5, is

amended to read:

Subd. 5. The board shall appoint an executive director who shall be in the unclassified service. The board may also employ and prescribe the duties of other permanent or temporary employees in the unclassified service as may be necessary to administer ~~sections 10A.01 to 10A.34~~ *this chapter*, subject to appropriation. The executive director and all other employees shall serve at the pleasure of the board. Expenses of the board shall be approved by the chair or such other member as the rules of the board may provide and the expenses shall then be paid in the same manner as other state expenses are paid.

Sec. 3. Minnesota Statutes 1990, 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~~ *this chapter* 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~~ *this chapter*;

(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."

Page 3, line 31, strike "sections 10A.01 to 10A.34" and insert "*this chapter*"

Page 4, line 2, strike "sections 10A.01 to 10A.34" and insert "*this chapter*"

Page 4, lines 3 and 4, strike "sections 10A.01 to 10A.34" and insert

“*this chapter*”

Page 4, after line 7, insert:

“Sec. 5. Minnesota Statutes 1990, section 10A.02, subdivision 10, is amended to read:

Subd. 10. The board may make audits and investigations with respect to statements and reports which are filed or which should have been filed under the provisions of ~~sections 10A.01 to 10A.34~~ *this chapter*. In all matters relating to its official duties, the board shall have the power to issue subpoenas and cause them to be served. If a person does not comply with a subpoena, the board may apply to the district court of Ramsey county for issuance of an order compelling obedience to the subpoena. A person failing to obey the order is punishable by the court as for contempt.

Sec. 6. Minnesota Statutes 1990, section 10A.02, subdivision 12, is amended to read:

Subd. 12. The board may issue and publish advisory opinions on the requirements of ~~sections 10A.01 to 10A.34~~ *this chapter* based upon real or hypothetical situations. An application for an advisory opinion may be made only by an individual or association who wishes to use the opinion to guide the individual's or the association's own conduct. The board shall issue written opinions on all such questions submitted to it within 30 days after receipt of written application, unless a majority of the board agrees to extend the time limit. An advisory opinion shall lapse the day the regular session of the legislature adjourns in the second year following the date of the opinion.

Sec. 7. Minnesota Statutes 1990, section 10A.02, subdivision 13, is amended to read:

Subd. 13. The provisions of chapter 14 apply to the board. The board may ~~promulgate~~ *adopt* rules to carry out the purposes of ~~sections 10A.01 to 10A.34~~ *this chapter*.

Sec. 8. Minnesota Statutes 1990, section 10A.03, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION; FEE.] Each lobbyist shall file a registration form with the board within five days after becoming a lobbyist. *A lobbyist who receives compensation other than reimbursement of expenses shall pay an annual registration fee of \$ . . . . The principal of a lobbyist who receives compensation other than reimbursement of expenses shall pay an annual reporting fee of \$ . . . . These annual fees shall be paid in the manner prescribed by the board. Proceeds from the registration and reporting fees shall be deposited in the treasury and credited to the general fund.*”

Page 4, after line 23, insert:

“Sec. 10. Minnesota Statutes 1990, section 10A.04, subdivision 4, is amended to read:

Subd. 4. [REPORT CONTENTS.] (a) The report shall include such information as the board may require from the registration form and the information required by this subdivision for the reporting period.

(b) Each lobbyist shall report the lobbyist's total disbursements on lobbying, separately listing lobbying to influence legislative action, lobbying to influence administrative action, and lobbying to influence the official actions

of a metropolitan governmental unit, and a breakdown of disbursements for each of those kinds of lobbying into categories specified by the board, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses.

(c) Each lobbyist shall report the amount and nature of each honorarium, gift, loan, item or benefit, ~~excluding~~ *including* contributions to a candidate *made or solicited by the lobbyist*, equal in value to ~~\$50~~ *\$100* or more *individually or in aggregate*, given or paid to any public or local official by the lobbyist or *under the lobbyist's direction* or by any employer or ~~any~~ employee of the lobbyist. The list shall include the name and address of each public or local official to whom the honorarium, gift, loan, item or benefit was given or paid and the date it was given or paid.

(d) Each lobbyist shall report each original source of funds in excess of \$500 in any year used for the purpose of lobbying to influence legislative action, each such source of funds used to influence administrative action, and each such source of funds used to influence the official action of metropolitan governmental units. The list shall include the name, address and employer, or, if self-employed, the occupation and principal place of business, of each payer of funds in excess of \$500."

Page 5, delete lines 16 to 18 and insert:

- "(1) \$501 to ~~\$50,000~~ *\$10,000*;
- (2) *\$10,001 to \$25,000*;
- (3) *\$25,001 to \$50,000*;
- (4) \$50,001 to ~~\$150,000~~ *\$100,000*; ~~or~~
- (5) *\$100,001 to \$150,000*; or
- (~~5~~) (6) *\$150,001 to \$250,000*."

Page 7, line 5, after the period, insert "*For a person who receives only per diem compensation for service in the position that requires the filing of a statement of economic interest, the late filing fee is \$5 per day, not to exceed \$100.*"

Page 7, after line 11, insert:

"Sec. 16. Minnesota Statutes 1990, section 10A.14, subdivision 1, is amended to read:

Subdivision 1. The treasurer of a political committee or political fund shall register with the board by filing a statement of organization no later than 14 days after the date upon which the committee or fund has made a contribution, received contributions or made expenditures in excess of \$100. *A political committee or fund, other than a political party committee, shall pay an annual registration fee in the amount of \$ . . . . , in the manner prescribed by the board, with the proceeds deposited in the treasury and credited to the general fund.*"

Page 7, line 21, after the period, insert "*For an unreimbursed volunteer treasurer of a principal campaign committee or political committee, who is not a registered lobbyist, the late filing fee is \$5 per day, not to exceed \$100.*"

Page 7, line 27, after the period, insert "*For an unreimbursed volunteer*

*treasurer of a principal campaign committee or political committee, who is not a registered lobbyist, the late filing fee is \$50 per day, not to exceed \$500."*

Page 8, line 11, delete "may" and insert "shall"

Page 8, line 13, delete "if the completed" and insert a period

Page 8, delete lines 14 to 17

Renumber the sections of article 2 in sequence

Pages 10 and 11, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 1990, section 10A.065, subdivision 1, is amended to read:

Subdivision 1. [REGISTERED LOBBYIST CONTRIBUTIONS; LEGISLATIVE SESSION.] A candidate for the legislature or for constitutional office, a candidate's principal campaign committee, any other political committee with the candidate's name or title, or any committee authorized by the candidate, shall not solicit or accept a contribution on behalf of the candidate's principal campaign committee, any other political committee with the candidate's name or title, or any committee authorized by the candidate, from a registered lobbyist, political committee, or political fund during a regular session of the legislature.

Sec. 4. Minnesota Statutes 1990, section 10A.065, subdivision 5, is amended to read:

Subd. 5. [POLITICAL COMMITTEE.] This section does not apply to a political committee established by a state political party; by the party organization within a congressional district, county, legislative district, municipality, or precinct; by all or part of the party organization within each house of the legislature, except for individual members; by a candidate for an office other than the legislature a judicial office; or to a member of such a political committee acting solely on behalf of the committee.

Sec. 5. Minnesota Statutes 1990, section 10A.14, subdivision 2, is amended to read:

Subd. 2. The statement of organization shall include:

- (a) The name and address of the political committee or political fund;
- (b) The name and address of any supporting association of a political fund;
- (c) The name and address of the chair, the treasurer, and any deputy treasurers;
- (d) A listing of all depositories or safety deposit boxes used;
- (e) A statement as to whether the committee is a *the single* principal campaign committee of a candidate; and
- (f) For political parties only, a list of categories of substate units as defined in section 10A.27, subdivision 4.

Sec. 6. Minnesota Statutes 1990, section 10A.19, subdivision 1, is amended to read:

Subdivision 1. [SINGLE COMMITTEE.] No candidate shall accept contributions from any source, other than self, in aggregate in excess of \$100 or

any money from the state elections campaign fund unless the candidate designates and causes to be formed a single principal campaign committee. A candidate may not authorize, designate, or cause to be formed any other political committee bearing the candidate's name or title or otherwise operating under the direct or indirect control of the candidate. However, a candidate may be involved in the direct or indirect control of a party unit as defined in section 10A.275, subdivision 3."

Page 14, delete sections 7 and 8 and insert:

"Sec. 10. Minnesota Statutes 1990, section 10A.25, subdivision 5, is amended to read:

Subd. 5. [PRIMARY RACES.] Notwithstanding the limits imposed by subdivision 2, the winning candidate in a contested race in a primary who ~~receives less~~ received fewer 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. A candidate in a contested primary race may not, under this subdivision, make aggregate expenditures and approved expenditures of more than 100 percent of the expenditure limits imposed by subdivision 2 until after the primary."

Page 15, line 8, before "The" insert "(a)"

Page 15, delete lines 15 to 22 and insert:

"(b) A 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;

(i) is no longer bound by the limits, including those in section 10A.324, subdivision 1, paragraph (c); but;

(ii) is still eligible to receive a public subsidy; and

(iii) also receives the opponent's share of the general account public subsidy under section 10A.31."

Page 16, line 6, delete "\$6,000" and insert "\$1,500"

Page 16, line 7, delete "\$2,000" and insert "one-third of that amount"

Page 16, line 8, delete "\$3,000" and insert "\$1,000"

Page 16, line 9, delete "\$1,000" and insert "\$500"

Page 16, line 12, delete "\$1,500" and insert "\$750"

Page 16, after line 20, insert:

"Sec. 15. Minnesota Statutes 1990, section 10A.27, subdivision 9, is amended to read:

Subd. 9. [TRANSFERS PROHIBITED.] A treasurer of a candidate's principal campaign committee shall may not accept in any calendar year aggregate contributions in an amount greater than the maximum amount allowed under subdivision 4 from make a transfer or contribution to another candidate's principal campaign committee or any other committee bearing the contributing candidate's name or title or otherwise authorized by the contributing candidate. A treasurer of a candidate's principal campaign committee may

*not accept a transfer or contribution to that committee from another candidate's principal campaign committee or any other committee bearing the candidate's name or title or otherwise authorized by the candidate."*

Page 17, after line 8, insert:

"Sec. 18. Minnesota Statutes 1990, section 10A.31, subdivision 5, is amended to read:

Subd. 5. (a) 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.

(b) 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 only those items enumerated in section 10A.275; 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 basis, with payment on the 15th day of the calendar month following the month in which the returns were processed by the department of revenue, provided that these distributions would be equal to 90 percent of the amount of money indicated in the department of revenue's weekly unedited reports of income tax returns and property tax refund returns processed in the month, as notified by the department of revenue to the state ethical practices board. The amounts paid to each state committee are subject to biennial adjustment and settlement at the time of each certification required of the commissioner of revenue under subdivisions 7 and 10. If the total amount of payments received by a state committee for the period reflected on a certification by the department of revenue is different from the amount that should have been received during the



period according to the certification, each subsequent monthly payment must be increased or decreased to the fullest extent possible until the amount of the overpayment is recovered or the underpayment is distributed.

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.

(c) 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.”

Pages 17 and 18, delete section 16

Page 19, after line 3, insert:

“Sec. 22. Minnesota Statutes 1990, section 10A.322, is amended by adding a subdivision to read:

*Subd. 5. [ADDITIONAL AGREEMENTS.] As a condition of receiving a public subsidy from the state elections campaign fund, a candidate shall agree to:*

*(1) refuse to accept total contributions from political associations other than political parties in an amount that exceeds 50 percent of the total amount of nonpublic political contributions received by the candidate during the calendar year in which the general election is held; and*

*(2) provide evidence to the board before receiving the public subsidy from the party account that the candidate is complying with clause (1).”*

Page 19, delete lines 7 to 19 and insert:

“*Subdivision 1. [AFFIDAVIT.] In addition to the requirements of section 10A.322, to be eligible to receive a public subsidy from the state elections campaign fund a candidate shall file an affidavit with the board stating that:*

*(1) during that calendar year the candidate has accumulated contributions, including unexpended balances from the year before, equal to 20 percent or more of the minimum amount that the board estimates, on August 15 of the general election year, would be received by the candidate from the state elections campaign fund; and*

*(2) the candidate has received 50 percent of the amount required under clause (1) from individual contributors who reside for voting purposes in the candidate's legislative district, if the candidate is seeking a legislative office, or from individual contributors who reside for voting purposes in the state of Minnesota, if the candidate is seeking a statewide constitutional office.*

*Subd. 2. [DEADLINE.] The candidate or the candidate's treasurer shall submit the affidavit required by this subdivision to the board in writing by ~~October 4~~ September 15 of the general election year.”*

Page 19, line 20, delete “2” and insert “3”

Page 20, after line 5, insert:

“Sec. 25. Minnesota Statutes 1990, section 10A.324, is amended by adding a subdivision to read:

*Subd. 5. [RETURN OF OPPONENT'S PUBLIC SUBSIDY.] If a candidate received the candidate's opponent's public subsidy under section 10A.25, subdivision 10, the candidate shall return all or a portion of the*

*opponent's public subsidy if required under subdivision 1. In addition, the candidate shall return all of the opponent's public subsidy to the ethical practices board if the opponent fails to file any campaign spending reports under section 10A.20 or if the opponent's postelection report due on January 31 indicates that the opponent raised and spent \$1,000 or less during the campaign."*

Page 20, line 34, after "candidate" insert "within the time limits provided by law"

Page 20, after line 35, insert:

"Sec. 28. Minnesota Statutes 1990, section 10A.44, subdivision 1, is amended to read:

Subdivision 1. [LIMITS.] During the calendar 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, \$3,400,000; and
- (2) for representative in Congress, \$425,000.

A congressional candidate whose name will appear on the ballot in more than one general or special election in a year is subject to a separate spending limit for each election. For a candidate for representative in Congress in a special election, the expenditure limits apply during the ten months before and the two months after the special election. *For purposes of this section, an expenditure does not include a transfer from the candidate's principal campaign committee to another committee of that congressional candidate or state political party."*

Page 21, after line 7, insert:

"Sec. 30. Minnesota Statutes 1990, section 10A.44, subdivision 6, is amended to read:

Subd. 6. [CERTAIN POSTELECTION COSTS.] After the election, a congressional candidate who is not a congressional incumbent and has been elected to Congress may spend an amount up to ten percent of the limits under subdivision 1 or 2 to defray transition costs, *unless restricted by federal law.* This money may be spent only for the costs of the transition that are incurred between the election and the date on which the elected candidate begins congressional service and cannot be used to retire debts remaining from the primary or general election campaign.

Sec. 31. Minnesota Statutes 1990, section 211A.02, subdivision 2, is amended to read:

Subd. 2. [INFORMATION REQUIRED.] The report to be filed by a candidate or committee must include:

- (1) the name of the candidate or ballot question;
- (2) the name and address of the person responsible for filing the report;
- (3) the total amount of receipts and expenditures for the period from the last previous report to five days before the current report is due;
- (4) the purpose for each expenditure; and
- (5) the name of any individual or committee that during the year has made

one or more contributions that in the aggregate are equal to or greater than \$500 \$100.

Sec. 32. [211A.071] [CONTRIBUTION LIMITS.]

*A candidate for a town, statutory or home rule charter city, county, or school district office may not allow the candidate's campaign committee to accept aggregate contributions from an individual, political committee, or political fund in excess of \$750 in any calendar year.*

Sec. 33. Minnesota Statutes 1990, section 211B.05, subdivision 2, is amended to read:

Subd. 2. [ADVERTISING RATES.] Rates charged for advertising to support or oppose a candidate or ~~ballot question~~ must be the same as the charges made for any other political candidate and may be no greater than ~~charges made for any other comparable purpose or use according to the seller's lowest-paying commercial client rate schedule.~~

Page 21, line 19, before the period, insert "*and signed by the candidate, the treasurer of the candidate's principal campaign committee, or the party chair*"

Page 22, line 12, after "a" insert "*congressional candidate as defined in section 10A.41, subdivision 4, or a*"

Page 22, lines 14 and 15, delete the new language

Page 22, after line 29, insert:

"Sec. 35. [REPEALER.]

*Minnesota Statutes 1990, section 10A.25, subdivision 2a, is repealed."*

Renumber the sections of article 3 in sequence

Pages 22 and 23, delete section 1 and insert:

"Section 1. Minnesota Statutes 1990, section 202A.14, subdivision 1, is amended to read:

Subdivision 1. [TIME AND MANNER OF HOLDING; POSTPONEMENT.] At 7:30 p.m. on the ~~fourth first~~ Tuesday in ~~February~~ after the first Monday in March in every state general election year there shall be held for every election precinct a party caucus in the manner provided in sections 202A.14 to 202A.19, except that in the event of severe weather a major political party may request the secretary of state to postpone caucuses. If a major political party makes a request, or upon the secretary of state's own initiative, after consultation with all major political parties and on the advice of the federal weather bureau and the department of transportation, the secretary of state may declare precinct caucuses to be postponed for a week in counties where weather makes travel especially dangerous. The secretary of state shall submit a notice of the postponement to news media covering the affected counties by 6:00 p.m. on the scheduled day of the caucus. A postponed caucus may also be postponed pursuant to this subdivision."

Page 24, line 21, before the period, insert ";

*(h) for county sheriff, that the candidate has a certificate of satisfactory completion of the basic course of training, issued by the executive director of the peace officer standards and training board"*

Amend the title as follows:

Page 1, line 22, delete "subdivision 9" and insert "subdivisions 5, 8, 9, 10, 12, and 13" and delete "subdivision 2" and insert "subdivisions 1 and 2"

Page 1, line 23, after "subdivisions" insert "4," and delete "subdivision 3, and" and insert "subdivisions 1, 3, and 5;"

Page 1, line 24, delete "by adding a subdivision;" and after "2," insert "5,"

Page 1, line 25, after "7;" insert "10A.14, subdivisions 1 and 2; 10A.19, subdivision 1;"

Page 1, line 26, after "7," insert "and" and delete ", and by adding a"

Page 1, line 27, delete the first "subdivision"

Page 1, line 28, delete "subdivision 1" and insert "subdivisions 1 and 9"

Page 1, line 29, after "3," insert "5, and" and delete ", and by adding a subdivision"

Page 1, line 30, delete "and" and insert a comma and after "4" insert ", and by adding a subdivision"

Page 1, line 31, after the first "3" insert ", and by adding a subdivision"

Page 1, delete line 32 and insert "subdivisions 1, 4, and 6; 202A.14, subdivision 1; 204B.06,"

Page 1, line 34, after "3;" insert "211A.02, subdivision 2; 211B.05, subdivision 2;"

Page 1, line 35, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 211A; repealing Minnesota Statutes 1990, section 10A.25, subdivision 2a"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Novak from the Committee on Energy and Public Utilities, to which was referred

H.F. No. 924: A bill for an act relating to utilities; authorizing the public utilities commission to allow recovery of expenses associated with economic and community development; amending Minnesota Statutes 1990, section 216B.16, by adding a subdivision.

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. 178: A bill for an act relating to occupations and professions; increasing minimum insurance coverage required for abstractors; abolishing requirement of seals by impression; repealing an obsolete provision; amending Minnesota Statutes 1990, sections 386.66 and 386.67; repealing Minnesota Statutes 1990, section 386.65, subdivision 3.

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. 276: A bill for an act relating to insurance; accident and health; prohibiting the nondiagnostic use of X-rays; proposing coding for new law in Minnesota Statutes, chapter 62A.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Dahl from the Committee on Education, to which was referred

H.F. No. 424: A bill for an act relating to interscholastic athletics; providing that persons who assault a sports official may be excluded from certain events; proposing coding for new law in Minnesota Statutes, chapter 128C.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 22 to 25 and insert:

*“Subd. 2. [PROHIBITED CONDUCT.] Any person who assaults a sports official in connection with an interscholastic athletic activity may be excluded from attending an activity for up to 12 months.*

*Subd. 3. [SANCTION.] The board of directors of the Minnesota state high school league or a school board may exclude any person other than a head varsity coach, except as provided in subdivision 5.*

*The board of directors of the Minnesota state high school league may exclude a person from:*

*(1) any activity of the kind in connection with which the assault occurred;*  
*or*

*(2) all interscholastic athletic activities.*

*A school board may exclude a person from any activity sponsored or participated in by the school district.*

*Subd. 4. [PROCEDURE.] The board of directors of the Minnesota state high school league or a school board may exclude a person, other than a head varsity coach, from any interscholastic athletic activity if the person assaulted a sports official in connection with an activity. A person alleged to have assaulted a sports official shall be entitled to an informal hearing on the matter by the board of directors of the Minnesota state high school league or school board. Upon finding that the person assaulted a sports official, the board of directors of the Minnesota state high school league or school board shall notify the individual in writing and shall indicate any activity from which, and the period of time for which, the person is excluded.*

*Subd. 5. [HEAD VARSITY COACH.] A school board employing a head varsity coach may exclude that head varsity coach from any interscholastic athletic activity upon finding by the board that the coach assaulted a sports official in connection with an activity. A head varsity coach alleged to have assaulted a sports official shall be invited to an informal hearing on the matter by the school board. Upon finding that a head varsity coach assaulted a sports official, the school board shall notify the coach in writing and shall indicate any activity from which, and the period of time for which, the coach is excluded.”*

Page 2, delete lines 1 to 34

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mr. Dahl from the Committee on Education, to which was referred

H.F. No. 499: A bill for an act relating to education; providing for flagging of school records of missing children; proposing coding for new law in Minnesota Statutes, chapter 120.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [123.751] [FLAG SCHOOL RECORDS OF MISSING CHILDREN.]

*Subdivision 1. [FLAG RECORD UPON CERTAIN NOTIFICATION.] A school district shall flag the record of a pupil who is currently or was previously enrolled in the district if a law enforcement agency notifies the district of the pupil's disappearance. The flag must be made so that, if a copy of or information regarding the pupil's record is requested, the district is aware that the record is that of a missing pupil.*

*Subd. 2. [DISTRICT NOTIFICATION WHEN RECORDS ARE REQUESTED.] When the district provides a copy of the pupil's record or other information concerning the pupil whose record is flagged, the district shall notify the law enforcement agency that notified the district of the pupil's disappearance of every inquiry concerning the record. The district shall also provide a copy to the law enforcement agency of a written request for information concerning the record.*

*Subd. 3. [RECORDS UPON SCHOOL DISTRICT TRANSFER.] When a pupil transfers from one district to another, the receiving district shall attempt to obtain, within 30 days of the pupil's enrollment, the pupil's record from the district from which the pupil has transferred. If the pupil's parent, custodian, or guardian provides a copy of the pupil's record from the district from which the pupil has transferred, the receiving district shall request, within 30 days of the pupil's enrollment, written verification of the pupil's record by contacting the district named on the transferring pupil's record. Information received by a school district indicating that the transferring pupil is a missing child must be reported by the district to the department of public safety.*

*Subd. 4. [DATA DISCLOSURE.] Data in this section may be disclosed according to section 13.32, subdivision 3, clause (d).”*

Delete the title and insert:

“A bill for an act relating to education; requiring school districts to flag the school records of missing pupils; proposing coding for new law in Minnesota Statutes, chapter 123.”

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. 1064: A bill for an act relating to waters; exempting certain proceedings by the board of water and soil resources from the administrative procedure act; authorizing appeals to the court of appeals; amending Minnesota Statutes 1990, sections 103B.345, subdivisions 2 and 4; 103D.105, subdivision 1; and 103D.111.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 18, reinstate the stricken "A hearing"

Page 2, line 20, reinstate the stricken "in a proceeding to establish or terminate a watershed"

Page 2, line 21, reinstate the stricken "district"

Page 2, line 22, after the stricken "103D.535" insert "*must be conducted*" and reinstate the stricken period

Page 2, after line 31, insert:

*"Subdivision 1. [REVIEW OF ESTABLISHMENT AND TERMINATION DECISIONS.] In a proceeding to establish or terminate a watershed district where the board elected not to refer the proceeding to the office of administrative hearings, a local unit of government or 25 or more residents within the area affected by the proceeding may, prior to judicial appeal of the board's decision, demand a contested case hearing to be conducted by the office of administrative hearings. In the report of the administrative law judge, the fees of the office of administrative hearings and transcript fees may be apportioned among the parties and the board. Apportionment must be based on the degree to which the parties and the board prevailed, or caused unnecessary delay or expense. Following receipt of the report of the administrative law judge, the board shall make a final decision in accordance with chapter 14.*

*Subd. 2. [APPEALS OF FINAL BOARD DECISIONS.]"*

Page 2, line 32, reinstate the stricken language and delete "a"

Page 2, after line 35, insert:

"Sec. 5. Minnesota Statutes 1990, section 103F.535, subdivision 1, is amended to read:

Subdivision 1. [RESERVATION OF MARGINAL LAND AND WETLANDS.] (a) Notwithstanding any other law, marginal land and wetlands are withdrawn from sale by the state unless use of the marginal land or wetland is restricted by a conservation easement as provided in this section.

(b) 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 103F.515, 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).

(c) This section does not apply to transfers of land by the commissioner of administration or transportation *or by the Minnesota housing finance agency*, or to transfers of tax-forfeited land under chapter 282 if:

(1) the land is in platted subdivisions; or

(2) the conveyance is a transfer to correct errors in legal descriptions.

(d) This section does not apply to transfers of land by the commissioner of administration *or by the Minnesota housing finance agency* for:

(1) land that is currently in nonagricultural commercial use if a conservation easement would interfere with the commercial use; or

(2) land transferred to political subdivisions for public purposes under sections 84.027, subdivision 10, and 94.10.

Sec. 6. Minnesota Statutes 1990, section 103G.271, subdivision 4a, is amended to read:

Subd. 4a. [MT. SIMON-HINCKLEY AQUIFER.] (a) The commissioner may not issue new water use permits that will appropriate water from the Mt. Simon-Hinckley aquifer *in a metropolitan county, as defined in section 473.121, subdivision 4*, unless the appropriation is for potable water use, there are no feasible or practical alternatives to this source, and a water conservation plan is incorporated with the permit.

(b) The commissioner shall terminate all permits authorizing appropriation and use of water from the Mt. Simon-Hinckley aquifer for once-through systems ~~in the seven-county~~ *in a metropolitan area county, as defined in section 473.121, subdivision 4, by December 31, 1992.*

Sec. 7. Minnesota Statutes 1990, section 216D.01, subdivision 5, is amended to read:

Subd. 5. [EXCAVATION.] "Excavation" means an activity that moves, removes, or otherwise disturbs the soil by use of a motor, engine, hydraulic or pneumatically-powered tool, or machine-powered equipment of any kind, or by explosives. Excavation does not include:

(1) the repair or installation of agricultural drainage tile for which notice has been given as provided by section 116I.07, subdivision 2;

(2) the extraction of minerals;

(3) the opening of a grave in a cemetery;

(4) normal maintenance of roads and streets if the maintenance does not change the original grade and does not involve the road ditch;

(5) plowing, cultivating, planting, harvesting, and similar operations in

connection with growing crops, *trees, and shrubs*, unless any of these activities disturbs the soil to a depth of 18 inches or more; or

(6) landscaping or gardening unless one of the activities disturbs the soil to a depth of 12 inches or more.”

Amend the title as follows:

Page 1, line 4, after the semicolon, insert “changing administrative appeal procedures;”

Page 1, line 5, after the semicolon, insert “exempting the Minnesota housing finance agency from restrictions on transfers of marginal land and wetlands; limiting a prohibition on certain new water use permits to the metropolitan area; exempting tree and shrub planting from certain notification requirements;”

Page 1, line 7, delete “and” and before the period, insert “; 103F.535, subdivision 1; 103G.271, subdivision 4a; and 216D.01, subdivision 5”

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. 835: A bill for an act relating to battered women’s programs; clarifying and expanding the role of the battered women’s advisory council; updating and correcting certain statutory provisions; amending Minnesota Statutes 1990, sections 611A.31, subdivision 2; 611A.32, subdivisions 1 and 2; 611A.33; 611A.34; 611A.35; and 611A.36, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 1990, section 611A.32, subdivision 4.

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 1990, section 256D.04, is amended to read:

**256D.04 [DUTIES OF THE COMMISSIONER.]**

In addition to any other duties imposed by law, the commissioner shall:

(1) Supervise according to section 256.01 the administration of general assistance and general assistance medical care by county agencies as provided in sections 256D.01 to 256D.21;

(2) Promulgate uniform rules consistent with law for carrying out and enforcing the provisions of sections 256D.01 to 256D.21, *including section 256D.05, subdivision 3, and section 256.01, subdivision 2, paragraph (16)*, to the end that general assistance may be administered as uniformly as possible throughout the state; rules shall be furnished immediately to all county agencies and other interested persons; in promulgating rules, the provisions of sections 14.001 to 14.69, shall apply;

(3) Allocate money appropriated for general assistance and general assistance medical care to county agencies as provided in section 256D.03, subdivisions 2 and 3;

(4) Accept and supervise the disbursement of any funds that may be provided by the federal government or from other sources for use in this state for general assistance and general assistance medical care;

(5) Cooperate with other agencies including any agency of the United States or of another state in all matters concerning the powers and duties of the commissioner under sections 256D.01 to 256D.21;

(6) Cooperate to the fullest extent with other public agencies empowered by law to provide vocational training, rehabilitation, or similar services;

(7) Gather and study current information and report at least annually to the governor and legislature on the nature and need for general assistance and general assistance medical care, the amounts expended under the supervision of each county agency, and the activities of each county agency and publish such reports for the information of the public; and

(8) Specify requirements for general assistance and general assistance medical care reports, including fiscal reports, according to section 256.01, subdivision 2, paragraph (17).

## Sec. 2. [611A.25] [SEXUAL ASSAULT ADVISORY COUNCIL.]

*Subdivision 1. [CREATION.] Within 60 days after the effective date of this section, the commissioner of corrections shall appoint a 12 member advisory council on sexual assault to advise the commissioner on the implementation and continued operation of sections 611A.21 to 611A.23. The sexual assault advisory council shall also serve as a liaison between the commissioner and organizations that provide services to victims of sexual assault, and as an advocate within the department of corrections for the rights of sexual assault victims.*

*Subd. 2. [MEMBERSHIP.] Six of the sexual assault advisory council members shall either be representatives of or persons who have received services from organizations that provide services to sexual assault victims, and six of the members shall be public members. One-half of the council's members shall reside in the metropolitan area, composed of Hennepin, Ramsey, Anoka, Dakota, Scott, Washington, and Carver counties, and one-half of the members shall reside in the nonmetropolitan area. To the extent possible, nonmetropolitan members must be representative of all nonmetropolitan regions of the state.*

*Subd. 3. [TERMS; VACANCIES; EXPENSES.] Section 15.059 governs the filling of vacancies and removal of members of the sexual assault advisory council. The terms of the members of the advisory council shall be two years. No member may serve on the advisory council for more than two consecutive terms. Council members shall not receive per diem, but shall receive expenses in the same manner and amount as state employees.*

*Subd. 4. [REPORT TO LEGISLATURE.] On or before August 1, 1992, the sexual assault advisory council, in consultation with the commissioner and the Minnesota coalition of sexual assault services, shall file a written report with the legislature, containing recommendations on the following matters:*

*(1) the scope of the commissioner's authority regarding the administration of grants for sexual assault services;*

*(2) the membership and duties of the sexual assault advisory council;*

*(3) criteria for funding programs for services for sexual assault victims;*

(4) *the appointment of a sexual assault program director; and*

(5) *other matters agreed to by the commissioner, the sexual assault advisory council, and the Minnesota coalition of sexual assault services.*

Sec. 3. Minnesota Statutes 1990, section 611A.31, subdivision 2, is amended to read:

Subd. 2. "Battered woman" means a woman who is being or has been assaulted by her spouse, other male relative, or by a male with whom she is residing or has resided in the past victimized by domestic abuse as defined in section 518B.01, subdivision 2, except that "family or household members" includes persons with whom the woman has had a continuing relationship.

Sec. 4. Minnesota Statutes 1990, section 611A.32, subdivision 1, is amended to read:

Subdivision 1. [~~PROGRAMS DESIGNATED GRANTS AWARDED.~~] The commissioner shall designate four or more pilot award grants to programs to which provide emergency shelter services and support services to battered women and shall award grants to the pilot programs. At least two pilot programs shall be designated in the metropolitan area, composed of Hennepin, Ramsey, Anoka, Dakota, Scott, Washington and Carver counties. At least one pilot program shall be designated in a city located outside of the metropolitan area, and at least one pilot program shall be designated in a location accessible to a predominately rural population their children. The commissioner shall also award grants for training, technical assistance, and for the development and implementation of education programs to increase public awareness of the causes of battering, the solutions to preventing and ending domestic violence, and the problems faced by battered women. Grants shall be awarded in a manner that ensures that they are equitably distributed to programs serving metropolitan and nonmetropolitan populations.

Sec. 5. Minnesota Statutes 1990, section 611A.32, subdivision 2, is amended to read:

Subd. 2. [~~APPLICATIONS.~~] Any public or private nonprofit agency may apply to the commissioner for designation as a pilot program a grant to provide emergency shelter services and, support services, or both, to battered women and their children. The application shall be submitted in a form approved by the commissioner by rule adopted under chapter 14, after consultation with the advisory council, and shall include:

(a) (1) a proposal for the provision of emergency shelter services and, support services, or both, for battered women and their children;

(b) (2) a proposed budget;

(c) (3) evidence of the integration of an ability to integrate into the proposed program the uniform method of data collection and program evaluation established by the director pursuant to section under sections 611A.33 into the proposed program and 611A.34;

(d) (4) evidence of the participation of the an ability to represent the interests of battered women and their children to local law enforcement agencies and courts, county welfare agencies, and local boards or departments of health; and other interested agencies or groups in the development of the application; and

~~(e)~~ (5) *evidence of an ability to do outreach to unserved and underserved populations and to provide culturally and linguistically appropriate services; and*

(6) *any other content the commissioner may require by rule adopted under chapter 14, require after considering the recommendations of the advisory council.*

*Programs which have been approved for grants in prior years may submit materials which indicate changes in items listed in clauses (1) to (6), in order to qualify for renewal funding. Nothing in this subdivision may be construed to require programs to submit complete applications for each year of renewal funding.*

Sec. 6. Minnesota Statutes 1990, section 611A.33, is amended to read:

611A.33 [DUTIES OF COMMISSIONER.]

The commissioner shall:

~~(a)~~ (1) *Review applications for designation as and award grants to a pilot program; and designate four or more pilot programs pursuant to section 611A.32, subdivision 1, after considering the recommendation of the advisory council;*

~~(b)~~ *Review applications from and award grants to public or private nonprofit agencies which submit proposals to develop and implement education programs pursuant to section 611A.32, subdivision 4;*

~~(c)~~ (2) *Appoint the members of the advisory task force council created under section 611A.34, and provide consultative staff and other administrative services to the advisory task force council;*

~~(d)~~ (3) *After considering the recommendation of the advisory council, appoint a project coordinator program director to perform the duties set forth in section 611A.35;*

~~(e)~~ (4) *Design and implement a uniform method of collecting and evaluating data on battered women and of evaluating to be used to evaluate the programs funded under section 611A.32;*

~~(f)~~ (5) *Provide technical aid to applicants in the design and implementation of the programs funded under section 611A.32 development of grant requests and provide technical aid to programs in meeting the data collection requirements established by the commissioner; and*

~~(g)~~ *Promulgate (6) Adopt, under chapter 14, all rules necessary to implement the provisions of sections 611A.31 to 611A.36 and 256D.05, subdivision 3, including emergency rules; and*

~~(h)~~ *Report to the legislature on January 1, 1978, January 1, 1979, and November 15, 1979, on the programs funded under section 611A.32 and report to the legislature by January 1, 1979 on the feasibility of creating similar programs for men.*

Sec. 7. Minnesota Statutes 1990, section 611A.34, is amended to read:

611A.34 [ADVISORY COUNCIL.]

Subdivision 1. [CREATION GENERALLY.] *Within 60 days after June 3, 1977, The commissioner shall appoint a nine 12 member advisory council to advise the commissioner on the implementation and continued operation*

of sections 611A.31 to 611A.36. ~~The provisions of battered women's advisory council shall also serve as a liaison between the commissioner and organizations that provide services to battered women. Section 15.059 shall govern~~ governs the terms, filling of vacancies and removal of members, and expiration of the advisory council. *The terms of the members of the advisory council shall be two years. No member may serve on the advisory council for more than two consecutive terms.* Notwithstanding section 15.059, the council shall not expire. Council members shall not receive per diem, but shall receive expenses in the same manner and amount as state employees.

Subd. 2. [MEMBERSHIP] ~~Persons appointed shall be knowledgeable in the fields of health, law enforcement, social services or the law. Five members of the advisory council shall be representatives of community or governmental organizations which provide services to battered women, and four members of the advisory council shall be public members.~~ *about and have experience or interest in issues concerning battered women, including the need for effective advocacy services. The membership of the council shall broadly represent the interests of battered women in Minnesota. Six of the council members shall either be representatives of or persons who have received services from community or governmental organizations that provide services to battered women, and six of the members shall be public members. One-half of the council's members shall reside in the metropolitan area, composed of Hennepin, Ramsey, Anoka, Dakota, Scott, Washington, and Carver counties, and one-half of the members shall reside in the nonmetropolitan area. To the extent possible, nonmetropolitan members must be representative of all nonmetropolitan regions of the state. The commissioner shall also make special efforts to ensure that the membership of the council is representative of different racial minority groups and sexual orientations and of women who have been formerly battered.*

Subd. 3. [DUTIES.] The advisory council shall:

~~(a)~~ (1) *advise the commissioner on all planning, development, data collection, rulemaking, funding, and evaluation of programs and services for battered women that are funded under section 611A.32, other than matters of a purely administrative nature;*

(2) *advise the commissioner on the adoption of rules under chapter 14 governing the award of grants to ensure that funded programs further the objectives described in section 611A.32, subdivision 1;*

(3) *recommend to the commissioner the names of five applicants for the position of ~~project coordinator~~ battered women's program director;*

~~(b)~~ (4) *advise the commissioner on the rules ~~promulgated~~ adopted under chapter 14 pursuant to section 611A.33;*

~~(c)~~ (5) *review and comment on applications received by the commissioner for designation as a pilot program and applications for education grants under section 611A.32 and make recommendations on the awarding of grants; and*

~~(d)~~ (6) *advise the ~~project coordinator~~ program director in the performance of duties in the administration and coordination of the programs funded under section 611A.32.*

Subd. 4. [CONFLICTS OF INTEREST.] *A member of the advisory council shall be excluded from participating in review and recommendations concerning a grant application if the member:*

(1) *serves or has served at any time during the past three years as an*

*employee, volunteer, or governing board member of an organization whose application is being reviewed; or*

*(2) has a financial interest in the funding of the applicant organization.*

Sec. 8. [611A.345] [ADVISORY COUNCIL RECOMMENDATIONS.]

*Subdivision 1. [PROPOSED ACTION.] The commissioner shall consider the advisory council's recommendations before awarding grants or adopting policies regarding the planning, development, data collection, rulemaking, funding or evaluation of programs and services for battered women funded under section 611A.32. Before taking action on matters related to programs and services for battered women and their children, except day-to-day administrative operations, the commissioner shall notify the advisory council of the intended action. Notification of grant award decisions shall be given to the advisory council in time to allow the council to request reconsideration under subdivision 2 without causing a delay in the issuance of grant money. If the commissioner decides to take action contrary to or inconsistent with the recommendations of the advisory council, the commissioner shall provide the advisory council with written objections to the advisory council's recommendation, the basis for the objections, and the information, records, or data supporting the decision.*

*Subd. 2. [RECONSIDERATION.] Within ten days after receiving the commissioner's written objections, the advisory council may ask the commissioner to reconsider the decision to take action contrary to or inconsistent with the advisory council's recommendations. The advisory council may ask for a reconsideration if the commissioner fails to take any action on its recommendations. The advisory council may respond in writing to the commissioner's objections and may offer alternative recommendations. The advisory council may also ask the commissioner to meet with the advisory council and discuss its recommendations and the commissioner's decision. Prior to requesting a reconsideration, the advisory council shall have access to all records or other information not previously made available to the advisory council upon which the commissioner relied in reaching a decision, unless the records or information is data that is not accessible to the public under section 13.03. A request for reconsideration stays implementation of the commissioner's proposed action.*

*Within five days after receiving the request for reconsideration, the commissioner shall deliver to the advisory council a written decision amending or affirming the proposed decision. A request for reconsideration shall not be a basis for the commissioner to fail to propose action on other recommendations of the advisory council.*

Sec. 9. [611A.346] [GRANTEE REQUEST FOR RECONSIDERATION OF GRANT DENIAL.]

*Within five days of receiving notification of the commissioner's decision, any applicant whose grant application was denied by the commissioner or not recommended by the advisory council, in whole or in part, may ask the commissioner to reconsider the decision. The commissioner and advisory council shall respond to the applicant within ten days of the request. If the commissioner and advisory council affirm the prior decision, the commissioner shall provide the applicant with a written explanation of the reasons why the applicant's grant was denied or not recommended for funding.*

Sec. 10. Minnesota Statutes 1990, section 611A.35, is amended to read:

611A.35 [~~PROJECT COORDINATOR BATTERED WOMEN'S PROGRAM DIRECTOR.~~]

The commissioner shall appoint a ~~project coordinator~~ *program director*. In appointing the ~~project coordinator~~ *program director* the commissioner shall give due consideration to the list of applicants submitted to the commissioner ~~by the advisory task force~~ pursuant to section 611A.34, subdivision 3, clause (a) (3). The ~~project coordinator~~ *program director* shall administer the funds appropriated for sections 611A.31 to 611A.36 and ~~256D.05, subdivision 3,~~ *coordinate the programs funded under section 611A.32, consult with and provide staff to the advisory council,* and perform other duties *related to battered women's programs* as the commissioner may assign. The ~~project coordinator~~ *program director* shall serve at the pleasure of the commissioner in the unclassified service.

Sec. 11. Minnesota Statutes 1990, section 611A.36, subdivision 1, is amended to read:

Subdivision 1. [FORM PRESCRIBED.] The commissioner shall, by rule *adopted under chapter 14, after considering the recommendations of the advisory council,* prescribe a uniform form and method for the collection of data on battered women. The method and form of data collection shall be designed to document the incidence of assault on *battered women by their spouses, male relatives or other males with whom they are residing or have resided in the past as defined in section 611A.31, subdivision 2.* All data collected by the commissioner pursuant to this section shall be summary data within the meaning of section 13.02, subdivision 19.

Sec. 12. [611A.361] [GENERAL CRIME VICTIMS ADVISORY COUNCIL.]

*Subdivision 1. [CREATION.] Within 60 days after the effective date of this section, the commissioner of corrections shall appoint a 12 member advisory council on general crime victims to advise the commissioner on the implementation and continued operation of chapter 611A with respect to victims of crimes other than sexual assault and domestic abuse. The general crime victims advisory council shall also serve as a liaison between the commissioner and organizations that provide services to victims of crime, and as an advocate within the department of corrections for the rights of general crime victims.*

*Subd. 2. [MEMBERSHIP.] Six of the general crime victims advisory council members shall either be representatives of or persons who have received services from organizations that provide services to crime victims, and six of the members shall be public members. One-half of the council's members shall reside in the metropolitan area, composed of Hennepin, Ramsey, Anoka, Dakota, Scott, Washington, and Carver counties, and one-half of the members shall reside in the nonmetropolitan area. To the extent possible, nonmetropolitan members must be representative of all nonmetropolitan regions of the state.*

*Subd. 3. [TERMS; VACANCIES; EXPENSES.] Section 15.059 governs the filling of vacancies and removal of members of the general crime victims advisory council. The terms of the members of the advisory council shall be two years. No member may serve on the advisory council for more than two consecutive terms. Council members shall not receive per diem, but shall receive expenses in the same manner and amount as state employees.*

*Subd. 4. [REPORT TO LEGISLATURE.] On or before August 1, 1992,*



*the general crime victims advisory council, in consultation with the commissioner, shall file a written report with the legislature, containing recommendations on the following matters:*

*(1) the scope of the commissioner's authority regarding the administration of grants for general crime victims services;*

*(2) the membership and duties of the general crime victims advisory council;*

*(3) criteria for funding programs for services for general crime victims;*

*(4) the appointment of a general crime victims program director; and*

*(5) other matters agreed to by the commissioner, and the general crime victims advisory council.*

**Sec. 13. [TRANSITION.]**

*(a) Notwithstanding Minnesota Statutes, section 611A.34, until the first Monday in January 1992, the battered women's advisory council consists of the members serving as delegates or alternates on the council on January 1, 1991.*

*(b) Notwithstanding any law to the contrary, the terms of all members serving on the council before the first Monday in January 1992, expire on the first Monday in January 1992. Of the members appointed to terms beginning in January 1992, six shall be appointed to one-year terms and six shall be appointed to two-year terms.*

*(c) The limit on consecutive terms in Minnesota Statutes, section 611A.34, applies to members serving on the council on and after the effective date of section 611A.34, but does not operate to remove a person from the council before the expiration of the person's term.*

**Sec. 14. [REPEALER.]**

*Minnesota Statutes 1990, section 611A.32, subdivision 4, is repealed."*

Delete the title and insert:

*"A bill for an act relating to domestic violence; battered women; clarifying and expanding the role of the battered women's advisory council; updating and correcting certain statutory provisions; creating a sexual assault advisory council and a general crime victims advisory council; clarifying the commissioner of human services' authority to adopt rules governing general assistance payments on behalf of persons receiving services from battered women's shelters; amending Minnesota Statutes 1990, sections 256D.04; 611A.31, subdivision 2; 611A.32, subdivisions 1 and 2; 611A.33; 611A.34; 611A.35; and 611A.36, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 1990, section 611A.32, subdivision 4."*

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 471 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.
		471	436		

Pursuant to Rule 49, the committee on Rules and Administration recommends that H.F. No. 471 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 471 and insert the language after the enacting clause of S.F. No. 436, the first engrossment; further, delete the title of H.F. No. 471 and insert the title of S.F. No. 436, the first engrossment.

And when so amended H.F. No. 471 will be identical to S.F. No. 436, and further recommends that H.F. No. 471 be given its second reading and substituted for S.F. No. 436, 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. 620 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.
620	489				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 620 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 620 and insert the language after the enacting clause of S.F. No. 489, the first engrossment; further, delete the title of H.F. No. 620 and insert the title of S.F. No. 489, the first engrossment.

And when so amended H.F. No. 620 will be identical to S.F. No. 489, and further recommends that H.F. No. 620 be given its second reading and substituted for S.F. No. 489, 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. 807 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.
807	689				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 807 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 807 and insert the language after the enacting clause of S.F. No. 689, the first engrossment; further, delete the title of H.F. No. 807 and insert the title of S.F. No. 689, the first engrossment.

And when so amended H.F. No. 807 will be identical to S.F. No. 689, and further recommends that H.F. No. 807 be given its second reading and substituted for S.F. No. 689, 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. 230 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.
230	152				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 230 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 230 and insert the language after the enacting clause of S.F. No. 152, the first engrossment; further, delete the title of H.F. No. 230 and insert the title of S.F. No. 152, the first engrossment.

And when so amended H.F. No. 230 will be identical to S.F. No. 152, and further recommends that H.F. No. 230 be given its second reading and substituted for S.F. No. 152, 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. 274 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.
274	241				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 274 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 274 and insert the language after the enacting clause of S.F. No. 241, the first engrossment; further, delete the title of H.F. No. 274 and insert the title of S.F. No. 241, the first engrossment.

And when so amended H.F. No. 274 will be identical to S.F. No. 241, and further recommends that H.F. No. 274 be given its second reading and substituted for S.F. No. 241, 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 were referred for proper reference under Rule 35:

S.F. Nos. 1443 and 1449 reports the same back with the recommendation that the bills be re-referred as follows:

S.F. No. 1443 to the Committee on Economic Development and Housing.

S.F. No. 1449 to the Committee on Gaming Regulation.

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. 1069: A bill for an act relating to human rights; limiting certain defenses; amending Minnesota Statutes 1990, section 363.02, subdivision 5.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for April 17, 1991, be amended to read:

“the bill do pass and be re-referred to the Committee on Employment”.  
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. 972: A bill for an act relating to agriculture; protecting aquaculture waters from irreversible degradation; requiring certain aquatic farms to have aquaculture use permits; regulating aquatic farm operations; requiring financial assurance to restore aquaculture waters; providing a procedure

to prevent and minimize impacts from aquatic farms; prescribing best management practices and, if ineffective, permit modifications; defining aquaculture therapeutics as pesticides; defining aquaculture feed as commercial feed; amending Minnesota Statutes 1990, sections 18B.01, subdivision 18; and 25.33, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 17.

Reports the same back with the recommendation that the report from the Committee on Agriculture and Rural Development, shown in the Journal for April 15, 1991, be amended to read:

“the bill be amended and when so amended the bill do pass and be referred to the Committee on Environment and Natural Resources”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1232: A bill for an act relating to taxation; property; exempting certain wetlands; amending Minnesota Statutes 1990, section 272.02, subdivision 1.

Reports the same back with the recommendation that the report from the Committee on Environment and Natural Resources, shown in the Journal for April 15, 1991, be amended to read:

“the bill be amended and when so amended the bill do pass and be referred to the Committee on Agriculture and Rural Development”. 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. 1248: A bill for an act relating to workers' compensation; regulating benefits and insurance; establishing a permanent commission on workers' compensation; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 79.252, by adding a subdivision; 176.011, subdivisions 3, 11a, and 18; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivisions 1, 2, 3, 3a, 4, 6, 9, and 11; 176.111, subdivision 18; 176.135, subdivisions 1, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.645, subdivisions 1 and 2; 176.83, subdivisions 5, 6, and by adding a subdivision; 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 175 and 176; repealing Minnesota Statutes 1990, sections 175.007; and 176.136, subdivision 5.

Reports the same back with the recommendation that the report from the Committee on Employment, shown in the Journal for April 17, 1991, 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”. 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. 3: A bill for an act relating to wetlands; preserving, enhancing, establishing, and restoring wetlands; identifying wetlands; establishing wetland public value criteria; designating priority areas to establish and preserve wetlands; requiring local water plans to include wetlands with high public value; establishing wetland preservation areas; authorizing a tax exemption for wetland preservation areas; establishing a wetland restoration and compensation fund; establishing fees to pay for wetland establishment, preservation, and restoration; requiring permits and providing criteria for alternative uses of wetlands; requiring compensation for denied uses of wetlands; providing authority to establish and restore wetlands on private land; requiring assessment of direct benefits and payment of damages for establishment of wetlands; requiring a report on simplification and coordination of state and federal wetland permitting procedures; amending Minnesota Statutes 1990, sections 97A.475, by adding a subdivision; 103B.155; 103B.231, subdivision 6; 103B.311, subdivision 6; 103G.005, subdivisions 15 and 18; 103G.221; 103G.225; 103G.231; 103G.235; 103G.301, by adding a subdivision; 103I.208, by adding a subdivision; and 272.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 103F; 103G; 116P; and 144.

Reports the same back with the recommendation that the report from the Committee on Environment and Natural Resources, shown in the Journal for April 17, 1991, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass and be referred to the Committee on Agriculture and Rural Development”. 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. 480: A bill for an act relating to the environment; authorizing background investigations of environmental permit applicants; expanding current authority to impose administrative penalties for air and water pollution and solid waste management violations; amending Minnesota Statutes 1990, sections 115.071, by adding a subdivision; 115C.05; and 116.072, subdivisions 1, 2, and 6; proposing coding for new law in Minnesota Statutes, chapter 115.

Reports the same back with the recommendation that the report from the Committee on Environment and Natural Resources, shown in the Journal for April 17, 1991, 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 Judiciary”. 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. 462: A bill for an act relating to the environment; establishing an environmental enforcement account; establishing a field citation pilot

project for unauthorized disposal of solid waste; amending Minnesota Statutes 1990, sections 115.072; and 116.07, subdivision 4d; proposing coding for new law in Minnesota Statutes, chapter 115.

Reports the same back with the recommendation that the report from the Committee on Environment and Natural Resources, shown in the Journal for April 17, 1991, 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”. 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. 546: A bill for an act relating to crimes; environmental enforcement; imposing criminal penalties for knowing violations of standards related to hazardous air pollutants and toxic pollutants in water; providing that certain property is subject to forfeiture in connection with convictions for water pollution and air pollution violations; imposing criminal penalties for unauthorized disposal of solid waste; authorizing prosecution of environmental crimes by the attorney general; providing for environmental restitution as part of a sentence; increasing criminal penalties for false statements on documents related to permits and record keeping; amending Minnesota Statutes 1990, sections 18D.331, subdivision 4; 609.531, subdivision 1; and 609.671.

Reports the same back with the recommendation that the report from the Committee on Environment and Natural Resources, shown in the Journal for April 17, 1991, 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 Judiciary”. Amendments adopted. Report adopted.

### **SECOND READING OF SENATE BILLS**

S.F. Nos. 1024, 809, 338, 1030, 906, 1316, 813, 377, 1190, 1099, 269, 520, 1380 and 300 were read the second time.

### **SECOND READING OF HOUSE BILLS**

H.F. Nos. 924, 178, 276, 499, 471, 620, 807, 230 and 274 were read the second time.

### **MOTIONS AND RESOLUTIONS**

Mr. Waldorf moved that the name of Mr. Beckman be added as a co-author to S.F. No. 158. The motion prevailed.

Messrs. Belanger and Riveness introduced—

Senate Resolution No. 58: A Senate resolution congratulating Northwestern College of Chiropractic as they celebrate their 50th Anniversary.

Referred to the Committee on Rules and Administration.

Ms. Flynn introduced—

Senate Resolution No. 59: A Senate resolution congratulating Alice Johnson on her 108th Birthday.

Referred to the Committee on Rules and Administration.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

H.F. Nos. 73, 331, 472 and 697, which the committee recommends to pass.

H.F. No. 326, which the committee recommends to pass with the following amendment offered by Mr. Pogemiller:

Amend H.F. No. 326, as amended pursuant to Rule 49, adopted by the Senate April 4, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 552.)

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 204C.04, is amended to read:

204C.04 [EMPLOYEES; TIME OFF TO VOTE.]

*Subdivision 1. [RIGHT TO BE ABSENT.]* Every employee who is eligible to vote at a ~~state general in an election or at an election to fill a vacancy in the office of United States senator or United States representative under sections 201.014 and 201.016~~ has the right to be absent from work for the purpose of voting during the morning of ~~election~~ *the day of that election*, without penalty or deduction from salary or wages because of the absence. An employer or other person may not directly or indirectly refuse, abridge, or interfere with this right or any other election right of an employee.

*Subd. 2. [ELECTIONS COVERED.]* For purposes of this section, “election” means a general or special election, a primary, or a special primary, as those terms are defined in section 200.02, or a presidential primary as described in section 207A.01.

*Subd. 3. [PENALTY.]* A person who violates this section is guilty of a misdemeanor, and the county attorney shall prosecute the violation.”

Delete the title and insert:

“A bill for an act relating to elections; providing for time off to vote in elections; amending Minnesota Statutes 1990, section 204C.04.”

The motion prevailed. So the amendment was adopted.

S.F. No. 350, which the committee recommends to pass, after the following motion:

Mr. Benson, D.D. moved to amend S.F. No. 350 as follows:

Page 3, line 19, delete “not”

The question was taken on the adoption of the amendment.



The roll was called, and there were yeas 23 and nays 35, as follows:

Those who voted in the affirmative were:

Adkins	Bernhagen	Johnson, D.J.	Mehrkens	Renneke
Belanger	Brataas	Johnston	Neuville	Storm
Benson, D.D.	Davis	Laidig	Olson	Vickerman
Benson, J.E.	Frederickson, D.R.	Larson	Pariseau	
Berg	Johnson, D.E.	McGowan	Pogemiller	

Those who voted in the negative were:

Berglin	Flynn	Langseth	Mondale	Riveness
Bertram	Frank	Lessard	Morse	Sams
Cohen	Hottinger	Luther	Novak	Samuelson
Dahl	Hughes	Marty	Pappas	Spear
DeCramer	Johnson, J.B.	Merriam	Price	Stumpf
Dicklich	Kelly	Metzen	Ranum	Traub
Finn	Kroening	Moe, R.D.	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.

#### **INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time and referred to the committees indicated.

Mr. Bertram, Ms. Reichgott and Mr. Benson, D.D. introduced—

S.F. No. 1490: A bill for an act relating to taxes; establishing a Minnesota residential property tax study commission.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Langseth, DeCramer, Bertram, Renneke and Vickerman introduced—

S.F. No. 1491: A bill for an act relating to transportation; authorizing municipalities to create transportation utilities; proposing coding for new law in Minnesota Statutes, chapter 444.

Referred to the Committee on Transportation.

Mr. Morse introduced—

S.F. No. 1492: A bill for an act relating to state parks; authorizing handicapped permits for display on handicapped vehicle identifying certificates; amending Minnesota Statutes 1990, section 85.053, subdivisions 2 and 7.

Referred to the Committee on Environment and Natural Resources.

Ms. Ranum, Messrs. Spear, Pogemiller and Johnson, D.J. introduced—

S.F. No. 1493: A bill for an act relating to taxation; reducing the property tax class rate applied to certain homesteads and commercial-industrial property; amending Minnesota Statutes 1990, section 273.13, subdivisions 22, 24, and 32.

Referred to the Committee on Taxes and Tax Laws.

Mr. Kelly, Ms. Pappas and Mr. Cohen introduced—

S.F. No. 1494: A bill for an act relating to taxation; excluding property in the city of St. Paul from the levy for county roads and bridges.

Referred to the Committee on Taxes and Tax Laws.

Ms. Pappas, Messrs. Kelly and Cohen introduced—

S.F. No. 1495: A bill for an act relating to Ramsey county; increasing the payment to the city of St. Paul by Ramsey county for streets; amending Minnesota Statutes 1990, section 383A.16, subdivision 1.

Referred to the Committee on Local Government.

Messrs. Riveness, Waldorf, Ms. Ranum and Mr. DeCramer introduced—

S.F. No. 1496: A bill for an act relating to the legislature; authorizing joint legislative commissions to issue subpoenas; amending Minnesota Statutes 1990, section 3.153.

Referred to the Committee on Rules and Administration.

Ms. Piper introduced—

S.F. No. 1497: A bill for an act relating to human services; providing an exception to the nursing home moratorium; clarifying requirements for proposals of renovations or replacements of existing nursing homes; establishing a health development review process for renovation or replacement proposals; amending Minnesota Statutes 1990, sections 144A.071, subdivision 3, and by adding subdivisions; 144A.073, subdivisions 1, 2, 4, and 5; proposing coding for new law in Minnesota Statutes, chapter 144A.

Referred to the Committee on Health and Human Services.

Ms. Olson, Messrs. Belanger, Benson, D.D.; Gustafson and Bernhagen introduced—

S.F. No. 1498: A bill for an act relating to taxation; providing for homestead classification of all one-, two-, and three-unit dwellings; restricting homestead eligibility for other dwellings; amending Minnesota Statutes 1990, sections 273.124, subdivisions 1, 2, 8, 11, and 12; and 273.13, subdivision 25; repealing Minnesota Statutes 1990, section 273.124, subdivisions 7, 10, 13, 15, and 16.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Renneke and Bernhagen introduced—

S.F. No. 1499: A bill for an act relating to taxation; removing the requirement of bulk purchases by governmental entities in order to qualify for the tax credit on gasohol; amending Minnesota Statutes 1990, section 296.02, subdivision 8.

Referred to the Committee on Taxes and Tax Laws.

Mr. Vickerman introduced—

S.F. No. 1500: A bill for an act relating to highways; designating the B. E. Grottum memorial highway; amending Minnesota Statutes 1990, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Halberg and Bernhagen introduced—

S.F. No. 1501: A bill for an act relating to taxation; allowing home rule and statutory cities to impose a sales tax; proposing coding for new law in Minnesota Statutes, chapter 469.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Frederickson, D.R.; Moe, R.D.; Hughes; Benson, D.D. and Dahl introduced—

S.F. No. 1502: A resolution memorializing the Postmaster General to issue a postal stamp in commemoration of Wanda Gag, American Author and Illustrator.

Referred to the Committee on Veterans and General Legislation.

Mr. DeCramer introduced—

S.F. No. 1503: A bill for an act relating to transportation; authorizing the use of local bridge grant funds to construct drainage structures; amending Laws 1990, chapter 610, article 1, section 13, subdivision 5.

Referred to the Committee on Transportation.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, April 22, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## THIRTY-SIXTH DAY

St. Paul, Minnesota, Monday, April 22, 1991

The Senate met at 2:00 p.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Dicklich 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 John C. Ward.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators answered to their names:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

### MEMBERS EXCUSED

Mr. Lessard was excused from the Session of today from 2:00 to 2:25 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 17, 1991

The Honorable Jerome M. Hughes  
President of the Senate

Dear Senator Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 5, 148, 154, 162, 567 and 611.

Warmest regards,  
Arne H. Carlson, Governor

April 18, 1991

The Honorable Robert E. Vanasek  
Speaker of the House of Representatives

The Honorable Jerome M. Hughes  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1991 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1991	Date Filed 1991
	661	Res. No. 4	3:04 p.m. April 17	April 17
611		24	3:00 p.m. April 17	April 17
148		25	3:02 p.m. April 17	April 17
154		26	2:59 p.m. April 17	April 17
5		27	2:55 p.m. April 17	April 17
162		28	2:55 p.m. April 17	April 17
567		29	2:57 p.m. 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 File, herewith returned: S.F. No. 339.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 18, 1991

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 414, 526, 584, 683, 806, 825, 832, 1070, 877, 921, 459, 744, 244, 287, 181, 875, 739, 887, 74, 870 and 932.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 18, 1991

### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 414: A bill for an act relating to peace officers; requiring reports on the discharge of firearms by peace officers to be sent to the board of peace officer standards and training; requiring law enforcement agencies to adopt written policies governing the use of deadly force; requiring initial and continuing peace officer training on deadly force and the use of firearms; amending Minnesota Statutes 1990, section 626.553, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 400.

H.F. No. 526: A bill for an act relating to corporations; clarifying and modifying provisions governing divisions and combinations of shares and rights of shareholders; clarifying meeting notice requirements; authorizing electronic communications by shareholders; modifying access to corporate records; clarifying and modifying provisions governing mergers and dissolutions; amending Minnesota Statutes 1990, sections 302A.111, subdivision 2; 302A.139; 302A.401, subdivisions 3 and 4; 302A.405, subdivision 1; 302A.413, subdivision 3; 302A.435, subdivision 1; 302A.437, subdivision 1; 302A.449, subdivision 1, and by adding a subdivision; 302A.461, subdivisions 2, 4, and 4a; 302A.471, subdivision 1; 302A.551, subdivision 4; 302A.613, subdivision 2; 302A.621; 302A.651, subdivision 1; 302A.701; 302A.723, subdivision 3; 302A.725, subdivision 1; 302A.727; and 302A.781; proposing coding for new law in Minnesota Statutes, chapter 302A; repealing Minnesota Statutes 1990, sections 302A.729; 302A.730; and 302A.733.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 395, now on General Orders.

H.F. No. 584: A bill for an act relating to local government; authorizing municipalities to enter into joint ventures with telecommunications organizations; amending Minnesota Statutes 1990, section 237.19.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 599, now on General Orders.

H.F. No. 683: A bill for an act relating to alcoholic beverages; prohibiting a retailer from having an interest in a manufacturer, brewer, or wholesaler; prohibiting a retailer from renting space to a manufacturer, brewer, or wholesaler; providing that brand registration is for a three-year period; specifying that club on-sale licenses are subject to approval of the commissioner of public safety; consolidating provisions of law relating to seasonal on-sale licenses; providing extended duration of seasonal licenses in certain counties; removing certain restrictions on location of off-sale and combination licenses issued by counties; clarifying law on issuance of off-sale licenses by counties; allowing gambling on licensed premises when governed by tribal ordinance or a tribal-state compact; clarifying language on certain prohibitions on issuance of multiple licenses and repealing obsolete provisions relating thereto; prohibiting off-site storage of intoxicating liquor; specifying applicability of license limits to certain fourth-class cities;

changing the expiration date for consumption and display permits; raising the minimum age for keeping intoxicating liquor in bottle clubs; authorizing commissioner of public safety to impose civil penalties for conducting or permitting unlawful gambling on licensed premises, or for failure to remove impure products; specifying applicability to municipal liquor stores of prohibitions against permitting consumption of alcoholic beverages by underage persons; clarifying language on sales of intoxicating liquor on Christmas day; providing for Sunday liquor elections in counties; prohibiting sale of certain beverages of more than 50 percent alcohol content; authorizing commissioner of public safety to inspect alcoholic beverages for purity of contents and to order the removal of impure products; specifying that a split liquor referendum is not required for issuance of club licenses; repealing restrictions on wine sales at Minneapolis-St. Paul International Airport; authorizing issuance of an on-sale intoxicating malt liquor license in St. Louis county; authorizing the issuance of an on-sale intoxicating liquor license to a location in Duluth; amending Minnesota Statutes 1990, sections 340A.301, subdivision 7; 340A.311; 340A.402; 340A.404, subdivisions 1 and 6; 340A.405, subdivisions 2 and 6; 340A.408, subdivision 2; 340A.410, subdivision 5; 340A.412, subdivisions 2, 3, and by adding a subdivision; 340A.413, subdivision 1; 340A.414, subdivisions 4 and 8; 340A.415; 340A.503, subdivision 1; 340A.504, subdivisions 2 and 3; 340A.506; 340A.508, by adding a subdivision; 340A.601, subdivision 5; and 340A.604; proposing coding for new law in Minnesota Statutes, chapter 340A; repealing Minnesota Statutes 1990, section 340A.404, subdivision 6a.

Referred to the Committee on Commerce.

H.F. No. 806: A bill for an act relating to retirement; St. Paul teachers retirement fund association; special postretirement adjustment for certain pre-1978 retirees.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 794, now on General Orders.

H.F. No. 825: A bill for an act relating to traffic regulations; amending the implied consent law advisory; simplifying the contents of a petition for judicial review under the implied consent law; amending Minnesota Statutes 1990, section 169.123, subdivisions 2 and 5c.

Referred to the Committee on Judiciary.

H.F. No. 832: A bill for an act relating to commerce; regulating heavy and utility equipment dealership agreements; providing for returns and repurchases under certain circumstances; providing remedies; amending Minnesota Statutes 1990, section 325E.0681, by adding subdivisions.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 833, now on General Orders.

H.F. No. 1070: A bill for an act relating to agricultural finance; changing certain provisions of the rural finance authority's beginning farmer program; amending Minnesota Statutes 1990, sections 41.55; 41.57, subdivision 3; 41B.03, subdivision 3; 41B.036; and 41B.039, subdivision 2.

Referred to the Committee on Agriculture and Rural Development.

H.F. No. 877: A bill for an act relating to game and fish; authorizing certain disabled permit holders to take deer of either sex; authorizing the

commissioner to establish special seasons for persons with a physical disability to take game with firearms and by archery; amending Minnesota Statutes 1990, section 97B.055, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 97B.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 497, now on General Orders.

H.F. No. 921: A bill for an act relating to education; permitting school district employees to be reimbursed for the costs of defending against criminal charges; amending Minnesota Statutes 1990, section 123.35, by adding a subdivision.

Referred to the Committee on Education.

H.F. No. 459: A bill for an act relating to crimes; providing that a claimant in a forfeiture proceeding does not have to pay a filing fee; providing for appointment of qualified interpreters in forfeiture proceedings; amending Minnesota Statutes 1990, sections 609.5314, subdivisions 2 and 3; 611.31; and 611.32.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 464.

H.F. No. 744: A bill for an act relating to the environment; petrofund; amending Minnesota Statutes 1990, sections 115C.07, subdivision 3; 115C.09, subdivisions 1, 2, 3, 3b, 5, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 103I.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 244: A bill for an act relating to traffic regulations; regulating traffic safety concerning school buses and the safety of school children; providing penalties; amending Minnesota Statutes 1990, sections 169.01, subdivision 6; 169.45; 169.451; 171.07, by adding a subdivision; 171.17; and 171.18; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, sections 169.44; and 169.64, subdivision 7.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 354, now on General Orders.

H.F. No. 287: A bill for an act relating to occupations; granting the attorney general's office access to certain private data; requiring cancellation of school bus driver's endorsement on a driver's license when driver has committed a crime against a minor; requiring background investigations on school bus drivers; requiring certain licensing boards to consider revoking the license or endorsement of a licensee convicted of certain felonies involving a minor; exempting licensing of the board of teaching and the state board of education from certain requirements with respect to the rehabilitation of criminal offenders; amending Minnesota Statutes 1990, sections 125.09, subdivision 4; 214.10, by adding a subdivision; 364.09; and 631.40; proposing coding for new law in Minnesota Statutes, chapter 171.

Referred to the Committee on Education.

H.F. No. 181: A bill for an act relating to the environment; adding reimbursement requirements for the petroleum tank release cleanup account; providing for insurance subrogation rights; amending Minnesota Statutes 1990, sections 115C.04, subdivision 3; 115C.09, subdivision 3; and 115C.10, subdivision 1.



Referred to the Committee on Environment and Natural Resources.

H.F. No. 875: A bill for an act relating to insurance; rental vehicles; increasing property damage liability coverage; amending Minnesota Statutes 1990, section 65B.49, subdivision 5a.

Referred to the Committee on Commerce.

H.F. No. 739: A bill for an act relating to corporations; deleting consideration of the effect of insurance company takeovers on shareholders and creditors; limiting application of fair price provisions to domestic corporations; deleting nexus requirements for application of control share acquisition and business combination statutes; exempting employee stock ownership plans from takeover statutes; modifying limitations on corporate share purchases above market value; amending Minnesota Statutes 1990, sections 60D.02, subdivisions 1, 2, and 4; 60D.06; 60D.08, subdivisions 1 and 2; 60D.11; 60D.12, subdivision 2; 302A.011, subdivisions 38, 39, 49, and by adding subdivisions; and 302A.553, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 302A; repealing Minnesota Statutes 1990, sections 60D.02, subdivision 5; and 80B.06, subdivision 7.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 482, now on General Orders.

H.F. No. 887: A bill for an act relating to game and fish; setting conditions under which a hunter may take two deer; amending Minnesota Statutes 1990, section 97B.301, subdivision 4.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 74: A bill for an act relating to municipal tort liability; specifying liability for injuries caused by beach and swimming pool equipment; amending Minnesota Statutes 1990, section 466.03, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 213.

H.F. No. 870: A bill for an act relating to retirement; public employees retirement fund police and fire consolidation accounts; permitting survivors of account members killed in the line of duty to elect coverage; proposing coding for new law in Minnesota Statutes, chapter 353A.

Referred to the Committee on Governmental Operations.

H.F. No. 932: A bill for an act relating to corrections; extending female offender programs to include juveniles adjudicated delinquent; encouraging counties and agencies to develop and implement female offender programs; amending Minnesota Statutes 1990, sections 241.70; 241.71; 241.72; and 241.73.

Referred to the Committee on Health and Human Services.

## REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 825 and the reports pertaining to appointments. The motion prevailed.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 621: A bill for an act relating to the environment; clarifying and correcting provisions relating to the legislative commission on Minnesota resources and the Minnesota environmental and natural resources trust fund; amending Minnesota Statutes 1990, sections 116P.05; 116P.06; 116P.07; 116P.08, subdivisions 3 and 4; 116P.09, subdivisions 2, 4, 5, and 7; repealing Minnesota Statutes 1990, section 116P.04, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 10, insert:

“Section 1. Minnesota Statutes 1990, section 116P.04, subdivision 5, is amended to read:

Subd. 5. [AUDITS REQUIRED.] ~~(a) The commission shall select a certified public accountant annually to audit the trust fund. The audit must be given to the governor and the legislature and be available to the public.~~

~~(b) The legislative auditor shall audit trust fund expenditures to ensure that the money is spent for the purposes provided in the commission’s budget plan.”~~

Pages 5 and 6, delete section 8

Page 7, line 8, delete “and”

Page 7, line 11, reinstate the stricken language and delete the period

Page 7, line 12, reinstate the stricken “(11) a copy of the most recent”

Page 7, line 13, reinstate the stricken language

Page 7, delete section 10

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after “sections” insert “116P.04, subdivision 5;”

Page 1, line 8, delete “5,” and delete everything after “7” and insert a period

Page 1, delete line 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. 1091: A bill for an act relating to waste; extending the date for incinerator ash to be considered special waste; amending Minnesota Statutes 1990, section 115A.97, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 5, insert:

“Sec. 2. [EFFECTIVE DATE.]

*This act is effective the day following final enactment.”*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 565: A bill for an act relating to civil actions; regulating recovery for economic loss arising from the sales of goods; amending Minnesota Statutes 1990, section 336.2-725; proposing coding for new law in Minnesota Statutes, chapter 604.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete lines 14 to 16 and insert “*property that is damaged is not the goods and the sale is not a sale between parties who are each merchants in goods of the kind.*”

Page 2, line 22, before the period, insert “, *but economic loss that arises from a sale of goods between parties who are each merchants in goods of the kind is not recoverable in tort*”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 1076: A bill for an act relating to transportation; requiring a study and report by the commissioner of transportation on the effect of allowing the use of 110-foot, triple-trailer vehicle combinations; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 1309: A bill for an act relating to agriculture; changing the commercial cannery assessment; amending Minnesota Statutes 1990, section 31.39.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 1152: A bill for an act relating to motor vehicles; authorizing the registrar of motor vehicles to prorate the original registration on groups of passenger motor vehicles presented to St. Paul by a lessor; amending Minnesota Statutes 1990, section 168.017, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 1, after “*St. Paul*” insert “, *or at such other locations as the registrar may designate*”

Page 2, after line 7, insert:

“Sec. 2. [EFFECTIVE DATE.]

*This bill is effective the day following final enactment.”*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

H.F. No. 192: A bill for an act relating to the Duluth transit authority; providing for the transportation of students; repealing Laws 1988, chapter 573, section 2.

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. 239: A bill for an act relating to crime; clarifying the application of felony penalties to the act of intentionally disarming a peace officer; amending Minnesota Statutes 1990, section 609.50, subdivision 2.

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. 128: A bill for an act relating to water; mandating requirements on certain development; amending Minnesota Statutes 1990, section 103B.3363, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 103B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, delete “DETENTION” and insert “RETENTION”

Page 1, line 12, delete “No”

Page 1, line 13, delete “*in the state*” and after “*covers*” insert “*or replaces*” and delete “*and*” and insert “*with*”

Page 1, line 14, delete “*creates a new*” and insert “*an*” and delete “*of land*”

Page 1, line 15, before “*take*” insert “*not*” and delete “*detention*” and insert “*retention*”

Page 1, line 16, delete “*at or from*” and insert “*for*”

Page 1, line 19, delete the first “*or*” and insert “*and*”

Page 2, line 2, delete “*which*” and insert “*that*”

Page 2, line 3, delete “*and mosquito development*”

Page 2, line 4, delete “*vegetated surfaces*” and insert “*surfaces covered with vegetation*”

Page 2, line 7, delete the second “*and*”

Page 2, line 8, before the period, insert “, and reduce mosquito breeding habitat” and delete everything after the period

Page 2, delete lines 9 to 12

Page 2, after line 15, insert:

“Sec. 3. [EFFECTIVE DATE.]

*This act is effective January 1, 1992.*”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

H.F. No. 1182: A bill for an act relating to waters; acceptance of funds or property and acquisition of real property by the state board of water and soil resources; amending Minnesota Statutes 1990, section 103C.401, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, before “In” insert “(a)”

Page 1, line 15, delete “any” and insert “a”

Page 1, line 16, delete everything after the first “or” and insert “grant of land, an interest in land, or”

Page 1, line 17, after “kind” insert a comma

Page 1, line 19, delete everything after “board”

Page 1, line 20, delete everything before the semicolon

Page 3, after line 6, insert:

*“(b) Money received under paragraph (a), clause (1), is appropriated to the state board for the purpose for which it is granted.”*

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

H.F. No. 894: A bill for an act relating to local government; permitting officers to contract for certain services; amending Minnesota Statutes 1990, section 471.88, by adding subdivisions.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, after the period, insert “*The officer may not vote on the question of the contract when it comes before the governing body for consideration.*”

Page 1, line 16, delete everything after “public” and insert a period

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

H.F. No. 578: A bill for an act relating to Dakota county; permitting cities and towns to transfer assessment review duties to the county; 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, line 13, delete "*is permanent and*"

Page 1, line 15, before the period, insert "*and is effective until withdrawn upon similar notice by December 1 for the succeeding year*"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 782: A bill for an act relating to jobs and training; requiring the commissioner of jobs and training to contract for the provision of comprehensive adjustment-to-blindness training services; amending Minnesota Statutes 1990, section 248.07, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, before "*The*" insert "*(a)*"

Page 1, line 14, after "*Services*" insert "*available*" and after "*include*" insert "*, but not be limited to,*"

Page 1, line 20, delete "*fully*" and insert "*, when in the best interests of the client,*"

Page 2, after line 1, insert:

*"(b) This subdivision does not limit the commissioner's authority to enter into contracts or agreements for any service with other qualified agencies or organizations."*

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. 1419: A bill for an act relating to health; requiring home care providers to advise persons receiving home care services of certain rights; amending Minnesota Statutes 1990, section 144A.44, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 864: A bill for an act relating to agriculture; changing certain food licensing fees; amending Minnesota Statutes 1990, section 28A.08.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 23, after "sales" insert "*of only prepackaged nonperishable food*"

Page 1, line 24, delete "\$25,000" and insert "\$15,000"

Page 1, line 25, reinstate the stricken language

Page 2, line 1, delete everything after "year" and insert "*and filing a statement with the commissioner*"

Page 2, line 2, delete "\$25,000" and insert "*under \$15,000 gross sales including food preparation or having \$15,000*"

Page 2, line 4, delete "\$ 75" and insert "\$ 50" and delete "\$ 20" and insert "\$ 15" and delete "\$ 50" and insert "\$ 25"

Page 2, line 7, delete "\$125" and insert "\$100"

Page 2, line 11, delete "\$200" and insert "\$175"

Page 2, line 22, delete "\$600" and insert "\$800"

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. 1284: A bill for an act relating to agriculture; changing the livestock market agency and dealer licensing act; amending Minnesota Statutes 1990, sections 17A.01; 17A.03, subdivisions 1 and 7; 17A.04, subdivision 1; 17A.14; proposing coding for new law in Minnesota Statutes, chapter 17A; repealing Minnesota Statutes 1990, section 17A.15.

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 1990, section 17A.01, is amended to read:

17A.01 [CITATION.]

~~Sections 17A.01 to 17A.15~~ *This chapter may be cited as the Minnesota livestock market agency and dealer licensing act.*

Sec. 2. Minnesota Statutes 1990, section 17A.03, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] As used in ~~sections 17A.01 to 17A.15~~ *this chapter*, the terms defined in this section have the meanings given them.

Sec. 3. Minnesota Statutes 1990, section 17A.03, subdivision 7, is amended to read:

Subd. 7. [LIVESTOCK DEALER.] "Livestock dealer" means any person, including a packing company, engaged in the business of buying or selling livestock for the person's own account or for the account of others.

"Livestock dealer" does not include:

(a) persons licensed under section 28A.04 who are primarily engaged in the sale of meats at retail and persons operating as frozen food processing plants as defined in section 31.185; and

(b) persons engaged in the business of farming, when purchasing livestock for breeding or herd replacement purposes or feeding programs, and when selling the livestock they have owned and raised, fed out or fattened for slaughter in their specific farming program *for a period of at least 15 days; and*

*(c) persons engaged in the business of farming who make an occasional sale when the livestock purchased for a specific program either fail to perform or show noticeable defects pertinent to the program.*

Sec. 4. Minnesota Statutes 1990, section 17A.04, subdivision 1, is amended to read:

Subdivision 1. [LICENSING PROVISIONS.] Licenses shall be issued to livestock market agencies and public stockyards annually and shall expire on December 31 each year, renewable annually thereafter. The license issued to a livestock market agency and public stockyard shall be conspicuously posted at the licensee's place of business. Licenses shall be required for livestock dealers and their agents for the period beginning July 1 each year and ending June 30. The license issued to a livestock dealer or the agent of a livestock dealer shall be carried by the person so licensed. The livestock dealer shall be responsible for the acts of the dealer's agents. Licensed livestock market agencies, public stockyards, and livestock dealers shall be responsible for the faithful performance of duty of the public livestock weighers at their places of business. The license issued to a livestock market agency, public stockyard or livestock dealer or agent of a livestock dealer is not transferable. The operation of livestock market agencies, livestock dealers, agents and packers at a public stockyard are exempt from sections 17A.01 to ~~17A.09~~ 17A.091, and 17A.12 to ~~17A.15~~ 17A.17.

Sec. 5. Minnesota Statutes 1990, section 17A.14, is amended to read:  
17A.14 [PENALTIES.]

*Subdivision 1. [CRIMINAL PENALTIES.] Any person, duly licensed or otherwise, who violates the provisions of sections ~~17A.01 to 17A.15~~ this chapter, for which violation a penalty has not been specifically set out, is guilty of a misdemeanor. Any subsequent violation is a gross misdemeanor.*

*Subd. 2. [ADMINISTRATIVE PENALTIES.] (a) The commissioner may, as an alternative to misdemeanor prosecution, impose an administrative penalty on a person who violates this chapter. For a first violation, the commissioner may impose an administrative penalty of not more than \$1,000 for each violation. For a second or succeeding violation, the commissioner may impose an administrative penalty of not more than \$1,500 for each violation. Each day a violation continues is a separate violation.*

*(b) In determining the amount of the administrative penalty the commissioner may consider:*

- (1) the willfulness of the violation;*
- (2) the gravity of the violation;*
- (3) the person's history of past violations;*
- (4) the number of violations;*



- (5) *the economic benefit from the violation; and*
- (6) *other factors identified in the commissioner's citation.*

*(c) For a second or succeeding violation, the commissioner shall determine the amount of a penalty by considering the factors in paragraph (b) and:*

- (1) similarity between the violations;*
- (2) time elapsed since the last violation; and*
- (3) the person's response to the most recent violation.*

**Sec. 6. [17A.145] [ADMINISTRATIVE PENALTIES AND ENFORCEMENT.]**

*Subdivision 1. [ADMINISTRATIVE PENALTIES; CITATION.] If a person has violated this chapter, the commissioner may issue a written citation to the person by personal service or by certified mail. The citation shall describe the nature of the violation and the provision alleged to have been violated; state the time for correction; and the amount of any proposed fine. The citation must advise the person to notify the commissioner in writing within 30 days if the person wishes to appeal the citation. If the person fails to appeal the citation, the citation is the final order and not subject to further review.*

*Subd. 2. [FAILURE TO CORRECT.] If a person fails to correct a violation within the time prescribed by the commissioner, the commissioner shall notify the person by certified mail of the failure to correct and the penalty amount assessed. The notice must state that the person must notify the commissioner in writing within 30 days if the person wishes to appeal the penalty. If the person fails to appeal the penalty in writing within 30 days of receipt of the notice, the penalty is a final order and not subject to further review.*

*Subd. 3. [CONTESTED CASE.] If a person appeals a citation or a penalty assessment within the time limits in subdivisions 1 and 2, the commissioner, within 40 days after receiving the appeal, shall initiate a contested case proceeding under chapter 14. The report of the administrative law judge is the final decision of the commissioner of agriculture.*

**Sec. 7. [17A.151] [INVESTIGATION.]**

*Subdivision 1. [AUTHORITY.] The commissioner may, upon presenting appropriate credentials, enter and inspect any premises subject to the commissioner's authority under this chapter and all related conditions, structures, machines, apparatus, devices, equipment, and materials during regular working hours and at other reasonable times; question any employer, owner, operator, agent, or employee; and inspect any papers, books, documents, or records; and audit business records. The commissioner may issue notices in lieu of citations for minor violations if a notice is in the public interest.*

*Subd. 2. [FAILURE TO COMPLY.] The commissioner may administer oaths, take and cause to be taken depositions of witnesses, and issue subpoenas, and may petition the district court in the county in which the premises is located to compel compliance with the commissioner's orders and activities under this section.*

**Sec. 8. [REPEALER.]**

*Minnesota Statutes 1990, section 17A.15, is repealed. If S.F. No. 928 is*

*enacted into law, section 5, subdivision 2, and sections 6 and 7 are repealed."*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 771: A bill for an act relating to counties; permitting counties to establish economic development revolving funds; permitting St. Louis county to establish subordinate service districts; removing a St. Louis county purchasing law; amending Minnesota Statutes 1990, sections 375B.03; 471.562, subdivision 3; and 471.563; repealing Minnesota Statutes 1990, sections 383C.33 to 383C.34.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 275: A bill for an act relating to motor vehicles; exempting from commercial vehicle inspection requirements and hazardous material driver's license endorsement requirements, pickup trucks carrying certain quantities of petroleum products or liquid fertilizer; reducing the minimum size of fleets of commercial vehicles permitted to conduct self-inspections; providing for the issuance of commercial vehicle inspection decals to vehicles manufactured before January 1, 1976; limiting the authority of agents of the commissioner of transportation to inspect vehicles; delaying effective date of requirement that all commercial vehicles bear a commercial vehicle inspection decal; amending Minnesota Statutes 1990, sections 169.781, subdivisions 1, 3, and 5; and 171.02, by adding a subdivision; Laws 1990, chapter 563, section 11; proposing coding for new law in Minnesota Statutes, chapter 174.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 169.781, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of sections 169.781 to 169.783:

(a) "Commercial motor vehicle" means:

(1) a commercial motor vehicle as defined in section 169.01, subdivision 75, paragraph (a); and

(2) each vehicle in a combination drawn by a commercial motor vehicle of more than 26,000 pounds.

"Commercial motor vehicle" does not include (1) a school bus displaying a certificate under section 169.451, or (2) a bus operated by the metropolitan transit commission created in section 473.404 or by a local transit commission created in chapter 458A, or (3) a motor vehicle with a gross weight of not more than 26,000 pounds, carrying in bulk tanks a total of not more

than 200 gallons of petroleum products and liquid fertilizer.

(b) "Commissioner" means the commissioner of public safety.

(c) "Owner" means a person who owns, or has control, under a lease of more than 30 days' duration, of one or more commercial motor vehicles.

(d) "Storage trailer" means a trailer that (1) is used exclusively to store property at a location not on a street or highway, (2) does not contain any load when moved on a street or highway, (3) is operated only during daylight hours, and (4) is marked on each side of the trailer "storage only" in letters at least six inches high.

Sec. 2. Minnesota Statutes 1990, section 169.781, subdivision 2, is amended to read:

Subd. 2. [INSPECTION REQUIRED.] It is unlawful for a person to operate or permit the operation of a commercial motor vehicle registered in Minnesota unless the vehicle displays a valid safety inspection decal issued by an inspector certified by the commissioner, *or the vehicle carries (1) proof that the vehicle complies with federal motor vehicle inspection requirements for vehicles in interstate commerce, and (2) a certificate of compliance with federal requirements issued by the commissioner under subdivision 9.*

Sec. 3. Minnesota Statutes 1990, section 169.781, subdivision 3, is amended to read:

Subd. 3. [WHO MAY INSPECT.] (a) An inspection required by this section may be performed only by:

(1) an employee of the department of public safety or transportation who has been certified by the commissioner after having received training provided by the state patrol; or

(2) another person who has been certified by the commissioner after having received training provided by the state patrol *or other training approved by the commissioner.*

(b) A person who is not an employee of the department of public safety or transportation may be certified by the commissioner if the person is: (1) an owner, or employee of the owner, of ~~five~~ *one* or more commercial motor vehicles that are power units; (2) a dealer licensed under section 168.27 and engaged in the business of buying and selling commercial motor vehicles, or an employee of the dealer; or (3) engaged primarily in the business of repairing and servicing commercial motor vehicles. Certification of persons described in clauses (1) to (3) is effective for ~~one year~~ *two years* from the date of certification. The commissioner may require ~~annual~~ *biennial* retraining of persons holding a certificate under this paragraph as a condition of renewal of the certificate. *The commissioner may charge a fee of not more than \$10 for each certificate issued and renewed.* A certified person described in clauses (1) to (3) may charge a fee of not more than \$50 for each inspection of a vehicle not owned by the person or the person's employer.

(c) *Except as otherwise provided in section 5, the standards adopted by the commissioner for commercial motor vehicle inspections under sections 169.781 to 169.783 shall be the standards prescribed in 49 Code of Federal Regulations, section 396.17, and in chapter III, subchapter B, appendix G.* The commissioner may classify types of vehicles for inspection purposes and may ~~adopt separate inspection procedures and~~ issue separate classes of

inspector certificates for each class.

(d) The commissioner, after notice and an opportunity for a hearing, may suspend a certificate issued under paragraph (b) for failure to meet annual certification requirements prescribed by the commissioner or failure to inspect commercial motor vehicles in accordance with inspection procedures established by the state patrol. The commissioner shall revoke a certificate issued under paragraph (b) if the commissioner determines after notice and an opportunity for a hearing that the certified person issued an inspection decal for a commercial motor vehicle when the person knew or reasonably should have known that the vehicle was in such a state of repair that it would have been declared out of service if inspected by an employee of the state patrol. Suspension and revocation of certificates under this subdivision are not subject to sections 14.57 to 14.69.

Sec. 4. Minnesota Statutes 1990, section 169.781, subdivision 4, is amended to read:

Subd. 4. [INSPECTION REPORTS.] (a) A person performing an inspection under this section shall issue an inspection report to the owner of the commercial motor vehicle inspected. The report must include:

(1) the full name of the person performing the inspection, and the person's inspector certification number;

(2) the name of the owner of the vehicle and, if applicable, the United States Department of Transportation carrier number issued to the owner of the vehicle, or to the operator of the vehicle if other than the owner;

(3) the vehicle identification number and, if applicable, the license plate number of the vehicle;

(4) the date and location of the inspection;

(5) the vehicle components inspected and a description of the findings of the inspection, including identification of the components not in compliance with federal motor carrier safety regulations; and

(6) the inspector's certification that the inspection was complete, accurate, and in compliance with the requirements of this section.

(b) The owner must retain a copy of the inspection report for at least ~~one year~~ 14 months at a location in the state where the vehicle is domiciled or maintained. During this period the report must be available for inspection by an authorized federal, state, or local official.

(c) The commissioner shall prescribe the form of the inspection report and revise it as necessary to comply with state and federal law and regulations. The adoption of the report form is not subject to the administrative procedure act.

Sec. 5. Minnesota Statutes 1990, section 169.781, subdivision 5, is amended to read:

Subd. 5. [INSPECTION DECALS.] (a) A person inspecting a commercial motor vehicle shall issue an inspection decal for the vehicle if each inspected component of the vehicle complies with federal motor carrier safety regulations. The decal must state that in the month specified on the decal the vehicle was inspected and each inspected component complied with federal motor carrier safety regulations. The decal is valid for 12 months after the month specified on the decal. The commissioners of public safety and

transportation shall make decals available, at a fee of not more than \$2 for each decal, to persons certified to perform inspections under subdivision 3, paragraph (b).

(b) Minnesota inspection decals may be affixed only to commercial motor vehicles bearing Minnesota-based license plates.

*(c) Notwithstanding paragraph (a), a person inspecting (1) a vehicle of less than 57,000 pounds gross vehicle weight and registered as a farm truck, or (2) a storage trailer, must issue an inspection decal to the vehicle unless the vehicle has one or more defects that would result in the vehicle being declared out of service under the North American Uniform Driver, Vehicle, and Hazardous Materials Out-of-Service Criteria issued by the Federal Highway Administration and the commercial motor vehicle safety alliance. A decal issued to a vehicle described in clauses (1) and (2) is valid for two years from the date of issuance. A decal issued to such a vehicle must clearly indicate that it is valid for two years from the date of issuance.*

Sec. 6. Minnesota Statutes 1990, section 169.781, is amended by adding a subdivision to read:

*Subd. 9. [PROOF OF FEDERAL INSPECTION.] An owner of a commercial motor vehicle that is subject to and in compliance with federal motor vehicle inspection requirements for vehicle of interstate commerce may apply to the commissioner for a certificate of compliance with federal requirements. On payment of a fee equal to the fee for an inspection decal under subdivision 5, paragraph (a), the commissioner shall issue the certificate to the applicant.*

Sec. 7. Minnesota Statutes 1990, section 169.783, subdivision 1, is amended to read:

*Subdivision 1. [POSTCRASH INSPECTION.] A peace officer responding to an accident involving a commercial motor vehicle must immediately notify the state patrol if the accident results in death, personal injury, or property damage to an apparent extent of more than ~~\$4,500~~ \$4,400. It is a misdemeanor for a person to drive or cause to be driven a commercial motor vehicle after such an accident unless the vehicle: (1) has been inspected by a state trooper or other person authorized to conduct inspections under section 169.781, subdivision 3, paragraph (a), who is an employee of the department of public safety or transportation, and the person inspecting the vehicle has determined that the vehicle may safely be operated; or (2) a waiver has been granted under subdivision 2.*

Sec. 8. Minnesota Statutes 1990, section 171.02, is amended by adding a subdivision to read:

*Subd. 2a. [HAZARDOUS MATERIALS; EXCEPTION.] Notwithstanding subdivision 2, a hazardous materials endorsement is not required to operate a motor vehicle with a gross weight of not more than 26,000 pounds, carrying in bulk tanks a total of not more than 200 gallons of petroleum products and liquid fertilizer.*

Sec. 9. Laws 1990, chapter 563, section 11, is amended to read:

Sec. 11. [EFFECTIVE DATE.]

(a) Section 1, subdivisions 1 and 3 to 8, and sections 2 to 10 are effective July 1, 1990.

(b) *Except as provided in paragraph (c), section 1, subdivision 2, is*

effective ~~April~~ July 1, 1991.

*(c) Section 1, subdivision 2, is effective April 1, 1992, for any registered farm truck with a registered gross weight of not more than 57,000 pounds while being operated within a radius of 75 miles of the home post office of the owner.*

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 motor vehicles; exempting from commercial vehicle inspection requirements and hazardous material driver's license endorsement requirements, pickup trucks carrying certain quantities of petroleum products or liquid fertilizer; reducing the minimum size of fleets of commercial vehicles permitted to conduct self-inspections; specifying the commercial vehicle inspection standards to be adopted by the commissioner of public safety; providing that certain vehicles may be issued certificates by complying with out-of-service criteria, and that such certificates are valid for two years; providing certain proof of federal inspection in lieu of state inspection decal requirements; changing the period of time for which inspection records must be retained; lowering the property damage level of accidents subject to postcrash vehicle inspections; delaying effective date of requirement that all commercial vehicles bear a commercial vehicle inspection decal; amending Minnesota Statutes 1990, sections 169.781, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision; 169.783, subdivision 1; 171.02, by adding a subdivision; and Laws 1990, chapter 563, section 11."

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. 1120: A bill for an act relating to the secretary of state; changing certain fees, deadlines, and procedures; providing for supplemental filing and information services; providing for removal of documents from the public record; clarifying certain language; amending Minnesota Statutes 1990, sections 5.03; 5.16, subdivision 5; 302A.821, subdivisions 3, 4, and 5; 303.07, subdivision 2; 303.08; 303.13, subdivision 1; 303.17, subdivision 1; 308A.131, subdivision 1; 308A.801, subdivision 6; 317A.821, subdivision 2; 317A.823; 317A.827, subdivision 1; and 331A.02, subdivision 1; Laws 1989, chapter 236, section 12; proposing coding for new law in Minnesota Statutes, chapter 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 20, after the period, insert "*This subdivision does not apply to financing statements filed under chapter 336.*"

Page 3, after line 18, insert:

"Sec. 4. [5.24] [SUPPLEMENTAL FILING AND INFORMATION SERVICES.]

*(a) The secretary of state may offer services to the public that supplement filing and information services already authorized by law. The secretary of*

*state may discontinue the supplemental services at any time. The services must be designed to provide the public with a benefit by improving the manner of providing, or by providing an alternative manner of payment for, existing services provided by the secretary of state.*

*(b) The cost of providing the supplemental services to the public, as determined by the secretary of state, must be recovered from the recipients of the services. The funds collected for the services must be deposited in the uniform commercial code account and are continuously available to the secretary of state for payment of the cost of providing the supplemental services."*

Page 4, line 8, strike "registrations" and insert "registration"

Page 10, line 25, strike "registrations" and insert "registration"

Pages 12 and 13, delete section 17

Page 13, line 4, delete "4," and delete "11, 13, 14, and 15" and insert "7, 12, 14, 15, and 16"

Page 13, line 5, after the period, insert "Section 4 is effective July 1, 1991."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 13, delete everything after "1;"

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. 213: A bill for an act relating to municipal tort liability; specifying liability for injuries caused by beach and swimming pool equipment; amending Minnesota Statutes 1990, section 466.03, by adding a subdivision.

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 1990, section 466.03, is amended by adding a subdivision to read:

*Subd. 6f. [BEACH OR POOL EQUIPMENT.] (a) Subject to paragraphs (b) and (c), any claim based upon an injury arising out of the use by any person of a diving board, diving platform, diving raft, water slide, nonwater slide, or dock installed at a beach or swimming pool owned, leased, or operated by a municipality other than a school district, if the injury occurred when the beach or swimming pool was closed as indicated by a sign posted at the beach or pool.*

*(b) A municipality has a duty to use reasonable care to warn trespassers of any danger or risk involved with the use of beach or pool equipment described in paragraph (a) if the municipality:*

*(1) knows or has reason to know that trespassers regularly use certain portions of the beach or pool equipment;*

*(2) installs, operates, or maintains the equipment in a way known as*

*likely to cause death or serious bodily harm; and*

*(3) has reason to believe trespassers would not discover the risks involved in the use of the equipment.*

*The requirements of this paragraph do not apply if a trespasser knows or has reason to know of the condition of the equipment and the risk involved in its use.*

*(c) Nothing in this subdivision limits the liability of a municipality for conduct that would entitle trespassing children to damages against a private person.”*

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. 193: A bill for an act relating to courts; allowing counties with chambered judges to retain the judicial position; recognizing adequate access to the courts as a factor in determining whether a judicial position should remain or be abolished or transferred; amending Minnesota Statutes 1990, section 2.722, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 11 and 12, delete the new language

Page 1, line 13, strike “, county, or county municipal”

Page 1, line 19, before the period, insert “. *In determining whether the position is necessary for adequate access to the courts, the supreme court shall consider whether abolition or transfer of the position would result in a county having no chambered judge*”

Page 1, line 26, delete the new language

Page 2, line 1, delete the new language

Page 2, line 10, after the period, insert “*In determining whether the position is necessary for adequate access to the courts, the supreme court shall consider whether abolition or transfer of the position would result in a county having no chambered judge.*”

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete everything before “recognizing”

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. 400: A bill for an act relating to peace officers; requiring law enforcement agencies to adopt written policies governing the use of deadly force; requiring initial and continuing peace officer training on deadly force and the use of firearms; proposing coding for new law in Minnesota Statutes, chapter 626.

Reports the same back with the recommendation that the bill be amended



as follows:

Page 1, after line 8, insert:

“Section 1. Minnesota Statutes 1990, section 626.553, subdivision 2, is amended to read:

Subd. 2. Whenever a peace officer discharges a firearm in the course of duty, other than for training purposes or the killing of an animal that is sick, injured, or dangerous, notification shall be filed within 30 days of the incident by the officer's department head with the commissioner of public safety. *The commissioner of public safety shall forward a copy of the filing to the board of peace officer standards and training.* The notification shall contain information concerning the reason for and circumstances surrounding discharge of the firearm. The commissioner of public safety shall file a report with the legislature by November 15 of each even-numbered year containing summary information concerning use of firearms by peace officers.”

Page 1, line 13, after “of” insert “force, including”

Page 1, line 21, after the first “of” insert “force,” and after “force” insert a comma

Page 2, line 1, delete “on the use of deadly force” and insert “required in subdivision 1”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert “requiring reports on the discharge of firearms by peace officers to be sent to the board of peace officer standards and training;”

Page 1, line 6, after the semicolon, insert “amending Minnesota Statutes 1990, section 626.553, subdivision 2;”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

H.F. No. 808: A bill for an act relating to child care; permitting variances from certain staffing requirements for parent cooperative programs; amending Minnesota Statutes 1990, sections 245A.02, by adding a subdivision; and 245A.14, subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 36, insert:

“Sec. 3. Minnesota Statutes 1990, 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 issue correction orders and recommend 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.

(c) *For family day care programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.*"

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "authorizing biennial licensing reviews for family day care;"

Page 1, line 5, delete "and"

Page 1, line 6, after "6" insert "; and 245A.16, subdivision 1"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

H.F. No. 671: A bill for an act relating to human services; child care providers; allowing an extension for installing interior vertical access in child care facilities in churches; amending Minnesota Statutes 1990, section 16B.61, subdivision 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

H.F. No. 90: A bill for an act relating to health; requiring geographic representation on the board of medical examiners; amending Minnesota Statutes 1990, section 147.01, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

H.F. No. 36: A bill for an act relating to occupations and professions; changing requirements for reciprocal licensing of physicians from other states and foreign medical school graduates; authorizing physicians to cancel licenses in good standing; requiring the cancellation of physicians' licenses for nonrenewal; changing licensing requirements for midwifery; changing the name of the board of medical examiners; amending Minnesota Statutes 1990, sections 147.03; 147.037, subdivision 1; and 148.31; proposing coding for new law in Minnesota Statutes, chapter 147.

Reports the same back with the recommendation that the bill do pass.

Report adopted.

Mr. Novak from the Committee on Energy and Public Utilities, to which was referred

H.F. No. 282: A bill for an act relating to public utilities; exempting from prior rate regulation gas utilities that have 650 or fewer customers in any one municipality and a total of 2,000 or fewer customers; amending Minnesota Statutes 1990, section 216B.16, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 19, after the period, insert "*However, the commission shall require the utility to adopt the commission's policies and procedures governing disconnection during cold weather. The utility shall annually submit a copy of its municipally approved rates to the commission.*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Novak from the Committee on Energy and Public Utilities, to which was referred

H.F. No. 910: A bill for an act relating to energy; requiring low-income housing to be built according to energy efficiency standards; amending Minnesota Statutes 1990, section 16B.61, by adding a subdivision.

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. 365: A bill for an act relating to courts; providing that the sheriff shall not charge for certain duties performed; amending Minnesota Statutes 1990, section 563.01, subdivision 4.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 914 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.
914	844				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 914 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 914 and insert the language after the enacting clause of S.F. No. 844, the first engrossment; further, delete the title of H.F. No. 914 and insert the title of S.F. No. 844, the first engrossment.

And when so amended H.F. No. 914 will be identical to S.F. No. 844, and further recommends that H.F. No. 914 be given its second reading and substituted for S.F. No. 844, 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. 1035 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.
1035	1030				

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. 1179 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.
1179	1124				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1179 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1179 and insert the language after the enacting clause of S.F. No. 1124, the first engrossment; further, delete the title of H.F. No. 1179 and insert the title of S.F. No. 1124, the first engrossment.

And when so amended H.F. No. 1179 will be identical to S.F. No. 1124, and further recommends that H.F. No. 1179 be given its second reading and substituted for S.F. No. 1124, 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. 1455 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1455	1330				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1455 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1455 and insert the language after the enacting clause of S.F. No. 1330, the first engrossment; further, delete the title of H.F. No. 1455 and insert the title of S.F. No. 1330, the first engrossment.

And when so amended H.F. No. 1455 will be identical to S.F. No. 1330, and further recommends that H.F. No. 1455 be given its second reading and substituted for S.F. No. 1330, 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. 299 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
299	377				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 299 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 299 and insert the language after the enacting clause of S.F. No. 377, the first engrossment; further, delete the title of H.F. No. 299 and insert the title of S.F. No. 377, the first engrossment.

And when so amended H.F. No. 299 will be identical to S.F. No. 377, and further recommends that H.F. No. 299 be given its second reading and substituted for S.F. No. 377, 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. 954 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.
954			679		

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. 1017 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.
1017			664		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1017 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1017 and insert the language after the enacting clause of S.F. No. 664, the first engrossment; further, delete the title of H.F. No. 1017 and insert the title of S.F. No. 664, the first engrossment.

And when so amended H.F. No. 1017 will be identical to S.F. No. 664, and further recommends that H.F. No. 1017 be given its second reading and substituted for S.F. No. 664, 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. 173 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.
173			447		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 173 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 173 and insert the language after the enacting clause of S.F. No. 447, the first engrossment; further, delete the title of H.F. No. 173 and insert the title of S.F. No. 447, the first engrossment.

And when so amended H.F. No. 173 will be identical to S.F. No. 447, and further recommends that H.F. No. 173 be given its second reading and substituted for S.F. No. 447, 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. 1509 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1509	1265				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1509 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1509 and insert the language after the enacting clause of S.F. No. 1265, the first engrossment; further, delete the title of H.F. No. 1509 and insert the title of S.F. No. 1265, the first engrossment.

And when so amended H.F. No. 1509 will be identical to S.F. No. 1265, and further recommends that H.F. No. 1509 be given its second reading and substituted for S.F. No. 1265, 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. 579 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
579	708				

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. 708, the first engrossment; further, delete the title of H.F. No. 579 and insert the title of S.F. No. 708, the first engrossment.

And when so amended H.F. No. 579 will be identical to S.F. No. 708, and further recommends that H.F. No. 579 be given its second reading and substituted for S.F. No. 708, 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. 248 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.
248			219		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 248 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 248 and insert the language after the enacting clause of S.F. No. 219, the first engrossment; further, delete the title of H.F. No. 248 and insert the title of S.F. No. 219, the first engrossment.

And when so amended H.F. No. 248 will be identical to S.F. No. 219, and further recommends that H.F. No. 248 be given its second reading and substituted for S.F. No. 219, 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. 121 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.
121			553		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 121 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 121 and insert the language after the enacting clause of S.F. No. 553, the first



engrossment; further, delete the title of H.F. No. 121 and insert the title of S.F. No. 553, the first engrossment.

And when so amended H.F. No. 121 will be identical to S.F. No. 553, and further recommends that H.F. No. 121 be given its second reading and substituted for S.F. No. 553, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Metropolitan Affairs, to which was referred the following appointment as reported in the Journal for February 4, 1991:

**METROPOLITAN COUNCIL  
CHAIR**

Mary Anderson

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Frank from the Committee on Metropolitan Affairs, to which were referred the following appointments as reported in the Journal for January 14, 1991:

**REGIONAL TRANSIT BOARD  
CHAIR**

Michael Ehrlichmann

**REGIONAL TRANSIT BOARD**

Doris Caranicas  
Terrance O'Toole  
John Finley  
Richard Wedell  
Sandra Hilary

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. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1204: A bill for an act relating to economic development; providing a preference for certain areas for grants-in-aid for recreational betterment; amending Minnesota Statutes 1990, section 116J.406, 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 1990, section 116J.980, is amended by adding a subdivision to read:

*Subd. 4. [PREFERENCE FOR OUTDOOR RECREATION GRANTS.] In awarding grants under the outdoor recreation grant program, the commissioner shall give special consideration to proposed outdoor recreation projects for which particular need has been demonstrated by the applicant based on, but not limited to, the following factors:*

*(1) low to moderate income status of persons living adjacent to or most likely to make use of the proposed facility;*

*(2) lack of adequate transportation or access to existing outdoor recreation facilities by those most likely to use the proposed facility;*

*(3) the need for outdoor recreation facilities designed to accommodate handicapped persons and other special populations that would be met by the proposed facility;*

*(4) the overall inadequacy or lack of outdoor recreation facilities within the area to be served by the proposed project;*

*(5) the need for acquisition of land in fully developed areas with limited opportunities for recreation facility development; and*

*(6) a high population of school-aged children in the area to be served by the proposed outdoor recreation facility and a lack of appropriate recreation facilities for children.*

*The commissioner shall incorporate into the annual project ranking process a procedure for awarding additional ranking points to those project applications which demonstrate a special need based on the above or similar factors.”*

Delete the title and insert:

“A bill for an act relating to economic development; providing a preference for outdoor recreation grants; amending Minnesota Statutes 1990, section 116J.980, by adding a subdivision.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1286: A bill for an act relating to public buildings; requiring that legislative hearing rooms and the house and senate chambers be fitted with devices to aid the hearing-impaired; appropriating money; amending Minnesota Statutes 1990, section 16B.61, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, delete “*which*” and insert “*that*”

Page 1, lines 15 and 17, delete “*shall*” and insert “*must*”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 900: A bill for an act relating to retirement; eliminating the additional employer contribution to the teachers retirement association on behalf of employees participating in the individual retirement account plan; amending Minnesota Statutes 1990, section 354B.04, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 17, insert:

“Sec. 2. [TRANSFER.]

*Notwithstanding Minnesota Statutes, section 354B.03, subdivision 3, or any other provision of law to the contrary, a person who is an employee of the state university board on the effective date of this section who was employed by the state university board before 1964, and who elected to transfer retirement coverage from the teachers retirement association to the individual retirement account plan created in Minnesota Statutes, chapter 354B, may revoke that transfer prospectively and have future service credited by the teachers retirement association. A revocation must be made in a manner prescribed by the executive director of the teachers retirement association and must be made within 60 days of the effective date of this section. The election is effective only for future service and does not permit transfer to the teachers retirement association of any contributions made to the individual retirement account plan.”*

Page 1, line 20, after the period, insert “*Section 2 is effective the day following final enactment.*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert “*permitting certain employees of the state university board to withdraw from the individual retirement account plan;*”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1245: A bill for an act relating to charitable organizations; changing distribution requirements for charitable organizations; amending Minnesota Statutes 1990, section 309.501, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete line 23 and insert “~~collected~~ *campaign* income and revenue to the designated”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 195: A bill for an act relating to drivers' licenses; clarifying procedure for review of driver's license revocation or disqualification under implied consent law; defining farm truck for purposes of driver's license classifications; restricting exemption for drivers of certain federal vehicles from requirement to possess commercial driver's license; clarifying offenses for which driver may be disqualified from holding commercial driver's license; amending Minnesota Statutes 1990, sections 169.123, subdivision 5c; 171.01, by adding a subdivision; 171.02, subdivision 2; 171.03; and 171.165, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 169.01, subdivision 75, is amended to read:

Subd. 75. [COMMERCIAL MOTOR VEHICLE.] (a) "Commercial motor vehicle" means a motor vehicle or combination of motor vehicles used to transport passengers or property if the motor vehicle:

(1) has a gross vehicle weight of ~~26,001 or~~ more than 26,000 pounds;

(2) has a towed unit with a gross vehicle weight of more than 10,000 pounds *and the combination of vehicles has a combined gross vehicle weight of more than 26,000 pounds;*

(3) is a bus;

(4) is of any size and is used in the transportation of hazardous materials ~~defined in section 221.033~~, *except for those vehicles having a gross vehicle weight of 26,000 pounds or less and carrying in bulk tanks not more than 450 liters of petroleum products or liquid fertilizer; or*

(5) is outwardly equipped and identified as a school bus, except for school buses defined in section 169.44, subdivision 15.

(b) For purposes of sections 169.1211, 169.1215, and 169.123, subdivisions 2 and 4, a commercial motor vehicle does not include a farm truck, firefighting equipment, or recreational equipment being operated by a person within the scope of section 171.02, subdivision 2, paragraph (a).

Sec. 2. Minnesota Statutes 1990, section 169.01, is amended by adding a subdivision to read:

*Subd. 76. [HAZARDOUS MATERIALS.] "Hazardous materials" means those materials found to be hazardous for the purposes of the federal Hazardous Materials Transportation Act and that require the motor vehicle to be placarded under Code of Federal Regulations, title 49, part 172, subpart F.*

Sec. 3. Minnesota Statutes 1990, section 169.121, subdivision 8, is amended to read:

Subd. 8. [ALCOHOL CHEMICAL USE ASSESSMENT.] When the evidentiary test shows an alcohol concentration of 0.07 or more, that result shall be reported to the commissioner of public safety. The commissioner shall record that fact on the driver's record. When the driver's record shows

a second or subsequent report of an alcohol concentration of 0.07 or more within two years of a recorded report, the commissioner may require that the driver have ~~an alcohol problem~~ a *chemical use* assessment ~~meeting which meets~~ the commissioner's requirements. The assessment shall be at the driver's expense. In no event shall the commissioner deny the license of a person who refuses to take the assessment or to undertake treatment, if treatment is indicated by the assessment, for longer than 90 days. If an assessment is made pursuant to this section, the commissioner may waive the assessment required by section 169.126.

Sec. 4. Minnesota Statutes 1990, section 169.123, subdivision 5c, is amended to read:

Subd. 5c. [PETITION FOR JUDICIAL REVIEW.] Within 30 days following receipt of a notice and order of revocation or disqualification pursuant to this section, a person may petition the court for review; ~~unless the person is entitled to review under section 171.166.~~ The petition shall be filed with the district court administrator in the county where the alleged offense occurred, together with proof of service of a copy on the commissioner of public safety, and accompanied by the standard filing fee for civil actions. No responsive pleading shall be required of the commissioner of public safety, and no court fees shall be charged for the appearance of the commissioner of public safety in the matter.

The petition shall be captioned in the full name of the person making the petition as petitioner and the commissioner of public safety as respondent. The petition must include the petitioner's date of birth, driver's license number, and date of the offense. The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order of revocation, disqualification, or denial and state the facts underlying each claim asserted.

The filing of the petition shall not stay the revocation, disqualification, or denial. The reviewing court may order a stay of the balance of the revocation or disqualification if the hearing has not been conducted within 60 days after filing of the petition upon terms the court deems proper. Judicial reviews shall be conducted according to the rules of civil procedure.

Sec. 5. Minnesota Statutes 1990, section 169.123, subdivision 8, is amended to read:

Subd. 8. [NOTICE OF ACTION TO OTHER STATES.] ~~When it has been finally determined that~~ a nonresident's privilege to operate a motor vehicle in this state has been revoked or denied, the commissioner of public safety shall give information in writing of the action taken to the official in charge of traffic control or public safety of the state of the person's residence and of any state in which the person has a license.

Sec. 6. Minnesota Statutes 1990, section 171.01, subdivision 22, is amended to read:

Subd. 22. [COMMERCIAL MOTOR VEHICLE.] "Commercial motor vehicle" means a motor vehicle or combination of motor vehicles used to transport passengers or property if the motor vehicle:

- (1) has a gross vehicle weight of ~~26,001~~ or more than 26,000 pounds;
- (2) has a towed unit with a gross vehicle weight of more than 10,000 pounds *and the combination of vehicles has a combined gross vehicle weight of more than 26,000 pounds;*

(3) is a bus;

(4) is of any size and is used in the transportation of hazardous materials ~~defined in section 221.033~~, *except for those vehicles having a gross vehicle weight of 26,000 pounds or less and carrying in bulk tanks not more than 450 liters of petroleum products or liquid fertilizer; or*

(5) is outwardly equipped and identified as a school bus, except for school buses defined in section 169.44, subdivision 15.

Sec. 7. Minnesota Statutes 1990, section 171.01, is amended by adding a subdivision to read:

*Subd. 24. [FARM TRUCK.] For purposes of this chapter only, "farm truck" means a single-unit truck, including a pickup truck as defined in section 168.011; truck-tractor; tractor; semitrailer; or trailer, used by its owner:*

*(1) to transport from the farm to the market agricultural, horticultural, dairy, or other farm products, including livestock, produced or finished by the owner of the farm truck;*

*(2) to transport the owner's other personal property from the farm to market; or*

*(3) to transport property and supplies to the farm of the owner.*

Sec. 8. Minnesota Statutes 1990, section 171.01, is amended by adding a subdivision to read:

*Subd. 25. [HAZARDOUS MATERIALS.] "Hazardous materials" means those materials found to be hazardous for the purposes of the federal Hazardous Materials Transportation Act and that require the motor vehicle to be placarded under Code of Federal Regulations, title 49, part 172, subpart F.*

Sec. 9. Minnesota Statutes 1990, section 171.02, subdivision 1, is amended to read:

Subdivision 1. No person, except those hereinafter expressly exempted, shall drive any motor vehicle upon any street or highway in this state unless such person has a license valid under the provisions of this chapter for the type or class of vehicle being driven. No person shall receive a driver's license unless and until the person surrenders to the department all valid driver's licenses in possession issued to the person by any other jurisdiction. All surrendered licenses shall be returned by the department to the issuing department together with information that licensee is now licensed in new jurisdiction. No person shall be permitted to have more than one valid driver's license at any time. No person may receive a driver's license, other than an instruction permit or a *limited license*, unless the person surrenders to the department any Minnesota identification card issued to the person under section 171.07, subdivision 3.

Sec. 10. Minnesota Statutes 1990, section 171.02, subdivision 2, is amended to read:

*Subd. 2. [DRIVER'S LICENSE CLASSIFICATIONS, ENDORSEMENTS, EXEMPTIONS.] Drivers' licenses shall be classified according to the types of vehicles which may be driven by the holder of each type or class of license. The commissioner may, as appropriate, subdivide the classes listed in this subdivision and issue licenses classified accordingly. No class*

of license shall be valid to operate a motorcycle, school bus, tank vehicle, double-trailer or triple-trailer combination, vehicle transporting hazardous materials, or bus, unless so endorsed. There shall be four general classes of licenses as follows:

(a) Class C; valid for:

(1) all farm trucks as defined in section 168.011, subdivision 17, operated by (i) the owner, (ii) an immediate family member of the owner, (iii) an employee of the owner not primarily employed to operate the farm truck, within 150 miles of the farm, or (iv) an employee of the owner employed during harvest to operate the farm truck for the first, continuous transportation of agricultural products from the production site or on-farm storage site to any other location within 50 miles of that site;

(2) fire trucks and emergency fire equipment, whether or not in excess of 26,000 pounds gross vehicle weight, operated by a firefighter while on duty, or a tiller operator employed by a fire department who drives the rear portion of a midmount aerial ladder truck;

(3) recreational equipment as defined in section 168.011, subdivision 25, that is operated for personal use; and

(4) all single unit vehicles except vehicles with a gross vehicle weight of ~~26,001~~ or more than 26,000 pounds, vehicles designed to carry more than 15 passengers including the driver, and vehicles that carry hazardous materials.

The holder of a class C license may also tow vehicles ~~under 10,000 pounds~~ if the combination of vehicles has a gross vehicle weight of 26,000 pounds or less.

(b) Class CC; valid for:

(1) operating class C vehicles;

(2) with a hazardous materials endorsement, transporting hazardous materials in class C vehicles; and

(3) with a school bus endorsement, operating school buses designed to transport 15 or fewer passengers, including the driver.

(c) Class B; valid for all vehicles in class C, class CC, and all other single unit vehicles including, with a passenger endorsement, buses.

(d) Class A; valid for any vehicle or combination thereof.

Sec. 11. Minnesota Statutes 1990, section 171.03, is amended to read:

171.03 [PERSONS EXEMPT.]

The following persons are exempt from license hereunder:

(1) ~~any~~ a person in the employ or service of the United States federal government while driving or operating a motor vehicle owned by or leased to the United States federal government, *except that only a noncivilian operator of a commercial motor vehicle owned or leased by the United States Department of Defense or the Minnesota national guard is exempt from the requirement to possess a valid commercial motor vehicle driver's license;*

(2) any person while driving or operating any farm tractor, or implement of husbandry temporarily operated or moved on a highway, and for purposes of this section an all-terrain vehicle, as defined in section 84.92, subdivision

8, is not an implement of husbandry;

(3) a nonresident who is at least 15 years of age and who has in immediate possession a valid driver's license issued to the nonresident in the home state or country may operate a motor vehicle in this state only as a driver;

(4) a nonresident who has in immediate possession a valid commercial driver's license issued by a state in compliance with the Commercial Motor Vehicle Safety Act of 1986, United States Code, title 49, sections 521, 2304, and 2701 to 2716, and who is operating in Minnesota the class of commercial motor vehicle authorized by the issuing state;

(5) any nonresident who is at least 18 years of age, whose home state or country does not require the licensing of drivers may operate a motor vehicle as a driver, only for a period of not more than 90 days in any calendar year if the motor vehicle so operated is duly registered for the current calendar year in the home state or country of such nonresident;

(6) any person who becomes a resident of the state of Minnesota and who has in possession a valid driver's license issued to the person under and pursuant to the laws of some other state or province or by military authorities of the United States may operate a motor vehicle as a driver, only for a period of not more than 60 days after becoming a resident of this state without being required to have a Minnesota driver's license as provided in this chapter;

(7) any person who becomes a resident of the state of Minnesota and who has in possession a valid commercial driver's license issued by another state in compliance with the Commercial Motor Vehicle Safety Act of 1986, United States Code, title 49, sections 521, 2304, and 2701 to 2716, for not more than 30 days after becoming a resident of this state; and

(8) any person operating a snowmobile, as defined in section 84.81.

Sec. 12. Minnesota Statutes 1990, section 171.07, subdivision 3, is amended to read:

Subd. 3. Upon payment of the required fee, the department shall issue to every applicant therefor a Minnesota identification card. The department may not issue a Minnesota identification card to a person who has a driver's license, other than an instruction permit or a *limited license*. The card must bear a distinguishing number assigned to the applicant, a colored photograph or an electronically produced image, the full name, date of birth, residence address, a description of the applicant in the manner as the commissioner deems necessary, and a space upon which the applicant shall write the usual signature and the date of birth of the applicant with pen and ink.

Each Minnesota identification card must be plainly marked "Minnesota identification card - not a driver's license." The fee for a Minnesota identification card issued to a person who is mentally retarded, as defined in section 252A.02, subdivision 2, is 50 cents.

Sec. 13. Minnesota Statutes 1990, section 171.165, subdivision 3, is amended to read:

Subd. 3. [GRAVE OR MULTIPLE OFFENSES.] Subject to section 171.166, the commissioner shall disqualify a person from operating commercial motor vehicles for:

(1) not less than three years, for a conviction or revocation set forth in subdivision 1 or 2 committed during the transportation of hazardous



materials;

(2) not less than ten years, if the person is convicted a second or subsequent time of an offense set forth in subdivision 1 or if ~~the person's license is revoked more than once under section 169.123 or 2~~, a statute of another state or ordinance in conformity with it, or any combination of ~~them~~ those offenses; or

(3) life, if the person is convicted under chapter 152 of a felony involving the manufacture, sale, or distribution of a controlled substance, or involving the possession of a controlled substance with intent to manufacture, sell, or distribute it, and the person is found to have used a commercial motor vehicle in the commission of the felony.

Sec. 14. Minnesota Statutes 1990, section 171.29, subdivision 1, is amended to read:

Subdivision 1. No person whose ~~drivers~~ driver's license has been revoked by reason of conviction, plea of guilty, or forfeiture of bail not vacated, under section 171.17 or 65B.67, or revoked under section 169.123 or 169.792 shall be issued another license unless and until that person shall have successfully passed an examination as required for an initial license.

Sec. 15. Minnesota Statutes 1990, section 171.30, subdivision 1, is amended to read:

Subdivision 1. [ISSUANCE.] In any case where a person's license has been suspended under section 171.18 or revoked under section 65B.67, 169.121, 169.123, 169.792, or 171.17, the commissioner may issue a limited license to the driver including under the following conditions:

(1) if the driver's livelihood or attendance at a chemical dependency treatment or counseling program depends upon the use of the driver's license;

(2) if the use of a driver's license by a homemaker is necessary to prevent the substantial disruption of the education, medical, or nutritional needs of the family of the homemaker; or

(3) if attendance at a post-secondary institution of education by an enrolled student of that institution depends upon the use of the driver's license.

The commissioner in issuing a limited license may impose such conditions and limitations as in the commissioner's judgment are necessary to the interests of the public safety and welfare including reexamination as to the driver's qualifications. The license may be limited to the operation of particular vehicles, to particular classes and times of operation and to particular conditions of traffic. The commissioner may require that an applicant for a limited license affirmatively demonstrate that use of public transportation or carpooling as an alternative to a limited license would be a significant hardship.

For purposes of this subdivision, "homemaker" refers to the person primarily performing the domestic tasks in a household of residents consisting of at least the person and the person's dependent child or other dependents.

The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under the limited license shall have the license in possession at all times when operating as a driver.

In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver and shall consider the number of miles driven by the driver annually.

If the person's driver's license or permit to drive, or nonresident operating privileges, have been revoked *under section 65B.67 or 169.792*, the commissioner may only issue a limited license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner of public safety. The commissioner of public safety may require the insurance identification card provided to satisfy this subdivision be certified by the insurance company to be noncancelable for a period not to exceed 12 months."

Delete the title and insert:

"A bill for an act relating to drivers' licenses; making technical changes; clarifying procedure for review of driver's license revocation or disqualification under implied consent law; defining hazardous materials, commercial motor vehicle, and farm truck; allowing holder of a limited license to obtain a Minnesota identification card; allowing class C driver's license holder to tow when the gross weight of the vehicles is 26,000 pounds or less; requiring holder of class A, B, or CC driver's license to have medical examiner's certificate in possession; restricting exemption for drivers of certain federal vehicles from requirement to possess commercial driver's license; clarifying offenses for which driver may be disqualified from holding commercial driver's license; requiring person whose driver's license has been revoked to pass examination under certain circumstances; permitting qualified driver to obtain limited license following revocation for failure to have vehicle insurance; amending Minnesota Statutes 1990, sections 169.01, subdivision 75, and by adding a subdivision; 169.121, subdivision 8; 169.123, subdivisions 5c and 8; 171.01, subdivision 22, and by adding subdivisions; 171.02, subdivisions 1 and 2; 171.03; 171.07, subdivision 3; 171.165, subdivision 3; 171.29, subdivision 1; and 171.30, subdivision 1."

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. 371: A bill for an act relating to crimes; child abduction; requiring convicted sex offenders to register with local law enforcement agencies; requiring the publication of missing children bulletins; establishing a historic data base of information concerning missing children; requiring training concerning the investigation of missing children cases; providing for the release of medical and dental records of missing children; appropriating money; amending Minnesota Statutes 1990, section 299C.52, subdivisions 1, 3, and 6; proposing coding for new law in Minnesota Statutes, chapters 243 and 299C.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [243.166] [REGISTRATION OF SEX OFFENDERS.]

*Subdivision 1.* [REGISTRATION REQUIRED.] *A person shall comply*

with this section after being released from prison if:

(1) the person was sentenced to imprisonment following a conviction for kidnapping under section 609.25, false imprisonment under section 609.255, criminal sexual conduct under section 609.342, 609.343, 609.344, or 609.345, solicitation of children to engage in sexual conduct under section 609.352, use of minors in a sexual performance under section 617.246, or solicitation of children to practice prostitution under section 609.322, and the offense was committed against a victim who was a minor;

(2) the person is not now required to register under section 243.165; and

(3) ten years have not yet elapsed since the person was released from imprisonment.

*Subd. 2. [NOTICE.]* When a person who is required to register under this section is released, the commissioner of corrections shall tell the person of the duty to register under section 243.165 and this section. The commissioner shall require the person to read and sign a form stating that the duty of the person to register under this section has been explained. The commissioner shall obtain the address where the person expects to reside upon release and shall report within three days the address to the bureau of criminal apprehension. The commissioner shall give one copy of the form to the person, and shall send one copy to the bureau of criminal apprehension and one copy to the appropriate law enforcement agency having local jurisdiction where the person expects to reside upon release.

*Subd. 3. [REGISTRATION PROCEDURE.]* (a) The person shall, within 14 days after the end of the term of supervised release, register with the probation officer assigned to the person at the end of that term.

(b) If the person changes residence address, the person shall give the new address to the last assigned probation officer in writing within ten days. The probation officer shall, within three days after receipt of this information, forward it to the bureau of criminal apprehension.

*Subd. 4. [CONTENTS OF REGISTRATION.]* The registration provided to the probation officer must consist of a statement in writing signed by the person, giving information required by the bureau of criminal apprehension, and a fingerprint card and photograph of the person if these have not already been obtained in connection with the offense that triggers registration. Within three days, the probation officer shall forward the statement, fingerprint card, and photograph to the bureau of criminal apprehension.

*Subd. 5. [CRIMINAL PENALTY.]* A person required to register under this section who violates any of its provisions is guilty of a gross misdemeanor.

*Subd. 6. [REGISTRATION PERIOD.]* (a) Notwithstanding the provisions of section 609.165, subdivision 1, a person required to register under this section shall continue to comply with this section until ten years have elapsed since the person was released from imprisonment.

(b) If a person required to register under this section fails to register following a change in address, the commissioner of public safety may require the person to continue to register for an additional period of five years.

*Subd. 7. [USE OF INFORMATION.]* The information provided under this section is private data on individuals under section 13.02, subdivision 12. The information may be used only for law enforcement purposes.

Sec. 2. Minnesota Statutes 1990, section 299C.52, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in sections 299C.52 and ~~299C.53~~ to section 7, the following terms have the meanings given them:

(a) "Child" means any person under the age of 18 years or any person certified or known to be mentally incompetent;

(b) "CJIS" means Minnesota criminal justice information system;

(c) "Missing" means the status of a child after a law enforcement agency that has received a report of a missing child has conducted a preliminary investigation and determined that the child cannot be located; and

(d) "NCIC" means National Crime Information Center.

Sec. 3. Minnesota Statutes 1990, section 299C.52, subdivision 3, is amended to read:

Subd. 3. [COMPUTER EQUIPMENT AND PROGRAMS.] The commissioner shall provide the necessary computer hardware and computer programs to enter, modify, and cancel information on missing children in the NCIC computer through the CJIS. These programs must provide for search and retrieval of information using the following identifiers: *physical description*, name and date of birth, name and social security number, name and driver's license number, vehicle license number, and vehicle identification number. The commissioner shall also provide a system for regional, statewide, multistate, and nationwide broadcasts of information on missing children. These broadcasts shall be made by local law enforcement agencies where possible or, in the case of statewide or nationwide broadcasts, by the bureau of criminal apprehension upon request of the local law enforcement agency.

Sec. 4. Minnesota Statutes 1990, section 299C.52, subdivision 6, is amended to read:

Subd. 6. [RULES.] The commissioner may adopt rules in conformance with sections 299C.52 and ~~299C.53~~ to section 7 to provide for the orderly collection and entry of missing child information and requests for retrieval of missing child information.

Sec. 5. [299C.54] [MISSING CHILDREN BULLETINS.]

*Subdivision 1. [MISSING CHILDREN BULLETIN.] The commissioner shall distribute a missing children bulletin on a quarterly basis to local law enforcement agencies, county attorneys, and public and nonpublic schools. The commissioner shall also make this information accessible to other parties involved in efforts to locate missing children and to other persons as the commissioner considers appropriate.*

*Subd. 2. [PHOTOGRAPHS.] The commissioner shall provide appropriate local law enforcement agencies with a list of missing children, with an appropriate waiver form to assist the agency in obtaining a photograph of each missing child. Local agencies shall obtain the most recent photograph available for missing children and forward those photographs to the commissioner. The commissioner shall include these photographs, as they become available, in the quarterly bulletins.*

*Subd. 3. [INCLUDED WITH MAILINGS.] State and local elected officials and agencies may enclose in their mailings information regarding*

*missing children obtained from law enforcement agencies or from any organization that is recognized as a nonprofit, tax-exempt organization under state or federal law and has an ongoing missing children program. Elected officials and commissioners of state agencies are urged to develop policies to enclose missing children information in mailings when it will not increase postage costs and is otherwise considered appropriate.*

**Sec. 6. [299C.55] [TRAINING.]**

*The commissioner shall adopt standards for training appropriate personnel concerning the investigation of missing children cases.*

**Sec. 7. [299C.56] [RELEASE OF MEDICAL DATA.]**

*Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given.*

*(b) "Health care facility" means the office of a dentist or physician, or another medical facility, that is in possession of identifying data.*

*(c) "Identifying data" means dental or skeletal X-rays, or both, and related information, previously created in the course of providing dental or medical care to a child who has now been reported as missing.*

*Subd. 2. [WRITTEN DECLARATION.] If a child is reported missing, a law enforcement agency may execute a written declaration, stating that an active investigation seeking the location of the missing child is being conducted, and that the identifying data are necessary for the exclusive purpose of furthering the investigation. Notwithstanding chapter 13, when a written declaration executed under this subdivision, signed by a peace officer, is presented to a health care facility, the facility shall provide access to the missing child's identifying data to the law enforcement agency.*

**Sec. 8. Minnesota Statutes 1990, section 609.115, is amended by adding a subdivision to read:**

**Subd. 8. [SUPPLEMENTARY SEX OFFENDER INFORMATION STATEMENT.]** *When a person is convicted of criminal sexual conduct under section 609.342, 609.343, 609.344, or 609.345, kidnapping under section 609.25, false imprisonment under section 609.255, murder while committing criminal sexual conduct under section 609.185, clause (2), solicitation of children to engage in sexual conduct under section 609.352, use of minors in a sexual performance under section 617.246, or solicitation of children to practice prostitution under section 609.322, the court shall cause a supplementary sex offender information statement to be prepared in addition to the sentencing worksheet and presentence investigation report. The form and content of the supplementary sex offender information statement shall be prescribed by the commissioner of public safety and must include the following:*

- (1) the offender's full name, and date and place of birth;*
- (2) the offender's physical characteristics, including height, weight, race, gender, hair and eye color, and other identifying characteristics;*
- (3) the offender's prior convictions;*
- (4) the offense originally charged and the offense of conviction;*
- (5) the sentencing court, date and type of disposition, and projected discharge date;*

(6) *the victim's relevant characteristics, including relationship to the offender;*

(7) *details of the offense including whether sexual penetration occurred, whether a weapon or threat was used, whether injury occurred, and other characteristics of the offense; and*

(8) *a judgment of the likelihood that the offender will commit a sex offense in the future.*

*If the supplementary sex offender information statement is based on confidential information, the statement must note that fact. The statement shall be provided to the court, to the department of corrections or a local corrections agency as appropriate, and to the bureau of criminal apprehension.*

Sec. 9. [APPROPRIATION.]

*§ . . . . . is appropriated to the commissioner of public safety, bureau of criminal apprehension, to implement sections 1 to 7, to be available until June 30, 1993.*

Sec. 10. [EFFECTIVE DATE.]

*Section 1 is effective August 1, 1991, and applies to offenders released from imprisonment on or after that date. Sections 2 to 7 are effective August 1, 1991, and apply to crimes committed, and persons reported missing, on or after that date."*

Delete the title and insert:

"A bill for an act relating to crimes; child abduction; requiring certain convicted sex and kidnapping offenders to report a current address to probation officer following release from prison; requiring the publication of missing children bulletins; requiring training concerning the investigation of missing children cases; providing law enforcement officers access to medical and dental records of missing children; appropriating money; amending Minnesota Statutes 1990, sections 299C.52, subdivisions 1, 3, and 6; and 609.115, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 243 and 299C."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1137: A bill for an act relating to housing; redefining eligibility requirement for targeted neighborhoods; appropriating money; amending Minnesota Statutes 1990, sections 466A.01, subdivision 2; 466A.02, subdivision 2; and 466A.05, 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 1990, section 466A.01, subdivision 2, is amended to read:

Subd. 2. [CITY.] "City" means a city of the first class or a city with a portion of its border contiguous to a city of the first class located within

*the metropolitan area, or having a population of at least 55,000 as determined by the most recent federal census figures available, or a city of the second class located outside the metropolitan area. Metropolitan area has the meaning given it in section 473.121. City of the first class and city of the second class are as defined in section 410.01.*

Sec. 2. Minnesota Statutes 1990, section 466A.02, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY REQUIREMENTS FOR TARGETED NEIGHBORHOODS.] (a) An area within a city of the first class is eligible for designation as a targeted neighborhood if the area meets at least two of the following criteria:

(1) the area had an unemployment rate that was twice the unemployment rate for the Minneapolis and St. Paul standard metropolitan statistical area as determined by the ~~1980~~ most recent federal census figures available;

(2) the median household income in the area was no more than half the median household income for the Minneapolis and St. Paul standard metropolitan statistical area as determined by the ~~1980~~ most recent federal census figures available; or

(3) the area is characterized by residential dwelling units in need of substantial rehabilitation. An area qualifies under this clause if 25 percent or more of the residential dwelling units are in substandard condition as determined by the city or 70 percent or more of the residential dwelling units were built before 1940 as determined by the ~~1980~~ most recent federal census figures available.

(b) An area within an eligible city that is not a city of the first class qualifies for designation as a targeted neighborhood if the city can demonstrate that the area meets at least one of the following criteria:

(1) the area had an unemployment rate that was twice the unemployment rate for the state, excluding cities of the first class, as determined by the most recent federal census figures available;

(2) the area had an increase in crime over the past five years greater than 110 percent of the citywide increase in crime; or

(3) the area had an increase in AFDC cases over the past five years greater than 110 percent of the citywide increase in AFDC cases.

(c) An area within an eligible city of the second class qualifies for designation as a targeted neighborhood if the city is designated as an economically depressed area by the United States Department of Commerce.

Sec. 3. Minnesota Statutes 1990, section 466A.05, subdivision 2, is amended to read:

Subd. 2. [ALLOCATION.] Appropriation to each city of the first class shall be in proportion to the city's portion of the combined population of the cities. Appropriation to each city that is not a city of the first class shall be in proportion to the city's portion of population residing within targeted neighborhoods to the combined population of the targeted neighborhoods in all eligible non-first-class cities. The population of each city is determined by the most recent estimates available to the commissioner.

Sec. 4. [APPROPRIATION.]

\$. . . . . is appropriated from the general fund to the commissioner

*of the state planning agency for the community resources program, to be available for the biennium ending June 30, 1993. \$ . . . . . is to be allocated to cities of the first class and \$ . . . . . is to be allocated to the other eligible cities."*

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 579: A bill for an act relating to economic development; regulating the use of tax-exempt revenue bonds; amending Minnesota Statutes 1990, sections 474A.02, subdivisions 1, 2b, 7, 8, 19, and by adding subdivisions; 474A.04, subdivision 1a; 474A.047, subdivisions 1 and 3; 474A.061, subdivisions 1, 2a, 2b, and 2c; 474A.091, subdivisions 3 and 5; 474A.131, by adding a subdivision; 474A.15; 474A.16; and 474A.17; proposing coding for new law in Minnesota Statutes, chapters 462A and 462C; repealing Minnesota Statutes 1990, sections 474A.048; and 474A.081, subdivisions 1, 2, and 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, after line 21, insert:

"Sec. 11. Minnesota Statutes 1990, section 474A.03, is amended to read:  
474A.03 [DETERMINATION OF ANNUAL VOLUME CAP]

Subdivision 1. [ANNUAL VOLUME CAP UNDER FEDERAL TAX LAW; POOL ALLOCATIONS.] At the beginning of each calendar year after December 31, 1990, the commissioner shall determine the aggregate dollar amount of the annual volume cap under federal tax law for the calendar year, and of this amount the commissioner shall make the following allocation:

- (1) ~~\$75,000,000~~ \$65,000,000 to the manufacturing pool;
- (2) \$46,000,000 to the housing pool;
- (3) \$10,000,000 to the public facilities pool; and
- (4) amounts to be allocated as provided in subdivision 2a.

If the annual volume cap is greater or less than the amount of bonding authority allocated under clauses (1) to (4) and subdivision 2a, paragraph (a), clauses (1) to (3), the allocation must be adjusted so that each adjusted allocation is the same percentage of the annual volume cap as each original allocation is of the total bonding authority originally allocated.

Subd. 2a. [ENTITLEMENT ISSUER ALLOCATION.] (a) The commissioner shall make the following allocation to the Minnesota housing finance agency and the following cities *and county*:

- (1) \$51,000,000 per year to the Minnesota housing finance agency, less any amount received in the previous year under section 474A.091, subdivision 6;
- (2) \$20,000,000 per year to the city of Minneapolis; ~~and~~
- (3) \$15,000,000 per year to the city of Saint Paul; *and*



(4) \$10,000,000 per year to the Dakota county housing and redevelopment authority.

(b) Allocations provided under this subdivision must be used for mortgage bonds, mortgage credit certificates, or residential rental project bonds, except that entitlement cities may also use their allocations for public facility bonds.”

Page 7, lines 28 and 29, strike “August” and insert “July”

Page 9, line 36, strike “August” and insert “July”

Page 10, line 2, strike “August” and insert “July”

Page 12, lines 16, 17 and 31, strike “August” and insert “July”

Page 13, line 19, strike “August” and insert “July”

Page 14, line 5, strike “August” and insert “July”

Page 14, after line 14, insert:

“Sec. 19. Minnesota Statutes 1990, section 474A.061, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL DEPOSIT.] An issuer which has received an allocation under this section may retain any unused portion of the allocation after the first Tuesday in ~~September~~ August only if the issuer has submitted to the department before the first Tuesday in ~~September~~ August a letter stating its intent to issue obligations pursuant to the allocation before the end of the calendar year or within the time period permitted by federal tax law and a deposit in addition to that provided under subdivision 1, equal to one percent of the amount of allocation to be retained. The Minnesota housing finance agency may retain an unused portion of an allocation after the first Tuesday in ~~September~~ August without submitting an additional deposit.

Sec. 20. Minnesota Statutes 1990, section 474A.061, subdivision 4, is amended to read:

Subd. 4. [RETURN OF ALLOCATION; DEPOSIT REFUND.] (a) If an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section within 90 days of allocation or within the time period permitted by federal tax law, whichever is less, the issuer must notify the department. If the issuer notifies the department or the 90-day period since allocation has expired prior to the last Monday in ~~August~~ July, the amount of allocation is canceled and returned for reallocation through the pool from which it was originally allocated. If the issuer notifies the department or the 90-day period since allocation has expired on or after the last Monday in ~~August~~ July, the amount of allocation is canceled and returned for reallocation through the unified pool. If the issuer notifies the department after the last Monday in November, the amount of allocation is canceled and returned for reallocation to the Minnesota housing finance agency.

(b) An issuer that returns for reallocation all or a portion of an allocation received under this section within 90 days of allocation shall receive within 30 days a refund equal to:

(1) one-half of the application deposit for the amount of bonding authority returned within 30 days of receiving allocation;

(2) one-fourth of the application deposit for the amount of bonding authority returned between 31 and 60 days of receiving allocation; and

(3) one-eighth of the application deposit for the amount of bonding authority returned between 61 and 90 days of receiving allocation.

No refund shall be available for allocations returned 90 or more days after receiving the allocation. This subdivision does not apply to the Minnesota housing finance agency.

Sec. 21. Minnesota Statutes 1990, section 474A.091, subdivision 1, is amended to read:

Subdivision 1. [UNIFIED POOL AMOUNT.] On the day after the last Monday in ~~August~~ *July* any bonding authority remaining unallocated from the manufacturing pool, the housing pool, and the public facilities pool is transferred to the unified pool and must be reallocated as provided in this section.

Sec. 22. Minnesota Statutes 1990, section 474A.091, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of two percent of the requested allocation, and (5) a public purpose scoring worksheet for small issue applications. The issuer must pay the application deposit by check. An entitlement issuer may not apply for an allocation for public facility bonds, residential rental project bonds, or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

The Minnesota housing finance agency may not apply for an allocation for mortgage bonds under this section until after the last Monday in ~~September~~ *August*. Notwithstanding the restrictions imposed on unified pool allocations after ~~October~~ *September* 1 under subdivision 3, paragraph (c)(2), the Minnesota housing finance agency may be awarded allocations for mortgage bonds from the unified pool after ~~October~~ *September* 1. The Minnesota housing finance agency may apply for and receive an allocation under this section without submitting an application deposit."

Page 14, lines 20 and 36, strike "September" and insert "*August*"

Page 14, line 26, strike "October" and insert "*September*"

Page 15, lines 17 and 23, strike "October" and insert "*September*"

Page 16, line 5, strike "October" and insert "*September*"

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "474A.03;"

Page 1, line 7, delete "and 2c" and insert "2c, 3, and 4"

Page 1, line 8, delete "3" and insert "1, 2, 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. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 862: A bill for an act relating to retirement; Minneapolis municipal employees; changing interest and salary assumptions and the target date for amortization of unfunded liabilities; providing for certain postretirement adjustments; providing for certain optional annuities; increasing survivor benefits; amending Minnesota Statutes 1990, sections 356.215, subdivisions 4d and 4g; 422A.101; 422A.17; and 422A.23, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 356.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, after line 7, insert:

"Sec. 4. Minnesota Statutes 1990, section 422A.05, is amended by adding a subdivision to read:

*Subd. 2e. [STANDING; PARTIES.] In addition to other parties with claims under statute or the common law, the state and a political subdivision that helps to finance a plan have standing to sue on behalf of all taxpayers and the plan beneficiaries for an alleged breach of fiduciary duty. If a suit is brought by the state or a political subdivision under this subdivision, no separate suit regarding the same claims on behalf of taxpayers of the state or a political subdivision or of beneficiaries may be allowed, and any suit then pending on behalf of taxpayers of the state or a political subdivision or of beneficiaries must be dismissed unless the court determines that its dismissal would prejudice or limit the rights or claims of the taxpayers or beneficiaries. Nothing in this subdivision precludes suits by both the state and an affected political subdivision.*

Sec. 5. Minnesota Statutes 1990, section 422A.05, is amended by adding a subdivision to read:

*Subd. 2f. [ATTORNEY FEES.] The court shall award reasonable attorney fees and costs of litigation, in addition to damages and other relief, in a suit where a breach of fiduciary duty is found under subdivision 2a or chapter 356A."*

Page 12, after line 8, insert:

*"Subd. 4. [ADDITIONAL EMPLOYER CONTRIBUTION IN CERTAIN INSTANCES.] If assets in the deposit accumulation fund are insufficient to make a transfer to the retirement benefit fund, the city of Minneapolis shall pay the amount of that insufficiency to the retirement benefit fund within three days of certification of the insufficiency by the executive director of the fund. The city of Minneapolis may bill any other participating employing unit other than the state for its proportion of the amount paid."*

Page 13, line 36, reinstate the stricken language and delete the new language

Page 14, line 5, reinstate the stricken language and delete the new language

Page 14, line 12, reinstate the stricken language and delete the new language

Page 14, line 36, delete "6" and insert "8"

Page 15, line 2, after the period, insert "*Section 4 is effective the day following final enactment and applies to all claims pending on that date or filed on or after that date.*"

Page 15, line 3, delete "7" and insert "3 and 6 to 9"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the first semicolon, insert "providing for lawsuits brought by the state and political subdivisions for breaches of fiduciary duty;"

Page 1, line 9, after "4g;" insert "422A.05, by adding subdivisions;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Novak from the Committee on Energy and Public Utilities, to which was referred

S.F. No. 1466: A bill for an act relating to energy; creating an advisory task force on low-income energy assistance to establish an energy assistance foundation; providing for a start-up fund from unclaimed deposits; authorizing the department of human services to adopt rules; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [ADVISORY TASK FORCE ON LOW-INCOME ENERGY ASSISTANCE.]

*Subdivision 1. [DUTIES.] The advisory task force on low-income energy assistance shall study the establishment of an energy assistance foundation that may:*

*(1) be a nonprofit foundation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1990;*

*(2) provide emergency energy assistance covering all heating sources, including at least natural gas, electricity, fuel oil, propane, and wood to households that are eligible for assistance under the Low-Income Home Energy Assistance Act of 1981, United States Code, title 42, sections 8621 to 8629, as amended;*

*(3) solicit funds for low-income energy assistance programs from various sources, including the Leveraging Incentive Program established under the Low-Income Home Energy Assistance Act of 1981, United States Code, title 42, sections 8621 to 8629, as amended;*

*(4) monitor and evaluate contributions and expenditures; and*

*(5) submit an annual report to the appropriate committees of the legislature that set forth funds received and distributions made.*

*Subd. 2. [MEMBERSHIP; ADMINISTRATION.] The task force consists of three representatives of energy assistance providers, three representatives of utilities or other fuel suppliers with a minimum of one utility representative from a utility with a primary service area outside of the seven-county metropolitan area, one representative from an existing fuel fund, one representative of the state office of economic opportunity, one representative of the department of public service, two consumers served by low-income energy assistance programs, and two legislators. The governor shall appoint the nonlegislative task force members. The subcommittee on committees of the senate committee on rules and administration shall appoint one member of the senate, and the speaker shall appoint one member of the house of representatives. The commissioner of jobs and training shall provide staff and administrative support to the task force. The task force shall meet at the times and places it may designate. It shall select a chair, vice-chair, and other officers from its membership. Except as described in this section, the task force is governed by Minnesota Statutes, section 15.059, subdivision 6, except that the members may not collect a per diem. The task force shall report its findings and recommendations to the chairs of the senate committee on energy and public utilities and the house of representatives committee on energy by January 1, 1992."*

Delete the title and insert:

"A bill for an act relating to energy; creating an advisory task force on low-income energy assistance to establish an energy assistance foundation."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Dahl from the Committee on Education, to which was referred

H.F. No. 752: A bill for an act relating to education; providing for school consolidation in certain circumstances.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

H.F. No. 304: A bill for an act relating to labor; providing that certain hiring practices by an employer during a strike or lockout are unfair labor practices; amending Minnesota Statutes 1990, sections 179.12; and 179A.13.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, strike "shall be" and insert "is"

Page 1, lines 11, 12, 17, and 19, strike "any" and insert "a"

Page 1, line 16, strike "such" and insert "the"

Page 1, line 22, strike "shall" and insert "does"

Page 2, line 2, strike "any" and insert "an"

Page 2, lines 3 and 6, strike "any"

Page 2, lines 8, 9, and 17, strike "any" and insert "a"

Page 2, line 10, strike "so" and insert "*who are*"

Page 2, line 13, strike "such" and insert "*the*" and strike "which" and insert "*that*"

Page 2, line 14, strike "is agreed" and insert "*the wage*"

Page 2, line 27, strike "hereby declared to be"

Page 3, line 6, strike "any"

Page 3, lines 13 and 14, strike "any" and insert "a"

Page 3, line 25, after "revenues" insert a comma

Page 3, line 26, strike the period and insert "*provided that*"

Page 3, line 27, strike the comma and strike "shall" and insert "*may*"

Page 3, line 33, delete "*which*" and insert "*that*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

H.F. No. 1584: A bill for an act relating to retirement; the public employees retirement association; making various changes reflecting benefits, administration, and investment practices; amending Minnesota Statutes 1990, sections 353.01, subdivisions 2b, 6, 10, 15, 16, and 20; 353.03, subdivision 1; 353.27, subdivisions 4, 7, 12, 12a, and by adding subdivisions; 353.28, subdivision 6; 353.29, subdivision 4; 353.31, subdivision 1; 353.32, subdivision 1a; 353.33, subdivision 3a; 353.34, subdivision 1; 353.64, by adding a subdivision; 353.656, subdivision 1a; 353.657; 353A.01, subdivision 1; 353A.02, subdivision 16, and by adding a subdivision; 353A.03; 353A.06; 353A.08, subdivision 1; 353C.06, subdivision 3; 353C.07, subdivision 1; 353C.08, subdivision 2; 353C.09; 353D.01, subdivision 2; 353D.02; 353D.04; 353D.05, subdivision 2; 353D.07, subdivisions 2 and 3; 353D.12, subdivision 1; 356.371, subdivision 3; 356.86, subdivisions 2 and 4; 356.87; Laws 1990, chapter 570, article 8, section 14, subdivision 1; and repealing Minnesota Statutes 1990, sections 353.33, subdivision 5a; and 353C.07, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 23, before the period, insert "*or the successor of the district*"

Page 21, line 31, delete "*former*"

Page 21, line 32, delete "*member or*"

Page 40, after line 8, insert:

"Sec. 48. [TEMPORARY; PUBLIC HOSPITAL STATUS.]

*The change specified in section 2 does not impact the status of any hospital district as of the effective date of section 2 regarding inclusion or exclusion of an employing unit."*

Page 40, line 9, delete "48" and insert "49"

Page 40, delete lines 12 to 18 and insert:

“Sec. 50. [EFFECTIVE DATE.]

*Sections 1 to 49 are effective the day following final enactment. Section 20 applies retroactively to May 16, 1989, and applies to all refunds paid after the day following final enactment. Section 30 applies retroactively to December 31, 1990. Section 47 applies retroactively to October 1, 1990.”*

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. 456: A bill for an act relating to adoption; clarifying the requirements for consents; amending Minnesota Statutes 1990, section 259.24, subdivision 5.

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. 236: A bill for an act relating to eminent domain; allowing entry onto land for environmental testing before beginning eminent domain proceedings; amending Minnesota Statutes 1990, section 117.041.

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 1990, section 117.041, is amended to read:

117.041 [ENTRY FOR ~~SURVEYS~~ SURVEY OR ENVIRONMENTAL TESTING.]

*Subdivision 1. [SURVEYS.] For the purpose of making surveys and examinations relative to any proceedings under this chapter, it shall be lawful to enter upon any land, doing no unnecessary damage.*

*Subd. 2. [ENVIRONMENTAL TESTING BEFORE EMINENT DOMAIN PROCEEDINGS.] (a) A state agency by order of the commissioner or a political subdivision by resolution may enter property for purposes of investigation, monitoring, testing, surveying, boring, or other similar activities necessary or appropriate to identify the existence and extent of a release or threat of release of a hazardous substance, pollutant, or contaminant if:*

*(1) the state agency or political subdivision has reason to believe that acquisition of the property may be required pursuant to eminent domain proceedings;*

*(2) the state agency or political subdivision has reason to believe that a hazardous substance, pollutant, or contaminant is present on the property or the release of a hazardous substance, pollutant, or contaminant may have occurred or is likely to occur on the property; and*

*(3) entry on the property for environmental testing is rationally related to health, safety, or welfare concerns of the state agency or political subdivision in connection with possible eminent domain proceedings.*

*(b) At least ten days before entering the property, the state agency or political subdivision must serve notice on the property owner requesting*

*permission to enter the property, stating the approximate time and purpose of the entry, and giving the owner the option of refusing entry. The notice shall also give the owner the option of requesting an equal amount of any sample or portion taken from the property and a copy of any data obtained or report issued. If the property owner refuses to consent to the entry, the state agency or political subdivision must apply for a court order authorizing the entry and the removal of any sample or portion from the property, giving notice of the court order to the property owner. The court shall issue an order if the state agency or political subdivision meets the standards in paragraph (a). Notices under this paragraph must be served in the same manner as a summons in a civil action.*

*(c) The state agency or political subdivision must do no unnecessary damage to the property and shall restore the property to substantially the same condition in which it was found. If the state agency or political subdivision removes a sample or portion of the property for investigation, monitoring, or testing, or obtains any data or issues any report, it must give the property owner an equal amount of the sample or portion and a copy of any data or report, if requested by the property owner, and must permit the property owner to perform independent investigation, monitoring, or testing of the sample or portion.*

*(d) The results of testing performed under paragraph (a) must be included in any environmental assessment worksheet or environmental impact statement that the state agency or political subdivision is required to prepare under chapter 116D.*

Sec. 2. Minnesota Statutes 1990, section 117.085, is amended to read:  
117.085 [COMMISSIONERS, POWERS, DUTIES.]

The commissioners, having been duly sworn and qualified according to law, shall meet as directed by the order of appointment and hear the allegations and proofs of all persons interested touching the matters to them committed. They may adjourn from time to time and from place to place within the county, giving oral notice to those present of the time and place of their next meeting. All testimony taken by them shall be given publicly, under oath, and in their presence. They shall view the premises, and any of them may subpoena witnesses, which shall be served as subpoenas in civil actions are served, and at the cost of the parties applying therefor. If deemed necessary, they may require the petitioner or owner to furnish for their use maps, plats, and other information which the petitioner or owner may have showing the nature, character, and extent of the proposed undertaking and the situation of lands desired therefor. In proper cases they may reserve to the owner a right of way or other privilege in or over the land taken, or attach reasonable conditions to such taking in addition to the damages given or they may make an alternative award, conditioned upon the granting or withholding of the right specified. Without unreasonable delay they shall make a separate assessment and award of the damages which in their judgment will result to each of the owners of the land by reason of such taking and report the same to the court. The commissioners, in all such proceedings, may in their discretion allow and show separately in addition to the award of damages, reasonable appraisal fees not to exceed a total of \$500. Upon request of an owner the commissioners shall show in their report the amount of the award of damages which is to reimburse the owner and tenant or lessee for the value of the land taken, and the amount of the award of damages, if any, which is to reimburse the owner



and tenant or lessee for damages to the remainder involved, whether or not described in the petition. The amounts awarded to each person shall also be shown separately. *The commissioners shall, if requested by any party, make an express finding of the assumed cost of removal and remedial actions that will be necessary on the taken property because of existing environmental contamination.*"

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for findings regarding the cost of removal and remedial actions relating to environmental contamination;"

Page 1, delete line 5 and insert "sections 117.041; and 117.085."

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. 825: A bill for an act relating to waste management; abolishing the inventory process for solid waste disposal facilities in the metropolitan area; amending Minnesota Statutes 1990, sections 473.145, subdivisions 2c, 2e, and 4; 473.803, subdivision 4; 473.811, subdivisions 1, 1a, 4a, 6, 7, 8, and 9; 473.823, subdivision 6; 473.831, subdivision 2; 473.840, subdivisions 2, 3, 4, and 7; and 473.845, subdivision 3; repealing Minnesota Statutes 1990, sections 473.149, subdivision 2b; 473.803, subdivision 1a; 473.806; and 473.833.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Rules and Administration.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1420: A bill for an act relating to economic development; creating a small business incubator program; appropriating money for a pilot project; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [116J.986] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 3.*

*Subd. 2. [INCUBATOR.] "Incubator" means a facility in which units of space may be leased by a tenant and in which the management maintains or provides access to business development services for use by tenants.*

*Subd. 3. [SPONSOR.] "Sponsor" means a nonprofit corporation organized under chapter 317A that complies with section 2 and qualifies for tax-exempt status under United States Code, title 26, section 501(c), which enters into a written agreement with the department to establish, operate,*

*and administer an incubator or to provide funding to an organization which operates an incubator.*

*Subd. 4. [TENANT.] "Tenant" means a sole proprietorship, business partnership, or corporation operating a small business, as defined by section 645.445, and leasing or otherwise occupying space in an incubator.*

*Sec. 2. [116J.987] [SMALL BUSINESS INCUBATOR PROGRAM.]*

*Subdivision 1. [GENERALLY.] The commissioner shall develop and establish a small business incubator program. The purpose of the program is to make loans and grants for the establishment, operation, and administration of small business incubators.*

*Subd. 2. [APPLICATIONS.] Sponsors may apply to the commissioner for loans or grants awarded under subdivision 1 to establish, operate, or administer an incubator. Each application must:*

- (1) demonstrate that a facility exists that operates as an incubator or can be transformed into an incubator at a specified cost;*
- (2) demonstrate the ability to provide or arrange for the provision of business development services for tenants of the incubator;*
- (3) demonstrate a potential for sustained use of the incubator by eligible tenants;*
- (4) demonstrate the ability to manage and operate the incubator;*
- (5) demonstrate a financial commitment of at least 50 percent of the projected costs; and*
- (6) include any other information the commissioner determines necessary to award the grants or loans.*

*Subd. 3. [ELIGIBLE USE OF FUNDS.] (a) Loans and grants awarded under subdivision 1 shall be used only for the following purposes:*

- (1) the purchase or leasing of existing buildings;*
- (2) the rehabilitation of buildings or other facilities;*
- (3) the construction of new facilities;*
- (4) the purchase of equipment and furnishings which are necessary for the creation and operation of the incubator;*
- (5) paying administrative costs including the salary of the incubator manager; and*
- (6) establishing an incubator revolving loan fund to make loans to tenants with terms and conditions as the department determines.*

*(b) Loans and grants may not exceed 50 percent of total eligible project costs.*

*Subd. 4. [LOAN REPAYMENT.] In making loans under subdivision 1, the department must:*

- (1) determine the circumstances, terms, and conditions under which all or any portion of the loan will be repaid; and*
- (2) establish appropriate security for the loan repayment.*

*Subd. 5. [LOAN OR GRANT REQUIREMENT.] The commissioner shall require the facility to be owned and operated by the sponsor for the term*

*of the loan or grant as a condition of receiving financial assistance under subdivision 1.*

*Subd. 6. [RESPONSIBILITIES OF SPONSORS.] Sponsors receiving assistance under subdivision 1 have the following responsibilities for establishing and operating incubators:*

- (1) to secure title to or a lease of the facility;*
- (2) to manage the physical development of the incubator facility;*
- (3) to provide common conference or meeting space in the incubator that can be used by tenants and community groups;*
- (4) to furnish and equip the facility to provide business services to the tenants;*
- (5) to market and promote the facility to secure eligible tenants and increase community awareness of the incubator and its tenants;*
- (6) to arrange for or provide financial consulting, marketing, and management assistance services for tenants;*
- (7) to set rental and service fees;*
- (8) to encourage cooperation among tenants;*
- (9) to establish policies and criteria to determine tenant eligibility and termination of occupancy; and*
- (10) to maintain an environment that supports business growth.*

*Subd. 7. [APPLICATIONS; PRIORITY.] The commissioner shall establish criteria to establish the priority of the applications received under subdivision 1. The criteria are not subject to chapter 14 and may include the following:*

- (1) the ability of the sponsor to carry out the provisions of this section;*
- (2) the economic impact of the incubator on the community;*
- (3) the incubator's conformance with regional, city, or local economic development plans, if any exist;*
- (4) the support of the community; and*
- (5) the location of the incubator, in order to encourage geographic distribution of incubators across the state.*

*Subd. 8. [REPORTS.] Organizations receiving funds under subdivision 1 must submit an annual report to the department. Annual reports must include, but need not be limited to, a financial statement for the incubator, a list of tenants, and evidence that all tenants are eligible under this section.*

**Sec. 3. [APPROPRIATION.]**

*§ . . . . . is appropriated from the general fund to the commissioner of trade and economic development to fund three incubators as a pilot project. Two incubators must be located in targeted neighborhoods as defined by Minnesota Statutes, section 469.201, in a city of the first class within the seven-county metropolitan area. The third must be located outside the seven-county metropolitan area. This sum is available until June 30, 1993. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.*

*No funds shall be released for the purposes of sections 1 and 2 until the commissioner of trade and economic development has reviewed the services and determined that they do not duplicate other state programs."*

Delete the title and insert:

"A bill for an act relating to economic development; creating a small business incubator program; appropriating money for a pilot project; proposing coding for new law in Minnesota Statutes, chapter 116J."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

### **SECOND READING OF SENATE BILLS**

S.F. Nos. 621, 1091, 565, 1152, 782, 1419, 1284, 771, 213, 193, 400, 1204, 900, 1245, 195 and 1466 were read the second time.

### **SECOND READING OF HOUSE BILLS**

H.F. Nos. 192, 239, 128, 894, 578, 808, 671, 90, 36, 282, 910, 365, 914, 1035, 1179, 1455, 299, 954, 1017, 173, 1509, 579, 248, 121, 752, 304, 1584, 456 and 236 were read the second time.

### **MOTIONS AND RESOLUTIONS**

Mr. Chmielewski moved that the name of Mr. Kroening be added as a co-author to S.F. No. 1153. The motion prevailed.

Mr. Moe, R.D. introduced—

Senate Resolution No. 60: A Senate resolution commemorating the centennial of Itasca State Park and all Minnesota state parks.

Referred to the Committee on Rules and Administration.

Mr. Langseth moved that S.F. No. 598 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Finance. The motion prevailed.

Mr. Metzen moved that H.F. No. 578, on the Consent Calendar, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

### **CALENDAR**

H.F. No. 326: A bill for an act relating to elections; providing for time off to vote in primaries; amending Minnesota Statutes 1990, section 204C.04.

Was read the third time 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	Johnson, J.B.	Moe, R.D.	Renneke
Beckman	Day	Johnston	Mondale	Riveness
Belanger	DeCramer	Kelly	Morse	Sams
Benson, D.D.	Dicklich	Knaak	Neuville	Samuelson
Benson, J.E.	Finn	Kroening	Novak	Spear
Berg	Flynn	Laidig	Olson	Storm
Berglin	Frank	Langseth	Pappas	Stumpf
Bernhagen	Frederickson, D.J.	Luther	Pariseau	Traub
Bertram	Frederickson, D.R.	Marty	Piper	Vickerman
Brataas	Halberg	McGowan	Pogemiller	Waldorf
Chmielewski	Hottinger	Mehrkens	Price	
Cohen	Hughes	Merriam	Ranum	
Dahl	Johnson, D.E.	Metzen	Reichgott	

Mr. Gustafson voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 73: A bill for an act relating to education; eliminating the deduction for one year's interest payments from the proceeds of state bonds for maximum effort school loans; amending Minnesota Statutes 1990, sections 124.40, subdivision 1; 124.46, subdivision 3; and 124.477.

Was read the third time 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	Dahl	Hughes	Merriam	Price
Beckman	Davis	Johnson, D.E.	Metzen	Ranum
Belanger	Day	Johnson, D.J.	Moe, R.D.	Reichgott
Benson, D.D.	DeCramer	Johnson, J.B.	Mondale	Riveness
Benson, J.E.	Finn	Johnston	Morse	Sams
Berg	Flynn	Kelly	Neuville	Samuelson
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederickson, D.J.	Larson	Olson	Spear
Bertram	Frederickson, D.R.	Luther	Pappas	Stumpf
Brataas	Gustafson	Marty	Pariseau	Traub
Chmielewski	Halberg	McGowan	Piper	Vickerman
Cohen	Hottinger	Mehrkens	Pogemiller	Waldorf

Mr. Knaak voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 331: A bill for an act relating to education; permitting education districts and districts operating under joint powers agreements to conduct meetings via interactive television; amending Minnesota Statutes 1990, sections 122.92, subdivision 1; 136C.61, subdivision 7; and 471.59, 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	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R. D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 472: A bill for an act relating to occupations and professions; amending the definition of high pressure piping; amending Minnesota Statutes 1990, section 326.461, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R. D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 697: A bill for an act relating to credit unions; providing that credit unions may be designated as depositories of state funds; providing for the election of a supervisory committee; clarifying investment authority of board of directors; amending Minnesota Statutes 1990, sections 9.031, subdivision 1; 52.04, subdivision 1; 52.08; and 52.09, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Stear
Berglin	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 350: A bill for an act relating to the environment; adding a purpose for expenditure from the metropolitan landfill contingency action trust fund; authorizing the city of Hopkins to issue bonds to pay for environmental response costs at a landfill; authorizing the city to impose a solid waste collection surcharge; authorizing a landfill cleanup assessment against property; authorizing a service charge; appropriating money; amending Minnesota Statutes 1990, section 473.845, subdivision 3.

Was read the third time 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 5, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.J.	Merriam	Renneke
Beckman	DeCramer	Johnson, J.B.	Metzen	Riveness
Belanger	Dicklich	Johnston	Moe, R.D.	Sams
Benson, J.E.	Finn	Kelly	Mondale	Samuelson
Berglin	Flynn	Knaak	Morse	Spear
Bernhagen	Frank	Kroening	Novak	Storm
Bertram	Frederickson, D.J.	Laidig	Pappas	Stumpf
Brataas	Frederickson, D.R.	Langseth	Piper	Traub
Chmielewski	Gustafson	Lessard	Pogemiller	Vickerman
Cohen	Halberg	Luther	Price	Waldorf
Dahl	Hottinger	Marty	Ranum	
Davis	Hughes	Mehrkens	Reichgott	

Those who voted in the negative were:

Benson, D.D.	Berg	Johnson, D.E.	McGowan	Neuville
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So the bill passed and its title was agreed to.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 420, 302, 515, 373 and H.F. Nos. 230, 146, which the committee recommends to pass.

H.F. No. 98, which the committee recommends to pass with the following amendments offered by Messrs. Neuville and Luther:

Mr. Neuville moved to amend H.F. No. 98 as follows:

Page 3, delete lines 21 to 23

Page 3, line 24, delete everything before "*Before*" and insert:

*"(b) During the 72-hour hold period, a court may not release a person held under this section unless the court has received a written petition for release and held a summary hearing regarding the release. The petition must include the name of the person being held, the basis for and location of the hold, and a statement as to why the hold is improper. The petition also must include copies of any written documentation under subdivision 1 or 2 in support of the hold, unless the person holding the petitioner refuses to supply the documentation. The hearing must be held as soon as practicable and may be conducted by means of a telephone conference call or similar method by which the participants are able to simultaneously hear each other. If the court decides to release the person, the court shall issue written findings supporting the decision, but may not delay the release."*

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend H.F. No. 98 as follows:

Page 3, line 24, delete "*releasing*" and insert "*deciding to release*"

Page 3, line 26, after "*the*" insert "*proposed*"

The motion prevailed. So the amendment was adopted.

S.F. No. 910, which the committee reports progress subject to the following motion:

Ms. Berglin moved to amend S.F. No. 910 as follows:

Page 4, after line 25, insert:

"Sec. 5. Minnesota Statutes 1990, section 144.698, subdivision 1, is amended to read:

Subdivision 1. [YEARLY REPORTS.] Each hospital and each outpatient surgical center, which has not filed the financial information required by this section with a voluntary, nonprofit reporting organization pursuant to section 144.702, shall file annually with the commissioner of health after the close of the fiscal year:

(1) a balance sheet detailing the assets, liabilities, and net worth of the hospital;

(2) a detailed statement of income and expenses;

(3) a copy of its most recent cost report, if any, filed pursuant to requirements of Title XVIII of the United States Social Security Act;

(4) a copy of all changes to articles of incorporation or bylaws;

(5) information on services provided to benefit the community, including services provided at no cost or for a reduced fee to patients unable to pay, teaching and research activities, or other community or charitable activities;

(6) information required on the revenue and expense report form set in effect on July 1, 1989, *or as amended by the commissioner in rule*; and

(7) other information required by the commissioner in rule."

Page 6, after line 19, insert:

"Sec. 9. Minnesota Statutes 1990, section 153A.15, subdivision 4, is



amended to read:

Subd. 4. [~~PENALTY~~ PENALTIES.] A person violating sections 513A.13 to 153A.16 is guilty of a misdemeanor. *The commissioner may impose an automatic civil penalty equal to one-fourth the renewal fee on each hearing instrument seller who fails to renew the permit required in section 153A.14 by the renewal deadline established by the commissioner in rules.*"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "144.698, subdivision 1;"

Page 1, line 6, after the second comma, insert "subdivision 4, and"

The motion prevailed. So the amendment was adopted.

S.F. No. 910 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.

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. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 776: A bill for an act relating to agriculture; transferring the rural finance authority to the department of agriculture; providing for an agricultural development bond program to finance agricultural business enterprises and beginning farmers; appropriating funds; amending Minnesota Statutes 1990, sections 41B.025, subdivisions 1, 3, and 6; 41B.03, subdivision 3; 41B.211; 474A.02, subdivisions 13a and 23a; 474A.03, subdivision 1; 474A.061, subdivisions 1, 2b, 3, and 4; 474A.081; 474A.091; 474A.14; proposing coding for new law as Minnesota Statutes, chapter 41C.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 21, delete "6 to 17" and insert "7 to 18"

Page 2, after line 36, insert:

"Sec. 5. Minnesota Statutes 1990, section 41B.036, is amended to read:

41B.036 [GENERAL POWERS OF THE AUTHORITY.]

For the purpose of exercising the specific powers granted in section 41B.04 and effectuating the other purposes of sections 41B.01 to 41B.23 the authority has the general powers granted in this section.

(a) It may sue and be sued.

(b) It may have a seal and alter the seal.

(c) It may make, and from time to time, amend and repeal rules consistent with sections 41B.01 to 41B.23.

(d) It may acquire, hold, and dispose of real or personal property for its corporate purposes.

(e) It may enter into agreements, contracts, or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association, or organization, including contracts or agreements for administration and implementation of all or part of sections 41B.01 to 41B.23.

(f) It may acquire real property, or an interest therein, in its own name, by purchase or foreclosure, where such acquisition is necessary or appropriate.

(g) It may provide general technical services related to rural finance.

(h) It may provide general consultative assistance services related to rural finance.

(i) It may promote research and development in matters related to rural finance.

(j) It may enter into agreements with lenders, borrowers, or the issuers of securities for the purpose of regulating the development and management of farms financed in whole or in part by the proceeds of qualified agricultural loans.

(k) It may enter into agreements with other appropriate federal, state, or local governmental units to foster rural finance. It may give advance reservations of loan financing as part of the agreements, with the understanding that the authority will only approve the loans pursuant to normal procedures, and may adopt special procedures designed to meet problems inherent in such programs.

(l) It may undertake and carry out studies and analyses of rural financing needs within the state and ways of meeting such needs including: data with respect to geographical distribution; farm size; the distribution of farm credit needs according to debt ratios and similar factors; the amount and quality of available financing and its distribution according to factors affecting rural financing needs and the meeting thereof; and may make the results of such studies and analyses available to the public and may engage in research and disseminate information on rural finance.

(m) It may survey and investigate the rural financing needs throughout the state and make recommendations to the governor and the legislature as to legislation and other measures necessary or advisable to alleviate any existing shortage in the state.

(n) It may establish cooperative relationships with such county and multicounty authorities as may be established and may develop priorities for the utilization of authority resources and assistance within a region in cooperation with county and multicounty authorities.

(o) It may contract with, use, or employ any federal, state, regional, or local public or private agency or organization, legal counsel, financial advisors, investment bankers or others, upon terms it deems necessary or desirable, to assist in the exercise of any of the powers granted in sections 41B.01 to 41B.23 and to carry out the objectives of sections 41B.01 to 41B.23 and may pay for the services from authority funds.

(p) It may establish cooperative relationships with counties to develop priorities for the use of authority resources and assistance within counties and to consider county plans and programs in the process of setting the priorities.

(q) It may delegate any of its powers to its officers or staff.

(r) It may enter into agreements with qualified agricultural lenders or others insuring or guaranteeing to the state the payment of all or a portion of qualified agricultural loans.

(s) It may enter into agreements with eligible agricultural lenders providing for advance reservations of purchases of participation interests in restructuring loans, if the agreements provide that the authority may only purchase participation interests in restructuring loans under the normal procedure. The authority may provide in an agreement for special procedures or requirements designed to meet specific conditions or requirements.

(t) It may allow farmers who are natural persons to combine programs of the federal Agriculture Credit Act of 1987 with programs of the rural finance authority.

*(u) From within available funds generated by program fees, it may provide partial or full tuition assistance for farm management programs required under section 41B.03, subdivision 3, clause (7)."*

Page 3, lines 9 and 10, delete "6 to 17" and insert "7 to 18"

Page 6, line 12, after "the" insert "Farm Credit System or" and delete ", Federal Land Bank,"

Page 17, lines 7 and 28, delete "6 to 17" and insert "7 to 18"

Page 18, line 9, delete "6 to 17" and insert "7 to 18"

Page 23, line 9, delete "6 to 17" and insert "7 to 18"

Page 26, lines 32 and 35, delete "6 to 17" and insert "7 to 18"

Page 27, line 2, delete "28" and insert "29"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after the second semicolon, insert "41B.036;"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Solon moved that S.F. No. 771, on the Consent Calendar, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Waldorf moved that S.F. No. 1323, No. 149 on General Orders, be stricken and re-referred to the Committee on Governmental Operations. The motion prevailed.

Mr. Moe, R.D. moved that S.F. No. 1496 be withdrawn from the Committee on Rules and Administration and re-referred to the Committee on Governmental Operations. 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. Olson, Mr. Belanger, Mrs. Pariseau and Mr. Renneke introduced—

S.F. No. 1504: A bill for an act relating to taxation; repealing the tax levy authority of the metropolitan mosquito control district; amending Minnesota Statutes 1990, section 473.711, subdivisions 1, 2, and 3; repealing Minnesota Statutes 1990, section 473.711, subdivisions 4 and 5.

Referred to the Committee on Metropolitan Affairs.

Mr. Chmielewski introduced—

S.F. No. 1505: A bill for an act relating to education; appropriating money for telecommunications grants to members of the central Carlton, northern Pine county interactive television district.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 1506: A bill for an act relating to natural resources; directing establishment of a visitor center at the Moose Lake state recreation area; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 85.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 1507: A bill for an act relating to emergency telephone service; establishing a grant program for counties to initiate and improve emergency telephone services; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 403.

Referred to the Committee on Energy and Public Utilities.

Mr. Riveness introduced—

S.F. No. 1508: A bill for an act relating to taxation; providing for delayed assessment of valuation increases due to the rehabilitation of buildings; amending Minnesota Statutes 1990, section 273.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 273.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Pariseau, Messrs. Benson, D.D. and Bernhagen introduced—

S.F. No. 1509: A bill for an act relating to taxation; changing certain collection, penalty, and disclosure provisions; authorizing and clarifying revenue notices and tax information bulletins; requiring payment of certain tax liabilities by electronic funds transfer; providing for uniform recording of state and federal tax liens; creating a revenue department revolving fund; appropriating money; imposing a penalty; amending Minnesota Statutes

1990, sections 13.51, subdivision 2; 14.03, subdivision 3; 115B.24, subdivision 2; 138.17, subdivision 1a; 268.161, subdivision 1; 270.274, subdivision 1; 270.66, subdivision 3; 270.68, subdivision 1; 270.69, subdivisions 2, 8, 9, and by adding a subdivision; 270.70, subdivision 10; 270.703, subdivision 2; 270.75, subdivision 4; 270B.09; 272.479; 272.482; 272.483; 272.485; 272.486; 289A.19, subdivision 1; 289A.20, subdivisions 1, 2, and 4; 289A.26, by adding a subdivision; 289A.30, subdivision 1; 289A.37, subdivision 1; 289A.38, subdivision 9; 289A.42, subdivisions 1 and 2; 289A.60, subdivisions 2, 12, and by adding a subdivision; 290.611, subdivision 1; 290.92, by adding a subdivision; 296.14, subdivision 1; 297.03, subdivision 6; 297.35, subdivision 1; 297C.03, subdivision 1; 297C.04; 336.9-411; 349.212, subdivision 4; 357.18, subdivision 2; 386.46; 473.843, subdivision 3; 508.25; and 508A.25; proposing coding for new law in Minnesota Statutes, chapters 270 and 272; repealing Minnesota Statutes 1990, sections 272.487; 289A.19, subdivision 6; 290.48, subdivisions 5 and 8; and 297A.39, subdivision 9.

Referred to the Committee on Judiciary.

Mr. Metzen introduced—

S.F. No. 1510: A bill for an act relating to motor vehicles; imposing a surcharge on the daily or weekly rental of certain motor vehicles; amending Minnesota Statutes 1990, section 297A.44, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 297A.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Johnson, D.J. and Gustafson introduced—

S.F. No. 1511: A bill for an act relating to natural resources; establishing a Superior Vista bicycle and hiking trail in St. Louis county; appropriating funds for planning; amending Minnesota Statutes 1990, section 85.015, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Riveness, Ms. Ranum, Messrs. Waldorf, Pogemiller and Frederickson, D.R. introduced—

S.F. No. 1512: A bill for an act relating to the state budget; requiring the commissioner of finance to prepare performance budgets; prescribing their contents; requiring the commissioner of administration to prepare a functional analysis of state government; amending Minnesota Statutes 1990, section 16A.095, by adding subdivisions; repealing Minnesota Statutes 1990, section 16A.095, subdivision 3.

Referred to the Committee on Governmental Operations.

Ms. Reichgott, Messrs. Moe, R.D.; Johnson, D.J. and Pogemiller introduced—

S.F. No. 1513: A bill for an act relating to the financing and operation of local governments; providing grants to meet the cost of combining local government service functions; providing aids to local units of government that enter into agreements to cooperate and merge; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 465.

Referred to the Committee on Local Government.

Mr. Bertram introduced—

S.F. No. 1514: A bill for an act relating to manufactured home park rentals; utility charges; adding a basis for determining permissible rates; amending Minnesota Statutes 1990, section 327C.04, subdivision 3, and by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Mr. Lessard introduced—

S.F. No. 1515: A bill for an act relating to economic development; requiring the commissioner of trade and economic development to designate Koochiching county as an enterprise zone.

Referred to the Committee on Economic Development and Housing.

#### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:30 a.m., Tuesday, April 23, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## THIRTY-SEVENTH DAY

St. Paul, Minnesota, Tuesday, April 23, 1991

The Senate met at 11:30 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. Jim Munson.

The roll was called, and the following Senators answered to their names:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R. D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Kroening	Neuville	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1422.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 22, 1991

### FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H.F. No. 1422: A bill for an act relating to workers' compensation; regulating benefits and insurance; establishing a permanent commission on workers' compensation; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 79.252, by adding a subdivision; 176.011, subdivisions 3, 11a, and 18; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivisions 1, 2, 3, 3a, 4, 6, 9, and 11; 176.111, subdivision 18; 176.135, subdivisions 1, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.155, subdivision 1; 176.645, subdivisions 1 and 2; 176.83, subdivisions 5, 6, and by adding a subdivision; 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 175 and 176; repealing Minnesota Statutes 1990, sections 175.007; and 176.136, subdivision 5; and chapters 79, 175A, and 176.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1248.

### 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. 404 and the report pertaining to appointments. The motion prevailed.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 1194: A bill for an act relating to agriculture; regulating genetically engineered plants, pesticides, fertilizers, soil amendments, and plant amendments; imposing a penalty; amending Minnesota Statutes 1990, sections 18B.01, by adding subdivisions; 18C.005, by adding subdivisions; 18C.421; 18C.425, subdivision 6, and by adding a subdivision; 18D.01, subdivisions 1 and 9; 18D.301, subdivisions 1 and 2; 18D.325, subdivisions 1 and 2; 18D.331, subdivisions 1, 2, and 3; proposing coding for new law in Minnesota Statutes, chapters 18B and 18C; proposing coding for new law as Minnesota Statutes, chapter 18F.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 29, delete everything after the first "the" and insert "*introduction of new genetic material to an organism or the regrouping of an organism's genes using techniques or technology designed by humans. This does not include selective breeding, hybridization, or nondirected mutagenesis.*"

Page 2, delete lines 1 and 2

Page 3, line 14, delete "*issuance of a permit is not in the public interest or that*"

Page 4, line 5, delete everything after "for" and insert "*environmental review subject to the provisions of*"

Page 4, line 6, delete everything before "chapter" and after "116D" insert "*and rules adopted under it*" and after the period, insert "*The rules must also include provisions requiring concurrent permit review for proposed releases that would require more than one permit under chapter 18B, 18C, or 18F.*"

Page 4, line 17, delete "*, substance, or mixture of substances or*



organisms”

Page 5, line 31, delete everything after “that”

Page 5, line 32, delete “in the public interest or that”

Page 9, line 1, delete everything after “that”

Page 9, line 2, delete “public interest or that”

Pages 9 to 11, delete section 18

Pages 11 and 12, delete section 20

Page 13, after line 36, insert:

“Sec. 28. Minnesota Statutes 1990, section 116C.94, is amended to read:  
116C.94 [RULES.]

The board shall adopt rules consistent with sections 116C.91 to 116C.95 that require an environmental assessment worksheet for a proposed release and a permit for a release. 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 or by a federal agency if the federal agency provided the appropriate state agency an opportunity to review and approve the application for the federal permit. The term “significant environmental permit” includes a permit granted under section 4 or 17 or registration under section 10. The board shall consult with local units of government and with private citizens before adopting any rules.”

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 5, before “amending” insert “authorizing a permit exemption if a federal permit is required;”

Page 1, delete line 7 and insert “18C.425, by adding a”

Page 1, line 10, after the semicolon, insert “and 116C.94;”

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. 1066: A bill for an act relating to farm safety; authorizing a program for training youth in the safe operation of farm equipment; establishing a farm injuries surveillance system; requiring a farm safety specialist; providing for a pilot project of comprehensive farm safety audits; requiring certain safety equipment on farm tractors at time of sale; establishing a research center for agricultural health and safety; requiring certain studies and reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 17; 137; and 325F.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete section 2

Page 2, line 13, delete “must” and insert “is urged to”

Page 2, delete lines 16 to 28 and insert:

“Sec. 3. [137.342] [FARM SAFETY ADVISORY COMMISSION.]  
The”

Page 3, line 7, after “dealer” insert “or other seller”

Page 3, line 10, delete “that” and insert “:

*(1) power take-off shields and road transport lighting and reflector systems, if originally provided by the manufacturer; and”*

Page 3, delete line 11

Page 3, line 12, delete “(1)” and insert “(2)”

Page 3, line 13, delete the semicolon and insert a period

Page 3, delete lines 14 to 16

Page 3, line 20, delete “risks” and insert “risk of” and after “accidents” insert “or death”

Page 4, line 17, delete “6” and insert “5”

Page 4, delete line 21 and insert “commissioner of agriculture”

Page 4, line 22, delete everything before “for”

Page 4, line 23, delete everything after “commission” and insert a period

Page 4, delete line 24

Page 4, line 26, delete “3” and insert “2”

Page 4, line 27, delete “4, 6, and 9” and insert “3, 5, and 8”

Page 4, line 28, delete “5” and insert “4”

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 8 and 9, delete “research center for agricultural health and safety” and insert “farm safety advisory commission”

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. 786: A bill for an act relating to agriculture; making changes in the plant and animal pest control act; amending Minnesota Statutes 1990, sections 18.46, subdivisions 6, 9, and by adding a subdivision; 18.49, subdivision 2; 18.51; 18.52, subdivisions 1 and 5; 18.54, subdivision 2; 18.55; 18.56; 18.57; and 18.60.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, lines 18 and 19, strike “November 15” and insert “December 31”

Page 2, line 22, strike “of inspection”

Page 2, lines 26, 28, 30, 32, and 33, strike “operator” and insert “stock

grower”

Page 3, line 1, strike “minimum” and strike “\$10 or”

Page 3, line 2, strike “, whichever is greater.”

Page 3, after line 19, insert:

“Sec. 7. Minnesota Statutes 1990, section 18.52, subdivision 2, is amended to read:

Subd. 2. [EXPIRATION.] Said certificate shall expire on ~~November 15~~ *December 31* of each year.”

Page 6, lines 15 and 32, delete “civil” and insert “administrative”

Page 6, delete lines 19 to 30 and insert:

“Subd. 2. [~~MISDEMEANOR ADMINISTRATIVE PENALTY.~~] ~~Any person violating any of the provisions of the plant pest act, or any rule promulgated thereunder shall be guilty of a misdemeanor. The commissioner may impose an administrative penalty on a person who violates sections 18.44 to 18.61. For a first violation, the commissioner may impose an administrative penalty of not more than \$1,000 for each violation. For a second or succeeding violation, the commissioner may impose an administrative penalty of not more than \$1,500 for each violation. Each day a violation continues is a separate violation.~~”

Page 6, line 31, delete everything before “In”

Page 7, delete lines 3 to 9 and insert:

“Sec. 14. [REPEALER.]

*If S.F. No. 928 becomes law, section 13, subdivisions 2 and 3, are repealed.”*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after “1” insert “, 2,”

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. 481: A bill for an act relating to dairy inspection fees; limiting the charge for on-farm inspections to 40 percent of average inspection costs; amending Minnesota Statutes 1990, section 32.394, subdivisions 8 and 8b.

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 1990, section 32.394, subdivision 8, is amended to read:

Subd. 8. [GRADE A INSPECTION FEES.] A processor or marketing organization of milk, milk products, sheep milk, or goat milk who wishes to market Grade A milk or use the Grade A label must apply for Grade A inspection service from the commissioner. A pasteurization plant requesting

Grade A inspection service must hold a Grade A permit and pay an annual inspection fee of no more than \$500. For Grade A farm inspection service, the fee must be no more than ~~\$66~~ \$50 per farm, paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring a reinspection in addition to the required biannual inspections, an additional fee of no more than ~~\$33~~ \$25 per reinspection must be paid by the processor or by the marketing organization on behalf of its patrons. ~~If the commissioner deems it necessary to more nearly meet the cost of the service, the commissioner may annually adjust the assessments within the limits set in this subdivision. The Grade A farm inspection fee must not exceed the lesser of (1) 40 percent of the department's actual average cost per farm inspection or reinspection; or (2) the dollar limits set in this subdivision.~~ No fee increase may be implemented until after the commissioner has held three or more public hearings.

Sec. 2. Minnesota Statutes 1990, section 32.394, subdivision 8b, is amended to read:

Subd. 8b. [MANUFACTURING GRADE FARM CERTIFICATION.] A processor or marketing organization of milk, milk products, sheep milk, or goat milk who wishes to market other than Grade A milk must apply for a manufacturing grade farm certification inspection from the commissioner. A manufacturing plant that pasteurizes milk or milk by-products must pay an annual fee based on the number of pasteurization units. This fee must not exceed \$140 per unit. The fee for farm certification inspection must not be more than ~~\$33~~ \$25 per farm to be paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring more than the one ~~annual~~ inspection ~~required~~ for certification, ~~an additional~~ a reinspection fee of no more than ~~\$33~~ \$25 must be paid by the processor or by the marketing organization on behalf of its patrons. The fee must be set by the commissioner in an amount necessary to ~~meet~~ cover 40 percent of the department's actual cost of providing the ~~service~~ annual inspection but must not exceed the limits in this subdivision. No fee increase may be implemented until after the commissioner has held three or more public hearings.

Sec. 3. Minnesota Statutes 1990, section 32.394, is amended by adding a subdivision to read:

Subd. 8d. [PROCESSOR ASSESSMENT.] (a) A manufacturer shall pay to the commissioner a fee for fluid milk processed and milk used in the manufacture of fluid milk products sold in Minnesota. Beginning July 1, 1991, the fee is five cents per hundredweight. If the commissioner determines that a different fee, not exceeding nine cents per hundredweight, when combined with general fund appropriations and fees charged under sections 1 and 2, is needed to provide adequate funding for the grades A and B inspection programs, the commissioner may, by rule, change the fee on processors.

(b) Processors must report quantities of milk processed under paragraph (a) on forms provided by the commissioner. Processor fees must be paid monthly. The commissioner may require the production of records as necessary to determine compliance with this subdivision.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective July 1, 1991."

Delete the title and insert:

"A bill for an act relating to dairy inspection fees; limiting the charge for on-farm inspections to 40 percent of average inspection costs; requiring a processor assessment; requiring continued dairy farm inspections; amending Minnesota Statutes 1990, section 32.394, subdivisions 8, 8b, 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. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1248: A bill for an act relating to workers' compensation; regulating benefits and insurance; establishing a permanent commission on workers' compensation; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 79.252, by adding a subdivision; 176.011, subdivisions 3, 11a, and 18; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivisions 1, 2, 3, 3a, 4, 6, 9, and 11; 176.104, subdivision 1; 176.1041; 176.111, subdivision 18; 176.135, subdivisions 1, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.185, subdivision 1; 176.645, subdivisions 1 and 2; 176.83, subdivisions 5, 6, and by adding a subdivision; 176A.03, by adding a subdivision; 268A.03; proposing coding for new law in Minnesota Statutes, chapters 175 and 176; repealing Minnesota Statutes 1990, sections 175.007; 176.136, subdivision 5; and 268A.05, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 31, delete sections 2 and 3 and insert:

"Sec. 2. [176.95] [ADMINISTRATIVE COSTS.]

*The cost of administering the workers' compensation division of the department of labor and industry, the workers' compensation division of the office of administrative hearings, and the workers' compensation court of appeals will be reimbursed to the workers' compensation special compensation fund by a transfer from the general fund, except that the amount transferred from the general fund under this section, plus the amount transferred from the general fund under section 176.183, must not be more than \$18,000,000 each fiscal year."*

Page 31, delete section 5 and insert:

"Sec. 4. [APPROPRIATIONS.]

*\$12,000,000 is appropriated from the general fund for transfer on July 1, 1992, to the workers' compensation special compensation fund to reimburse the fund for expenses that should be borne by the general fund. These expenses are the cost of administering the workers' compensation division of the department of labor and industry, the workers' compensation division of the office of administrative hearings, and the workers' compensation court of appeals.*

*\$6,000,000 is appropriated from the general fund for transfer on July 1, 1992, to the workers' compensation special compensation fund to reimburse the fund for compensation paid to employees of uninsured or self-insured employers under Minnesota Statutes, section 176.183."*

Page 32, line 5, delete the first "January" and insert "July"

Page 32, line 6, delete “*sections 3 and 5*” and insert “*section 4*”

Page 32, delete lines 8 to 10 and insert:

“*Section 5 is effective the day following final enactment. Section 3 is effective July 1, 1991. Section 1 is effective October 1, 1991. Sections 2 and 4 are effective July 1, 1992.*”

Renumber the sections of article 4 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. 1071: A bill for an act relating to higher education; creating the higher education board; merging the state university, community college, and technical college systems; appropriating money; amending Minnesota Statutes 1990, section 179A.10, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 136E.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 8, insert:

“Section 1. Minnesota Statutes 1990, section 15A.081, subdivision 7b, is amended to read:

Subd. 7b. [HIGHER EDUCATION OFFICERS.] *The higher education board, state university board, the state board for community colleges, the state board of technical colleges, and the higher education coordinating board shall set the salary rates for, respectively, the chancellor of the higher education system, the chancellor of the state universities, the chancellor of the community colleges, the state director of vocational technical education, and the executive director of the higher education coordinating board. The respective board shall submit the proposed salary increase to the legislative commission on employee relations for approval, modification, or rejection in the manner provided in section 43A.18, subdivision 2. Salary rates for the positions specified in this subdivision may not exceed 95 percent of the salary of the governor under section 15A.082, subdivision 3. In deciding whether to recommend a salary increase, the governing board shall consider the performance of the chancellor or director, including the chancellor’s or director’s progress toward attaining affirmative action goals.*”

Page 1, line 11, delete “*1 to 5*” and insert “*2 to 6*”

Page 5, lines 24 and 33, delete “*1*” and insert “*2*”

Page 7, line 14, delete “*2*” and insert “*3*”

Page 8, line 30, delete “*6*” and insert “*7*”

Page 8, line 32, delete “*4 and 5*” and insert “*5 and 6*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete “*section*” and insert “*sections 15A.081, subdivision 7b; and*”

And when so amended the bill do pass. Amendments adopted. Report

adopted.

Mr. Dahl from the Committee on Education, to which was re-referred

S.F. No. 404: A bill for an act relating to peace officers; requiring the community college system, technical college system, state university system, and private colleges offering professional peace officer education to create and implement a joint plan to integrate components of professional peace officer education into a degree program by January 1, 1992; requiring the state university system to develop a school of law enforcement; amending Minnesota Statutes 1990, sections 626.84, subdivision 1; and 626.861, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 9, delete "develop" and insert "operate"

Page 5, line 19, after "appropriated" insert "from the general fund for the biennium ending June 30, 1993,"

And when so amended the bill do pass. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 892: A bill for an act relating to agriculture; authorizing reimbursement to school districts for purchase of Minnesota commodities for school lunches; 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:

Delete everything after the enacting clause and insert:

"Section 1. [17.107] [MINNESOTA GROWN COMMODITIES SCHOOL LUNCH PROGRAM.]

*Subdivision 1. [COMMODITY REIMBURSEMENT.] Each school year, schools chosen to participate in the Minnesota grown commodities program may receive reimbursement from the state for the cost of Minnesota grown commodities or five cents per lunch served, whichever is less. For the purposes of this section, "Minnesota grown" means agricultural products licensed to bear the "Minnesota grown" logo or labeling statement under section 17.102.*

*Subd. 2. [PROCEDURE.] By October 1, a school district wishing to be considered for participation in the Minnesota grown commodities program shall submit an application to the department of education in conjunction with the application for the national school lunch program. The department shall select four pilot project sites that meet the following criteria:*

*(1) a school district which has 30 percent or more of its meals offered free or at reduced prices to students;*

*(2) the school food service account has operated in a deficit for at least two years; and*

(3) *the school district has lost at least five percent of its United States Department of Agriculture surplus commodities in the last five years.*

*One pilot site must be designated in a school district that serves a million or more lunches annually. One pilot site must be in a district that serves 500,000 to 1,000,000 lunches annually. Two pilot sites will be designated in school districts that serve up to 500,000 lunches annually. Pilot sites must be located in various geographic areas representing the urban, suburban, and rural parts of the state.*

*Each school district participating in the Minnesota grown commodities program shall maintain separate accounts of purchases of Minnesota commodities and shall make those accounts available for audit to the commissioner of agriculture.*

Sec. 2. [APPROPRIATION.]

*\$150,000 is appropriated to the commissioner of agriculture to reimburse selected school district pilot sites for the purchase of Minnesota grown commodities."*

Delete the title and insert:

*"A bill for an act relating to agriculture; establishing pilot projects and authorizing reimbursement to school districts for purchase of "Minnesota grown" commodities for school lunches; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17."*

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 764: A bill for an act relating to public safety; regulating amusement rides; requiring insurance and inspections; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 184B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 7, delete "\$1,000,000" and insert "\$500,000"

Page 2, after line 22, insert:

*"This section does not apply to amusement rides permanently located in an amusement park that has a rehabilitative and preventative ride maintenance program that includes daily ride inspections for the protection of the general public and a full-time, permanent maintenance staff."*

And when so amended the bill do pass and be re-referred to the Committee on Commerce. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 432: A bill for an act relating to employment; regulating certain construction bids; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.

Reports the same back with the recommendation that the bill be amended as follows:



Page 1, line 8, after "A" insert "*successful*" and delete "*include in its*"

Page 1, line 9, delete "*bid the costs*" and insert "*provide coverage*" and after "*compensation*" delete "*coverage*"

Page 1, line 10, delete "*contributions*"

Page 1, line 17, after "*any*" insert "*nonresidential*"

Page 2, lines 1 and 2, delete "*shall treble any damage award and*"

Page 2, line 8, delete "*gross*"

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. 1317: A bill for an act relating to employment; modifying the family leave law; amending Minnesota Statutes 1990, sections 181.940, subdivision 2; and 181.9413.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 22, after "SICK" insert "*OR INJURED*"

Page 2, line 7, after "*sick*" insert "*or injured*"

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. 954: A bill for an act relating to agriculture; extending the farmer-lender mediation act; providing for the assessment of mediation fees; appropriating money; amending Laws 1986, chapter 398, article 1, section 18, as amended; proposing coding for new law in Minnesota Statutes, chapter 583.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1 and insert:

"Section 1. Laws 1985, chapter 19, section 6, subdivision 6, as amended by Laws 1986, chapter 398, article 11, section 4, Laws 1987, chapter 396, article 5, section 3, and Laws 1989, chapter 350, article 3, section 3, is amended to read:

Subd. 6. [EXPIRATION.] The agricultural data collection task force expires ~~April 15, 1991, or 15 days after reporting to the legislature, whichever date comes later, but in no circumstance later than June 30, 1991~~ 1993."

Page 1, line 25, delete the new language and insert "1993"

Page 1, after line 25, insert:

"Sec. 3. [AGRICULTURAL DATA COLLECTION TASK FORCE; APPROPRIATION.]

*\$15,000 is appropriated from the general fund to the commissioner of*

*agriculture to fund the activities of the agricultural data collection task force. This appropriation is available for the biennium ending June 30, 1993.*"

Page 2, after line 3, insert:

*"This appropriation may be used only for mediation related to adjusting farm indebtedness under Minnesota Statutes, chapter 583.*

Sec. 5. [APPROPRIATION.]

*\$400,000 is appropriated from the general fund to the commissioner of agriculture for support of the farm advocates program. One-half of this appropriation is available for each fiscal year of the biennium ending June 30, 1993.*"

Page 2, line 5, delete "*Sections 1 and 2 are*" and insert "*Section 2 is*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "the" insert "agricultural data collection task force, the"

Page 1, line 3, after "act" insert ", and the farm advocates program" and delete everything after the semicolon

Page 1, line 4, delete "mediation fees;" and after "amending" insert "Laws 1985, chapter 19, section 6, subdivision 6, as amended; and"

Page 1, line 5, delete the semicolon and insert a period

Page 1, delete lines 6 and 7

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 806 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.
806	794				

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. 526 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File

be given its second reading and substituted for its companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
526	395				

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. 832 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
832	833				

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. 1405 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1405	1245				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1405 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1405 and insert the language after the enacting clause of S.F. No. 1245, the first engrossment; further, delete the title of H.F. No. 1405 and insert the title of S.F. No. 1245, the first engrossment.

And when so amended H.F. No. 1405 will be identical to S.F. No. 1245, and further recommends that H.F. No. 1405 be given its second reading and substituted for S.F. No. 1245, 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. 584 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.
584	599				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 584 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 584 and insert the language after the enacting clause of S.F. No. 599, the first engrossment; further, delete the title of H.F. No. 584 and insert the title of S.F. No. 599, the first engrossment.

And when so amended H.F. No. 584 will be identical to S.F. No. 599, and further recommends that H.F. No. 584 be given its second reading and substituted for S.F. No. 599, 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. 244 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.
244	354				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 244 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 244 and insert the language after the enacting clause of S.F. No. 354, the second engrossment; further, delete the title of H.F. No. 244 and insert the title of S.F. No. 354, the second engrossment.

And when so amended H.F. No. 244 will be identical to S.F. No. 354, and further recommends that H.F. No. 244 be given its second reading and substituted for S.F. No. 354, 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. 414 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
414	400				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 414 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 414 and insert the language after the enacting clause of S.F. No. 400, the first engrossment; further, delete the title of H.F. No. 414 and insert the title of S.F. No. 400, the first engrossment.

And when so amended H.F. No. 414 will be identical to S.F. No. 400, and further recommends that H.F. No. 414 be given its second reading and substituted for S.F. No. 400, 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. 739 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
739	482				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 739 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 739 and insert the language after the enacting clause of S.F. No. 482, the first engrossment; further, delete the title of H.F. No. 739 and insert the title of S.F. No. 482, the first engrossment.

And when so amended H.F. No. 739 will be identical to S.F. No. 482, and further recommends that H.F. No. 739 be given its second reading and substituted for S.F. No. 482, 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. 200 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
200	193				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 200 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 200 and insert the language after the enacting clause of S.F. No. 193, the first engrossment; further, delete the title of H.F. No. 200 and insert the title of S.F. No. 193, the first engrossment.

And when so amended H.F. No. 200 will be identical to S.F. No. 193, and further recommends that H.F. No. 200 be given its second reading and substituted for S.F. No. 193, 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. 877 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
877	497				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 877 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 877 and insert the language after the enacting clause of S.F. No. 497, the first engrossment; further, delete the title of H.F. No. 877 and insert the title of S.F. No. 497, the first engrossment.

And when so amended H.F. No. 877 will be identical to S.F. No. 497, and further recommends that H.F. No. 877 be given its second reading and substituted for S.F. No. 497, 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. Berg from the Committee on Gaming Regulation, to which were referred the following appointments as reported in the Journal for January 14, 1991:

#### GAMBLING CONTROL BOARD

Sally Howard  
Anthony Thomas, Sr.  
Nicholas Zuber

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

#### SECOND READING OF SENATE BILLS

S.F. Nos. 1194, 1248, 1071, 432 and 1317 were read the second time.

#### SECOND READING OF HOUSE BILLS

H.F. Nos. 806, 526, 832, 1405, 584, 244, 414, 739, 200 and 877 were read the second time.

#### MOTIONS AND RESOLUTIONS

Mr. Merriam moved that the name of Mr. Mondale be added as a co-author to S.F. No. 497. The motion prevailed.

Mr. Kelly moved that the name of Mr. Chmielewski be added as a co-author to S.F. No. 853. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Mondale be added as a co-author to S.F. No. 1166. The motion prevailed.

Mr. Frank moved that S.F. No. 1329, No. 148 on General Orders, be stricken and re-referred to the Committee on Metropolitan Affairs. 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. 296, which the committee reports progress, subject to the following motions:

Mr. Waldorf moved to amend S.F. No. 296 as follows:

Page 2, line 9, after the period, insert "*In such circumstances, those authorities shall maintain the confidentiality of the fact that she has sought or obtained an abortion and shall take all necessary steps to ensure that this information is not revealed to her parents.*"

The motion prevailed. So the amendment was adopted.

Mrs. Brataas moved to amend S.F. No. 296 as follows:

Page 1, line 9, reinstate the stricken "both parents" and after the reinstated

“parents” insert “*of the pregnant woman if the mother and the father reside together with the pregnant woman in the same household or*”

Page 1, line 12, after the stricken “effort” insert “*if they do not reside together*”

Pages 1 and 2, delete section 2

Amend the title as follows:

Page 1, line 4, delete “subdivisions 3 and 4” and insert “subdivision 3”

The motion did not prevail. So the amendment was not adopted.

The question was taken on the recommendation to pass S.F. No. 296.

The roll was called, and there were yeas 30 and nays 36, as follows:

Those who voted in the affirmative were:

Berglin	Frederickson, D.J.	Luther	Novak	Reichgott
Brataas	Gustafson	Marty	Pappas	Riveness
Cohen	Hottinger	Mehrkens	Piper	Solon
Dicklich	Johnson, J.B.	Moe, R.D.	Pogemiller	Spear
Finn	Kelly	Mondale	Price	Storm
Flynn	Knaak	Morse	Ranum	Traub

Those who voted in the negative were:

Adkins	Chmielewski	Johnson, D.E.	McGowan	Samuelson
Beckman	Dahl	Johnson, D.J.	Merriam	Stumpf
Belanger	Davis	Johnston	Metzen	Vickerman
Benson, D.D.	Day	Kroening	Neuville	Waldorf
Benson, J.E.	DeCramer	Laidig	Olson	
Berg	Frank	Langseth	Pariseau	
Bernhagen	Frederickson, D.R.	Larson	Renneke	
Bertram	Halberg	Lessard	Sams	

The motion did not prevail.

S.F. No. 296 was then progressed.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

## INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Kelly, Price, Cohen, Ms. Pappas and Mr. Frank introduced—

S.F. No. 1516: A bill for an act relating to public finance; encouraging the cooperative restructuring of local government services; amending Minnesota Statutes 1990, section 275.54, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 6 and 471.

Referred to the Committee on Local Government.

Messrs. Solon; Johnson, D.J.; Dicklich; Gustafson and Metzen introduced—

S.F. No. 1517: A bill for an act relating to taxation; authorizing the department of trade and economic development to issue obligations to finance construction of aircraft maintenance and repair facilities; providing tax credits for job creation; providing an exemption from sales tax for certain



equipment and materials; authorizing establishment of tax increment financing districts in the cities of Duluth and Hibbing; authorizing the metropolitan airports commission to operate outside the metropolitan area; amending Minnesota Statutes 1990, sections 290.06, by adding a subdivision; and 473.608, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 116J and 297A.

Referred to the Committee on Economic Development and Housing.

Mr. Gustafson introduced—

S.F. No. 1518: A bill for an act relating to lawful gambling; allowing lessees to continue to conduct lawful gambling on premises on which gambling violations by others have occurred; amending Minnesota Statutes 1990, sections 299L.05; and 349.18, subdivision 1.

Referred to the Committee on Gaming Regulation.

Mr. Chmielewski introduced—

S.F. No. 1519: A bill for an act relating to taxation; reducing the property tax class rate applied to certain homesteads; providing funding for the property tax targeting credit; increasing payments of aids to local governments; delaying payment dates; conforming income tax provisions with changes in federal income tax laws; adjusting the income tax rates; imposing an income tax surtax; reducing the amount in the budget and cash flow reserve account; amending Minnesota Statutes 1990, sections 16A.15, subdivision 6; 273.13, subdivision 22; 290.01, subdivisions 19 and 19a; 290.06, subdivision 2c, and by adding a subdivision; 290.067, subdivision 1; 290.92, subdivision 1; 290A.04, subdivision 2h; 477A.012, subdivision 1, as amended; 477A.013, subdivisions 1, as amended, 3, as amended, and 5; 477A.015; and 477A.03, subdivision 1; repealing Laws 1990, chapter 604, article 4, section 19.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Stumpf and Bertram introduced—

S.F. No. 1520: A bill for an act relating to occupations and professions; modifying an auctioneer's exemption from real estate brokers and salespersons licensing; amending Minnesota Statutes 1990, section 82.18.

Referred to the Committee on Commerce.

Mr. Storm introduced—

S.F. No. 1521: A bill for an act relating to appropriations; appropriating money to the state planning agency for a symposium on violent juvenile sex offenders.

Referred to the Committee on Health and Human Services.

Mr. Kroening introduced—

S.F. No. 1522: A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new

commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

Referred to the Committee on Health and Human Services.

Mr. Dahl introduced—

S.F. No. 1523: A bill for an act relating to taxation; authorizing cities containing substantial areas of regional parklands to impose service charges on the implementing agency; proposing coding for new law in Minnesota Statutes, chapter 275.

Referred to the Committee on Environment and Natural Resources.

#### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:45 p.m., Wednesday, April 24, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

**THIRTY-EIGHTH DAY**

St. Paul, Minnesota, Wednesday, April 24, 1991

The Senate met at 12:45 p.m. and was called to order by the President.

**CALL OF THE SENATE**

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by Senator Dean E. Johnson.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ranum
Beckman	Day	Johnson, J.B.	Merriam	Reichgott
Belanger	DeCramer	Johnston	Metzen	Renneke
Benson, D.D.	Dicklich	Kelly	Moe, R.D.	Riveness
Benson, J.E.	Finn	Knaak	Mondale	Sams
Berg	Flynn	Kroening	Neuville	Samuelson
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederickson, D.J.	Langseth	Olson	Spear
Bertram	Frederickson, D.R.	Larson	Pappas	Storm
Brataas	Halberg	Lessard	Pariseau	Stumpf
Chmielewski	Hottinger	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	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 communications were received and referred to the committees indicated.

March 22, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

The following appointments are hereby respectfully submitted to the Senate for confirmation as requested by law:

**MEMBER, STATE BOARD OF TECHNICAL COLLEGES**

F. B. Daniel, 2056 Timmy Street, Mendota Heights, Dakota County, Minnesota, has been appointed by me, effective March 25, 1991, for a term expiring on the first Monday in January, 1995.

**MEMBER, STATE BOARD OF TECHNICAL COLLEGES**

Billeigh H. Riser, 2205 Hazelwood, Maplewood, Ramsey County, Minnesota, has been appointed by me, effective March 25, 1991, for a term expiring on the first Monday in January, 1995.

**MEMBER, STATE BOARD OF TECHNICAL COLLEGES**

Robert L. Cahlander, 4315 Southview Ridge, Red Wing, Goodhue County, Minnesota, has been appointed by me, effective March 25, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Education.)

April 5, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

The following appointment is hereby respectfully submitted to the Senate for confirmation as requested by law:

**DIRECTOR, OFFICE OF WASTE MANAGEMENT**

Dottie M. Rietow, 1317 Kilmer Avenue South, St. Louis Park, Hennepin County, Minnesota, has been appointed by me, effective April 7, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Environment and Natural Resources.)

April 8, 1991

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

The following appointment is hereby respectfully submitted to the Senate for confirmation as requested by law:

**MEMBER, MINNESOTA WORLD TRADE CENTER CORPORATION  
BOARD OF DIRECTORS**

Wallace F. Gustafson, 14099 Skyline Drive, Spicer, Kandiyohi County, Minnesota, has been appointed by me, effective April 7, 1991, for a term expiring on the first Monday in January, 1994.

(Referred to the Committee on Economic Development and Housing.)

April 9, 1991

The Honorable Jerome Hughes

President of the Senate

Dear Sir:

The following appointments are hereby respectfully submitted to the Senate for confirmation as requested by law:

**MEMBER, STATE BOARD FOR COMMUNITY COLLEGES**

Robert M. Bigwood, Hoot Lake Drive, Route 6, Fergus Falls, Otter Tail County, Minnesota, has been appointed by me, effective April 7, 1991, for a term expiring on the first Monday in January, 1995.

Stephen Lloyd Maxwell, 882 Carroll Avenue, St. Paul, Ramsey County, Minnesota, has been appointed by me, effective April 7, 1991, for a term expiring on the first Monday in January, 1995.

**STUDENT MEMBER, STATE BOARD FOR COMMUNITY COLLEGES**

Ann M. Kruchten, 601 114th Avenue Northwest, Coon Rapids, Anoka County, Minnesota, has been appointed by me, effective April 7, 1991, for a term expiring on the first Monday in January, 1993.

(Referred to the Committee on Education.)

Warmest regards,  
Arne H. Carlson, Governor

April 19, 1991

The Honorable Jerome M. Hughes  
President of the Senate

Dear Senator Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 583.

Warmest regards,  
Arne H. Carlson, Governor

April 22, 1991

The Honorable Jerome M. Hughes  
President of the Senate

Dear Senator Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 252.

Warmest regards,  
Arne H. Carlson, Governor

April 23, 1991

The Honorable Robert E. Vanasek

Speaker of the House of Representatives

The Honorable Jerome M. Hughes  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1991 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1991	Date Filed 1991
583		30	5:12 p.m. April 19	April 22

Sincerely,  
Joan Anderson Growe  
Secretary of State

April 23, 1991

The Honorable Robert E. Vanasek  
Speaker of the House of Representatives

The Honorable Jerome M. Hughes  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1991 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1991	Date Filed 1991
	196	Res. No. 5	3:05 p.m. April 22	April 22
	795	31	3:10 p.m. April 22	April 22
	131	32	3:12 p.m. April 22	April 22
252		33	4:16 p.m. April 22	April 23

Sincerely,  
Joan Anderson Growe  
Secretary of State

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 6.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 23, 1991

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 977, 1549, 983, 1105, 1282, 1396 and 1418.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 23, 1991

### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 977: A bill for an act relating to the environment; prescribing who must prevent, prepare for, and respond to worst case discharges of oil and hazardous substances; describing response plans; authorizing the commissioners of the pollution control agency and departments of agriculture and public safety to order compliance; providing for good samaritan assistance; authorizing cooperation between public and private responders; requiring the establishment of a single answering point system; authorizing citizens advisory groups; providing penalties; amending Minnesota Statutes 1990, section 116.072, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 115E.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 891.

H.F. No. 1549: A resolution memorializing the President and the Congress of the United States to take action to alleviate the crisis in the Midwest dairy industry.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1414.

H.F. No. 983: A bill for an act relating to Ramsey county; changing Ramsey county special laws to make them consistent with the county home rule charter; amending Minnesota Statutes 1990, sections 383A.06, subdivision 2; 383A.16, subdivision 4; 383A.20, subdivision 10; 383A.32, subdivision 1; and 383A.50, subdivision 4; repealing Minnesota Statutes 1990, sections 383A.04; 383A.06, subdivision 3; 383A.07, subdivisions 6, 15, and 20; 383A.16, subdivision 5; 383A.20, subdivisions 1, 6 to 9, and 11; 383A.23, subdivision 1; 383A.24; 383A.25; 383A.45; 383A.46; 383A.48; 383A.49; and 383A.50, subdivisions 1 and 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 943, now on General Orders.

H.F. No. 1105: A bill for an act relating to Ramsey county; providing for additional civil service certification of underrepresented groups; amending Minnesota Statutes 1990, section 383A.291, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 973, now on General Orders.

H.F. No. 1282: A bill for an act relating to local government; providing procedures for storm sewer improvements; amending Minnesota Statutes 1990, section 444.18, by adding a subdivision; repealing Minnesota Statutes 1990, section 444.18, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1126, now on General Orders.

H.F. No. 1396: A bill for an act relating to local government; allowing Pine county to transfer money from the county welfare fund to the general fund to support a hospital.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1040, now on General Orders.

H.F. No. 1418: A bill for an act relating to human services; Minnesota comprehensive health association; clarifying the calculation of contributing members' share of expenses; excluding medical assistance and general assistance medical care payments from the calculation; amending Minnesota Statutes 1990, section 62E.11, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1211, 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. 937. The motion prevailed.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 772: A bill for an act relating to crimes; imposing a duty to investigate and render aid when a person is injured in a shooting accident; imposing penalties; amending Minnesota Statutes 1990, section 97A.051, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 25, delete "DISCHARGE BY HUNTER" and insert "SHOOTING VICTIM"

Page 2, lines 3 and 33, delete "*accident*" and insert "*incident*"

Page 2, lines 4 and 5, delete "*intentional or unintentional*"

Page 2, lines 15 and 25, delete "*unless the injuries are minor,*"

Page 2, delete lines 28 to 30 and insert "*misdemeanor.*"

Page 3, line 1, delete "*the injuries are minor or*"

Page 3, line 5, delete "*gross*" and insert "*petty*"

Amend the title as follows:

Page 1, line 4, delete "*accident*" and insert "*incident*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 626: A bill for an act relating to public safety; regulating limousine drivers; adding identification to license plates; providing for limousine driver



endorsement on drivers licenses; providing for payment of fees for limousine drivers licenses; requiring the commissioner of public safety to adopt rules relating to limousine permits; appropriating money; amending Minnesota Statutes 1990, sections 168.128, subdivisions 2 and 3; 171.01, by adding a subdivision; 171.02, subdivision 2; 171.10, subdivision 2; 171.13, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 171.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 168.011, subdivision 35, is amended to read:

Subd. 35. [LIMOUSINE.] ~~"Limousine" means a passenger automobile, other than a taxicab or a passenger-carrying van-type vehicle, that does not provide regular route service and that has a seating capacity, excluding the driver, of not more than 12 passengers. For purposes of motor vehicle registration only, "limousine" means an unmarked luxury passenger automobile that is not a van or station wagon and has a seating capacity of not more than 12 persons, excluding the driver.~~

Sec. 2. Minnesota Statutes 1990, section 168.128, subdivision 2, is amended to read:

Subd. 2. [LICENSE PLATES.] A person who operates a limousine for other than personal use shall apply to register the vehicle as provided in this section. A person who operates a limousine for personal use may apply. The registrar shall issue limousine license plates upon the applicant's compliance with laws relating to registration and licensing of motor vehicles and drivers and certification by the owner that an insurance policy in an aggregate amount of \$300,000 per accident is in effect for the entire period of the registration under section 65B.135. The applicant must provide the registrar with proof that the passenger automobile license tax and a \$10 fee have been paid for each limousine receiving limousine license plates. The limousine license plates must be designed to specifically identify the vehicle as a limousine *and must be clearly marked with the letters "LM."* Limousine license plates may not be transferred upon sale of the limousine, but may be transferred to another limousine owned by the same person upon notifying the registrar and paying a \$5 transfer fee.

Sec. 3. Minnesota Statutes 1990, section 168.128, subdivision 3, is amended to read:

Subd. 3. [INSURANCE.] The application must include a certificate of insurance verifying that a valid commercial insurance policy is in effect and giving the name of the insurance company and the number of the insurance policy. The policy must provide stated limits of liability, exclusive of interest and costs, with respect to each vehicle for which coverage is granted, of not less than \$100,000 because of bodily injury to one person in any one accident and, subject to said limit for one person, of not less than \$300,000 because of injury to two or more persons in any one accident *and of not less than \$100,000 because of injury to or destruction of property.* The insurance company must notify the commissioner if the policy is canceled or if the policy no longer provides the coverage required by this subdivision.

*The commissioner shall immediately notify the commissioner of transportation if the policy of a person required to have a permit under section 6 is canceled or no longer provides the coverage required by this subdivision.*

Sec. 4. Minnesota Statutes 1990, section 221.025, is amended to read:  
221.025 [EXEMPTIONS.]

Except as provided in sections 221.031 and 221.033, the provisions of this chapter do not apply to the intrastate transportation described below:

(a) the transportation of students to or from school or school activities in a school bus inspected and certified under section 169.451;

(b) the transportation of rubbish as defined in section 443.27;

(c) a commuter van as defined in section 221.011, subdivision 27;

(d) authorized emergency vehicles as defined in section 169.01, subdivision 5, including ambulances, and tow trucks when picking up and transporting disabled or wrecked motor vehicles and when carrying proper and legal warning devices;

(e) the transportation of grain samples under conditions prescribed by the board;

(f) the delivery of agricultural lime;

(g) the transportation of dirt and sod within an area having a 50-mile radius from the home post office of the person performing the transportation;

(h) a person while exclusively engaged in the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix, concrete blocks or tile, or crushed rock to or from the point of loading or a place of gathering within an area having a 50-mile radius from that person's home post office or a 50-mile radius from the site of construction or maintenance of public roads and streets;

(i) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator evergreens, wood chips, sawdust, shavings, and bark from the place where the products are produced to the point where they are to be used or shipped;

(j) a person while engaged exclusively in transporting fresh vegetables from farms to canneries or viner stations, from viner stations to canneries, or from canneries to canneries during the harvesting, canning, or packing season, or transporting potatoes, sugar beets, wild rice, or rutabagas from the field of production to the first place of delivery or unloading, including a processing plant, warehouse, or railroad siding;

(k) a person engaged in transporting property or freight, other than household goods and petroleum products in bulk, entirely within the corporate limits of a city or between contiguous cities except as provided in section 221.296;

(l) the transportation of unprocessed dairy products in bulk within an area having a 100-mile radius from the home post office of the person providing the transportation;

(m) a person engaged in transporting agricultural, horticultural, dairy, livestock, or other farm products within an area having a 25-mile radius from the person's home post office and the carrier may transport other commodities within the 25-mile radius if the destination of each haul is a

farm;

(n) a person providing limousine service that is not regular route service in a passenger automobile that is not a van, and that has a seating capacity, excluding the driver, of not more than 12 persons;

(o) passenger transportation service that is not charter service and that is under contract to and with operating assistance from the department or the regional transit board.

Sec. 5. Minnesota Statutes 1990, section 221.091, is amended to read:  
221.091 [LIMITATIONS.]

No provision in sections 221.011 to 221.291 and section 6 shall authorize the use by any carrier of any public highway in any city of the first class in violation of any charter provision or ordinance of such city in effect January 1, 1925, unless and except as such charter provisions or ordinance may be repealed after that date; nor shall sections 221.011 to 221.291 and section 6 be construed as in any manner taking from or curtailing the right of any city to reasonably regulate or control the routing, parking, speed or the safety of operation of a motor vehicle operated by any carrier under the terms of sections 221.011 to 221.291 and section 6, or the general police power of any such city over its highways; nor shall sections 221.011 to 221.291 and section 6 be construed as abrogating any provision of the charter of any such city requiring certain conditions to be complied with before such carrier can use the highways of such city and such rights and powers herein stated are hereby expressly reserved and granted to such city; but no such city shall prohibit or deny the use of the public highways within its territorial boundaries by any such carrier for transportation of passengers or property received within its boundaries to destinations beyond such boundaries, or for transportation of passengers or property from points beyond such boundaries to destinations within the same, or for transportation of passengers or property from points beyond such boundaries through such municipality to points beyond the boundaries of such municipality, where such operation is pursuant to a certificate of convenience and necessity issued by the commission or to a permit issued by the commissioner under section 6.

Sec. 6. [221.85] [OPERATION OF LIMOUSINES.]

*Subdivision 1. [DEFINITION.] "Limousine service" means a service that:*

- (i) is not provided on a regular route;*
- (ii) is provided in an unmarked luxury passenger automobile that is not a van or station wagon and has a seating capacity of not more than 12 persons, excluding the driver;*
- (iii) provides only prearranged pickup; and*
- (iv) charges more than a taxicab fare for a comparable trip.*

*Subd. 2. [PERMIT REQUIRED; RULES.] No person may operate a for-hire limousine service without a permit from the commissioner. The commissioner shall adopt rules governing the issuance of permits for for-hire operation of limousines that include:*

- (1) annual inspections of limousines;*
- (2) driver qualifications, including requiring a criminal history check of drivers;*

- (3) insurance requirements in accordance with section 168.128;
- (4) advertising regulation, including requiring a copy of the permit to be carried in the limousine and use of the words "licensed and insured";
- (5) provisions for agreements with political subdivisions for sharing enforcement costs;
- (6) issuance of temporary permits and temporary permit fees; and
- (7) other requirements deemed necessary by the commissioner.

*This section does not apply to limousines operated by persons meeting the definition of private carrier in section 221.011, subdivision 26.*

*Subd. 3. [PENALTIES.] The commissioner may issue an order requiring violations of statutes, rules, and local ordinances governing operation of limousines to be corrected and assessing monetary penalties up to \$1,000. The commissioner may suspend or revoke a permit for violation of applicable statutes and rules and, upon the request of a political subdivision, may immediately suspend a permit for multiple violations of local ordinances. The commissioner shall immediately suspend a permit for failure to maintain required insurance and shall not restore the permit until proof of insurance is provided. A person whose permit is revoked or suspended or who is assessed an administrative penalty may appeal the commissioner's action in a contested case proceeding under chapter 14.*

*Subd. 4. [FEES.] Persons operating a for-hire limousine service shall pay a fee of \$150 for an annual permit and a decal fee of \$20 for each limousine operated under the permit. The commissioner shall issue a distinctive decal to be displayed on each limousine covered by the permit. All fees must be deposited by the commissioner in the trunk highway fund.*

#### Sec. 7. [APPROPRIATION.]

*§ . . . . is appropriated from the trunk highway fund to the commissioner of transportation for the purposes of section 6, to be available for the biennium ending June 30, 1993. The complement of the department of transportation is increased by . . . . ."*

Delete the title and insert:

*"A bill for an act relating to transportation; regulating limousine service; adding identification to license plates; requiring the commissioner of transportation to adopt rules relating to limousine permits; appropriating money; amending Minnesota Statutes 1990, sections 168.011, subdivision 35; 168.128, subdivisions 2 and 3; 221.025; and 221.091; proposing coding for new law in Minnesota Statutes, chapter 221."*

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 789: A bill for an act relating to retirement; first class city teachers; establishing an employer additional contribution rate; increasing the employer contribution on behalf of coordinated members; amending Minnesota Statutes 1990, section 354A.12, subdivision 2.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 3, after line 2, insert:

*“Subd. 2b. [STATE FUNDING OF EMPLOYER ADDITIONAL CONTRIBUTION.] The state shall pay to the employing unit annually from the general fund an amount equal to the employer additional contribution to the Minneapolis teacher and St. Paul teacher retirement funds for coordinated members as specified in subdivision 2a, paragraph (4). The employer additional contribution state funding is payable monthly by the commissioner of finance based on the coordinated program covered payroll for the preceding month, as certified by the chief administrative officer of the applicable school district.*

Sec. 2. [MINNEAPOLIS TEACHERS MEDICAL LEAVE CREDIT.]

*In accordance with Minnesota Statutes, section 354A.12, subdivision 4, approval is granted for the Minneapolis teachers retirement fund association to amend its articles of incorporation or bylaws to allow basic plan members who are granted medical leave of absence by special school district No. 1, Minneapolis, to receive up to one year service credit of that leave in accordance with Minnesota Statutes, section 354A.096.*

Sec. 3. [MINNEAPOLIS TEACHERS RETIREE RESUMING SERVICE.]

*In accordance with Minnesota Statutes, section 354A.12, subdivision 4, approval is granted for the Minneapolis teachers retirement fund association to amend its articles of incorporation or bylaws to provide that any person who is retired and receiving a basic program formula retirement annuity under the articles of incorporation or bylaws of the association, and who has resumed teaching service for the special school district No. 1, is entitled to continue to receive retirement annuity payments except that annuity payments must be reduced in accordance with Minnesota Statutes, section 354A.31, subdivision 3, if the person's income from teaching service is an amount greater than the maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors, and disability insurance program as set by the Secretary of Health and Human Services under United States Code, title 42, section 403.”*

Page 3, line 5, after “of” insert “final”

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert “authorizing certain bylaw amendments by the Minneapolis teachers retirement fund association; directing state payments to employing units;”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 656: A bill for an act relating to retirement; Minneapolis municipal employees; making various changes reflecting benefits, administration, and investment practices of the Minneapolis employees retirement fund; amending Minnesota Statutes 1990, sections 422A.03, subdivision 1; 422A.05,

subdivision 2c; 422A.09, subdivision 3; 422A.13, subdivision 2; and 422A.16, subdivisions 1 and 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 11A.24, subdivision 1, is amended to read:

Subdivision 1. [SECURITIES GENERALLY.] The state board shall have the authority to purchase, sell, lend or exchange the following securities for funds or accounts specifically made subject to this section including puts and call options and future contracts traded on a contract market designated and regulated by a federal agency. *These securities may be owned as units in commingled trusts that own the securities described in subdivisions 2 to 5.*

Sec. 2. Minnesota Statutes 1990, section 356.71, is amended to read:

356.71 [REAL ESTATE INVESTMENTS.]

Notwithstanding any law to the contrary, any public pension plan whose assets are not invested by the state board of investment may invest its funds in Minnesota situs nonfarm real estate ownership interests or loans secured by mortgages or deeds of trust *if the investment is consistent with section 356A.04. Except to the extent authorized in the case of the Minneapolis employees retirement fund under section 422A.05, subdivision 2c, paragraph (a), an investment otherwise authorized by this section must also comply with the requirements and limitations of section 11A.24, subdivision 6.*

Sec. 3. Minnesota Statutes 1990, section 422A.03, subdivision 1, is amended to read:

Subdivision 1. The retirement board shall meet on the third Tuesday of each calendar month of each year and may adjourn from time to time. Special meetings may be held upon the call of the president. The board shall, by a four-sevenths vote of all members of the board, appoint an executive director, who shall have charge of the performance of the duties required by the provisions of sections 422A.01 to 422A.25, and *who shall appoint other necessary employees to positions approved in advance by the board.* If at the time of appointment as executive director the appointee holds a position subject to the civil service rules and regulations of the city the appointee shall be deemed to be on leave of absence from the civil service position during tenure as executive director, and upon termination of service shall be returned to the appointee's permanent civil service classification. If no vacancy is available in the appointee's permanent civil service classified position, seniority shall prevail, and the person most recently certified to the position shall be returned to the permanent civil service classification held prior to such certification.

Sec. 4. Minnesota Statutes 1990, section 422A.05, subdivision 2c, is amended to read:

Subd. 2c. (a) *For investments made on or after July 1, 1991, the board may shall invest funds only in investments authorized by section 11A.24. However, in addition to other authorized real estate investments authorized*

by section 11A.24, the board may also ~~invest funds in~~ make loans to purchasers of Minnesota situs nonfarm residential real estate ~~ownership interests or loans~~ that is owned by the Minneapolis employees retirement fund. The loans must be secured by mortgages or deeds of trust.

(b) For investments made before July 1, 1991, the board may, but is not required to, comply with section 11A.24. However, with respect to these investments, the board shall act in accordance with subdivision 2a and chapter 356A.

Sec. 5. Minnesota Statutes 1990, section 422A.09, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS FROM MEMBERSHIP.] The exempt class shall consist of:

(1) Employees who are members of any other organization or association of the city on behalf of which a tax is levied by the city for the purpose of paying retirement allowances to disabled or superannuated employees.

(2) Persons filling elective position; provided that any elective officer holding an elective city office, except a judge of municipal court, shall, upon written application to the retirement board, be entitled to become a member of the contributing class of the fund, and after becoming a contributor to the fund be entitled to all benefits conferred upon employees of the contributing class except retirement on a service allowance, which shall be granted only upon completion of ten or more years of service and attaining at least age 60.

All retirement allowances shall be computed and determined as provided herein, except that in determining the number of years of service, credit shall be given for time served as an elective officer or employee, or member of an executive board or commission or any combination thereof. Persons who have served in elective positions which qualified them for membership in the fund prior to July 1, 1967, and who immediately thereafter hold elective office, first being appointed to that elective office in Hennepin county, may retain or resume membership in the fund as an elective officer of the county. The county shall collect and pay to the retirement fund the employee contribution as required ~~pursuant to~~ under section 422A.10. The employer contribution on behalf of the elected officer ~~shall~~ must be paid by the county. Before receiving a retirement allowance, or any other benefit, any person who claims credit for service ~~pursuant to~~ under this section shall contribute to the fund an amount equal to the amount of contributions to the fund which the person would have made had the person been a contributor to the fund since the date the person first became eligible for membership in the fund, ~~in accordance with~~ under section 422A.10, plus six percent compound interest.

(3) Persons serving without pay.

(4) Persons employed on a temporary basis, as doorkeepers, ticket takers, and attendants at the municipal auditorium, park recreation facilities, or like activities, employed less than 1000 hours, or its equivalent if employed on any other basis than an hourly basis, in any calendar year from January 1 to December 31, inclusive, provided that employees who were contributing members of the fund on July 1, 1959 shall not be affected by the exclusions ~~contained~~ in this section.

(5) A person who is exempted from the contributing class by Minnesota

Statutes 1974, section 422A.09, subdivision 3, clauses (4) and (5), but who is employed by and paid, in whole or in part, by the city or any of its boards, departments, or commissions, operated as a department of the city government or independently, if financed in whole or in part by city funds, including any person employed by a public corporation, and including any person employed by special school district No. 1, each of whom is not a member of any other retirement system, who later becomes a contributing member of the fund may elect to qualify at that time for credit by paying into the fund an amount equal to the amount of contributions to the fund which the person would have made had the person been a contributor to the fund since the date the person first qualified as an exempt member of the contributing class, in accordance with ~~under~~ section 422A.10, plus six percent compound interest.

~~(6) Any person who is employed in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal Comprehensive Employment and Training Act from and after March 30, 1978, unless the city council of the city of Minneapolis specifies that the person is to be considered as a provisional member of the retirement fund pursuant to section 356.451 or unless the person has as of the later of March 30, 1978, or the date of employment sufficient service credit in the retirement fund to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing 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 Training and Employment Act, or the person agrees in writing to make the required employer contribution in addition to the required employee contribution.~~

Sec. 6. Minnesota Statutes 1990, section 422A.13, subdivision 2, is amended to read:

Subd. 2. Subject to the limitations ~~stated~~ in sections 422A.01 to 422A.25, ~~any~~ an employee in the contributing class who ~~shall have been was~~ employed by the city for ten or more years and ~~shall have attained attains~~ the established age for retirement, or ~~shall have been was~~ employed by the city for 30 or more years ~~all~~, as determined by the retirement board, ~~shall be entitled to may~~ retire. ~~Any employee in the contributing class shall be retired upon reaching the age of 70 regardless of the provisions of the veterans preference act and receive a service allowance as specified in sections 356.30, 356.32, or 422A.01 to 422A.25.~~

Sec. 7. Minnesota Statutes 1990, section 422A.16, subdivision 1, is amended to read:

Subdivision 1. Any member of the contributing class who becomes permanently separated from the service of the city after ~~20 three~~ or more years of service to the city may, by an instrument in writing filed with the retirement board within 30 days after such separation becomes permanent, elect to allow the member's contributions to the fund to the date of separation to remain on deposit in the fund.

Sec. 8. Minnesota Statutes 1990, section 422A.16, subdivision 3, is amended to read:

Subd. 3. If such contributing member ~~dies before reaching the age of 65 years, or having attained the age of 65 years~~ without having made the election provided for herein, the net accumulated amount of deductions from the



member's salary, pay or compensation plus interest to the member's credit on date of death ~~shall~~ *must* be paid to such person, or persons, as the member shall have nominated by written designation filed with the retirement board, in such form as the retirement board shall require. If the employee fails to make a designation, or if the person or persons designated by the employee is not living to receive payment, the net accumulated amount of deductions from the employee's salary, pay, or compensation, plus interest to the credit of such employee on date of death ~~shall~~ *must* be paid to the employee's estate. The net accumulated city deposits ~~shall~~ *must* be paid to a beneficiary designated by such contributing member in such form as the retirement board shall require, who shall be the surviving spouse, or surviving child, or children of such member. If there ~~be~~ *is* no surviving spouse, or surviving child or children, deposits ~~shall~~ *must* be paid to a person actually dependent on and receiving principal support from such member or surviving mother or father, or surviving brother or sister, or surviving children of the deceased brother or sister of such member.

If the beneficiary designated by the member is not one of the class of persons named in the preceding paragraph, such benefit from the accumulations of city deposits shall be paid in the following order: (1) to the surviving spouse, the whole thereof; (2) if there be no surviving spouse, to the surviving children, share and share alike; (3) if there be no surviving spouse or child, or children, to the dependent or dependents of the member, share and share alike; (4) if there be no surviving spouse, child, or children, or dependents, to the surviving mother and father, share and share alike; (5) if there be no surviving mother and father, to the surviving brothers and sisters of the member, in equal shares; (6) and if there be no surviving brothers and sisters, to the surviving children of the deceased brothers and sisters of the member, in equal shares; (7) and if there be no person named in this paragraph who survives the member, the accumulation of city deposits ~~shall~~ *must* be canceled.

Sec. 9. [EFFECTIVE DATE.]

*Sections 1 to 8 are effective July 1, 1991.*"

Amend the title as follows:

Page 1, line 6, after "sections" insert "11A.24, subdivision 1; 356.71;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1168: A bill for an act relating to public employment; transferring certain state employees from the unclassified to the classified service; requiring rules for evaluating the performance of arbitrators; establishing deadlines for certain steps in the arbitration process; establishing a procedure for setting the dates for meetings of arbitration panels; amending Minnesota Statutes 1990, sections 11A.07, subdivision 4; 43A.08, subdivisions 1, 1a, and by adding a subdivision; 43A.18, subdivision 4; 43A.37, subdivision 1; 116K.04, subdivision 5; 136A.03; 179A.05, subdivision 6; 179A.16, subdivisions 4, 6, and 7; and 349A.02, subdivision 4; repealing Minnesota Statutes 1990, section 352D.02, subdivision 1b.

Reports the same back with the recommendation that the bill be amended

as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

TRANSFER OF UNCLASSIFIED POSITIONS

Section 1. Minnesota Statutes 1990, section 16B.88, subdivision 1, is amended to read:

Subdivision 1. [INFORMATION CENTER FOR VOLUNTEER PROGRAMS.] ~~There is created in the office of the commissioner the office on volunteer services, hereafter referred to as “the office.”~~ The office shall be ~~on volunteer services~~ is under the supervision and administration of an executive director ~~to be appointed by the commissioner and hereinafter referred to in this section as “director.”~~ ~~The director shall remain in the unclassified service.~~ The office shall operate as a state information center for volunteer programs and needed services that could be delivered by volunteer programs. ~~Any~~ A person or public or private agency may request information on the availability of volunteer programs relating to specific services and may report to the director whenever a volunteer program is needed or desired.

Sec. 2. Minnesota Statutes 1990, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. [UNCLASSIFIED POSITIONS.] Unclassified positions are held by employees who are:

- (a) (1) chosen by election or appointed to fill an elective office;
- (b) (2) 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) (3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a;
- (d) (4) 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) (5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;
- (f) (6) 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) (7) employees of the Washington, D.C., office of the state of Minnesota;
- (h) (8) 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) (9) 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;

(+) (10) officers and enlisted persons in the national guard;

(+) (11) attorneys, legal assistants, examiners, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(+) (12) 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;

(+) (13) members of the state patrol; provided that selection and appointment of state patrol troopers shall *must* be made in accordance with applicable laws governing the classified service;

(+) (14) chaplains employed by the state;

(+) (15) examination monitors and intermittent training instructors employed by the departments of employee relations and commerce and by professional examining boards;

(+) (16) student workers;

(+) (17) one position in the hazardous substance notification and response activity in the department of public safety;

(+) (18) employees unclassified pursuant to other statutory authority;

(+) (19) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation; and

(+) (20) the administrators and the deputy administrators at the state academies for the deaf and the blind.

Sec. 3. Minnesota Statutes 1990, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. [ADDITIONAL UNCLASSIFIED POSITIONS.] Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the departments of administration; agriculture; commerce; corrections; jobs and training; education; employee relations; trade and economic development; finance; *gaming*; health; human rights; labor and industry; natural resources; office of administrative hearings; public safety; public service; human services; revenue; transportation; and veterans affairs; the housing finance, state planning, and pollution control agencies; *the state lottery division*; the state board of investment; the office of waste management; the offices of the *attorney general*, secretary of state, state auditor, and state treasurer; the state board of technical colleges; *the higher education coordinating board*; the Minnesota center for arts education; and the Minnesota zoological board.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(1) the designation of the position would not be contrary to other law relating specifically to that agency;

(2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency

head's management team;

(3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with the governor and the agency head, or the employing constitutional officer;

(6) the position would be at the level of division or bureau director or assistant to the agency head; and

(7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

Sec. 4. Minnesota Statutes 1990, section 43A.08, is amended by adding a subdivision to read:

*Subd. 4. [LENGTH OF SERVICE FOR STUDENT WORKERS.] A person may not be employed as a student worker in the unclassified service under subdivision 1 for more than 36 months. Employment at a school that a student attends is not counted for purposes of this 36-month limit.*

Sec. 5. Minnesota Statutes 1990, 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 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 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 under section 43A.08, subdivision 1, clause (4) (9), 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, respectively.

(c) Total compensation for classified administrative law judges in the office of administrative hearings 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 technical colleges must be determined by the higher education coordinating board and the state board of technical colleges, respectively.

Sec. 6. Minnesota Statutes 1990, 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 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 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 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 by law. The appointing authority shall certify that all employees named in the payroll register are performing service as required by law. This provision does not apply to positions defined in section 43A.08, subdivision 1, clauses ~~(H)~~, ~~(I)~~, ~~(J)~~, (8), (9), (10), and ~~(H)~~ (12). 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 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. 7. Minnesota Statutes 1990, section 116K.04, subdivision 5, is amended to read:

Subd. 5. (1) The land management information center is established to foster integration of environmental information and provide services in computer mapping and graphics, environmental analysis, and small systems development.

(2) The commissioner shall periodically compile studies of land use and natural resources on the basis of county, regional, and other political subdivisions.

(3) The commissioner shall charge fees to clients for information products and services. Fees shall be deposited in the state treasury and credited to the land management information center revolving account. Money in the account is appropriated to the state planning agency for operation of the land management information system, including the cost of all services, supplies, materials, labor, and equipment, as well as the portion of the general support costs and statewide indirect costs of the agency that is attributable to the land management information system. The commissioner may require a state agency to make advance payments to the revolving account sufficient to cover the agency's estimated obligation for a period of 60 days or more. If the revolving account is abolished or liquidated, the total net profit from operations ~~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 the net profit the same ratio as the total purchases from each fund bears to the total purchases from all the funds during a period of time that fairly reflects the amount of net profit each fund is entitled to receive under this distribution. ~~Employees paid from this account are in the unclassified service.~~

Sec. 8. Minnesota Statutes 1990, section 144A.52, subdivision 1, is amended to read:

Subdivision 1. The office of health facility complaints is hereby created in the department of health. The office shall be headed by a director appointed by the state commissioner of health. ~~The director shall report to and serve at the pleasure of the state commissioner of health.~~

The commissioner of health shall provide the office of health facility complaints with office space, administrative services and secretarial and clerical assistance.

Sec. 9. Minnesota Statutes 1990, section 196.23, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF SECTION.] The commissioner shall establish an Agent Orange information and assistance section in the department of veterans affairs. The section shall be headed by a director ~~who shall serve in the unclassified service.~~ The commissioner shall provide the director with office space, administrative services, and clerical support.

Sec. 10. Minnesota Statutes 1990, section 240A.02, subdivision 3, is amended to read:

Subd. 3. [STAFF] The commission shall appoint an executive director, who may hire other employees authorized by the commission. The executive director ~~and any other employees are~~ is in the unclassified service under section 43A.08.

Sec. 11. Minnesota Statutes 1990, section 241.01, subdivision 3a, is amended to read:

Subd. 3a. [COMMISSIONER, POWERS AND DUTIES.] The commissioner of corrections has the following powers and duties:

(a) To accept persons committed to the commissioner by the courts of this state for care, custody, and rehabilitation.

(b) To determine the place of confinement of committed persons in a correctional facility or other facility of the department of corrections and to prescribe reasonable conditions and rules for their employment, conduct, instruction, and discipline within or outside the facility. Inmates shall not exercise custodial functions or have authority over other inmates. Inmates may serve on the board of directors or hold an executive position subordinate to correctional staff in any corporation, private industry or educational program located on the grounds of, or conducted within, a state correctional facility with written permission from the chief executive officer of the facility.

(c) To administer the money and property of the department.

(d) To administer, maintain, and inspect all state correctional facilities.

(e) To transfer authorized positions and personnel between state correctional facilities as necessary to properly staff facilities and programs.

(f) To utilize state correctional facilities in the manner deemed to be most efficient and beneficial to accomplish the purposes of this section, but not to close the Minnesota correctional facility-Stillwater or the Minnesota correctional facility-St. Cloud without legislative approval. The commissioner may place juveniles and adults at the same state minimum security correctional facilities, if there is total separation of and no regular contact

between juveniles and adults, except contact incidental to admission, classification, and mental and physical health care.

(g) To organize the department and employ personnel the commissioner deems necessary to discharge the functions of the department, including a chief executive officer for each facility under the commissioner's control who shall serve in the unclassified civil service and may, under the provisions of section 43A.33, be removed only for cause, and two internal affairs officers for security ~~who shall be in the unclassified civil service.~~

(h) To define the duties of these employees and to delegate to them any of the commissioner's powers, duties and responsibilities, subject to the commissioner's control and the conditions the commissioner prescribes.

(i) To annually develop a comprehensive set of goals and objectives designed to clearly establish the priorities of the department of corrections. This report shall be submitted to the governor and the state legislature commencing January 1, 1976. The commissioner may establish ad hoc advisory committees.

Sec. 12. Minnesota Statutes 1990, section 241.43, subdivision 1, is amended to read:

Subdivision 1. The ombudsman may select, appoint, and compensate out of available funds such assistants and employees as deemed necessary to discharge responsibilities. ~~All employees, except the secretarial and clerical staff, shall serve at the pleasure of the ombudsman in the unclassified service.~~ The ombudsman and full-time staff shall be members of the Minnesota state retirement association.

Sec. 13. Minnesota Statutes 1990, section 241.43, subdivision 2, is amended to read:

Subd. 2. The ombudsman shall designate ~~an assistant to be a~~ the deputy ombudsman *in the unclassified service.*

Sec. 14. Minnesota Statutes 1990, section 299A.30, subdivision 1, is amended to read:

Subdivision 1. [OFFICE; ASSISTANT COMMISSIONER.] The office of drug policy is an office in the department of public safety headed by an assistant commissioner appointed by the commissioner to serve in the unclassified service. The assistant commissioner may appoint other employees ~~in the unclassified service.~~ The assistant commissioner shall coordinate the activities of drug program agencies and serve as staff to the drug abuse prevention resource council.

Sec. 15. Minnesota Statutes 1990, section 349A.02, subdivision 4, is amended to read:

Subd. 4. [EMPLOYEES; CLASSIFICATION.] The director may appoint other personnel as ~~are~~ necessary to operate the state lottery. ~~Employees of the division who are not professional employees as defined in section 179A.03, subdivision 13, and employees whose primary responsibilities are in data processing and accounting, are in the classified service. All other employees of the division are in the unclassified service.~~ At least one position in the division must be an attorney position and the director ~~must~~ shall employ in that position an attorney to perform legal services for the division.

Sec. 16. Minnesota Statutes 1990, section 446A.03, subdivision 5, is amended to read:

Subd. 5. [EXECUTIVE DIRECTOR.] The commissioner shall employ, with the concurrence of the authority, an executive director. The director shall perform duties that the authority may require in carrying out its responsibilities. ~~The executive director's position is in the unclassified service.~~

Sec. 17. Laws 1984, chapter 654, article 2, section 152, subdivision 3, is amended to read:

Subd. 3. [POWERS OF COMMISSION.] (a) [GENERAL.] The commission shall have all powers necessary or convenient to discharge the duties imposed by law, including those specified in this section.

(b) [ACTIONS.] The commission may sue and be sued and ~~shall~~ is a public body within the meaning of chapter 562.

(c) [EMPLOYEES; CONTRACTS FOR SERVICES.] The commissioner of energy and economic development may employ persons and contract for services necessary to carry out the functions of the commission. Employees are ~~in the unclassified service~~ and members of the Minnesota State Retirement System.

(d) [RESEARCH.] The commission may conduct research studies and programs, collect and analyze data, prepare reports, maps, charts, and tables, and conduct all necessary hearings and investigations in connection with its functions.

Sec. 18. Laws 1987, chapter 386, article 1, section 11, is amended to read:

Sec. 11. [RURAL DEVELOPMENT BOARD COMPLEMENT.]

The approved complement of the rural development board is six and one-half positions, ~~with six positions in the unclassified service and one-half position in the classified service, one of which is an executive director position.~~

Sec. 19. [UNCLASSIFIED POSITIONS IN THE DEPARTMENT OF NATURAL RESOURCES.]

*Notwithstanding Laws 1985, First Special Session chapter 15, section 4, subdivision 3, paragraph (g), and Laws 1987, chapter 400, section 5, subdivision 4, paragraph (e), positions in the department of natural resources established for the reinvest in Minnesota fund under Minnesota Statutes, sections 84.025, subdivision 9, and 84.95, are transferred to the classified service. Incumbents of positions that are transferred to the classified service on the effective date of this section must be moved to the classified service without examination and begin to serve a probationary period in the class.*

Sec. 20. [UNCLASSIFIED POSITIONS IN THE COMMUNITY COLLEGE AND STATE UNIVERSITY SYSTEMS.]

*The commissioner of employee relations, with the chancellors of the state university and community college systems, shall develop criteria that determine the placement of professional and managerial positions in the classified or unclassified civil service under Minnesota Statutes, section 43A.08, subdivision 1, clause (9). The commissioner shall consider criteria that recognize the unique educational functions of each system. The commissioner shall report to the legislative commission on employee relations by December 1, 1991, on the criteria that have been established and any reassignments of positions that have been required.*



**Sec. 21. [IMPLEMENTATION PLAN.]**

*The commissioner of employee relations based on a report by the legislative commission on employee relations entitled "The Use of the Unclassified State Civil Service for Non-Managerial Positions" shall develop an implementation plan to transfer positions that do not meet the criteria in Minnesota Statutes, section 43A.08, subdivision 1a or 2a, to the classified service. The commissioner shall consult with affected appointing authorities, exclusive representatives, and unrepresented employees in preparing the implementation plan. The implementation plan must include, but is not limited to, unclassified positions in the state board of investment and the higher education coordinating board. The plan must include recommendations regarding the impact of the plan on incumbents of positions that would be transferred to the classified service. The implementation plan must be submitted to the legislative commission on employee relations by December 15, 1991.*

**Sec. 22. [STUDY OF UNCLASSIFIED POSITIONS.]**

*The attorney general, with the commissioner of employee relations and affected unclassified employees, shall develop criteria that determine the placement of legal assistant positions in the classified or unclassified civil service under Minnesota Statutes, section 43A.08, subdivision 1, clause (11). The attorney general and the commissioner shall report to the legislative commission on employee relations by December 15, 1991, on the criteria that have been established and any reassignment of positions that may be required.*

**Sec. 23. [CLASSIFICATION OF POSITIONS.]**

*Subdivision 1. [TRADE AND ECONOMIC DEVELOPMENT.] Notwithstanding Laws 1984, chapter 654, article 2, section 15, or any other law to the contrary, the positions associated with the following functions in the department of trade and economic development that do not meet the criteria set in Minnesota Statutes, section 43A.08, subdivision 1a or 2a, are in the classified service:*

- (1) coordination of economic development assistance in the high technology industries of medical biotechnology and software development;*
- (2) manufacturing growth council;*
- (3) convention facilities commission;*
- (4) recycling and environmental programs; and*
- (5) coordination of projects involving foreign business.*

*Subd. 2. [TRADE OFFICE.] Notwithstanding Laws 1984, chapter 654, article 3, section 3, or any other law to the contrary, positions associated with the Minnesota trade office that do not meet the criteria set in Minnesota Statutes, section 43A.08, subdivision 1a or 2a, are in the classified service.*

*Subd. 3. [ADMINISTRATION.] Notwithstanding any law to the contrary, a position in the department of administration originally created for the director of the cable communications board must be placed in the classified service.*

**Sec. 24. [TRANSFER OF UNCLASSIFIED POSITIONS TO THE CLASSIFIED SERVICE.]**

*The commissioner shall transfer unclassified positions described in sections 1, 2, 7, and 9 to 23, or affected by section 26, that do not meet the criteria set in Minnesota Statutes, section 43A.08, subdivision 1a or 2a, to the classified service. Incumbents of positions that are transferred to the classified service on the effective date of this section must be moved to the classified service without examination and begin to serve a probationary period in the class.*

**Sec. 25. [RETIREMENT PLANS.]**

*A person who on the day before the effective date of this article is a participant in the state unclassified employees retirement program, and whose position is placed in the classified service under this article, may elect to maintain membership in the unclassified program as long as the person holds the position or a position in a higher class in the same agency. When an unclassified position that entitles a person to participate in the unclassified retirement program is placed in the classified service, the commissioner of employee relations shall send written notice to the incumbent of the position and to the director of the Minnesota state retirement system. The notice must state the incumbent's option under this section. A person eligible to maintain membership in the unclassified plan must notify the executive director of the state retirement system of the person's election to maintain membership in the unclassified plan within 60 days of the date on which the commissioner sends the notice stating that the position has been placed in the classified service. A person who does not send notice is deemed to have waived the right to remain in the unclassified plan.*

**Sec. 26. [REPEALER.]**

*Minnesota Statutes 1990, sections 116J.615, subdivision 3; and 352D.02, subdivision 1b, are repealed.*

**ARTICLE 2**

**INTEREST ARBITRATION**

Section 1. Minnesota Statutes 1990, section 179A.05, subdivision 6, is amended to read:

Subd. 6. [ADMINISTRATION OF ARBITRATOR ROSTER.] The board shall maintain a list of names of arbitrators qualified by experience and training in the field of labor management negotiations and arbitration. Names on the list may be selected and removed at any time by a majority of the board. In maintaining the list the board shall, to the maximum extent possible, select persons from varying geographical areas of the state. The board shall adopt rules under chapter 14 governing the administration of the arbitration roster, *including rules establishing standards for evaluating the performance of arbitrators. The standards must include, at a minimum, the acceptability of arbitrators to the parties and the arbitrators' management of their cases, including their promptness in holding hearings and issuing awards.*

Sec. 2. Minnesota Statutes 1990, section 179A.16, subdivision 4, is amended to read:

Subd. 4. [CONSTRUCTION OF ARBITRATION PANEL.] The parties may select persons who are members of the arbitration roster maintained by the board to act as the arbitration panel in their dispute by mutual agreement. In the event of a mutual agreement on the members of the arbitration panel, the commissioner shall advise the board in writing of the

selection of the panel members, and the persons selected shall serve as the arbitration panel. If the parties have not mutually agreed upon the panel members by the time the commissioner certifies the matter to the board, the board shall provide the parties to the interest arbitration a list of seven arbitrators. *The board shall mail the list of arbitrators to the parties within five working days.* The parties shall alternately strike names from the list of arbitrators until only a single arbitrator remains, unless the parties request and mutually agree to utilize a panel of three arbitrators. If the parties are unable to agree on who shall strike the first name, the question must be decided by the flip of a coin. The arbitrator or arbitrators remaining after the striking procedure constitute the arbitration panel.

Sec. 3. Minnesota Statutes 1990, section 179A.16, subdivision 6, is amended to read:

Subd. 6. [POWERS OF THE PANEL.] *If the parties are unable to agree on a prompt, mutually acceptable date for an arbitration panel to meet, the panel may propose a series of dates on which to meet. The parties shall alternatively strike dates until a single date remains. The hearing must be held on that date.*

The arbitration panel may issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence which relates to any matter involved in any dispute before it. The panel may administer oaths and affidavits and may examine witnesses. Attendance of witnesses and the production of evidence may be required from any place in the state at any hearing. However, the panel's meeting shall be held in the county where the principal administrative offices of the employer are located, unless another location is selected by agreement of the parties. In case of refusal to obey a subpoena issued under this section, the district court of the state for the county where the proceeding is pending or where the person who refuses to obey is found, or resides, or transacts business shall, on application of the panel, have jurisdiction to issue an order requiring the person to appear before the panel, to produce evidence, or to give testimony. Failure to obey the order may be punished by the court as a contempt.

Sec. 4. Minnesota Statutes 1990, section 179A.16, subdivision 7, is amended to read:

Subd. 7. [DECISION BY THE PANEL.] The panel's order shall be issued by a majority vote of its members. The order shall resolve the issues in dispute between the parties as submitted by the board. For principals and assistant principals, the panel shall be restricted to selecting between the final offers of the parties on each impasse item. For other employees, if the parties agree in writing, the panel shall be restricted to selecting between the final offers of the parties on each impasse item, or the final offer of one or the other parties in its entirety. In considering a dispute and issuing its order, the panel shall consider the statutory rights and obligations of public employers to efficiently manage and conduct their operations within the legal limitations surrounding the financing of these operations. The panel's decision and order shall be final and binding on all parties.

The panel shall render its order within ~~ten~~ 30 days from the date that all arbitration proceedings have concluded. ~~However, the panel must issue its order by the last date the employer is required by statute, charter, ordinance, or resolution to submit its tax levy or budget or certify its taxes voted to the appropriate public officer, agency, public body or office, or by November 1, whichever date is earlier. This deadline may be extended only with the~~

*approval of the chair of the board. The board shall adopt rules establishing criteria to be followed in determining whether an extension should be granted. The panel's order shall must be for the period stated in the order, except that orders determining contracts for teacher units shall be are effective to the end of the contract period determined by section 179A.20.*

The panel shall send its decision and orders to the board, the commissioner, the appropriate representative of the public employer, and the employees. If any issues submitted to arbitration are settled voluntarily before the arbitrator issues a decision, the arbitrator shall report the settlement to the board and the commissioner.

The parties may at any time prior to or after issuance of an order of the arbitration panel, agree upon terms and conditions of employment regardless of the terms and conditions of employment determined by the order. The parties shall, if so agreeing, execute a written contract or memorandum of contract.

### ARTICLE 3 RATIFICATIONS

#### Section 1. [RATIFICATIONS.]

*Subdivision 1. [MANAGERIAL PLAN.] The commissioner of employee relations' amendments to the plan for managerial employees, approved by the legislative commission on employee relations September 12, 1990, are ratified.*

*Subd. 2. [COMMISSIONER'S PLAN.] The commissioner of employee relations' amendments to the commissioner's plan for unrepresented employees, approved by the legislative commission on employee relations September 12, 1990, are ratified.*

*Subd. 3. [CHANCELLOR, TECHNICAL COLLEGE SYSTEM.] The salary for the chancellor of the technical college system, approved by the legislative commission on employee relations September 12, 1990, is ratified.*

*Subd. 4. [CHANCELLOR, STATE UNIVERSITY SYSTEM.] The salary for the chancellor of the state university system, approved by the legislative commission on employee relations September 12, 1990, is ratified.*

*Subd. 5. [UNREPRESENTED EMPLOYEES, STATE UNIVERSITY SYSTEM.] The amendments to the plan for unrepresented employees of the state university system, as approved by the department of employee relations and by the legislative commission on employee relations September 12, 1990, are ratified.*

*Subd. 6. [UNCLASSIFIED EMPLOYEES, HIGHER EDUCATION COORDINATING BOARD.] The amendments to the plan for unclassified employees of the higher education coordinating board, as approved by the department of employee relations and the legislative commission on employee relations September 12, 1990, are ratified.*

*Subd. 7. [ADMINISTRATIVE LAW JUDGES, OFFICE OF ADMINISTRATIVE HEARINGS.] The commissioner of employee relations' amendments to the plan for administrative law judges in the office of administrative hearings, approved by the legislative commission on employee relations September 12, 1990, are ratified.*

*Subd. 8. [AGENCY HEADS.] The salary plan for certain positions listed in Minnesota Statutes, section 15A.081, approved by the legislative commission on employee relations September 12, 1990, is ratified.*

*Subd. 9. [ADMINISTRATIVE LAW JUDGES, OFFICE OF ADMINISTRATIVE HEARINGS.] The commissioner of employee relations' amendments to the plans for administrative law judges in the office of administrative hearings, approved by the legislative commission on employee relations on March 22, 1991, are ratified.*

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 public employment; transferring certain state employees from the unclassified to the classified service; requiring a study; requiring rules for evaluating the performance of arbitrators; establishing deadlines for certain steps in the arbitration process; establishing a procedure for setting the dates for meetings of arbitration panels; amending Minnesota Statutes 1990, sections 16B.88, subdivision 1; 43A.08, subdivisions 1, 1a, and by adding a subdivision; 43A.18, subdivision 4; 43A.37, subdivision 1; 116K.04, subdivision 5; 144A.52, subdivision 1; 179A.05, subdivision 6; 179A.16, subdivisions 4, 6, and 7; 196.23, subdivision 1; 240A.02, subdivision 3; 241.01, subdivision 3a; 241.43, subdivisions 1 and 2; 299A.30, subdivision 1; 349A.02, subdivision 4; 446A.03, subdivision 5; amending Laws 1984, chapter 654, article 2, section 152, subdivision 3; and Laws 1987, chapter 386, article 1, section 11; repealing Minnesota Statutes 1990, sections 116J.615, subdivision 3; and 352D.02, subdivision 1b."

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. 726: A bill for an act relating to real property; providing for cause of action on an interest in real property of a married person when the property was conveyed by the person's spouse before March 1, 1977; amending Minnesota Statutes 1990, section 519.101.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 26, strike "January" and before "1992" insert "March"

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. 606: A bill for an act relating to transportation; authorizing state departments to cancel uncollectible debts up to \$200 in certain cases; allowing department of transportation to employ debt collection services; allowing department of transportation to make direct expenditures from state aid funds for administrative expenses; providing penalty for failure to pay fee for sign permit more than 30 days after fee is due; providing when estimates of certain construction projects are nonpublic data; directing the commissioner of transportation to adopt rules governing the location and breakaway

standards for mailbox installations; allowing white strobe lamps to be used on highway maintenance vehicles; authorizing exchange of lands with Grand Portage Band of Chippewa Indians; abolishing conflicting requirements related to market artery highways; adding a route and changing the description of a route in the state highway system; providing a penalty; amending Minnesota Statutes 1990, sections 10.12; 13.72, subdivision 1; 161.20, subdivision 4; 162.06, subdivision 2; 162.12, subdivision 2; 169.64, by adding a subdivision; and 173.13, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, section 169.833.

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 1990, section 10.12, is amended to read:

10.12 [UNCOLLECTIBLE DRAFTS CANCELED.]

Subdivision 1. [OVER ~~\$100~~ \$200.] When any draft or account for a sum in excess of ~~\$100~~ \$200 due to the state is found to be uncollectible by any department, it shall report such fact to the executive council, and the executive council may cancel such draft or account upon the approval of the attorney general.

Subd. 2. [TO ~~\$100~~ \$200.] When any draft or account for a sum of not more than ~~\$100~~ \$200 due to the state is found to be uncollectible by an agency, the agency head may cancel the draft or account upon the approval of the attorney general. When drafts or accounts are canceled under this subdivision the head of the canceling agency shall send a certified list of them to the commissioner of finance, who shall enter the cancellations on the department of finance's records.

*Subd. 3. [TO \$100.] When any draft or account for a sum of not more than \$100 due to the state is found to be uncollectible by an agency, the agency head or authorized representative may cancel the draft or account. When drafts or accounts are canceled under this subdivision the agency head shall send a certified list of them to the commissioner of finance, who shall enter the cancellations on the department of finance's records.*

Sec. 2. Minnesota Statutes 1990, section 13.72, subdivision 1, is amended to read:

Subdivision 1. [ESTIMATES FOR CONSTRUCTION PROJECTS.] ~~Estimates~~ *An estimate* of the cost of a construction ~~projects~~ *project* of the Minnesota department of transportation prepared by department employees ~~are~~ *is* nonpublic data and ~~are~~ *is* not available to the public from the time of ~~final~~ *final* preliminary design until the ~~bids are opened for the project is awarded.~~

Sec. 3. Minnesota Statutes 1990, section 161.20, subdivision 4, is amended to read:

Subd. 4. [DEBT COLLECTION.] The commissioner shall make reasonable and businesslike efforts to collect money owed for licenses, fines, penalties, and permit fees or arising from damages to state-owned property or other causes related to the activities of the department of transportation. ~~When a debt has been reduced to a money judgment,~~ The commissioner may contract for debt collection services for the purpose of collecting ~~the a money~~

judgment or legal indebtedness. The commissioner may enter into an agreement with the commissioner of public safety to use debt collection services authorized by this subdivision when civil penalties relating to the use of highways have been reduced to money judgment. Money received as full or partial payment shall be deposited to the appropriate fund. When money is collected through contracted services, the commissioner may make payment for the service from the money collected. The amount necessary for payment of contractual collection costs is appropriated from the fund in which money so collected is deposited.

Sec. 4. Minnesota Statutes 1990, section 162.06, subdivision 2, is amended to read:

Subd. 2. [~~REIMBURSEMENT OF ADMINISTRATIVE COSTS OF STATE DEPARTMENT OF TRANSPORTATION.~~] From the total of such sums the commissioner shall deduct a sum equal to 1-1/2 percent of the total sum. The sum so deducted shall be set aside in a separate account and shall be used to reimburse the trunk highway fund for administrative costs incurred by the state transportation department in carrying out the provisions relating to the county state-aid highway system. On the 31st day of December of each year any money remaining in the account not needed to reimburse the trunk highway fund as heretofore provided for administrative costs shall be transferred to the county state-aid highway fund.

Sec. 5. Minnesota Statutes 1990, section 162.12, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATIVE COSTS OF STATE TRANSPORTATION DEPARTMENT.] From the total of such sums the commissioner, each year, shall deduct a sum of money equal to one and one-half percent of the total sums. The sum so deducted shall be set aside in a separate account and shall be used to reimburse the trunk highway fund for administration costs incurred by the state transportation department in carrying out the provisions relating to the municipal state-aid street system. On the 31st day of December of each year, any money remaining in the account not needed to reimburse the trunk highway fund as heretofore provided for administrative costs shall be transferred to the municipal state-aid street fund.

Sec. 6. Minnesota Statutes 1990, section 169.64, is amended by adding a subdivision to read:

*Subd. 6a. [WHITE STROBE LAMPS.] Notwithstanding sections 169.55, subdivision 1, 169.57, subdivision 3, clause (b), or any other law to the contrary, a vehicle may be equipped with a 360-degree flashing strobe lamp that emits a white light with a flash rate of 60 to 120 flashes a minute, and the lamp may be used as provided in this subdivision, if the vehicle is:*

*(1) a school bus that is subject to and complies with the color and equipment requirements of section 169.44, subdivision 1a. The lamp shall be permanently mounted on the longitudinal center line of the bus roof not less than five feet nor more than seven feet forward of the rear roof edge. It shall operate from a separate switch containing an indicator lamp to show when the strobe lamp is in use. The strobe lamp may be lighted only when atmospheric conditions or terrain restrict the visibility of school bus lamps and signals so as to require use of the bright strobe lamp to alert motorists to the presence of the school bus. A strobe lamp may not be lighted unless the school bus is actually being used as a school bus; or*

*(2) a road maintenance vehicle owned or under contract to the department*

*of transportation or a road authority of a county, home rule or statutory city, or town, but the strobe lamp may only be operated while the vehicle is actually engaged in snow removal during daylight hours.*

*The strobe lamp shall be of a double flash type certified to the commissioner of public safety by the manufacturer as being weatherproof and having a minimum effective light output of 200 candelas as measured by the Blondel-Rey formula.*

Sec. 7. Minnesota Statutes 1990, section 173.13, subdivision 7, is amended to read:

Subd. 7. A penalty equal to one-half the annual fee shall be charged upon failure to pay the annual permit fee for renewal on or before ~~August~~ July 1 of each year.

Sec. 8. [LAND EXCHANGE WITH CHIPPEWA INDIANS.]

*Subdivision 1. [AUTHORITY; CONSIDERATION.] Notwithstanding contrary provisions of Minnesota Statutes, sections 94.341 to 94.349; 161.20, 161.23, and 161.44, or other law, and subject to approval of the land exchange board, the commissioner of the department of transportation shall convey a part of State Pit 174, as described in subdivision 3, to the United States of America, on behalf of and as trustee for the Grand Portage Band of Chippewa Indians and with the concurrence of the Grand Portage Reservation Business Committee, for a consideration of lands and interests in real property described in subdivision 4. Upon executing the necessary deeds, grants, resolutions, or other forms required by Minnesota Statutes, sections 161.20, subdivision 2, and 161.44, subdivision 1, and Code of Federal Regulations, title 25, parts 151, 152, and 169, the parties shall exchange lands and interests in lands, described in subdivisions 3 and 4, without additional monetary consideration and in recognition of the substantially equal values of the parcels being exchanged.*

*Subd. 2. [FORM.] The conveyance authorized by this section must be in a form approved by the attorney general, after the attorney general has determined, in the manner provided for in section 94.343, subdivision 9, that the title to the land proposed to be conveyed to the state is good and marketable.*

*Subd. 3. [LAND TO BE CONVEYED.] In exchange and for consideration of lands and interests in real property described in subdivision 4, the commissioner of transportation shall convey that part of tract A of State Pit 174, S.P. 1604 (61 = 1-47-3), in Cook county, described as follows:*

*That part of Tract A described below:*

*Tract A. Government Lot 8 of Section 6, Township 62 North, Range 5 East, Cook County, Minnesota;*

*which lies southerly of a line run parallel with and distant 200 feet southeasterly of Line 1 described below:*

*Line 1. Beginning at a point on the east line of said Section 6, distant 150.9 feet north of the east quarter corner thereof; thence run southwesterly at an angle of 72 degrees 08 minutes 00 seconds from said east section line (measured from south to west) for 25.7 feet; thence deflect to the left on a*



00 degree 30 minute 00 second curve (delta angle 06 degrees 48 minutes 00 seconds) for 1360 feet; thence on tangent to said curve for 200 feet and there terminating;

containing 19.16 acres, more or less.

Subd. 4. [LAND AND INTERESTS TO BE ACQUIRED.] The commissioner of transportation shall convey the land described in subdivision 3 in exchange for land and property interests in certain tracts in parcel 301, S.P. 1604 (61 = 1-47-4), in Cook county, described as follows:

All of Tracts A and B described below:

Tract A. That part of Government Lots 2 and 3 of Section 4, Township 63 North, Range 6 East, Cook County, Minnesota, which lies northerly of the northwesterly right-of-way line of Trunk Highway No. 61 as now located and established and easterly of a line run parallel with and distant 650 feet westerly of the east line of said Government Lot 3; excepting therefrom that part contained within the following described tract: Beginning at the northwest corner of said Government Lot 2; thence east 363 feet; thence south 360 feet; thence west 363 feet; thence north 360 feet to the point of beginning;

Tract B. The southerly 450 feet of the Southwest Quarter of the Southeast Quarter and the southerly 450 feet of the easterly 650 feet of the Southeast Quarter of the Southwest Quarter, both in Section 33, Township 64 North, Range 6 East, Cook County, Minnesota; excepting therefrom the right-of-way of Trunk Highway No. 61 as now located and established;

containing 22.09 acres, more or less;

together with a grant of Right-of-Way for sewer and water purposes in perpetuity over that part of Tract C described below:

Tract C. The North Half of the Southwest Quarter of the Northeast Quarter and that part of Government Lot 2, lying southerly of the southerly right of way line of Trunk Highway No. 61 as now located and established, both in Section 4, Township 63 North, Range 6 East, Cook County, Minnesota;

which lies within a distance of 50 feet southwesterly and westerly and 60 feet northeasterly and easterly of Line 1 described below:

Line 1. Beginning at a point on the north line of said Section 4, distant 335 feet east of the north quarter corner thereof; thence run southeasterly at an angle of 52 degrees 40 minutes 00 seconds from said north section line (measured from east to south) for 660 feet; thence run southerly along a line which intersects the south line of said Government Lot 2 at a point thereon, distant 680 feet east of the southwest corner thereof, for 1240 feet and there terminating;

together with that part of Tract C hereinbefore described, adjoining and northeasterly of the last above described strip, which lies westerly of a line run parallel with and distant 60 feet easterly of the following described line: Beginning at a point on Line 1 described above, distant 1140 feet north

*of its point of termination; thence run north on said Line 1 for 100 feet; thence continue north on the last described course for 400 feet and there terminating;*

*containing 4.26 acres, more or less.*

*Subd. 5. [LEGISLATIVE FINDINGS AND DECLARATION.] The legislature finds that the department of transportation has constructed a tourist information center under permit adjacent to trunk highway marked No. 61 at Grand Portage, Minnesota (Grand Portage Bay rest area) and requires certain lands within the reservation of the Grand Portage Band of Chippewa Indians, now owned by the United States in trust for the Grand Portage Band, for a rest area site together with a sewer and water easement in perpetuity; that the United States presently owns land in trust for the Grand Portage Band on both sides of that part of State Pit 174 lying southeasterly of trunk highway marked No. 61 and wishes to obtain ownership of that part of State Pit 174, now owned by the state, for the benefit of the Grand Portage Band; and, that a land exchange would be mutually beneficial. The legislature declares that the exchange authorized by this section is in the public interest and for a public purpose.*

**Sec. 9. [TRUNK HIGHWAY SYSTEM; ROUTE NO. 336 ADDED.]**

*Subdivision 1. [ADDITIONAL ROUTE.] On execution of the agreement required by subdivision 2, there is added to the trunk highway system a new route in Minnesota Statutes, section 161.115, described as follows:*

*Route No. 336. Beginning at a point on Route No. 2 at or near Dilworth; thence extending in a general southerly direction following generally the location of present County State-Aid Highway No. 11 to a point on Route No. 392.*

*Subd. 2. [AGREEMENT REQUIRED.] Legislative Route No. 336 is added to the trunk highway system only when an agreement to transfer jurisdiction has been approved by the commissioner of transportation and the Clay county board and a copy of the agreement, signed by the commissioner and the chair of the Clay county board, has been filed in the office of the commissioner.*

*Subd. 3. [REVISOR INSTRUCTION.] Following execution of the agreement required in subdivision 2, the revisor of statutes, in compiling the next and subsequent editions of Minnesota Statutes, shall add the route identified in subdivision 1.*

**Sec. 10. [TRUNK HIGHWAY SYSTEM; NEW ROUTE SUBSTITUTED FOR EXISTING ROUTE.]**

*Subdivision 1. [ROUTE.] There is added to the trunk highway system a new route in Minnesota Statutes, section 161.115, described as follows:*

*Route No. 297. Beginning at a point on Route No. 392 northwest of Fergus Falls; thence extending in a general southeasterly direction to a point at or near the intersection of West Fir Avenue and North Oak Street in the city of Fergus Falls; thence in a general northwesterly direction into and through the grounds of the Fergus Falls Regional Treatment Center; thence in a general southeasterly direction to a point at or near the intersection of West Fir Avenue and North Union Avenue in the city of Fergus Falls.*

*Subd. 2. [SUBSTITUTION; AGREEMENT REQUIRED.] The route*

*established in subdivision 1 is substituted for Route No. 297 as contained and described in Minnesota Statutes 1990, section 161.115. Route No. 297 as contained and described in that section is discontinued and removed from the trunk highway system. No transfer is effective until an agreement to transfer jurisdiction of a portion of the old route has been agreed to by the commissioner of transportation and Otter Tail county and the city of Fergus Falls and signed by the commissioner and the chair of the Otter Tail county board and the mayor of Fergus Falls and filed in the office of the commissioner.*

*Subd. 3. [REVISOR INSTRUCTION.] The revisor of statutes, in compiling the next and subsequent editions of Minnesota Statutes, shall substitute the route established in subdivision 1 for the route discontinued and removed from the trunk highway system according to subdivision 2.*

Sec. 11. [REPEALER.]

*Minnesota Statutes 1990, section 169.833, subdivisions 1, 2, and 3, are repealed.*

Sec. 12. [EFFECTIVE DATE.]

*Sections 9 and 10 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to transportation; authorizing state departments to cancel uncollectible debts up to \$200 in certain cases; allowing department of transportation to employ debt collection services; allowing department of transportation to make direct expenditures from state aid funds for administrative expenses; providing penalty for failure to pay fee for sign permit more than 30 days after fee is due; providing when estimates of certain construction projects are nonpublic data; allowing white strobe lamps to be used on highway maintenance vehicles; authorizing exchange of lands with Grand Portage Band of Chippewa Indians; abolishing conflicting requirements related to market artery highways; providing a penalty; adding and substituting routes on the state highway system; amending Minnesota Statutes 1990, sections 10.12; 13.72, subdivision 1; 161.20, subdivision 4; 162.06, subdivision 2; 162.12, subdivision 2; 169.64, by adding a subdivision; and 173.13, subdivision 7; repealing Minnesota Statutes 1990, section 169.833."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1370: A bill for an act relating to economic development; establishing an international partnership program in the Minnesota trade office; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1371: A bill for an act relating to the governor; creating a division of science and technology; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 19, after “and” insert “*identify*”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1382: A bill for an act relating to housing; providing for a neighborhood rehabilitation program for the cities of Saint Paul and Duluth; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, after “of” insert “*Minneapolis,*” and after “*Paul*” insert a comma

Amend the title as follows:

Page 1, line 3, after “of” insert “*Minneapolis,*” and after “*Paul*” insert a comma

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was re-referred

S.F. No. 1443: A bill for an act relating to tax increment financing; clarifying and modifying provisions relating to administration and enforcement of the tax increment financing law; clarifying effective dates; extending the application of provisions of the tax increment financing law for the city of Moorhead; providing for the computation of original net tax capacity of a district in the city of Fergus Falls; amending Minnesota Statutes 1990, sections 273.1399, subdivisions 1 and 3; 469.012, subdivision 8; 469.174, subdivision 10; 469.176, subdivision 1; 469.1763, subdivisions 1, 2, 3, and 4; 469.177, subdivisions 1 and 8; 469.1771, subdivisions 2 and 4; 469.179, by adding a subdivision; and 469.1831, subdivision 4; Laws 1989, First Special Session chapter 1, article 14, section 16; and Laws 1990, chapter 604, article 7, section 31.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 31, after “district” insert “*or a hazardous substance subdistrict*”

Page 2, strike lines 28 to 32

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. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 986: A bill for an act relating to traffic regulations; increasing criminal and civil penalties for littering; amending Minnesota Statutes 1990, sections 169.42, subdivision 5; and 169.421, subdivision 4.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 893: A bill for an act relating to law enforcement; authorizing the Mille Lacs Band of Chippewa Indians to exercise law enforcement authority within the Mille Lacs Reservation and certain trust lands; proposing coding for new law in Minnesota Statutes, chapter 626.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [626.90] [LAW ENFORCEMENT AUTHORITY; TRIBAL PEACE OFFICERS.]

*Subdivision 1. [DEFINITION.] As used in this section, “band” means the federally recognized Mille Lacs Band of Chippewa Indians.*

*Subd. 2. [LAW ENFORCEMENT AGENCY.] (a) The band has the powers of a law enforcement agency, as defined in section 626.84, subdivision 1, paragraph (h), if all of the requirements of clauses (1) to (4) are met:*

*(1) the band agrees to be subject to liability for its torts and those of its officers, employees, and agents acting within the scope of their employment or duties arising out of a law enforcement agency function conferred by this section, to the same extent as a municipality under chapter 466, and the band further agrees, notwithstanding section 16B.06, subdivision 6, to waive its sovereign immunity for purposes of claims of this liability;*

*(2) the band files with the board of peace officer standards and training a bond or certificate of insurance for liability coverage for the maximum amounts set forth in section 466.04;*

*(3) the band files with the board of peace officer standards and training a certificate of insurance for liability of its law enforcement officers, employees, and agents for lawsuits under the United States Constitution; and*

*(4) the band agrees to be subject to section 13.82 and any other laws of the state relating to data practices of law enforcement agencies.*

*(b) The band shall enter into mutual aid/cooperative agreements with the Mille Lacs county sheriff under section 471.59 to define and regulate the provision of law enforcement services under this section. The agreements must define the trust property involved in the joint powers agreement.*

*(c) The band shall have concurrent jurisdictional authority under this section with the Mille Lacs county sheriff's department only if the requirements of paragraph (a) are met and under the following circumstances:*

*(1) over all persons in the geographical boundaries of the property held*

by the United States in trust for the Mille Lacs band or the Minnesota Chippewa tribe;

(2) over all Minnesota Chippewa tribal members within the boundaries of the Treaty of February 22, 1855, 10 Stat. 1165, in Mille Lacs county, Minnesota; and

(3) concurrent jurisdiction over any person who commits or attempts to commit a crime in the presence of an appointed band peace officer within the boundaries of the Treaty of February 22, 1855, 10 Stat. 1165, in Mille Lacs county, Minnesota.

*Subd. 3. [PEACE OFFICERS.] If the band complies with the requirements set forth in subdivision 2, the band is authorized to appoint peace officers, as defined in section 626.84, subdivision 1, paragraph (c), who have the same powers as peace officers employed by local units of government.*

*Subd. 4. [COUNTY JAIL.] The sheriff of the county in which the violation occurred is responsible for receiving persons arrested by peace officers appointed under subdivision 3 and acting under the authority conferred by this section.*

*Subd. 5. [PROSECUTING AUTHORITY.] The Mille Lacs county attorney is responsible to prosecute or initiate petitions for any person arrested, investigated, or detained by peace officers appointed under subdivision 3 and acting under the authority conferred by this section.*

*Subd. 6. [EFFECT ON FEDERAL LAW.] Nothing in this section shall be construed to restrict the band's authority under federal law.*

*Subd. 7. [CONSTRUCTION.] This section is limited to law enforcement authority only, and nothing in this section shall affect any other jurisdictional relationships or disputes involving the band or current reservation boundaries or entitle the band as a municipality or subdivision of government to any fine or penalty revenue allocation under section 487.33.*

**Sec. 2. [EFFECTIVE DATE.]**

*Section 1 is effective the day following final enactment."*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

H.F. No. 934: A bill for an act relating to motor vehicles; prohibiting registration of vehicle for which salvage certificate of title is issued; amending Minnesota Statutes 1990, section 168A.152, subdivision 1.

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. 594: A bill for an act relating to foreign money claims; enacting the uniform foreign-money claims act; proposing coding for new law in Minnesota Statutes, chapter 548.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 7, delete "*In this act*" and insert "*For purposes of sections 1 to 14*"

Page 1, line 14, delete "*this act*" and insert "*sections 1 to 14*"

Page 2, line 36, delete "*This act applies*" and insert "*Sections 1 to 14 apply*"

Page 3, line 2, delete "*This act applies*" and insert "*Sections 1 to 14 apply*"

Page 3, line 6, delete "*this act*" and insert "*sections 1 to 14*"

Page 8, line 11, delete "*this act*" and insert "*sections 1 to 14*"

Page 8, line 16, delete "*its*" and insert "*the*" and after "*provisions*" insert "*of sections 1 to 14*"

Page 8, line 18, delete "*This act*" and insert "*Sections 1 to 14*"

Page 8, after line 19, insert:

"Sec. 15. Minnesota Statutes 1990, section 550.136, subdivision 3, is amended to read:

Subd. 3. [LIMITATION ON LEVY ON EARNINGS.] Unless the judgment is for child support, the maximum part of the aggregate disposable earnings of an individual for any pay period subjected to an execution levy may not exceed the lesser of:

(1) 25 percent of the judgment debtor's disposable earnings; or

(2) the amount by which the judgment debtor's disposable earnings exceed the following product: 40 times the federal minimum hourly wages prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938, United States Code, title 29, section 206(a)(1), in effect at the time the earnings are payable, times the number of work weeks in the pay period. When a pay period consists of other than a whole number of work weeks, each day of that pay period in excess of the number of completed work weeks shall be counted as a fraction of a work week equal to the number of excess work days divided by the number of days in the normal work week.

If the judgment is for child support, the levy may not exceed:

(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child *and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received)*;

(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child *and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received)*; or

(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received).

No court may make, execute, or enforce an order or any process in violation of this section.

Sec. 16. Minnesota Statutes 1990, section 550.136, subdivision 10, is amended to read:

Subd. 10. [EXECUTION EARNINGS DISCLOSURE FORM AND WORKSHEET FOR CHILD SUPPORT JUDGMENTS.] The judgment creditor shall provide to the sheriff for service upon a child support judgment debtor's employer an execution earnings disclosure form and an earnings disclosure worksheet with the writ of execution, that must be substantially in the form set forth below.

STATE OF MINNESOTA	DISTRICT COURT
COUNTY OF .....	JUDICIAL DISTRICT
	FILE NO. ....
..... (Judgment Creditor)	
against	EARNINGS
..... (Judgment Debtor)	EXECUTION
and	DISCLOSURE
..... (Third Party)	

DEFINITIONS

“EARNINGS”: For the purpose of execution, “earnings” means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement, workers’ compensation, or unemployment compensation.

“DISPOSABLE EARNINGS”: Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)

“PAYDAY”: For the purpose of execution, “payday(s)” means the date(s) upon which the employer pays earnings to the debtor in the ordinary course of business. If the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.

THE THIRD PARTY/EMPLOYER MUST ANSWER THE FOLLOWING QUESTION:

(1) Do you now owe, or within 70 days from the date the execution levy was served on you, will you or may you owe money to the judgment debtor for earnings?

.....	.....
Yes	No



**INSTRUCTIONS FOR COMPLETING THE  
EARNINGS DISCLOSURE**

A. If your answer to question 1 is "No," then you must sign the affirmation below and return this disclosure to the sheriff within 20 days after it was served on you, and you do not need to answer the remaining questions.

B. If your answer to question 1 is "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:

For each payday that falls within 70 days from the date the execution levy was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 2 through 8 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.

Each payday, you must retain the amount of earnings listed in column G on the Earnings Disclosure Worksheet.

You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the sheriff and deliver a copy of the disclosure and worksheet to the judgment debtor within ten days after the last payday that falls within the 70-day period. If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 70-day period, your disclosure and remittance should be made within ten days after the last payday for which earnings were attached.

For steps 2 through 8, "columns" refers to columns on the Earnings Disclosure Worksheet.

(2) COLUMN A. Enter the date of judgment debtor's payday.

(3) COLUMN B. Enter judgment debtor's gross earnings for each payday.

(4) COLUMN C. Enter judgment debtor's disposable earnings for each payday.

(5) COLUMN D. Enter either 50, 55, 60, or 65 percent of disposable earnings, based on which of the following descriptions fits the child support judgment debtor:

(a) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child *and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received)*;

(b) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(c) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child *and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received)*; or

(d) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is

over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received). (Multiply column C by .50, .55, .60, or .65, as appropriate.)

(6) COLUMN E. Subtract the amount in column D from the amount in column C, and enter here.

(7) COLUMN F. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest that would reduce the amount of earnings owing to the judgment debtor. (Note: Any indebtedness to you incurred within ten days prior to your receipt of the first execution levy may not be set off against the earnings otherwise subject to this levy. Any wage assignment made by the judgment debtor within ten days prior to your receipt of the first execution levy is void.)

You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.

Enter zero in column F E if there are no claims by you or others that would reduce the amount of earnings owing to the judgment debtor.

(8) (7) COLUMN G F. Subtract the amount in column F E from the amount in column E D and enter here. This is the amount of earnings that you must remit for the payday for which the calculations were made.

AFFIRMATION

I, . . . . . (person signing Affirmation), am the third party/ employer or I am authorized by the third party/employer to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated: . . . . .

. . . . .  
Signature  
. . . . .  
Title  
. . . . .  
Telephone Number

EARNINGS DISCLOSURE WORKSHEET

. . . . .  
Debtor's Name

A Payday Date	B Gross Earnings	C Disposable Earnings
1. . . . .	\$ . . . . .	\$ . . . . .
2. . . . .	. . . . .	. . . . .
3. . . . .	. . . . .	. . . . .
4. . . . .	. . . . .	. . . . .
5. . . . .	. . . . .	. . . . .
6. . . . .	. . . . .	. . . . .
7. . . . .	. . . . .	. . . . .
8. . . . .	. . . . .	. . . . .
9. . . . .	. . . . .	. . . . .
10. . . . .	. . . . .	. . . . .
D Either 50, 55,	E Column C	F E Setoff, Lien,

60, or 65% of  
Column C

minus  
Column D

Adverse  
Interest, or  
Other Claims

1. ....	.....	.....
2. ....	.....	.....
3. ....	.....	.....
4. ....	.....	.....
5. ....	.....	.....
6. ....	.....	.....
7. ....	.....	.....
8. ....	.....	.....
9. ....	.....	.....
10. ....	.....	.....

G F  
Column E D  
minus  
Column F E

1. ....	.....
2. ....	.....
3. ....	.....
4. ....	.....
5. ....	.....
6. ....	.....
7. ....	.....
8. ....	.....
9. ....	.....
10. ....	.....

TOTAL OF COLUMN G F \$ .....

\*If you entered any amount in column F E for any payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of such persons, and the nature of their claim, if known.

.....  
.....  
.....

**AFFIRMATION**

I, . . . . . (person signing Affirmation), am the third party or I am authorized by the third party to complete this earnings disclosure worksheet, and have done so truthfully and to the best of my knowledge.

.....  
Signature

Dated: ..... (..) .....  
Title Phone Number

Sec. 17. Minnesota Statutes 1990, section 551.06, subdivision 3, is amended to read:

Subd. 3. [LIMITATION ON LEVY ON EARNINGS.] Unless the judgment is for child support, the maximum part of the aggregate disposable earnings of an individual for any pay period subjected to an execution levy may not exceed the lesser of:

(1) 25 percent of the judgment debtor's disposable earnings; or

(2) the amount by which the judgment debtor's disposable earnings exceed the following product: 40 times the federal minimum hourly wages prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938, United States Code, title 29, section 206(a)(1), in effect at the time the earnings are payable, times the number of work weeks in the pay period. When a pay period consists of other than a whole number of work weeks, each day of that pay period in excess of the number of completed work weeks shall be counted as a fraction of a work week equal to the number of excess work days divided by the number of days in the normal work week.

If the judgment is for child support, the levy may not exceed:

(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child *and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);*

(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child *and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);* or

(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received).

No court may make, execute, or enforce an order or any process in violation of this section.

Sec. 18. Minnesota Statutes 1990, section 551.06, subdivision 10, is amended to read:

Subd. 10. [NOTICE OF LEVY ON EARNINGS, DISCLOSURE, AND WORKSHEET FOR CHILD SUPPORT JUDGMENT.] The attorney for the judgment creditor shall serve upon the judgment debtor's employer a notice of levy on earnings and an execution earnings disclosure form and an earnings disclosure worksheet with the writ of execution, that must be substantially in the form set forth below.

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF .....

..... JUDICIAL DISTRICT

FILE NO. ....

..... (Judgment Creditor)

against

NOTICE OF LEVY ON  
EARNINGS AND DISCLOSURE

..... (Judgment Debtor)

and

..... (Third Party)

PLEASE TAKE NOTICE that pursuant to Minnesota Statutes, sections 551.04 and 551.06, the undersigned, as attorney for the judgment creditor, hereby makes demand and levies execution upon all earnings due and owing by you (up to \$5,000) to the judgment debtor for the amount of the judgment specified below. A copy of the writ of execution issued by the court is enclosed. The unpaid judgment balance is \$ . . . . .

This levy attaches all unpaid nonexempt disposable earnings owing or to be owed by you and earned or to be earned by the judgment debtor before and within the pay period in which the writ of execution is served and within all subsequent pay periods whose paydays occur within the 70 days after the service of this levy.

In responding to this levy, you are to complete the attached disclosure form and worksheet and mail it to the undersigned attorney for the judgment creditor, together with your check payable to the above-named judgment creditor, for the nonexempt amount owed by you to the judgment debtor or for which you are obligated to the judgment debtor, within the time limits set forth in the aforementioned statutes.

.....  
Attorney for the Judgment Creditor  
.....  
.....  
Address  
(...) .....  
Phone Number

**DISCLOSURE  
DEFINITIONS**

“EARNINGS”: For the purpose of execution, “earnings” means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement, workers’ compensation, or unemployment compensation.

“DISPOSABLE EARNINGS”: Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)

“PAYDAY”: For the purpose of execution, “payday(s)” means the date(s) upon which the employer pays earnings to the debtor in the ordinary course of business. If the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.

**THE THIRD PARTY/EMPLOYER MUST ANSWER THE FOLLOWING QUESTION:**

(1) Do you now owe, or within 70 days from the date the execution levy was served on you, will you or may you owe money to the judgment debtor for earnings?

.....  
Yes

.....  
No

### INSTRUCTIONS FOR COMPLETING THE EARNINGS DISCLOSURE

A. If your answer to question 1 is "No," then you must sign the affirmation below and return this disclosure to the judgment creditor's attorney within 20 days after it was served on you, and you do not need to answer the remaining questions.

B. If your answer to question 1 is "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:

For each payday that falls within 70 days from the date the execution levy was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 2 through 8 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.

Each payday, you must retain the amount of earnings listed in column G on the Earnings Disclosure Worksheet.

You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the judgment creditor's attorney and deliver a copy of the disclosure and worksheet to the judgment debtor within ten days after the last payday that falls within the 70-day period. If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 70-day period, your disclosure and remittance should be made within ten days after the last payday for which earnings were attached.

For steps 2 through 8, "columns" refers to columns on the Earnings Disclosure Worksheet.

(2) COLUMN A. Enter the date of judgment debtor's payday.

(3) COLUMN B. Enter judgment debtor's gross earnings for each payday.

(4) COLUMN C. Enter judgment debtor's disposable earnings for each payday.

(5) COLUMN D. Enter either 50, 55, 60, or 65 percent of disposable earnings, based on which of the following descriptions fits the child support judgment debtor:

(a) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child *and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received)*;

(b) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(c) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child *and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work*

week in which the execution levy is received); or

(d) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received). (Multiply column C by .50, .55, .60, or .65, as appropriate.)

(6) COLUMN E. Subtract the amount in column D from the amount in column C, and enter here.

(7) COLUMN F. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest that would reduce the amount of earnings owing to the judgment debtor. (Note: Any indebtedness to you incurred within ten days prior to your receipt of the first execution levy on a debt may not be set off against the earnings otherwise subject to this levy. Any wage assignment made by the judgment debtor within ten days prior to your receipt of the first execution levy on a debt is void.)

You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.

Enter zero in column F E if there are no claims by you or others that would reduce the amount of earnings owing to the judgment debtor.

(8) (7) COLUMN G F. Subtract the amount in column F E from the amount in column E D and enter here. This is the amount of earnings that you must remit for the payday for which the calculations were made.

AFFIRMATION

I, . . . . . (person signing Affirmation), am the third party/ employer or I am authorized by the third party/employer to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated: . . . . .

. . . . .  
Signature  
. . . . .  
Title  
. . . . .  
Telephone Number

EARNINGS DISCLOSURE WORKSHEET

. . . . .  
Debtor's Name

A Payday Date	B Gross Earnings	C Disposable Earnings
1. . . . .	\$ . . . . .	\$ . . . . .
2. . . . .	. . . . .	. . . . .
3. . . . .	. . . . .	. . . . .
4. . . . .	. . . . .	. . . . .
5. . . . .	. . . . .	. . . . .
6. . . . .	. . . . .	. . . . .
7. . . . .	. . . . .	. . . . .
8. . . . .	. . . . .	. . . . .
9. . . . .	. . . . .	. . . . .

10. ....	.....	.....
<b>D</b>	<b>E</b>	<b>F E</b>
Either 50, 55, 60, or 65% of Column C	<b>Column E</b> minus <b>Column D</b>	Setoff, Lien, Adverse Interest, or Other Claims
1. ....	.....	.....
2. ....	.....	.....
3. ....	.....	.....
4. ....	.....	.....
5. ....	.....	.....
6. ....	.....	.....
7. ....	.....	.....
8. ....	.....	.....
9. ....	.....	.....
10. ....	.....	.....

**G F**  
**Column E D**  
 minus  
**Column F E**

1. ....	.....	.....
2. ....	.....	.....
3. ....	.....	.....
4. ....	.....	.....
5. ....	.....	.....
6. ....	.....	.....
7. ....	.....	.....
8. ....	.....	.....
9. ....	.....	.....
10. ....	.....	.....

TOTAL OF COLUMN G F \$ .....

\*If you entered any amount in column F E for any payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of such persons, and the nature of their claim, if known.

.....  
 .....  
 .....

**AFFIRMATION**

I, . . . . . (person signing Affirmation), am the third party or I am authorized by the third party to complete this earnings disclosure worksheet, and have done so truthfully and to the best of my knowledge.

.....  
 Signature

Dated: ..... (..) .....  
 Title Phone Number

Sec. 19. Minnesota Statutes 1990, section 571.75, subdivision 2, is amended to read:



Subd. 2. [CONTENTS OF DISCLOSURE.] The disclosure must state:

(a) If an earnings garnishment disclosure, the amount of disposable earnings earned by the debtor within the debtor's pay periods as specified in section 571.921.

(b) If a nonearnings garnishment disclosure, a description of any personal property or any instrument or papers relating to this property belonging to the judgment debtor or in which the debtor is interested or other indebtedness of the garnishee to the debtor.

(c) If the garnishee asserts any setoff, defense, claim, or lien on disposable earnings, other indebtedness, money, or property, the garnishee shall disclose the amount and the facts concerning the same.

(d) Whether the debtor asserts any exemption, or any other objection, known to the garnishee against the right of the creditor to garnish the disposable earnings, other indebtedness, money, or property disclosed.

(e) If other persons assert claims to any disposable earnings, other indebtedness, money, or property disclosed, the garnishee shall disclose the names and addresses of these claimants and, so far as known by the garnishee, the nature of their claims.

(f) The garnishment disclosure forms and earnings disclosure worksheet must be the same or substantially similar to the following forms. If the garnishment affects earnings of the debtor, the creditor shall use the earnings garnishment disclosure form. If the garnishment affects any indebtedness, money, or property of the debtor, other than earnings, the creditor shall use the nonearnings garnishment disclosure form. Nothing contained in this paragraph limits the simultaneous use of the earnings and nonearnings garnishment disclosure forms.

EARNINGS DISCLOSURE FORM AND WORKSHEET

STATE OF MINNESOTA	DISTRICT COURT
COUNTY OF .....	..... JUDICIAL DISTRICT
..... (Creditor)	
..... (Debtor)	GARNISHMENT
..... (Garnishee)	EARNINGS DISCLOSURE

DEFINITIONS

“EARNINGS”: For the purpose of garnishment, “earnings” means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement.

“DISPOSABLE EARNINGS”: Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)

“PAYDAY”: For the purpose of garnishment, “payday(s)” means the date(s) upon which the employer pays earnings to the debtor in the ordinary course of business. If the debtor has no regular payday, payday(s) means the fifteenth and the last day of each month.

THE GARNISHEE MUST ANSWER THE FOLLOWING QUESTIONS:

1. Do you now owe, or within 70 days from the date the garnishment summons was served on you, will you or do you expect to owe money to the debtor for earnings?

Yes ..... No .....

2. Does the debtor earn more than \$ . . . . . per week? (This amount is the federal minimum wage per week.)

Yes ..... No .....

INSTRUCTIONS FOR COMPLETING THE EARNINGS DISCLOSURE

A. If your answer to either question 1 or 2 is “No,” then you must sign the affirmation on Page 2 and return this disclosure to the creditor’s attorney (or the creditor if not represented by an attorney) within 20 days after it was served on you, and you do not need to answer the remaining questions.

B. If your answers to both questions 1 and 2 are “Yes,” you must complete this form and the Earnings Disclosure Worksheet as follows:

For each payday that falls within 70 days from the date the garnishment summons was served on you, YOU MUST calculate the amount of earnings to be retained by completing Steps 3 through 11, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.

Each payday, you must retain the amount of earnings listed in Column I on the Earnings Disclosure Worksheet.

You must return this Earnings Disclosure Form and the Earnings Disclosure Worksheet to the creditor’s attorney (or the creditor if not represented by an attorney) and deliver a copy to the debtor within ten days after the last payday that falls within the 70-day period.

If the claim is wholly satisfied or if the debtor’s employment ends before the expiration of the 70-day period, your disclosure should be made within ten days after the last payday for which earnings were attached.

For Steps 3 through 11, “Columns” refers to columns on the Earnings Disclosure Worksheet.

- 3. COLUMN A. Enter the date of debtor’s payday.
- 4. COLUMN B. Enter debtor’s gross earnings for each payday.
- 5. COLUMN C. Enter debtor’s disposable earnings for each payday.
- 6. COLUMN D. Enter 25 percent of disposable earnings. (Multiply Column C by .25.)

- 7. COLUMN E. Enter here 40 times the hourly federal minimum wage (\$ . . . . ) times the number of work weeks included in each payday. (Note: If a pay period includes days in excess of whole work weeks, the additional days should be counted as a fraction of a work week equal to the number of work days in excess of a whole work week divided by the number of work days in a normal work week.)
- 8. COLUMN F. Subtract the amount in Column E from the amount in Column C, and enter here.
- 9. COLUMN G. Enter here the lesser of the amount in Column D and the amount in Column F.
- 10. COLUMN H. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest which would reduce the amount of earnings owing to the debtor. (Note: Any indebtedness to you incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment. Any assignment of earnings made by the debtor to any party within ten days before the receipt of the first garnishment on a debt is void.)

You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.

Enter zero in Column H if there are no claims by you or others which would reduce the amount of earnings owing to the debtor.

- 11. COLUMN I. Subtract the amount in Column H from the amount in Column G and enter here. This is the amount of earnings that you must retain for the payday for which the calculations were made.

**AFFIRMATION**

I, . . . . . (person signing Affirmation), am the garnishee or I am authorized by the garnishee to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated: . . . . .  
 . . . . .  
 Signature  
 . . . . .  
 Title  
 . . . . .  
 Telephone Number

**EARNINGS DISCLOSURE WORKSHEET**

. . . . .

Debtor's Name

A  
Payday

B  
Gross

C  
Disposable

	Date	Earnings	Earnings
1.	.....	.....	.....
2.	.....	.....	.....
3.	.....	.....	.....
4.	.....	.....	.....
5.	.....	.....	.....
6.	.....	.....	.....
7.	.....	.....	.....
8.	.....	.....	.....
9.	.....	.....	.....
10.	.....	.....	.....

**D**  
25% of  
Column C

**E**  
40 X Min.  
Wage

**F**  
Column C  
minus  
Column E

1.	.....	.....	.....
2.	.....	.....	.....
3.	.....	.....	.....
4.	.....	.....	.....
5.	.....	.....	.....
6.	.....	.....	.....
7.	.....	.....	.....
8.	.....	.....	.....
9.	.....	.....	.....
10.	.....	.....	.....

**G**  
Lesser of  
Column D  
and  
Column F

**H**  
Setoff, Lien,  
Adverse  
Interest, or  
Other Claims

**I**  
Column G  
minus  
Column H

1.	.....	.....	.....
2.	.....	.....	.....
3.	.....	.....	.....
4.	.....	.....	.....
5.	.....	.....	.....
6.	.....	.....	.....
7.	.....	.....	.....
8.	.....	.....	.....
9.	.....	.....	.....
10.	.....	.....	.....

**TOTAL OF COLUMN I** \$ .....

**\*If you entered any amount in Column H for any payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others you must both state the names and addresses of these persons, and the nature of their claim, if known.**

.....  
.....  
.....



## INSTRUCTIONS FOR COMPLETING THE EARNINGS DISCLOSURE

A. If your answer to question 1 is "No," then you must sign the affirmation below and return this disclosure to the creditor's attorney (or the creditor if not represented by an attorney) within 20 days after it was served on you, and you do not need to answer the remaining questions.

B. If your answer to question 1 is "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:

For each payday that falls within 70 days from the date the garnishment summons was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 2 through 8 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.

Each payday, you must retain the amount of earnings listed in column G on the Earnings Disclosure Worksheet.

You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the creditor's attorney (or the creditor if not represented by an attorney) and deliver a copy to the debtor within ten days after the last payday that falls within the 70-day period. If the claim is wholly satisfied or if the debtor's employment ends before the expiration of the 70-day period, your disclosure should be made within ten days after the last payday for which earnings were attached.

For steps 2 through 8, "columns" refers to columns on the Earnings Disclosure Worksheet.

(2) COLUMN A. Enter the date of debtor's payday.

(3) COLUMN B. Enter debtor's gross earnings for each payday.

(4) COLUMN C. Enter debtor's disposable earnings for each payday.

(5) COLUMN D. Enter either 50, 55, 60, or 65 percent of disposable earnings, based on which of the following descriptions fits the child support judgment debtor:

(a) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child *and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received)*;

(b) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(c) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child *and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received)*; or

(d) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is

over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received). (Multiply column C by .50, .55, .60, or .65, as appropriate.)

(6) COLUMN E. Subtract the amount in column D from the amount in column C, and enter here.

(7) COLUMN F. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest that would reduce the amount of earnings owing to the debtor. (Note: Any assignment of earnings made by the debtor to any party within ten days before the receipt of the first garnishment on a debt is void. Any indebtedness to you incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment.)

You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.

Enter zero in column F E if there are no claims by you or others that would reduce the amount of earnings owing to the judgment debtor.

(8) (7) COLUMN G F. Subtract the amount in column F E from the amount in column E D and enter here. This is the amount of earnings that you must remit for the payday for which the calculations were made.

AFFIRMATION

I, . . . . . (person signing Affirmation), am the garnishee or I am authorized by the garnishee to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated: . . . . .

Signature

Title

Telephone Number

EARNINGS DISCLOSURE WORKSHEET

		Debtor's Name
A	B	C
Payday	Gross	Disposable
Date	Earnings	Earnings
1. . . . .	\$ . . . . .	\$ . . . . .
2. . . . .	. . . . .	. . . . .
3. . . . .	. . . . .	. . . . .
4. . . . .	. . . . .	. . . . .
5. . . . .	. . . . .	. . . . .
6. . . . .	. . . . .	. . . . .
7. . . . .	. . . . .	. . . . .
8. . . . .	. . . . .	. . . . .
9. . . . .	. . . . .	. . . . .
10. . . . .	. . . . .	. . . . .
D	E	F E
Either 50, 55,	Column E	Setoff, Lien,
60, or 65% of	minus	Adverse

Column C	Column D	Interest, or Other Claims
1. ....	TTTTTTTTTTTT	.....
2. ....	TTTTTTTTTTTT	.....
3. ....	TTTTTTTTTTTT	.....
4. ....	TTTTTTTTTTTT	.....
5. ....	TTTTTTTTTTTT	.....
6. ....	TTTTTTTTTTTT	.....
7. ....	TTTTTTTTTTTT	.....
8. ....	TTTTTTTTTTTT	.....
9. ....	TTTTTTTTTTTT	.....
10. ....	TTTTTTTTTTTT	.....

**G F**  
**Column E D**  
 minus  
**Column F E**

1. ....	.....
2. ....	.....
3. ....	.....
4. ....	.....
5. ....	.....
6. ....	.....
7. ....	.....
8. ....	.....
9. ....	.....
10. ....	.....

**TOTAL OF COLUMN G F \$** .....

\*If you entered any amount in column F E for any payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of such persons, and the nature of their claim, if known.

.....  
 .....  
 .....

**AFFIRMATION**

I, ..... (person signing Affirmation), am the third party or I am authorized by the third party to complete this earnings disclosure worksheet, and have done so truthfully and to the best of my knowledge.

.....  
 Signature

Dated: ..... (..) .....  
 Title Phone Number

**NONEARNINGS DISCLOSURE FORM**

STATE OF MINNESOTA DISTRICT COURT  
 COUNTY OF ..... JUDICIAL DISTRICT  
 ..... (Creditor)  
 against



..... (Debtor) NONEARNINGS DISCLOSURE  
and

..... (Garnishee)

On the . . . . . day of . . . . . , 19 . . . , the time of service of garnishment summons herein, there was due and owing the debtor from the garnishee the following:

(1) Money. Enter on the line below any amounts due and owing the debtor, except earnings, from the garnishee.

.....

(2) Property. Describe on the line below any personal property, instruments, or papers belonging to the debtor and in the possession of the garnishee.

.....

(3) Setoff. Enter on the line below the amount of any setoff, defense, lien, or claim which the garnishee claims against the amount set forth on lines (1) and (2) above. State the facts by which the setoff, defense, lien, or claim is claimed. (Any indebtedness to a garnishee incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment.)

.....

(4) Exemption. Enter on the line below any amounts or property claimed by the debtor to be exempt from execution.

.....

(5) Adverse Interest. Enter on the line below any amounts claimed by other persons by reason of ownership or interest in the debtor's property.

.....

(6) Enter on the line below the total of lines (4), (5), and (6).

.....

(7) Enter on the line below the difference obtained (never less than zero) when line (6) is subtracted from the sum of lines (1) and (2).

.....

(8) Enter on the line below 110 percent of the amount of the creditor's claim which remains unpaid.

.....

(9) Enter on the line below the lesser of line (8) and line (9). Retain this amount only if it is \$10 or more.

.....

**AFFIRMATION**

I, . . . . . (person signing Affirmation), am the garnishee or I am authorized by the garnishee to complete this nonearnings garnishment disclosure, and have done so truthfully and to the best of my knowledge.

Dated: .....  
Signature .....  
Title .....  
Telephone Number .....

Sec. 20. Minnesota Statutes 1990, section 571.922, is amended to read:  
571.922 [LIMITATION ON WAGE GARNISHMENT.]

Unless the judgment is for child support, the maximum part of the aggregate disposable earnings of an individual for any pay period subjected to garnishment may not exceed the lesser of:

(1) 25 percent of the debtor's disposable earnings; or

(2) the amount by which the debtor's disposable earnings exceed the following product: 40 times the federal minimum hourly wages prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938, United States Code, title 29, section 206(a)(1), in effect at the time the earnings are payable, times the number of work weeks in the pay period. When a pay period consists of other than a whole number of work weeks, each day of that pay period in excess of the number of completed work weeks shall be counted as a fraction of a work week equal to the number of excess work days divided by the number of days in the normal work week.

If the judgment is for child support, the garnishment may not exceed:

(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child *and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received)*;

(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the garnishment summons is received);

(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child *and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received)*; or

(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the garnishment summons is received).

No court may make, execute, or enforce an order or any process in violation of this section."

Page 8, line 21, delete "*This act becomes*" and insert "*Sections 1 to 14 become*" and delete "*applies*" and insert "*apply*"

Page 8, line 22, delete "*its*" and insert "*the*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "foreign" and delete "claims"

Page 1, line 3, after the semicolon, insert "making clarifying and technical changes to garnishment and execution laws; amending Minnesota Statutes 1990, sections 550.136, subdivisions 3 and 10; 551.06, subdivisions 3 and 10; 571.75, subdivision 2; and 571.922;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1433: A bill for an act relating to self-insurance; regulating custodial accounts; amending Minnesota Statutes 1990, sections 79A.02, subdivision 2, and by adding a subdivision; 79A.03, subdivisions 3, 7, and 9; 79A.04, subdivision 2; and 79A.06, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 79A; repealing Minnesota Rules, part 2780.0400, subparts 2, 3, 6, and 7.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 802: A bill for an act relating to the collection and dissemination of data; authorizing child protective service agencies and family court service agencies to share information about cases relating to child abuse when they involve common clients; amending Minnesota Statutes 1990, sections 13.46, by adding a subdivision; and 13.84, 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 1990, section 13.01, is amended by adding a subdivision to read:

*Subd. 3. [SCOPE.] This chapter regulates the collection, creation, storage, maintenance, dissemination, and access to government data in state agencies, statewide systems, and political subdivisions. It establishes a presumption that government data are public and are accessible by the public for both inspection and copying unless there is federal law, a state statute, or a temporary classification of data that provides that certain data are not public.*

Sec. 2. Minnesota Statutes 1990, section 13.03, is amended by adding a subdivision to read:

*Subd. 9. [EFFECT OF CHANGES IN CLASSIFICATION OF DATA.] Unless otherwise expressly provided by a particular statute or in a termination or personnel settlement agreement entered into between January 27, 1989, and August 1, 1990, the classification of data is determined by the law applicable to the data at the time a request for access to the data is made, regardless of the data's classification at the time it was collected, created, or received. No cause of action may arise as a result of the release of data contained in a termination or settlement agreement if the data are public under this subdivision.*

Sec. 3. Minnesota Statutes 1990, section 13.40, is amended to read:

13.40 [LIBRARY AND HISTORICAL DATA.]

Subdivision 1. [RECORDS SUBJECT TO THIS CHAPTER.] *(a) For purposes of this section, "historical records repository" means an archives or manuscript repository operated by any state agency, statewide system, or political subdivision whose purpose is to collect and maintain data to further the history of a geographic or subject area. The term does not include the state archives as defined in section 138.17, subdivision 1, clause (5).*

*(b) All records Data collected, maintained, used, or disseminated by a library or historical records repository operated by any state agency, political subdivision, or statewide system shall be administered in accordance with the provisions of this chapter.*

Subd. 2. [PRIVATE DATA; RECORDS OF BORROWING.] That portion of ~~records~~ data maintained by a library which links a library patron's name with materials requested or borrowed by the patron or which links a patron's name with a specific subject about which the patron has requested information or materials is classified as private, pursuant to under section 13.02, subdivision 12, and shall not be disclosed except pursuant to a valid court order.

Subd. 3. [NONGOVERNMENTAL DATA.] *Data held in the custody of a historical records repository that were not originally created, received, maintained, or disseminated by a state agency, statewide system, or political subdivision are not government data. These data are accessible to the public unless:*

- (1) the data are contributed by private persons under an agreement that restricts access, to the extent of any lawful limitation; or*
- (2) access would significantly endanger the physical or organizational integrity of the data.*

#### Sec. 4. [13.48] [AWARD DATA.]

*Financial data on business entities submitted to a state agency, statewide system, or political subdivision for the purpose of presenting awards to business entities for achievements in business development or performance are private data on individuals or nonpublic data.*

Sec. 5. Minnesota Statutes 1990, section 13.55, is amended to read:

#### 13.55 [~~ST. PAUL CIVIC CONVENTION CENTER AUTHORITY DATA.~~]

Subdivision 1. [~~NONPUBLIC~~ NOT PUBLIC CLASSIFICATION.] The following data received, created, or maintained by ~~the St. Paul civic center authority~~ or for publicly owned and operated convention facilities, civic center authorities, or the metropolitan sports facilities commission are classified as nonpublic data pursuant to section 13.02, subdivision 9, or private data on individuals pursuant to section 13.02, subdivision 12:

- ~~(a)~~ (1) a letter or other documentation from any person who makes inquiry to or who is contacted by the ~~authority~~ facility as to the availability of ~~authority facilities~~ the facility for staging events;
- ~~(b)~~ (2) identity of firms and corporations which contact the ~~authority~~ facility;
- ~~(c)~~ (3) type of event which they wish to stage in ~~authority facilities~~ the facility;
- ~~(d)~~ (4) suggested terms of rentals; and

(e) (5) responses of authority staff to these inquiries.

Subd. 2. [PUBLIC DATA.] The data made nonpublic *or private* by the provisions of subdivision 1 shall become public upon the occurrence of any of the following:

(a) ~~A~~ (1) *five years elapse from the date on which the lease or contract is entered into between the authority facility and the inquiring party or parties, or the event which was the subject of inquiry occurs at the facility, whichever occurs first;*

(b) (2) the event which was the subject of inquiry does not occur; or

(c) (3) the event which was the subject of inquiry occurs elsewhere.

Subd. 3. [EXHIBITOR DATA.] *The names, addresses, and contact persons for individual exhibitors at an exhibition may be withheld at the discretion of the facility to protect the competitive position of the facility or its customers.*

Sec. 6. Minnesota Statutes 1990, section 13.82, subdivision 4, is amended to read:

Subd. 4. [RESPONSE OR INCIDENT DATA.] The following data created or collected by law enforcement agencies which documents the agency's response to a request for service *including, but not limited to, responses to traffic accidents*, or which describes actions taken by the agency on its own initiative shall be public government data:

(a) Date, time and place of the action;

(b) Agencies, units of agencies and individual agency personnel participating in the action unless the identities of agency personnel qualify for protection under subdivision 10;

(c) Any resistance encountered by the agency;

(d) Any pursuit engaged in by the agency;

(e) Whether any weapons were used by the agency or other individuals;

(f) A brief factual reconstruction of events associated with the action;

(g) Names and addresses of witnesses to the agency action or the incident unless the identity of any witness qualifies for protection under subdivision 10;

(h) Names and addresses of any victims or casualties unless the identities of those individuals qualify for protection under subdivision 10;

(i) The name and location of the health care facility to which victims or casualties were taken; ~~and~~

(j) Response or incident report number; *and*

(k) *Dates of birth of the parties involved in a traffic accident.*

Sec. 7. Minnesota Statutes 1990, section 13.82, subdivision 10, is amended to read:

Subd. 10. [PROTECTION OF IDENTITIES.] A law enforcement agency or a law enforcement dispatching agency working under direction of 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 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;

(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; or

(e) When access to the data would reveal the identity of a deceased person whose body was unlawfully removed from a cemetery in which it was interred; or

(f) *When access to the data would reveal the identity of a person who placed a call to a 911 system or the identity or telephone number of a service subscriber whose phone is used to place a call to the 911 system and: (1) the agency determines that revealing the identity may threaten the personal safety or property of any person; or (2) the object of the call is to receive help in a mental health emergency. For the purposes of this paragraph, a voice recording of a call placed to the 911 system is deemed to reveal the identity of the caller.*

Sec. 8. Minnesota Statutes 1990, section 13.83, subdivision 4, is amended to read:

Subd. 4. [INVESTIGATIVE DATA.] Data created or collected by a county coroner or medical examiner which is part of an active investigation mandated by chapter 390, or any other general or local law relating to coroners or medical examiners is confidential data or protected nonpublic data, until the completion of the coroner's or medical examiner's final summary of findings at which point the data collected in the investigation and the final summary thereof shall become private or nonpublic data, ~~except that~~ *unless the final summary and the death certificate indicate the manner of death is homicide, undetermined, or pending investigation and there is an active law enforcement investigation, within the meaning of section 13.82, subdivision 5, relating to the death of the deceased individual. If there is an active law enforcement investigation of a possible homicide, the data remain confidential or protected nonpublic. However, upon review by the county attorney of the jurisdiction in which the law enforcement investigation is active, the data may be released to persons described in subdivision 8 if the county attorney determines release would not impede the ongoing investigation. When the law enforcement investigation becomes inactive, the data shall become private or nonpublic data.* Nothing in this subdivision shall be construed to make non public the data elements identified in subdivision 2 at any point in the investigation or thereafter.

Sec. 9. Minnesota Statutes 1990, section 13.83, subdivision 8, is amended to read:

Subd. 8. [ACCESS TO NONPUBLIC DATA.] The data made nonpublic

by this section are accessible to *the physician who attended the decedent at the time of death*, the legal representative of the decedent's estate, and to the decedent's surviving spouse, parents, children, and siblings and their legal representatives.

Sec. 10. Minnesota Statutes 1990, section 13.84, is amended by adding a subdivision to read:

**Subd. 8. [CHILD ABUSE DATA; RELEASE TO CHILD PROTECTIVE SERVICES.]** *A court services agency may release private or confidential data on an active case involving assessment or investigation of actions that are defined as sexual abuse, physical abuse, or neglect under section 626.556 to a local welfare agency if:*

*(1) the local welfare agency has an active case involving a common client or clients who are the subject of the data; and*

*(2) the data are necessary for the local welfare agency to effectively process the agency's case, including investigating or performing other duties relating to the case required by law.*

*Court services data disclosed under this subdivision may be used only for purposes of the active case described in clause (1) and may not be further disclosed to any other person or agency, except as authorized by law.*

Sec. 11. Minnesota Statutes 1990, section 169.09, subdivision 13, is amended to read:

**Subd. 13. [ACCIDENT REPORTS CONFIDENTIAL.]** All written reports and supplemental reports required under this section to be provided to the department of public safety shall be without prejudice to the individual so reporting and shall be for the confidential use of the department of public safety and other appropriate state, federal, county, and municipal governmental agencies for accident analysis purposes, except that the department of public safety or any law enforcement department of any municipality or county in this state shall, upon written request of any person involved in an accident or upon written request of the representative of the person's estate, surviving spouse, or one or more surviving next of kin, or a trustee appointed pursuant to section 573.02, disclose to the requester, the requester's legal counsel or a representative of the requester's insurer any information contained therein except the parties' version of the accident as set out in the written report filed by the parties or may disclose identity of a person involved in an accident when the identity is not otherwise known or when the person denies presence at the accident. No report shall be used as evidence in any trial, civil or criminal, arising out of an accident, except that the department of public safety shall furnish upon the demand of any person who has, or claims to have, made a report, or, upon demand of any court, a certificate showing that a specified accident report has or has not been made to the department of public safety solely to prove a compliance or a failure to comply with the requirements that the report be made to the department of public safety. Disclosing any information contained in any accident report, except as provided herein, is unlawful and a misdemeanor.

Nothing herein shall be construed to prevent any person who has made a report pursuant to this chapter from providing information to any persons involved in an accident or their representatives or from testifying in any trial, civil or criminal, arising out of an accident, as to facts within the person's knowledge. It is intended by this subdivision to render privileged

the reports required but it is not intended to prohibit proof of the facts to which the reports relate. ~~Legally qualified newspaper publications and licensed radio and television stations shall upon request to a law enforcement agency be given an oral statement covering only the time and place of the accident, the names, addresses, and dates of birth of the parties involved, whether a citation was issued, and if so, what it was for, and whether the parties involved were wearing seat belts, and a general statement as to how the accident happened without attempting to fix liability upon anyone, but said legally qualified newspaper publications and licensed radio and television stations shall not be given access to the hereinbefore mentioned confidential reports, nor shall any such statements or information so orally given be used as evidence in any court proceeding, but shall merely be used for the purpose of a proper publication or broadcast of the news. Response or incident data may be released pursuant to section 13.82, subdivision 4.~~

When these reports are released for accident analysis purposes the identity of any involved person shall not be revealed. Data contained in these reports shall only be used for accident analysis purposes, except as otherwise provided by this subdivision. Accident reports and data contained therein which may be in the possession or control of departments or agencies other than the department of public safety shall not be discoverable under any provision of law or rule of court.

Notwithstanding other provisions of this subdivision to the contrary, the commissioner of public safety shall give to the commissioner of transportation the name and address of a carrier subject to section 221.031 that is named in an accident report filed under subdivision 7 or 8. The commissioner of transportation may not release the name and address to any person. The commissioner shall use this information to enforce accident report requirements under chapter 221. In addition the commissioner of public safety may give to the United States Department of Transportation commercial vehicle accident information in connection with federal grant programs relating to safety.

The department may charge authorized persons a \$5 fee for a copy of an accident report.

Sec. 12. Minnesota Statutes 1990, section 260.161, subdivision 3, is amended to read:

Subd. 3. (a) *Except for records relating to an offense where proceedings are public under section 260.155, subdivision 1, 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, (2) as required by section 126.036, (3) as authorized under section 13.82, subdivision 2, or (4) to the child's parent or guardian unless disclosure of a record would interfere with an ongoing investigation; 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, or (5) as provided in paragraph (d).* 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.

*(d) Traffic investigation reports are open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. Identifying information on juveniles who are parties to traffic accidents may be disclosed as authorized under section 13.82, subdivision 4, unless the information would identify a juvenile who was taken into custody or who is suspected of committing an offense that would be a crime if committed by an adult, or would associate a juvenile with the offense, and the offense is not a minor traffic offense under section 260.193.*

Sec. 13. Minnesota Statutes 1990, section 383B.225, subdivision 6, is amended to read:

Subd. 6. [INVESTIGATION PROCEDURE.] (a) Upon notification of the death of any person, as provided in subdivision 5, the county medical examiner or a designee may proceed to the body, take charge of it, and order, when necessary, that there be no interference with the body or the scene of death. Any person violating the order of the examiner is guilty of a misdemeanor. The examiner or the examiner's designee shall make inquiry regarding the cause and manner of death and prepare written findings together with the report of death and its circumstances, which shall be filed in the office of the examiner. When it appears that death may have resulted from a criminal act and that further investigation is advisable, a copy of the report shall be transmitted to the county attorney. The examiner may take possession of all property of the deceased, mark it for identification, and make an inventory. The examiner shall take possession of all articles useful in establishing the cause of death, mark them for identification and retain them securely until they are no longer needed for evidence or investigation. The examiner shall release any property or articles needed for any criminal investigation to law enforcement officers conducting the investigation. When a reasonable basis exists for not releasing property or articles to law enforcement officers, the examiner shall consult with the county attorney. If the county attorney determines that a reasonable basis exists for not releasing the property or articles, the examiner may retain them. The property or articles shall be returned immediately upon completion of the investigation. When the property or articles are no longer needed for the investigation or as evidence, the examiner shall release the property or articles to the person or persons entitled to them. Notwithstanding any other law to the contrary, when personal property of a decedent has come into the possession of the examiner, and is not used for a criminal investigation or as evidence, and has not been otherwise released as provided in this subdivision, the name of the decedent shall be filed with the probate court, together with a copy of the inventory of the decedent's property. At that time, an examination of the records of the probate court shall be made to determine whether a will has been admitted to probate or an administration has been commenced. Property of a nominal value, including wearing apparel, may be released to the spouse or any blood relative of the decedent or to the person accepting financial responsibility for burial of the decedent.

If property has not been released by the examiner and no will has been admitted to probate or administration commenced within six months after death, the examiner shall sell the property at a public auction upon notice and in a manner as the probate court may direct. If the name of the decedent is not known, the examiner shall inventory the property of the decedent and after six months may sell the property at a public auction. The examiner shall be allowed reasonable expenses for the care and sale of the property and shall deposit the net proceeds of the sale with the county administrator, or the administrator's designee, in the name of the decedent, if known. If the decedent is not known, the examiner shall establish a means of identifying the property of the decedent with the unknown decedent and shall deposit the net proceeds of the sale with the county administrator, or a designee, so, that, if the unknown decedent's identity is established within six years, the proceeds can be properly distributed. In either case, duplicate receipts shall be provided to the examiner, one of which shall be filed with the court, the other of which shall be retained in the office of the examiner. If a representative shall qualify within six years from the time of deposit, the county administrator, or a designee, shall pay the amount of the deposit to the representative upon order of the court. If no order is made within six years, the proceeds of the sale shall become a part of the general revenue of the county.

*(b) Notwithstanding section 13.42, 13.46, or 144.651, or 595.02, for the purposes of this section only, health-related records or data on a decedent whose death is being investigated under this section, whether the records or data are recorded or unrecorded, including but not limited to those concerning medical, surgical, psychiatric, psychological, or any other consultation, diagnosis, or treatment, including medical imaging, must be made promptly available to the medical examiner, upon the medical examiner's written request, by a person having custody of, possession of, access to, or knowledge of the records or data. The medical examiner shall pay the reasonable costs of copies of records or data provided to the medical examiner under this section. Notwithstanding section 13.83, subdivisions 4 and 8, data collected or created pursuant to this paragraph relating to any psychiatric, psychological, or mental health consultation with, diagnosis of, or treatment of the decedent whose death is being investigated remain confidential or protected nonpublic data, except that the medical examiner's report may contain a summary of the data. Nothing in this subdivision authorizes access to data maintained under section 13.38.*

Sec. 14. Minnesota Statutes 1990, section 390.11, subdivision 7, is amended to read:

Subd. 7. [REPORTS.] (a) Deaths of the types described in this section must be promptly reported for investigation to the coroner by the law enforcement officer, attending physician, mortician, person in charge of the public institutions referred to in subdivision 1, or other person with knowledge of the death.

*(b) Notwithstanding section 13.42, 13.46, 144.651, or 595.02, for the purposes of this section only, health-related records or data on a decedent whose death is being investigated under this section, whether the records or data are recorded or unrecorded, including but not limited to those concerning medical, surgical, psychiatric, psychological, or any other consultation, diagnosis, or treatment, including medical imaging, must be made promptly available to the coroner, upon the coroner's written request, by a person having custody of, possession of, access to, or knowledge of the*

*records or data. The coroner shall pay the reasonable costs of copies of records or data provided to the coroner under this section. Notwithstanding section 13.83, subdivisions 4 and 8, data collected or created pursuant to this paragraph relating to any psychiatric, psychological, or mental health consultation with, diagnosis of, or treatment of the decedent whose death is being investigated remain confidential or protected nonpublic data, except that the coroner's report may contain a summary of the data. Nothing in this subdivision authorizes access to data maintained under section 13.38.*

Sec. 15. Minnesota Statutes 1990, section 390.32, subdivision 6, is amended to read:

Subd. 6. [REPORT OF DEATHS.] (a) Deaths of the types described in this section must be promptly reported for investigation to the sheriff by the attending physician, mortician, person in charge of the public institutions referred to in subdivision 1, or other person having knowledge of the death.

*(b) Notwithstanding section 13.42, 13.46, 144.651, or 595.02, for the purposes of this section only, health-related records or data on a decedent whose death is being investigated under this section, whether the records or data are recorded or unrecorded, including but not limited to those concerning medical, surgical, psychiatric, psychological, or any other consultation, diagnosis, or treatment, including medical imaging, must be made promptly available to the medical examiner, upon the medical examiner's written request, by a person having custody of, possession of, access to, or knowledge of the records or data. The medical examiner shall pay the reasonable costs of copies of records or data provided to the medical examiner under this section. Notwithstanding section 13.83, subdivisions 4 and 8, data collected or created pursuant to this paragraph relating to any psychiatric, psychological, or mental health consultation with, diagnosis of, or treatment of the decedent whose death is being investigated remain confidential or protected nonpublic data, except that the medical examiner's report may contain a summary of the data. Nothing in this subdivision authorizes access to data maintained under section 13.38.*

Sec. 16. Minnesota Statutes 1990, section 403.07, subdivision 4, is amended to read:

Subd. 4. [USE OF FURNISHED INFORMATION.] Names, addresses, and telephone numbers provided to a 911 system under subdivision 3 are private data and may be used only for identifying the location or identity, or both, of a person calling a 911 public safety answering point. The information furnished under subdivision 3 may not be used or disclosed by 911 system agencies, their agents, or their employees for any other purpose except under a court order. ~~This subdivision does not affect access to service data under section 13.82, subdivision 3, when data subject to that provision is sought from a law enforcement agency.~~

Sec. 17. Minnesota Statutes 1990, section 626.556, is amended by adding a subdivision to read:

*Subd. 10h. [CHILD ABUSE DATA; RELEASE TO FAMILY COURT SERVICES.] The responsible authority or its designee of a local welfare agency may release private or confidential data on an active case involving assessment or investigation of actions that are defined as sexual abuse, physical abuse, or neglect under this section to a court services agency if:*

*(1) the court services agency has an active case involving a common*

*client or clients who are the subject of the data; and*

*(2) the data are necessary for the court services agency to effectively process the court services' case, including investigating or performing other duties relating to the case required by law.*

*The data disclosed under this subdivision may be used only for purposes of the active court services case described in clause (1) and may not be further disclosed to any other person or agency, except as authorized by law.*

Sec. 18. Minnesota Statutes 1990, section 626.556, subdivision 11c, is amended to read:

Subd. 11c. [WELFARE, COURT SERVICES AGENCY, AND SCHOOL RECORDS MAINTAINED.] Notwithstanding sections 138.163 and 138.17, records maintained or records derived from reports of abuse by local welfare agencies, *court services agencies*, or schools under this section shall be destroyed as provided in paragraphs (a) to ~~(e)~~ (d) by the responsible authority.

(a) If upon assessment or investigation there is no determination of maltreatment or the need for child protective services, the records may be maintained for a period of four years. After the individual alleged to have maltreated a child is notified under subdivision 10f of the determinations at the conclusion of the assessment or investigation, upon that individual's request, records shall be destroyed within 30 days.

(b) All records relating to reports which, upon assessment or investigation, indicate either maltreatment or a need for child protective services shall be destroyed seven years after the date of the final entry in the case record.

(c) All records regarding a report of maltreatment, including any notification of intent to interview which was received by a school under subdivision 10, paragraph (d), shall be destroyed by the school when ordered to do so by the agency conducting the assessment or investigation. The agency shall order the destruction of the notification when other records relating to the report under investigation or assessment are destroyed under this subdivision.

*(d) Private or confidential data released to a court services agency under subdivision 10h must be destroyed by the court services agency when ordered to do so by the local welfare agency that released the data. The local welfare agency shall order destruction of the data when other records relating to the assessment or investigation are destroyed under this subdivision.*

Sec. 19. [EFFECTIVE DATE.]

*Section 2 is effective the day following final enactment and applies to data collected, created, or received before, on, or after the effective date."*

Delete the title and insert:

"A bill for an act relating to the collection and dissemination of data; clarifying that the classification of data is determined by the date on which the request for the data is made; classifying certain privately donated historical records as not government data; classifying certain award data as private data; classifying convention center data; protecting the identity of a person placing a call on the 911 system; classifying county coroner and medical examiner data; allowing the attending physician access to the medical examiner's data; authorizing child protective service agencies and family

court service agencies to share information about cases relating to child abuse when they involve common clients; clarifying access to identifying information on juveniles who are parties to traffic accidents; modifying access to peace officer records relating to juveniles; requiring records and other data relating to deaths to be made available to coroners and medical examiners; maintaining certain data as confidential at the conclusion of the medical examiner's investigation; amending Minnesota Statutes 1990, sections 13.01, by adding a subdivision; 13.03, by adding a subdivision; 13.40; 13.55; 13.82, subdivisions 4 and 10; 13.83, subdivisions 4 and 8; 13.84, by adding a subdivision; 169.09, subdivision 13; 260.161, subdivision 3; 383B.225, subdivision 6; 390.11, subdivision 7; 390.32, subdivision 6; 403.07, subdivision 4; and 626.556, subdivision 11c, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 13."

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. 1414: A resolution memorializing the President and Congress of the United States to ensure that the federal milk marketing order is modified.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 475: A bill for an act relating to child care; establishing the Minnesota early childhood care and education council; specifying duties and membership; specifying new duties for regional resource and referral agencies; clarifying requirements for child care services; appropriating money; amending Minnesota Statutes 1990, sections 256H.02; 256H.03; 256H.05; 256H.09, by adding a subdivision; 256H.15, subdivision 1; 256H.20; 256H.21, subdivisions 6 and 10; and 256H.22, subdivisions 1, 2, 3, 4, 5, 6, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256H; repealing Minnesota Statutes 1990, sections 256H.22, subdivisions 10 and 11; and 256H.25.

Reports the same back with the recommendation that the bill be amended as follows:

Page 9, line 22, delete "*shall consist*" and insert "*consists*" and delete "24" and insert "19"

Page 10, line 4, delete "24" and insert "19"

Page 10, delete lines 18 to 36

Page 11, delete lines 1 to 8 and insert:

"*Subd. 3. [DUTIES.] The council shall:*

*(1) develop a biennial plan for early childhood care and education in the state;*

(2) take a leadership role in developing its recommendations in conjunction with the recommendations of other state agencies on the state budget for early childhood care and education;

(3) apply for and receive state money and public and private grant money;

(4) participate in and facilitate the development of interagency agreements on early childhood care and education issues;

(5) review state agency policies on early childhood care and education issues so that they do not conflict;

(6) advocate for an effective and coordinated early childhood care and education system with state agencies and programs;

(7) study the need for child care funding for special populations whose needs are not being addressed by current programs;

(8) ensure that the early childhood care and education system reflects community diversity;

(9) be responsible for advocating policies and funding for early childhood care and education; and

(10) submit a report to the legislature by January 1 of each odd-numbered year, containing a description of the activities and work plan of the council and any legislative recommendations developed by the council."

Page 11, lines 27 and 28, reinstate the stricken language and delete the new language

Page 11, line 36, reinstate the stricken "commissioner" and delete "council"

Page 12, line 11, reinstate the stricken "commissioner" and delete "council"

Page 14, lines 21 and 29, reinstate the stricken "commissioner" and delete "council"

Page 14, line 26, reinstate the stricken "commissioner"

Page 14, line 27, delete "council"

Pages 14 and 15, delete section 11

Pages 15 to 17, delete sections 14 and 15

Pages 17 to 19, delete sections 17 to 19

Page 19, delete section 21

Page 21, line 1, delete everything after the first comma and insert "section"

Page 21, line 2, delete "and 11; and" and delete "are" and insert "is"

Page 21, line 4, delete "21" and insert "14"

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 10 and insert "subdivision 10; and 256H.22, subdivision 1,"

Page 1, line 11, delete "3, 4, 5, 6,"

Page 1, line 13, delete "sections" and insert "section 256H.25."

Page 1, delete line 14

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 811: A bill for an act relating to retirement; providing certain disability benefits to certain persons under the public employees retirement association police and fire plan.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [BENEFIT ENTITLEMENT.]

*The surviving spouse of a person who was born on February 20, 1958, who worked as a police officer for the city of St. Paul, and who died before July 1, 1990, is entitled to receive survivor benefits from the public employees retirement association police and fire fund under Minnesota Statutes, section 353.657, subdivision 1, notwithstanding the fact that the spouse and the decedent had been married for a period of less than one year before the date of death of the decedent. Survivor benefits are those specified in section 353.657, subdivisions 2 and 2a.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment and applies retroactively to June 28, 1990.*"

Amend the title as follows:

Page 1, line 2, delete "disability" and insert "survivor"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 1064: A bill for an act relating to waters; exempting certain proceedings by the board of water and soil resources from the administrative procedure act; changing administrative appeal procedures; authorizing appeals to the court of appeals; exempting the Minnesota housing finance agency from restrictions on transfers of marginal land and wetlands; limiting a prohibition on certain new water use permits to the metropolitan area; exempting tree and shrub planting from certain notification requirements; amending Minnesota Statutes 1990, sections 103B.345, subdivisions 2 and 4; 103D.105, subdivision 1; 103D.111; 103F.535, subdivision 1; 103G.271, subdivision 4a; and 216D.01, subdivision 5.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 776: A bill for an act relating to agriculture; transferring the rural finance authority to the department of agriculture; providing for an agricultural development bond program to finance agricultural business enterprises and beginning farmers; appropriating funds; amending Minnesota Statutes 1990, sections 41B.025, subdivisions 1, 3, and 6; 41B.03, subdivision 3; 41B.036; 41B.211; 474A.02, subdivisions 13a and 23a; 474A.03, subdivision 1; 474A.061, subdivisions 1, 2b, 3, and 4; 474A.081; 474A.091; 474A.14; proposing coding for new law as Minnesota Statutes, chapter 41C.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 666: A bill for an act relating to agriculture; changing certain deadlines of the agricultural chemical response compensation board; amending Minnesota Statutes 1990, sections 18E.04, subdivision 5; and 18E.05, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 18E.03, subdivision 4, is amended to read:

Subd. 4. [FEE THROUGH 1990.] (a) The response and reimbursement fee consists of the surcharge fees in this subdivision and shall be collected until March 1, 1991.

(b) The commissioner shall impose a surcharge on pesticides registered under chapter 18B to be collected as a surcharge on the registration application fee under section 18B.26, subdivision 3, that is equal to 0.1 percent of sales of the pesticide in the state and sales of pesticides for use in the state during the period April 1, 1990, through December 31, 1990, except the surcharge may not be imposed on pesticides that are sanitizers or disinfectants as determined by the commissioner. The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under section 18B.26, subdivision 3, paragraph (c), and fees shall be paid by the registrant based upon those reported sales. Sales of pesticides in the state for use outside of the state are exempt from the surcharge in this paragraph if the registrant properly documents the sale location and the distributors.

(c) The commissioner shall impose a ten cents per ton surcharge on the inspection fee under section 18C.425, 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 sections 18C.415 and 18C.425;

(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~~ \$25 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.

(f) A \$1,000 fee shall be imposed on each site where pesticides are stored and sold for use outside of the state unless:

(1) the distributor properly documents that it has less than \$2,000,000 per year in wholesale value of pesticides stored and transferred through the site; or

(2) the registrant pays the surcharge under paragraph (b) and the registration fee under section 18B.26, subdivision 3, for all of the pesticides stored at the site and sold for use outside of the state.

(g) Paragraphs (c) to (f) apply to sales, licenses issued, applications received for licenses, and inspection fees imposed on or after July 1, 1990.

Sec. 2. Minnesota Statutes 1990, section 18E.04, subdivision 4, is amended to read:

Subd. 4. [REIMBURSEMENT PAYMENTS.] (a) The board 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 *or equal to* \$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 *or equal to* \$200,000.

(b) A reimbursement or payment may not be made until the board has determined that the costs are reasonable and are for a reimbursement of the costs that were actually incurred.

(c) The board 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 directed by the board under this subdivision.

Sec. 3. Minnesota Statutes 1990, section 18E.04, subdivision 5, is amended to read:

Subd. 5. [REIMBURSEMENT OR PAYMENT DECISIONS.] (a) The board may issue a letter of intent on whether a person is eligible for payment or reimbursement. The letter is not binding on the board.

(b) The board must issue an order granting or denying a request within 30 days following *the board meeting at which the board votes to grant or deny* a request for reimbursement or for payment under subdivision 1, 2, or 3.

(c) After an initial request is made for reimbursement, notwithstanding subdivisions 1 to 4, the board 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.

Sec. 4. Minnesota Statutes 1990, section 18E.05, subdivision 3, is amended to read:

Subd. 3. [PROCEDURES.] ~~The board must issue an order granting or denying a request within 30 days of receipt of a completed application unless the applicant and the commissioner agree to a longer time period- receive a completed application at least 30 days before a board meeting in order for a request for reimbursement or payment to be considered at that meeting, unless the applicant and the commissioner agree to a longer time period. The board may waive the 30-day requirement if it determines that undue financial hardship to the applicant will result if action is delayed until the next regular meeting. The board must act upon a completed application request at the next regular board meeting, unless additional information is required from the applicant or the commissioner. If the board denies reimbursement or payment, its decision may be appealed in a contested case proceeding under chapter 14.~~

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "lowering the fee for licensed lawn service applicators;" and after "certain" insert "reimbursement figures and"

Page 1, line 4, after "sections" insert "18E.03, subdivision 4;"

Page 1, line 5, delete the first "subdivision" and insert "subdivisions 4 and"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 820: A bill for an act relating to the state agricultural society; providing some building and contracting exceptions; regulating real estate

transactions; amending Minnesota Statutes 1990, sections 37.02 and 37.19.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 21, after "*contracts*" insert "*for the leasing of space*"

Page 1, line 22, before the period, insert "*except that the attorney general must approve a standard lease contract for proper form*"

Page 2, after line 23, insert:

"Sec. 3. Minnesota Statutes 1990, section 375.79, is amended to read:  
375.79 [EXHIBITS AT STATE FAIR.]

A county board, for the purpose of assisting to *design, construct, and maintain an exhibit of the products of the county, practices, or public concerns of the county or state, or that assist in promoting, advertising, improving, or developing the economic, agricultural, or natural resources of the county or state, or protecting or improving the public health or the environment of the county or state* at the Minnesota state fair, may appropriate out of the general revenue fund of the county, not more than ~~\$1,000, not including money received by the county as premiums or prizes at the state fair for that year \$2,000.~~

~~All money derived from premiums or prizes for the county exhibit at the state fair shall be paid into the treasury of the county.~~

Sec. 4. [REPEALER.]

*Minnesota Statutes 1990, sections 375.80; 375.81; and 375.82, are repealed.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "*setting conditions for counties to assist state fair exhibits;*"

Page 1, line 5, delete "*and*" and insert a semicolon and before the period, insert "*; and 375.79; repealing Minnesota Statutes 1990, sections 375.80; 375.81; and 375.82*"

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. 1300: A bill for an act relating to agriculture; allowing exemption of certain garbage from requirements for feeding to livestock or poultry; amending Minnesota Statutes 1990, section 35.73, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 35.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, delete "*(a)*"

Page 1, line 15, before the period, insert "*or materials exempted under section 2*"

Page 1, delete lines 16 to 22

Page 1, line 24, before “No” insert “*If it is considered by the board to be in the best interest of the livestock industry of the state and not detrimental to the public health, safety, or general welfare, the board may adopt rules authorizing an exempt materials permit for specified materials of a nonmeat nature.*”

Page 1, lines 25 and 26, delete “*paragraph (b),*”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

H.F. No. 664: A bill for an act relating to commerce; requiring accessibility specialists; requiring certification by building officials; amending Minnesota Statutes 1990, sections 16B.63, by adding a subdivision; 16B.65, by adding a subdivision; and 471.468.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, delete “*shall*” and after the second comma, insert “*shall*”

Page 1, line 26, strike “*shall*” and insert “*of a building or facility may*” and strike “*hereafter*”

Page 2, line 1, strike “*of any building or facility*”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

H.F. No. 1551: A bill for an act relating to retirement; Edina volunteer firefighters relief association; modifying limitations on survivor benefit coverage; amending Laws 1965, chapter 592, section 4, as amended.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

H.F. No. 609: A bill for an act relating to veterans; authorizing the veterans homes board to rent certain facilities; authorizing expenditures of money; amending Minnesota Statutes 1990, section 198.003.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

H.F. No. 611: A bill for an act relating to retirement; local police and salaried firefighters relief associations; authorizing the payment of a refund to the designated beneficiary of certain decedents; proposing coding for new law in Minnesota Statutes, chapter 423A.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 74 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.
74			213		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 74 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 74 and insert the language after the enacting clause of S.F. No. 213, the first engrossment; further, delete the title of H.F. No. 74 and insert the title of S.F. No. 213, the first engrossment.

And when so amended H.F. No. 74 will be identical to S.F. No. 213, and further recommends that H.F. No. 74 be given its second reading and substituted for S.F. No. 213, 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. 1422 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.
1422			1248		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1422 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1422 and insert the language after the enacting clause of S.F. No. 1248, the second engrossment; further, delete the title of H.F. No. 1422 and insert the title of S.F. No. 1248, the second engrossment.

And when so amended H.F. No. 1422 will be identical to S.F. No. 1248, and further recommends that H.F. No. 1422 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. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 476: A bill for an act relating to taxation; increasing the taxes on cigarettes; changing the computation of alcoholic beverage taxes; amending Minnesota Statutes 1990, sections 297.02, subdivision 1; 297.03, subdivision 5; 297C.01, by adding subdivisions; and 297C.02.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
FEDERAL UPDATE

Section 1. Minnesota Statutes 1990, section 290.01, subdivision 19, is amended to read:

Subd. 19. [NET INCOME.] The term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in subdivisions 19a to 19f.

In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or 851(h) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

(1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply; and

(2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code.

The net income of a real estate investment trust as defined and limited by section 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

The Internal Revenue Code of 1986, as amended through December 31, 1986, shall be in effect for taxable years beginning after December 31, 1986. The provisions of sections 10104, 10202, 10203, 10204, 10206, 10212, 10221, 10222, 10223, 10226, 10227, 10228, 10611, 10631, 10632, and 10711 of the Omnibus Budget Reconciliation Act of 1987, Public Law Number 100-203, the provisions of sections 1001, 1002, 1003, 1004, 1005, 1006, 1008, 1009, 1010, 1011, 1011A, 1011B, 1012, 1013, 1014, 1015, 1018, 2004, 3041, 4009, 6007, 6026, 6032, 6137, 6277, and 6282 of the Technical and Miscellaneous Revenue Act of 1988, Public Law Number 100-647, and the provisions of sections 7811, 7816, and 7831 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, and the provisions of section 11702 of the Revenue Reconciliation Act of 1990, Public Law Number 101-508, shall be effective at the time they become effective for federal income tax purposes.

The Internal Revenue Code of 1986, as amended through December 31,

1987, shall be in effect for taxable years beginning after December 31, 1987. The provisions of sections 4001, 4002, 4011, 5021, 5041, 5053, 5075, 6003, 6008, 6011, 6030, 6031, 6033, 6057, 6064, 6066, 6079, 6130, 6176, 6180, 6182, 6280, and 6281 of the Technical and Miscellaneous Revenue Act of 1988, Public Law Number 100-647, and the provisions of sections 7815 and 7821 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, shall become effective at the time they become effective for federal tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1988, shall be in effect for taxable years beginning after December 31, 1988. The provisions of sections 7101, 7102, 7104, 7105, 7201, 7202, 7203, 7204, 7205, 7206, 7207, 7210, 7211, 7301, 7302, 7303, 7304, 7601, 7621, 7622, 7641, 7642, 7645, 7647, 7651, and 7652 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, and the provision of section 1401 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Public Law Number 101-73, and the provisions of sections 11701 and 11703 of the Revenue Reconciliation Act of 1990, Public Law Number 101-508, shall become effective at the time they become effective for federal tax purposes.

*The Internal Revenue Code of 1986, as amended through December 31, 1989, shall be in effect for taxable years beginning after December 31, 1989. The provisions of sections 11321, 11322, 11324, 11325, 11403, 11404, 11410, and 11521 of the Revenue Reconciliation Act of 1990, Public Law Number 101-508, shall become effective at the time they become effective for federal purposes.*

*The Internal Revenue Code of 1986, as amended through December 31, 1990, shall be in effect for taxable years beginning after December 31, 1990.*

Except as otherwise provided, references to the Internal Revenue Code in subdivisions 19a to 19g mean the code in effect for purposes of determining net income for the applicable year.

Sec. 2. Minnesota Statutes 1990, section 290.01, subdivision 19a, is amended to read:

Subd. 19a. [ADDITIONS TO FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be added to federal taxable income:

(1)(i) interest income on obligations of any state other than Minnesota or a political or governmental subdivision, municipality, or governmental agency or instrumentality of any state other than Minnesota exempt from federal income taxes under the Internal Revenue Code or any other federal statute, and

(ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code, except the portion of the exempt-interest dividends derived from interest income on obligations of the state of Minnesota or its political or governmental subdivisions, municipalities, governmental agencies or instrumentalities, but only if the portion of the exempt-interest dividends from such Minnesota sources paid to all shareholders represents 95 percent or more of the exempt-interest dividends that are paid by the regulated investment company as defined in section 851(a) of the Internal Revenue Code, or the fund of the regulated investment company as defined in section 851(h) of the Internal Revenue Code, making the payment; and

(2) the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or to any province or territory of Canada, to the extent allowed as a deduction under section 63(d) of the Internal Revenue Code, but the addition may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the Internal Revenue Code exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code. *For the purpose of this paragraph, the disallowance of itemized deductions pursuant to section 68 of the Internal Revenue Code of 1986, income taxes shall be the last itemized deductions disallowed;* and

(3) the capital gain amount of a lump sum distribution to which the special tax under section 1122(h)(3)(B)(ii) of the Tax Reform Act of 1986, Public Law Number 99-514, applies.

Sec. 3. Minnesota Statutes 1990, section 290.01, subdivision 19d, is amended to read:

Subd. 19d. [CORPORATIONS; MODIFICATIONS DECREASING FEDERAL TAXABLE INCOME.] For corporations, there shall be subtracted from federal taxable income after the increases provided in subdivision 19c:

(1) the amount of foreign dividend gross-up added to gross income for federal income tax purposes under section 78 of the Internal Revenue Code;

(2) the decrease in salary expense for federal income tax purposes due to claiming the federal jobs credit under section 51 of the Internal Revenue Code;

(3) any dividend (not including any distribution in liquidation) paid within the taxable year by a national or state bank to the United States, or to any instrumentality of the United States exempt from federal income taxes, on the preferred stock of the bank owned by the United States or the instrumentality;

(4) amounts disallowed for intangible drilling costs due to differences between this chapter and the Internal Revenue Code in taxable years beginning before January 1, 1987, as follows:

(i) to the extent the disallowed costs are represented by physical property, an amount equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09, subdivision 7, subject to the modifications contained in subdivision 19e; and

(ii) to the extent the disallowed costs are not represented by physical property, an amount equal to the allowance for cost depletion under Minnesota Statutes 1986, section 290.09, subdivision 8;

(5) the deduction for capital losses pursuant to sections 1211 and 1212 of the Internal Revenue Code, except that:

(i) for capital losses incurred in taxable years beginning after December 31, 1986, capital loss carrybacks shall not be allowed;

(ii) for capital losses incurred in taxable years beginning after December 31, 1986, a capital loss carryover to each of the 15 taxable years succeeding the loss year shall be allowed;

(iii) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryback to each of the three taxable years preceding the loss year, subject to the provisions of Minnesota Statutes 1986, section



290.16, shall be allowed; and

(iv) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryover to each of the five taxable years succeeding the loss year to the extent such loss was not used in a prior taxable year and subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed;

(6) an amount for interest and expenses relating to income not taxable for federal income tax purposes, if (i) the income is taxable under this chapter and (ii) the interest and expenses were disallowed as deductions under the provisions of section 171(a)(2), 265 or 291 of the Internal Revenue Code in computing federal taxable income;

(7) in the case of mines, oil and gas wells, other natural deposits, and timber for which percentage depletion was disallowed pursuant to subdivision 19c, clause (11), a reasonable allowance for depletion based on actual cost. In the case of leases the deduction must be apportioned between the lessor and lessee in accordance with rules prescribed by the commissioner. In the case of property held in trust, the allowable deduction must be apportioned between the income beneficiaries and the trustee in accordance with the pertinent provisions of the trust, or if there is no provision in the instrument, on the basis of the trust's income allocable to each;

(8) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, an amount equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09, subdivision 7;

(9) the amount included in federal taxable income attributable to the credits provided in Minnesota Statutes 1986, section 273.1314, subdivision 9, or Minnesota Statutes, section 469.171, subdivision 6;

(10) amounts included in federal taxable income that are due to refunds of income, excise, or franchise taxes based on net income or related minimum taxes paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or a foreign country or possession of the United States to the extent that the taxes were added to federal taxable income under section 290.01, subdivision 19c, clause (1), in a prior taxable year;

(11) the following percentage of royalties, fees, or other like income accrued or received from a foreign operating corporation or a foreign corporation which is part of the same unitary business as the receiving corporation:

Taxable Year	Percentage
Beginning After .....	
December 31, 1988 .....	50 percent
December 31, 1990 .....	80 percent; and

(12) income or gains from the business of mining as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota franchise tax; and

(13) the amount of handicap access expenditures in the taxable year which are not allowed to be deducted or capitalized under section 44(d)(7) of the Internal Revenue Code of 1986.

Sec. 4. Minnesota Statutes 1990, section 290.067, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF CREDIT.] A taxpayer may take as a credit against the tax due from the taxpayer and a spouse, if any, under this chapter an amount equal to the dependent care credit for which the taxpayer is eligible pursuant to the provisions of section 21 of the Internal Revenue Code subject to the limitations provided in subdivision 2 except that in determining whether the child qualified as a dependent, income received as an aid to families with dependent children grant or allowance to or on behalf of the child must not be taken into account in determining whether the child received more than half of the child's support from the taxpayer, and the provisions of section 32(b)(1)(D) of the Internal Revenue Code of 1986, as amended through December 31, 1990, shall not apply.

If the taxpayer is not required and does not file a federal individual income tax return for the tax year, no credit is allowed for any amount paid to any person unless:

(1) the name, address, and taxpayer identification number of the person are included on the return claiming the credit; or

(2) if the person is an organization described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name and address of the person are included on the return claiming the credit.

In the case of a failure to provide the information required under the preceding sentence, the preceding sentence does not apply if it is shown that the taxpayer exercised due diligence in attempting to provide the information required.

In the case of a nonresident, part-year resident, or person whose tax is computed under section 290.06, subdivision 2c, paragraph (f), the credit determined under section 21 of the Internal Revenue Code must be allocated based on the ratio by which the earned income of the claimant and the claimant's spouse from Minnesota sources bears to the total earned income of the claimant and the claimant's spouse.

Sec. 5. Minnesota Statutes 1990, section 290.92, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (1) [WAGES.] For purposes of this section, the term "wages" means the same as that term is defined in section 3401(a) and (f) of the Internal Revenue Code of 1986, as amended through December 31, 1988 1990, except wages shall not include agricultural labor as defined in section 3121(g) of the Internal Revenue Code of 1986, as amended through December 31, 1990.

(2) [PAYROLL PERIOD.] For purposes of this section the term "payroll period" means a period for which a payment of wages is ordinarily made to the employee by the employee's employer, and the term "miscellaneous payroll period" means a payroll period other than a daily, weekly, biweekly, semimonthly, monthly, quarterly, semiannual, or annual payroll period.

(3) [EMPLOYEE.] For purposes of this section the term "employee" means any resident individual performing services for an employer, either within or without, or both within and without the state of Minnesota, and

every nonresident individual performing services within the state of Minnesota, the performance of which services constitute, establish, and determine the relationship between the parties as that of employer and employee. As used in the preceding sentence, the term "employee" includes an officer of a corporation, and an officer, employee, or elected official of the United States, a state, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing.

(4) [EMPLOYER.] For purposes of this section the term "employer" means any person, including individuals, fiduciaries, estates, trusts, partnerships, and corporations transacting business in or deriving any income from sources within the state of Minnesota for whom an individual performs or performed any service, of whatever nature, as the employee of such person, except that if the person for whom the individual performs or performed the services does not have legal control of the payment of the wages for such services, the term "employer," except for purposes of paragraph (1), means the person having legal control of the payment of such wages. As used in the preceding sentence, the term "employer" includes any corporation, individual, estate, trust, or organization which is exempt from taxation under section 290.05 and further includes, but is not limited to, officers of corporations who have legal control, either individually or jointly with another or others, of the payment of the wages.

(5) [NUMBER OF WITHHOLDING EXEMPTIONS CLAIMED.] For purposes of this section, the term "number of withholding exemptions claimed" means the number of withholding exemptions claimed in a withholding exemption certificate in effect under subdivision 5, except that if no such certificate is in effect, the number of withholding exemptions claimed shall be considered to be zero.

#### Sec. 6. [FEDERAL CHANGES.]

*The changes made by sections 11301, 11302, 11303, 11304, 11305, 11343, 11344, 11531, 11601, 11602, 11701, 11702, 11703, and 11704 of the Revenue Reconciliation Act of 1990, Public Law Number 101-508, which affect the definition of net income of insurance companies as defined in Minnesota Statutes, section 290.35, the definition of alternative minimum taxable income as defined in Minnesota Statutes, sections 290.091, subdivision 2, and 290.0921, subdivision 3, grantor as defined in Minnesota Statutes, section 290.25, federal gross estate as defined in Minnesota Statutes, section 291.005, gross income as defined in Minnesota Statutes, section 290.01, subdivision 20, and the definition of wages as defined in Minnesota Statutes, section 290.92, subdivision 1, shall be effective at the same time they become effective for federal tax purposes.*

*The waiver of estimated tax penalties provided by section 11307 of the Revenue Reconciliation Act of 1990 shall also apply to Minnesota to the extent the underpayment was created or increased by the changes made by sections 11301, 11302, 11303, and 11305.*

#### Sec. 7. [INSTRUCTION TO REVISOR.]

*In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "Internal Revenue Code of 1986, as amended through December 31, 1990" for the words "Internal Revenue Code of 1986, as amended through December 31, 1989" wherever the phrase occurs in chapters 289A, 290, 290A, and 291, except for section 290.01, subdivision 19.*

#### Sec. 8. [EFFECTIVE DATE.]

*Except where specifically provided otherwise, sections 1 to 7 are effective for taxable years beginning after December 31, 1990.*

## ARTICLE 2

### CIGARETTE TAX AND SALES

Section 1. Minnesota Statutes 1990, section 297.02, subdivision 1, is amended to read:

Subdivision 1. [RATES.] A tax is hereby imposed upon the sale of cigarettes in this state or having cigarettes in possession in this state with intent to sell and upon any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

(1) On cigarettes weighing not more than three pounds per thousand, ~~19~~ 31 mills on each such cigarette;

(2) On cigarettes weighing more than three pounds per thousand, ~~38~~ 62 mills on each such cigarette.

Sec. 2. Minnesota Statutes 1990, section 297.03, subdivision 5, is amended to read:

Subd. 5. [SALE OF STAMPS.] The commissioner shall sell stamps to any person licensed as a distributor at a discount of ~~1.25~~ .8 percent from the face amount of the stamps for the first \$1,500,000 of such stamps purchased in any fiscal year; and at a discount of ~~.75~~ .5 percent on the remainder of such stamps purchased in any fiscal year. The commissioner shall not sell stamps to any other person. The commissioner may prescribe the method of shipment of the stamps to the distributor as well as the quantities of stamps purchased.

Sec. 3. Minnesota Statutes 1990, section 297.32, subdivision 1, is amended to read:

Subdivision 1. A tax is hereby imposed upon all tobacco products in this state and upon any person engaged in business as a distributor thereof, at the rate of ~~35~~ 60 percent of the wholesale sales price of such tobacco products. Such tax shall be imposed at the time the distributor (1) brings, or causes to be brought, into this state from without the state tobacco products for sale; (2) makes, manufactures, or fabricates tobacco products in this state for sale in this state; or (3) ships or transports tobacco products to retailers in this state, to be sold by those retailers.

Sec. 4. Minnesota Statutes 1990, section 297.32, subdivision 2, is amended to read:

Subd. 2. A tax is hereby imposed upon the use or storage by consumers of tobacco products in this state, and upon such consumers, at the rate of ~~35~~ 60 percent of the cost of such tobacco products.

The tax imposed by this subdivision shall not apply if the tax imposed by subdivision 1 on such tobacco products has been paid.

This tax shall not apply to the use or storage of tobacco products in quantities of:

1. not more than 50 cigars;
2. not more than ten oz. snuff or snuff powder;

3. not more than one lb. smoking or chewing tobacco or other tobacco products not specifically mentioned herein, in the possession of any one consumer.

Sec. 5. Minnesota Statutes 1990, section 297.35, subdivision 1, is amended to read:

Subdivision 1. On or before the 18th day of each calendar month every distributor with a place of business in this state shall file a return with the commissioner showing the quantity and wholesale sales price of each tobacco product (1) brought, or caused to be brought, into this state for sale; and (2) made, manufactured, or fabricated in this state for sale in this state, during the preceding calendar month. Every licensed distributor outside this state shall in like manner file a return showing the quantity and wholesale sales price of each tobacco product shipped or transported to retailers in this state to be sold by those retailers, during the preceding calendar month. Returns shall be made upon forms furnished and prescribed by the commissioner and shall contain such other information as the commissioner may require. Each return shall be accompanied by a remittance for the full tax liability shown therein, less ~~1.5~~ one percent of such liability as compensation to reimburse the distributor for expenses incurred in the administration of sections 297.31 to 297.39.

Sec. 6. [FLOOR STOCKS TAX.]

*Subdivision 1. [CIGARETTES.] A floor stocks tax is imposed on every person engaged in business in this state as a distributor, retailer, subjobber, vendor, manufacturer, or manufacturer's representative of cigarettes, on the stamped cigarettes in the person's possession or under the person's control at 12:01 a.m. on July 1, 1991. The tax is imposed at the following rates:*

*(1) on cigarettes weighing not more than three pounds a thousand, 12 mills on each cigarette;*

*(2) on cigarettes weighing more than three pounds a thousand, 24 mills on each cigarette.*

*Each distributor, by July 8, 1991, shall file a report with the commissioner, in the form the commissioner prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1991, and the amount of tax due on them. The tax imposed by this section is due and payable by August 1, 1991, and after that date bears interest at the rate of one percent a month.*

*Each retailer, subjobber, vendor, manufacturer, or manufacturer's representative shall file a return with the commissioner, in the form the commissioner prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1991, and pay the tax due thereon by August 1, 1991. Tax not paid by the due date bears interest at the rate of one percent a month.*

*Subd. 2. [AUDIT AND ENFORCEMENT.] The tax imposed by this section is subject to the audit, assessment, and collection provisions applicable to the taxes imposed under chapter 297C. The commissioner may require a distributor to receive and maintain copies of floor stocks tax returns filed by all persons requesting a credit for returned cigarettes.*

*Subd. 3. [DEPOSIT OF PROCEEDS.] The revenue from the tax imposed under this section shall be deposited by the commissioner in the state treasury and credited to the general fund.*

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective July 1, 1991.

### ARTICLE 3

#### ALCOHOLIC BEVERAGE TAX

Section 1. Minnesota Statutes 1990, section 297C.01, is amended by adding a subdivision to read:

*Subd. 6. [BARREL.] A "barrel" of fermented malt beverages is equal to 31 gallons.*

Sec. 2. Minnesota Statutes 1990, section 297C.01, is amended by adding a subdivision to read:

*Subd. 7. [VALUE.] "Value" is the highest gross sales price received by a taxable seller from the sale of a similarly packaged container of the same product during the taxable period, not including the tax imposed by this chapter. No deduction for discounts or any other item is allowed in determining value, except that a deduction is allowed for transportation charges from the taxable seller's location to the buyer's place of business if the transportation charges are separately stated.*

Sec. 3. Minnesota Statutes 1990, section 297C.02, is amended to read:  
297C.02 [TAX IMPOSED.]

Subdivision 1. [DISTILLED SPIRITS AND WINE.] There is imposed ~~on all~~ an excise tax of 18.2 percent on the value of each container of distilled spirits and wine manufactured, imported, sold, or possessed in this state. ~~the following excise tax:~~

	Standard	Metric
(a) Distilled spirits, liqueurs, cordials, and specialties regardless of alcohol content (excluding ethyl alcohol)	\$5.03 per gallon	\$1.33 per liter
(b) Wine containing 14 percent or less alcohol by volume	\$.30 per gallon	\$.08 per liter
(c) Wine containing more than 14 percent but not more than 21 percent alcohol by volume	\$.95 per gallon	\$.25 per liter
(d) Wine containing more than 21 percent but not more than 24 percent alcohol by volume	\$1.82 per gallon	\$.48 per liter
(e) Wine containing more than 24 percent alcohol by volume	\$3.52 per gallon	\$.93 per liter
(f) Natural and artificial sparkling wines containing alcohol	\$1.82 per gallon	\$.48 per liter

The metric tax is imposed on all products taxable under this subdivision when the net contents are stated in metric units of measure.

In computing the tax on a package of distilled spirits or wine a proportional tax at a like rate on all fractional parts of a gallon or liter must be paid, except that the tax on a fractional part of a gallon less than 1/16 of a gallon is the same as for 1/16 of a gallon.

The tax on miniatures of two fluid ounces or less or 50 milliliters or less is 14 cents.

The commissioner of revenue may establish by rule a date and procedure for the conversion of excise tax computation and reporting from rates expressed in gallons to rates expressed in metric volumes. The official conversion factor is one liter equals 0.264172 United States gallons.

Subd. 2. [WINE.] *There is imposed an excise tax of 5.7 percent on the value of each container of wine imported, sold, or possessed in this state, provided that the tax imposed under this subdivision shall be in an amount that is no less than 26 cents per liter or 99 cents per gallon.*

Subd. 3. [FERMENTED MALT BEVERAGES.] *There is imposed an excise tax of 15.6 percent on the direct or indirect sale of fermented malt beverages the following excise tax:*

(1) *On fermented malt beverages containing not more than 3.2 percent alcohol by weight, \$2.40 per barrel of 31 gallons;*

(2) *On fermented malt beverages containing more than 3.2 percent alcohol by weight, \$4.60 per barrel of 31 gallons.*

*The tax is at a proportional rate for fractions of a barrel of 31 gallons value of each individual container of fermented malt beverages containing seven or more gallons which is directly or indirectly sold in this state.*

*There is imposed an excise tax of 7.2 percent on the value of each container of fermented malt beverages containing less than seven gallons which is directly or indirectly sold in this state.*

Subd. 3-4. [TAX CREDIT.] *A qualified brewer producing fermented malt beverages is entitled to a tax credit of \$4.60 per barrel equal to the tax payable on the first 25,000 taxable barrels sold in any fiscal year beginning July 1, regardless of the alcohol content of how the product is packaged. Qualified brewers may take the credit on the 18th day of each month, but the total credit allowed may not exceed in any fiscal year the lesser of (a) the liability for tax or (b) \$115,000.*

For purposes of this subdivision, a "qualified brewer" means a brewer, whether or not located in this state, manufacturing less than 100,000 barrels of fermented malt beverages in the calendar year immediately preceding the calendar year for which the credit under this subdivision is claimed. In determining the number of barrels, all brands or labels of a brewer must be combined. All facilities for the manufacture of fermented malt beverages owned or controlled by the same person, corporation, or other entity must be treated as a single brewer.

Subd. 4. [BOTTLE TAX.] *A tax of one cent is imposed on each bottle or container of distilled spirits and wine. The wholesaler is responsible for the payment of this tax when the bottles of distilled spirits and wine are removed from inventory for sale, delivery, or shipment.*

The following are exempt from the tax:

(1) *miniatures of distilled spirits and wines;*

- ~~(2) containers of fermented malt beverage;~~
- ~~(3) containers of intoxicating liquor or wine holding less than 200 milliliters;~~
- ~~(4) containers of wine intended exclusively for sacramental purposes;~~
- ~~(5) containers of alcoholic beverages sold to qualified, approved military clubs;~~
- ~~(6) containers of alcoholic beverages sold to common carriers engaged in interstate commerce;~~
- ~~(7) containers of alcoholic beverages sold to authorized food processors or pharmaceutical firms for use exclusively in the manufacturing of food products or medicines;~~
- ~~(8) containers of alcoholic beverages sold and shipped to dealers, wineries, or distillers in other states; and~~
- ~~(9) containers of alcoholic beverages sold to other Minnesota wholesalers.~~

Sec. 4. [EFFECTIVE DATE.]

*Sections 1 to 3 are effective July 1, 1991.*"

Delete the title and insert:

"A bill for an act relating to taxation; updating references to the Internal Revenue Code; increasing the taxes on cigarettes and tobacco products; changing the computation of alcoholic beverage taxes; amending Minnesota Statutes 1990, sections 290.01, subdivisions 19, 19a, and 19d; 290.067, subdivision 1; 290.92, subdivision 1; 297.02, subdivision 1; 297.03, subdivision 5; 297.32, subdivisions 1 and 2; 297.35, subdivision 1; 297C.01, by adding subdivisions; and 297C.02."

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. 1333: A bill for an act relating to natural resources; amending certain provisions concerned with the management of fish and wildlife; increasing certain license fees; appropriating money; amending Minnesota Statutes 1990, sections 84.944, subdivision 2; 84.96, subdivision 5; 97A.075, subdivision 2; 97A.325, subdivision 2; 97A.435, subdivision 2; 97A.475, subdivisions 2, 3, and 7; 97A.485, subdivision 7; and 97B.801; repealing Minnesota Statutes 1990, section 97B.721.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 1990, section 84.0855, is amended to read:

84.0855 [SPECIAL RECEIPTS; APPROPRIATION.]

Money received by the commissioner of natural resources as fees for seminars or workshops, for the sale of publications, maps, or other natural resource related merchandise, or to buy supplies for the use of volunteers, may be credited to one or more special accounts in the state treasury and



is appropriated to the commissioner for the purposes for which the money was received.

Sec. 2. Minnesota Statutes 1990, section 84.82, subdivision 2, is amended to read:

Subd. 2. [APPLICATION, ISSUANCE, REPORTS.] Application for registration or reregistration shall be made to the commissioner of natural resources, or the commissioner of public safety or an authorized deputy registrar of motor vehicles in such form as the commissioner of public safety shall prescribe, and shall state the name and address of every owner of the snowmobile and be signed by at least one owner. *The commissioner of natural resources shall authorize retail dealers of snowmobiles to serve as agents of the commissioner for purposes of snowmobile registration and reregistration. A person who purchases a snowmobile from a retail dealer may make application for registration to the dealer at the point of sale. The dealer shall issue a temporary registration to each purchaser who applies to the dealer for registration. The temporary registration is valid until the final registration becomes effective.* Upon receipt of the application and the appropriate fee as hereinafter provided, such snowmobile shall be registered and a registration number assigned which shall be affixed to the snowmobile in such manner as the commissioner of natural resources shall prescribe. Each deputy registrar of motor vehicles acting pursuant to section 168.33, shall also be a deputy registrar of snowmobiles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to assure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with these accounting and procedural requirements. A fee of 50 cents in addition to that otherwise prescribed by law shall be charged for each snowmobile registered by the registrar or a deputy registrar. The additional fee shall be disposed of in the manner provided in section 168.33, subdivision 2.

Sec. 3. Minnesota Statutes 1990, section 84.82, subdivision 3, is amended to read:

Subd. 3. [FEES FOR REGISTRATION.] (a) The fee for registration of each snowmobile, other than those used for an agricultural purpose, as defined in section 84.92, subdivision 1c, or those registered by a dealer or manufacturer pursuant to clause (b) or (c) shall be as follows: ~~\$18~~ \$30 for three years and \$4 for a duplicate or transfer.

(b) The ~~total~~ registration fee for ~~all snowmobiles~~ each snowmobile owned by a dealer and operated for demonstration or testing purposes shall be ~~\$50~~ \$5 per year.

(c) The total registration fee for all snowmobiles owned by a manufacturer and operated for research, testing, experimentation, or demonstration purposes shall be \$150 per year. Dealer and manufacturer registrations are not transferable."

Page 2, line 1, delete "permanent" and insert "payment rate for a permanent easement on"

Page 2, line 2, delete "payment rate"

Page 2, line 3, after "resources" insert "under section 103F.515, subdivision 6,"

Page 2, after line 16, insert:

“Sec. 6. Minnesota Statutes 1990, section 85.055, subdivision 1, is amended to read:

Subdivision 1. [FEES.] The fee for state park permits for:

- (1) an annual use of state parks is ~~\$16~~ \$18;
- (2) a second vehicle state park permit is ~~one-half the annual state park permit fee in clause (1)~~ \$12;
- (3) a special state park permit valid up to two days is ~~\$3.25~~ \$4;
- (4) a special daily vehicle state park permit for groups is as prescribed by the commissioner;
- (5) an employee’s state park permit is without charge;
- (6) a special state park permit for handicapped persons and persons over age 65 under section 85.053, subdivision 7, clauses (1) and (2), is ~~one-half the annual state park permit fee in clause (1)~~ \$12; and
- (7) a special state park permit valid up to two days for handicapped persons and persons over age 65 under section 85.053, subdivision 7, clauses (1) and (3), is ~~\$2~~ \$4.

The fees specified in this subdivision include any sales tax required by state law.

Sec. 7. Minnesota Statutes 1990, section 86B.415, subdivision 1, is amended to read:

Subdivision 1. [WATERCRAFT ~~LESS THAN 19 FEET OR LESS.~~] The fee for a watercraft license for watercraft ~~less than 19 feet in length or less~~ is ~~\$12~~ \$35 except:

- (1) for watercraft 19 feet in length or less that is offered for rent or lease, the fee is ~~\$6~~ \$12;
- (2) for a canoe, kayak, sailboat, sailboard, paddle boat, or rowing shell 19 feet in length or less, the fee is ~~\$7~~ \$12;
- (3) *for a watercraft less than 17 feet in length, the fee is \$22;*
- (4) for a watercraft 19 feet in length or less used by a nonprofit corporation for teaching boat and water safety, the fee is as provided in subdivision 4; and
- ~~(4)~~ (5) for a watercraft owned by a dealer under a dealer’s license, the fee is as provided in subdivision 5.

Sec. 8. Minnesota Statutes 1990, section 86B.415, subdivision 2, is amended to read:

Subd. 2. [WATERCRAFT OVER 19 FEET.] Except as provided in subdivisions 3, 4, and 5, the watercraft license fee:

- (1) for a watercraft more than 19 feet but less than 26 feet in length is ~~\$20~~ \$45;
- (2) for a watercraft 26 feet but less than 40 feet in length is ~~\$30~~ \$60; and
- (3) for a watercraft 40 feet in length or longer is ~~\$40~~ \$80.

Sec. 9. Minnesota Statutes 1990, section 86B.415, subdivision 3, is amended to read:

Subd. 3. [WATERCRAFT OVER 19 FEET FOR HIRE.] The license fee for a watercraft more than 19 feet in length for hire with an operator is ~~\$50~~ \$80 each.

Sec. 10. Minnesota Statutes 1990, section 86B.415, subdivision 4, is amended to read:

Subd. 4. [WATERCRAFT USED BY NONPROFIT CORPORATION FOR TEACHING.] The watercraft license fee for a watercraft used by a nonprofit organization for teaching boat and water safety is ~~\$3~~ \$6 each.

Sec. 11. Minnesota Statutes 1990, section 86B.415, subdivision 5, is amended to read:

Subd. 5. [DEALER'S LICENSE.] There is no separate fee for watercraft owned by a dealer under a dealer's license. The fee for a dealer's license is ~~\$30~~ \$60.

Sec. 12. Minnesota Statutes 1990, section 86B.415, subdivision 6, is amended to read:

Subd. 6. [TRANSFER OR DUPLICATE LICENSE.] The fee to transfer a watercraft license or be issued a duplicate license is ~~\$3~~ \$4.

Sec. 13. Minnesota Statutes 1990, section 86B.415, subdivision 7, is amended to read:

Subd. 7. [WATERCRAFT SURCHARGE.] A surcharge of \$2 is placed on each watercraft licensed under subdivisions 1 to 6, ~~that is 17 feet in length or longer,~~ for management of purple loosestrife and Eurasian water milfoil according to law.

Sec. 14. Minnesota Statutes 1990, section 97A.015, subdivision 45, is amended to read:

Subd. 45. [SMALL GAME.] "Small game" means game birds, gray squirrel, fox squirrel, cottontail rabbit, snowshoe hare, jack rabbit, raccoon, lynx, bobcat, ~~red fox and~~ gray fox, fisher, pine marten, opossum, badger, cougar, wolverine, muskrat, mink, otter, and beaver.

Sec. 15. Minnesota Statutes 1990, section 97A.015, subdivision 53, is amended to read:

Subd. 53. [UNPROTECTED WILD ANIMALS.] "Unprotected wild animals" means wild animals that are not protected wild animals including weasel, coyote (brush wolf), gopher, porcupine, skunk, ~~and~~ civet cat, ~~red fox,~~ and unprotected birds."

Page 3, after line 5, insert:

"Sec. 18. Minnesota Statutes 1990, section 97A.431, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] Persons eligible for a moose license shall be determined under this section and commissioner's order. A person is eligible for a moose license only if the person:

(1) is a resident;

(2) is at least age 16 before the season opens; and

(3) has not been issued a moose license ~~for any of the last five seasons after January 1, 1981.~~"

Page 3, line 21, strike everything after "(5)"

Page 3, line 22, strike "(6)"

Page 3, line 23, strike "(7)" and insert "(6)" and strike "four" and insert "six"

Page 3, line 25, strike "(8)" and insert "(7)"

Page 3, line 26, strike "(9)" and insert "(8)"

Page 3, line 28, delete "(10)" and insert "(9)"

Page 4, line 2, after "bobcat," insert "gray"

Page 4, after line 17, insert:

"Sec. 23. Minnesota Statutes 1990, 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. An auditor or subagent may not provide postage stamps or pre-addressed envelopes for obtaining the refund. An auditor or subagent must provide information on the purposes for which license receipts are spent and the effects of applying for a refund."~~

Page 4, after line 27, insert:

“Sec. 25. Minnesota Statutes 1990, section 97A.485, subdivision 9, is amended to read:

Subd. 9. [CERTAIN LICENSES NOT TO BE ISSUED AFTER SEASON OPENS.] (a) *Except as provided in paragraphs (b) and (d)*, the following licenses may not be issued after the day before the opening of the related firearms season:

- (1) to take deer with firearms or by archery;
- (2) to guide bear hunters; and
- (3) to guide turkey hunters.

(b) Paragraph (a) does not apply to deer licenses for discharged military personnel under section 97A.465, subdivision 4.

(c) A nonresident license or tag to take and possess raccoon, bobcat, Canada lynx, or *gray fox* may not be issued after the fifth day of the open season.

(d) *The commissioner may issue a license to take deer to a person for whom the three-year period under section 97A.421, subdivision 3, ends during an open deer season.*

Sec. 26. Minnesota Statutes 1990, section 97A.541, is amended to read:  
97A.541 [NONRESIDENT: SMALL GAME TAGS.]

A nonresident may not possess or transport a raccoon, bobcat, Canada lynx, or *gray fox* taken in this state without a tag attached to the animal. The commissioner shall prescribe, by order, the type of tag and the number of tags to be issued with each nonresident raccoon, bobcat, Canada lynx, or *gray fox* license and shall furnish the tags with the licenses to be issued.

Sec. 27. Minnesota Statutes 1990, section 97B.075, is amended to read:

97B.075 [HUNTING RESTRICTED BETWEEN EVENING AND MORNING.]

A person may not take protected wild animals, except raccoon and *gray fox*, with a firearm or by archery between the evening and morning times established by commissioner's order.

Sec. 28. Minnesota Statutes 1990, section 97B.601, subdivision 3, is amended to read:

Subd. 3. [NONRESIDENTS: RACCOON, BOBCAT, GRAY FOX, COYOTE, CANADA LYNX.] A nonresident may not take raccoon, bobcat, *gray fox*, coyote, or Canada lynx without a separate license to take that animal in addition to a small game license.

Sec. 29. Minnesota Statutes 1990, section 97B.601, subdivision 4, is amended to read:

Subd. 4. [EXCEPTION TO LICENSE REQUIREMENTS.] (a) A resident under age 16 may take small game without a small game license, and a resident under age 13 may trap without a trapping license, as provided in section 97A.451, subdivision 3.

(b) A person may take small game without a small game license on land occupied by the person as a principal residence.

(c) An owner or occupant may take certain small game causing damage without a small game or trapping license as provided in section 97B.655.

(d) A person may use dogs to pursue and tree raccoons under section 97B.621, subdivision 2, during the closed season without a license.

(e) *A person may take turkey without a small game license.*

Sec. 30. Minnesota Statutes 1990, section 97B.631, is amended to read:  
97B.631 [GRAY FOX.]

Subdivision 1. [RESTRICTIONS ON TAKING.] A person may not remove a *gray* fox from a den or trap *gray* fox within 300 feet of a *gray* fox den from April 1 to August 31.

Subd. 2. [PERMIT REQUIRED TO SNARE.] A person may not use a snare to take *gray* fox except under a permit from the commissioner.

Sec. 31. Minnesota Statutes 1990, section 97B.655, subdivision 1, is amended to read:

Subdivision 1. [OWNERS AND OCCUPANTS MAY TAKE CERTAIN ANIMALS.] A person may take mink, squirrel, rabbit, hare, raccoon, lynx, bobcat, *gray* fox, muskrat, or beaver on land owned or occupied by the person where the animal is causing damage. The person may take the animal without a license and in any manner except by poison, or artificial lights in the closed season. Raccoons may be taken under this subdivision with artificial lights during open season. A person that kills mink, raccoon, lynx, bobcat, *gray* fox, muskrat, or beaver under this subdivision must bring the entire animal to a conservation officer or employee of the division within 24 hours after the animal is killed.

Sec. 32. Minnesota Statutes 1990, section 97B.721, is amended to read:  
97B.721 [LICENSE REQUIRED TO TAKE TURKEY.]

A person may not take turkey without a ~~small game license and~~ a turkey license.”

Page 5, after line 3, insert:

“Sec. 34. [EXPERIMENTAL MOURNING DOVE SEASON.]

*Subdivision 1. [TIME PERIOD.] Notwithstanding Minnesota Statutes, section 97B.731, subdivision 2, until December 31, 1992, mourning doves may be taken and possessed in that part of the state lying west of a line formed by U.S. Route 71 from the Iowa border north to Blackduck, then continuing north on Minnesota Route 72 to Baudette, in accordance with an order issued by the commissioner of natural resources under subdivision 2.*

*Subd. 2. [COMMISSIONER’S ORDER.] The commissioner may by order prescribe an open season and restrictions for taking mourning doves in the designated area. The order must expire on or before December 31, 1992.*

*Subd. 3. [LICENSE AND STAMP REQUIRED.] A person may not take mourning doves under this section without a small game license and a mourning dove stamp in possession.*

*Subd. 4. [MOURNING DOVE STAMP.] (a) The fee for a mourning dove stamp is \$5.*

*(b) The commissioner may use revenue from mourning dove stamps for*

preparing the report required in section 35.

Sec. 35. [REPORT.]

*The commissioner shall report to the legislature by March 1, 1993, on the results of the experimental mourning dove season authorized by section 34. The report must include a description of the impact of the experimental season on the mourning dove population in the designated area.*

Sec. 36. [STUDY; LEGISLATIVE RECOMMENDATIONS.]

*The commissioner shall submit recommendations to the legislature before January 1, 1992, concerning the snowmobile account, its continuing viability, and the grants made to local governments from the snowmobile account for grants-in-aid trail operations and maintenance equipment. The recommendations should address, at a minimum, ways to ensure funding for trail-grooming equipment and the appropriateness of the present formula dedicating a share of the unrefunded gas tax to the snowmobile account."*

Page 5, line 5, delete "97B.721" and insert "97B.301, subdivision 5"

Page 5, line 7, delete "1, 2, and 3" and insert "4, 5, 16, 34, and 35"

Page 5, line 8, after the period, insert "Sections 2 and 3 are effective July 1, 1991." and delete "4, 5, 10, and 11" and insert "17, 19, 33, and 37"

Page 5, line 9, after the period, insert "Sections 7 to 13 are effective January 1, 1993." and delete "6 to 9" and insert "20 to 22 and 24"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the first semicolon, insert "designating red fox as an unprotected wild animal;" and after the second semicolon, insert "authorizing an experimental season on mourning doves in a designated area; requiring mourning dove stamps and setting a fee for them; requiring a report to the legislature on the experimental season; changing watercraft and snowmobile fees; allowing money from the sale of natural resource related merchandise to be credited to certain accounts; removing the refund of angling license fees for senior citizens; allowing the issuance of a deer license during the season under certain conditions; changing state park permit fees; changing eligibility requirements for moose licenses;"

Page 1, line 6, after "sections" insert "84.0855; 84.82, subdivisions 2 and 3;" and after "5;" insert "85.055, subdivision 1; 86B.415, subdivisions 1, 2, 3, 4, 5, 6, and 7; 97A.015, subdivisions 45 and 53;"

Page 1, line 7, after the second semicolon, insert "97A.431, subdivision 2;"

Page 1, line 9, delete "subdivision 7;" and insert "subdivisions 6, 7, and 9; 97A.541; 97B.075; 97B.601, subdivisions 3 and 4; 97B.631; 97B.655, subdivision 1; 97B.721;"

Page 1, line 10, delete "97B.721" and insert "97B.301, subdivision 5"

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. 937: A bill for an act relating to human services; establishing an investment per bed limit for nursing homes; establishing an equipment allowance for nursing homes; establishing a capital replacement per diem for nursing homes; authorizing the recognition of debt from sales or refinancing occurring after May 22, 1983; amending Minnesota Statutes 1990, section 256B.431, subdivision 3f, 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

Section 1. Minnesota Statutes 1990, section 144A.071, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] The commissioner of health, in coordination with the commissioner of human services, may approve the addition of a new certified bed or the addition of a new licensed nursing home bed, under the following conditions:

(a) to replace a bed decertified after May 23, 1983, or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal health care financing administration and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified beds does not exceed the total number of decertified beds in the state in that level of care. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives;

(b) to certify a new bed in a facility that commenced construction before May 23, 1983. For the purposes of this section, “commenced construction” means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were secured;

(c) to certify beds in a new nursing home that is needed in order to meet the special dietary needs of its residents, if: the nursing home proves to the commissioner’s satisfaction that the needs of its residents cannot otherwise be met; elements of the special diet are not available through most food distributors; and proper preparation of the special diet requires incurring various operating expenses, including extra food preparation or serving items, not incurred to a similar extent by most nursing homes;

(d) to license a new nursing home bed in a facility that meets one of the



exceptions contained in clauses (a) to (c);

(e) to license nursing home beds in a facility that has submitted either a completed licensure application or a written request for licensure to the commissioner before March 1, 1985, and has either commenced any required construction as defined in clause (b) before May 1, 1985, or has, before May 1, 1985, received from the commissioner approval of plans for phased-in construction and written authorization to begin construction on a phased-in basis. For the purpose of this clause, "construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the nursing home licensure rules;

(f) to certify or license new beds in a new facility that is to be operated by the commissioner of veterans' affairs or when the costs of constructing and operating the new beds are to be reimbursed by the commissioner of veterans' affairs or the United States Veterans Administration;

(g) to license or certify beds in a new facility constructed to replace a facility that was destroyed after June 30, 1987, by fire, lightning, or other hazard provided:

(1) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(2) at the time the facility was destroyed the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(3) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility;

(4) the new facility is constructed on the same site as the destroyed facility or on another site subject to the restrictions in section 144A.073, subdivision 5; and

(5) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility;

(h) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, or to license or certify beds in a facility for which the total costs of remodeling or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, if the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the remodeling or renovation;

(i) to license or certify beds in a facility that has been involuntarily delicensed or decertified for participation in the medical assistance program, provided that an application for relicensure or recertification is submitted to the commissioner within 120 days after delicensure or decertification;

(j) to license or certify beds in a project recommended for approval by the interagency board for quality assurance under section 144A.073;

(k) to license nursing home beds in a hospital facility that are relocated from a different hospital facility under common ownership or affiliation, provided: (1) the nursing home beds are not certified for participation in the medical assistance program; and (2) the relocation of nursing home beds

under this clause should not exceed a radius of six miles;

(l) to license or certify beds that are moved from one location to another within an existing identifiable complex of hospital buildings, from a hospital-attached nursing home to the hospital building, or from a separate nursing home to a building formerly used as a hospital, provided the original nursing home building will no longer be operated as a nursing home and the building to which the beds are moved will no longer be operated as a hospital. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the relocation. At the time of the licensure and certification of the nursing home beds, the commissioner of health shall delicense the same number of acute care beds within the existing complex of hospital buildings or building. Relocation of nursing home beds under this clause is subject to the limitations in section 144A.073, subdivision 5;

(m) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds;

(n) to license new nursing home beds in a continuing care retirement community affiliated with a national referral center engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its residents from outside the state for the purpose of meeting contractual obligations to residents of the retirement community, provided the facility makes a written commitment to the commissioner of human services that it will not seek medical assistance certification for the new beds;

(o) to certify or license new beds in a new facility on the Red Lake Indian Reservation for which payments will be made under the Indian Health Care Improvement Act, Public Law Number 94-437, at the rates specified in United States Code, title 42, section 1396d(b);

(p) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure and if the cost of any remodeling of the facility does not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase in the future. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements;

(q) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of Saint Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. At the time of licensure and certification of a bed or beds in the new unit, the commissioner of health shall delicense and decertify the same number of beds in the existing facility. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the transfers allowed under this clause;

(r) to license and certify nursing home beds to replace currently licensed

and certified boarding care beds which may be located either in a remodeled or renovated boarding care or nursing home facility or in a remodeled, renovated, newly constructed, or replacement nursing home facility within the identifiable complex of health care facilities in which the currently licensed boarding care beds are presently located, provided that the number of boarding care beds in the facility or complex are decreased by the number to be licensed as nursing home beds and further provided that, if the total costs of new construction, replacement, remodeling, or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the new construction, replacement, remodeling, or renovation. The provisions contained in section 144A.073 regarding the upgrading of facilities do not apply to facilities that satisfy these requirements; or

(s) to license or certify beds that are moved from a nursing home to a separate facility under common ownership or control that was formerly licensed as a hospital and is currently licensed as a nursing facility and that is located within eight miles of the original facility, provided the original nursing home building will no longer be operated as a nursing home. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the relocation; or

*(t) to license and certify as a skilled nursing facility a facility that is licensed as a boarding care facility but not certified under the medical assistance program, but only if the facility can meet skilled nursing facility licensing standards without an increase in staffing or property costs and the commissioner of human services certifies to the commissioner of health that licensing and certifying the facility as a skilled nursing facility will result in a savings in the medical assistance program.*

Sec. 2. Minnesota Statutes 1990, section 144A.31, subdivision 4, is amended to read:

Subd. 4. [ENFORCEMENT.] (a) The board shall develop and recommend for implementation effective methods of enforcing quality of care standards. The board shall develop and monitor, and the commissioner of human services shall implement, a resident relocation plan that instructs a county in which a nursing home or certified boarding care home is located of procedures to ensure that the needs of residents in nursing homes or certified boarding care homes about to be closed are met. The duties of a county under the relocation plan also apply when residents are to be discharged from a nursing home or certified boarding care home as a result of a change in certification, closure, or loss or termination of the facility's medical assistance provider agreement. The resident relocation plans and county duties required in this subdivision apply to the voluntary or involuntary closure, or reduction in services or size of, an intermediate care facility for the mentally retarded. The relocation plan for intermediate care facilities for the mentally retarded must conform to Minnesota Rules, parts 4655.6810 to 4655.6830, 9525.0015 to 9525.0165, and 9546.0010 to 9546.0060, or their successors. The commissioners of health and human services may waive a portion of existing rules that the commissioners determine does not apply to persons with mental retardation or related conditions. The

county shall ensure appropriate placement of residents in licensed and certified facilities or other alternative care such as home health care and foster care placement. In preparing for relocation, the board shall ensure that residents and their families or guardians are involved in planning the relocation.

*(b) In emergency situations, the commissioner of human services may transfer existing intermediate care facility for persons with mental retardation or related conditions beds, relocate residents, and establish an interim payment rate under the procedures contained in Minnesota Rules, part 9553.0075, for up to two years, as necessary to ensure the replacement of the original services for the residents. The payment rate must be based on projected costs and is subject to settle up. An emergency situation exists when it appears to the commissioner of human services that the health, safety, or welfare of residents may be in jeopardy due to imminent or actual loss of use of the physical plant or damage to the physical plant making it temporarily or permanently uninhabitable. The subsequent rate for a facility providing services for the same resident following the temporary emergency situation must be based upon the costs incurred during the interim period if the residents are permanently placed in the same facility. If the residents need to be relocated for permanent placements, the temporary emergency location must close and the procedures for establishing rates for newly constructed or newly established facilities must be followed. This provision regarding emergency situations does not apply to facilities placed in receivership by the commissioner of human services under section 245A.12 or 245A.13, or facilities that have rates set under section 252.292, subdivision 4, or to relocations of residents to existing facilities.*

Sec. 3. Minnesota Statutes 1990, section 252.46, subdivision 14, is amended to read:

Subd. 14. [PILOT STUDY.] The commissioner may initiate a pilot payment rate system under section 252.47. The pilot project may establish training and demonstration sites. The pilot payment rate system must include actual transfers of funds, not simulated transfers. The pilot payment rate system may involve up to four counties and four vendors representing different geographic regions and rates of reimbursement. Participation in the pilot project is voluntary. Selection of participants by the commissioner is based on the vendor's submission of a complete application form provided by the commissioner. The application must include letters of agreement from the host county, counties of financial responsibility, and residential service providers. Evaluation of the pilot project must include consideration of the effectiveness of procedures governing establishment of equitable payment rates. Implementation of the pilot payment rate system is contingent upon federal approval and systems feasibility. The policies and procedures governing administration, participation, evaluation, service utilization, and payment for services under the pilot payment rate system are not subject to the rulemaking requirements of chapter 14.

Sec. 4. Minnesota Statutes 1990, section 252.478, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF PROGRAM METRO TRANSPORTATION SUPPORT GRANTS.] The commissioner of human services shall establish and operate a metro transportation support grants program to provide reimbursement for client transportation by metro mobility, or cost-effective alternatives, to day training and habilitation services for which

client transportation is a required and funded component, and to maximize use of federal funds for this reimbursement. A metro transportation support grants account shall be established in the department of human services chart of accounts.

Sec. 5. Minnesota Statutes 1990, section 252.478, subdivision 3, is amended to read:

Subd. 3. [COUNTY SHARE.] The county share of the metro transportation support grants program costs will be distributed by the department to all metropolitan counties from the metro transportation support grants account: ~~For state fiscal year 1991, the funds transferred from the regional transit board to this account shall be distributed to: Ramsey county, 48 percent; Hennepin county, 46 percent; Dakota county, five percent; and Anoka county, one percent. For subsequent fiscal years, funds shall be distributed annually based on each county's percentage of total expenses incurred for trips provided on metro mobility to and from day training and habilitation services during the preceding 12-month period. in amounts not to exceed those received by the counties and used for increased expenses incurred for trips provided on metro mobility during fiscal year 1991. Counties must recommend decreases to the payment rates for vendors whose transportation costs decrease with use of cost-effective alternatives.~~ Counties should deposit these funds into the program accounts that will incur the transportation expenses.

Sec. 6. Minnesota Statutes 1990, section 256B.0641, is amended by adding a subdivision to read:

Subd. 3. [EXCEPTION.] *Subdivision 2 does not apply to the change of ownership of a facility to a nonrelated organization while the facility to be sold, transferred, or reorganized is in receivership under section 245A.12 or 245A.13, and the commissioner during the receivership has not determined the need to place residents of the facility into a newly constructed or newly established facility. Nothing in this subdivision limits the liability of a former owner.*

Sec. 7. Minnesota Statutes 1990, section 256B.431, subdivision 21, is amended to read:

Subd. 21. [INFLATION ADJUSTMENTS AFTER JULY 1, 1990.] (a) For rate years beginning on or after July 1, 1990, the forecasted composite price index for a nursing home's allowable operating cost per diems shall be determined using Data Resources, Inc., forecast for change in the Nursing Home Market Basket. The commissioner of human services shall use the indices as forecasted by Data Resources, Inc., in the fourth quarter of the calendar year preceding the rate year.

(b) *For rate years beginning on or after July 1, 1992, the commissioner shall index the prior year's operating cost limits by the percentage change in the Data Resources, Inc., nursing home market basket between the midpoint of the current reporting year and the midpoint of the previous reporting year. The commissioner shall use the indices as forecasted by Data Resources, Inc., in the fourth quarter of the calendar year preceding the rate year.*

Sec. 8. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 2m. [WORKERS' COMPENSATION SAVINGS TO BE USED FOR

**SALARY INCREASE.]** *Any reduction in workers' compensation costs experienced by a nursing home between April 1, 1991, and July 1, 1993, must be used to provide salary increases and related personnel costs for positions below top management. The salary increase must be in addition to salary increases that would be provided using the prospective rate adjustment for inflation in salary and related personnel costs. Any portion of amount of the reduction in a facility's workers' compensation costs that is not accompanied by a corresponding salary increase attributable to that reduction is not an allowable cost in the reporting year.*

Sec. 9. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

**Subd. 2n. [SPECIAL PAYMENT RATES FOR SHORT-STAY FACILITIES.]** *Notwithstanding contrary provisions of this section and rules adopted by the commissioner, for the rate years beginning on and after July 1, 1992, a nursing facility whose average length of stay for the rate year beginning July 1, 1991, is less than 180 days must be reimbursed at 125 percent of the facility's care-related limit and 105 percent of the facility's other-operating-cost limit. The facility continues to receive this rate even if the facility's average length of stay is less than 180 days in rate years subsequent to the rate year beginning July 1, 1991.*

Sec. 10. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

**Subd. 2o. [FACILITIES SPECIALIZING IN THE TREATMENT OF HUNTINGTON'S DISEASE.]** *The commissioner shall reimburse facilities that specialize in the treatment of Huntington's disease using the reimbursement methods that apply to facilities licensed under the department of human services' rules governing residential services for physically handicapped persons.*

Sec. 11. Minnesota Statutes 1990, section 256B.431, subdivision 3f, is amended to read:

**Subd. 3f. [PROPERTY COSTS AFTER JULY 1, 1988.]** (a) **[INVESTMENT PER BED LIMIT.]** *For the rate year beginning July 1, 1988, the replacement-cost-new per bed limit must be \$32,571 per licensed bed in multiple bedrooms and \$48,857 per licensed bed in a single bedroom. For the rate year beginning July 1, 1989, the replacement-cost-new per bed limit for a single bedroom must be \$49,907 adjusted according to Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1). For the rate year beginning July 1, 1991, the replacement-cost-new per bed limit must be \$47,500 per licensed bed in a multiple-bed room and \$71,250 per licensed bed in a single-bed room. Beginning January 1, 1990-1992, the replacement-cost-new per bed limits must be adjusted annually as specified in Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1), except that the index utilized must be the Bureau of the Census composite fixed-weighted price index as published in the survey of current business.*

(b) **[RENTAL FACTOR.]** *For the rate year beginning July 1, 1988, the commissioner shall increase the rental factor as established in Minnesota Rules, part 9549.0060, subpart 8, item A, by 6.2 percent rounded to the nearest 100th percent for the purpose of reimbursing nursing homes for soft costs and entrepreneurial profits not included in the cost valuation services used by the state's contracted appraisers. For rate years beginning on or after July 1, 1989, the rental factor is the amount determined under this*

paragraph for the rate year beginning July 1, 1988.

(c) [OCCUPANCY FACTOR.] For rate years beginning on or after July 1, 1988, in order to determine property-related payment rates under Minnesota Rules, part 9549.0060, for all nursing homes except those whose average length of stay in a skilled level of care within a nursing home is 180 days or less, the commissioner shall use 95 percent of capacity days. For a nursing home whose average length of stay in a skilled level of care within a nursing home is 180 days or less, the commissioner shall use the greater of resident days or 80 percent of capacity days but in no event shall the divisor exceed 95 percent of capacity days.

(d) [EQUIPMENT ALLOWANCE.] For rate years beginning on July 1, 1988, and July 1, 1989, the commissioner shall add ten cents per resident per day to each nursing home's property-related payment rate. The ten-cent property-related payment rate increase is not cumulative from rate year to rate year. For the rate year beginning July 1, 1990, the commissioner shall increase each nursing home's equipment allowance as established in Minnesota Rules, part 9549.0060, subpart 10, by ten cents per resident per day.

For rate years beginning on or after July 1, 1991, the adjusted equipment allowance must be adjusted annually for inflation as in Minnesota Rules, part 9549.0060, subpart 10, item E.

(e) [POST CHAPTER 199 RELATED-ORGANIZATION DEBTS AND INTEREST EXPENSE.] For rate years beginning on or after July 1, 1990, Minnesota Rules, part 9549.0060, subpart 5, item E, shall not apply to outstanding related organization debt incurred prior to May 23, 1983, provided that the debt was an allowable debt under Minnesota Rules, parts 9510.0010 to 9510.0480, the debt is subject to repayment through annual principal payments, and the nursing home demonstrates to the commissioner's satisfaction that the interest rate on the debt was less than market interest rates for similar arms-length transactions at the time the debt was incurred. If the debt was incurred due to a sale between family members, the nursing home must also demonstrate that the seller no longer participates in the management or operation of the nursing home. Debts meeting the conditions of this paragraph are subject to all other provisions of Minnesota Rules, parts 9549.0010 to 9549.0080.

(f) [BUILDING CAPITAL ALLOWANCE FOR NURSING HOMES WITH OPERATING LEASES.] For rate years beginning on or after July 1, 1990, a nursing home with operating lease costs incurred for the nursing home's buildings shall receive its building capital allowance computed in accordance with Minnesota Rules, part 9549.0060, subpart 8.

(g) [CAPITAL REPLACEMENT PER DIEM.] *For rate years beginning on or after July 1, 1991, the commissioner shall establish a capital replacement per diem for each nursing home which must be added to the property-related per diem rate paid to each provider. The capital replacement per diem shall be determined as follows:*

*(1) The annual capital replacement cost for each nursing home shall be 75 percent of the annual reported depreciation on buildings, attached fixtures, and land improvements used by the nursing home.*

*(2) The annual replacement cost from clause (1) shall be reduced by 50 percent of the excess of the nursing home's annual property-related payments, not including equipment allowance and capital replacement per*

*diems, over the nursing home's annual principal and interest payments on debt allowable for that rate year. The reduced annual replacement cost shall be no greater than \$800 times the number of licensed beds of the nursing home and not less than \$200 times the number of licensed beds of the nursing home. For purposes of this clause, the number of licensed beds shall be the number used to aggregate the applicable investment per bed limits.*

*(3) The capital replacement per diem shall be calculated by dividing the reduced annual capital replacement cost in clause (2) by the occupancy factor determined in paragraph (c).*

*(h) [CAPITAL REPLACEMENT FUND RESTRICTIONS.] The capital replacement per diem and any interest earned on the capital replacement fund must be used for the purchase or financing of new capital assets or the replacement of capital assets or payment of capitalized repairs for the nursing home, and must not be used for the purchase or replacement of movable equipment. A separate capital replacement fund balance must be calculated and reported for each facility. Any amounts received during the cost reporting period as capital replacement per diem not used for the purposes stated above must be allocated to that fund and the fund's balance must be reported on the facility's cost report. If a provider does not allocate and report the required amount in the fund, the provider's capital replacement per diem for the next rate year shall be reduced by the amount necessary to recover the difference between the amount actually allocated to the fund and the required amount. Interest income on the capital replacement fund shall not be offset against the provider's rates. The capital replacement fund and any interest accrued or money earned on the fund shall remain the property of the nursing home regardless of sale, transfer, change of ownership, merger, consolidation, or reorganization. In cases where a dissolution of ownership occurs or the facility discontinues operation as a nursing facility, the fund and any interest accrued or money earned must be paid to the state general fund and deposited in the medical assistance account. For a licensed provider with an operating lease on the nursing home, the capital replacement fund and any interest accrued or money earned shall not be the property of the lessor but shall be the property of the licensed provider for the duration of the operating lease or any renewal or extension of that operating lease.*

Sec. 12. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

*Subd. 3k. [PROPERTY-RELATED PAYMENTS AFTER JUNE 30, 1991.] Notwithstanding Minnesota Rules, part 9549.0060, subparts 5 and 7, this subdivision applies to property-related payments for rate years beginning on or after July 1, 1991.*

*(a) An increase in the amount of a debt and increases in total interest expense as a result of refinancing of capital assets which occurs after May 22, 1983, shall be allowed if the refinancing either lowers the effective annual interest rate or refinances a capital debt with a balloon payment on an otherwise allowable debt. Increases in total interest expenses which result from refinancing of a capital debt with a balloon payment shall be allowed to the extent that:*

*(1) the interest rate on the refinanced debt is within the limit imposed by Minnesota Rules, part 9549.0060, subpart 6, item A;*

*(2) the refinanced debt does not exceed the balloon payment, except to*



*the extent of the costs of refinancing; and*

*(3) the term of the refinanced debt does not exceed the greater of either the term of the original debt computed as though the balloon payment did not exist or the remaining useful life of the asset as measured by the depreciation allowance found in the most recent appraisal.*

*(b) An increase in the amount of total outstanding debt and increases in interest expense on the debt incurred after May 22, 1983, as a result of a change in ownership or reorganization of provider entities shall be allowed. The appraised value determined under Minnesota Rules, part 9549.0060, subpart 5, shall not be increased solely as a result of a change in ownership or reorganization of provider entities.*

*(c) An increase in the amount of total outstanding debt and increases in interest expense incurred after May 22, 1983, shall be allowable for the costs of financing and refinancing, including points, origination fees, financing charges, legal fees, and the amortization of bond premiums or discounts.*

*(d) Interest expense shall be allowable on debt incurred or refinanced after May 22, 1983, for the purchase or financing of new moveable equipment or the replacement of movable equipment in connection with a project approved under section 144A.073 as an exemption to the nursing home moratorium or in connection with an addition to or replacement of buildings, attached fixtures, or land improvements for which the total historical cost, including the movable equipment, exceeds the lesser of \$200,000 or ten percent of the most recent appraised value. The interest rate on the debt must be within the limit imposed by Minnesota Rules, part 9549.0060, subpart 6, item A.*

*Interest expense on such debt incurred prior to May 22, 1983, shall also be allowable if the project was approved under Minnesota Statutes, sections 145.832 to 145.845, the Minnesota certificate of need act, prior to the effective date of its repeal, to the extent that the debt would have been allowable under the rules and statutes in effect at the time the project was approved, and if the approved project was completed after January 1, 1983.*

*(e) Any portion of the total allowable debt exceeding the appraised value as determined on or after July 1, 1985, under Minnesota Rules, part 9549.0060, subpart 5, shall not be allowed, except to the extent of the debt allowed for movable equipment under paragraph (d). For debt resulting from changes in ownership or reorganization of provider entities occurring after May 22, 1983, and prior to July 1, 1985, total allowable debt shall not exceed the lesser of that allowable under the federal Medicare limits in effect at the time of the change in ownership or reorganization of provider entities or as allowable in the event of change of ownership or reorganization of provider entities under Minnesota Rules, parts 9510.0010 to 9510.0480, at the time of the change in ownership or reorganization of the provider entities, provided that in applying Minnesota Rules, parts 9510.0010 to 9510.0480, a nursing home which has reduced licensed bed capacity after May 22, 1983, shall be allowed to:*

*(1) aggregate the applicable per bed limits based on the number of beds licensed prior to the reduction; and*

*(2) establish capacity days based on the number of beds on July 1, 1990.*

*(f) Any portion of the total allowable debt which exceeds the historical cost of the capital asset acquired shall not be allowed, except to the extent*

*of the debt allowed for costs of financing and refinancing under paragraph (c) and for movable equipment under paragraph (d).*

Sec. 13. Minnesota Statutes 1990, section 256B.50, subdivision 1d, is amended to read:

Subd. 1d. [EXPEDITED APPEAL REVIEW PROCESS.] (a) Within 120 days of the date an appeal is due according to subdivision 1b, the department shall review an appealed adjustment equal to or less than \$100 annually per licensed bed of the provider, make a determination concerning the adjustment, and notify the provider of the determination. Except as allowed in paragraph (g), this review does not apply to an appeal of an adjustment made to, or proposed on, an amount already paid to the provider. In this subdivision, an adjustment is each separate disallowance, allocation, or adjustment of a cost item or part of a cost item as submitted by a provider according to forms required by the commissioner.

(b) For an item on which the provider disagrees with the results of the determination of the department made under paragraph (a), the provider may, within 60 days of the date of the review notice, file with *both* the office of administrative hearings and the department its written argument and documents, information, or affidavits in support of its appeal. If the provider fails to make a ~~submission~~ *timely submissions* in accordance with this paragraph, the department's determinations on the disputed items must be upheld.

(c) Within 60 days of the date the department received the provider's submission under paragraph (b), the department may file with the office of administrative hearings and serve upon the provider its written argument and documents, information, and affidavits in support of its determination. If the department fails to make a submission in accordance with this paragraph, the administrative law judge shall proceed pursuant to paragraph (d) based on the provider's submission.

(d) Upon receipt by the office of administrative hearings of the department's submission made under paragraph (c) or upon the expiration of the 60-day filing period, whichever is earlier, the chief administrative law judge shall assign the matter to an administrative law judge. The administrative law judge shall consider the submissions of the parties and all relevant rules, statutes, and case law. The administrative law judge may request additional argument from the parties if it is deemed necessary to reach a final decision, but shall not allow witnesses to be presented or discovery to be made in the proceeding. Within 60 days of receipt by the office of administrative hearings of the department's submission or the expiration of the 60-day filing period in paragraph (c), whichever is earlier, the administrative law judge shall make a final decision on the items in issue, and shall notify the provider and the department by first-class mail of the decision on each item. The decision of the administrative law judge is the final administrative decision, is not appealable, and does not create legal precedent, except that the department may make an adjustment contrary to the decision of the administrative law judge based upon a subsequent cost report amendment or field audit that reveals information relating to the adjustment that was not known to the department at the time of the final decision.

(e) For a disputed item otherwise subject to the review set forth in this subdivision, the department and the provider may mutually agree to bypass the expedited review process and proceed to a contested case hearing at

any time prior to the time for the department's submission under paragraph (c).

(f) When the department determines that ~~the appeals of two or more providers otherwise~~ *an appeal item* subject to the review set forth in this subdivision ~~present presents~~ the same or substantially the same adjustment, ~~presented in another appeal filed pursuant to this chapter,~~ the department may remove the disputed items from the review in this subdivision, and the disputed items shall proceed in accordance with subdivision 1c. The department's decision to remove the appealed adjustments to contested case proceeding is final and is not reviewable.

(g) For a disputed item otherwise subject to the review in this subdivision, the department or a provider may petition the chief administrative law judge to issue an order allowing the petitioning party to bypass the expedited review process. If the petition is granted, the disputed item must proceed in accordance with subdivision 1c. In making the determination, the chief administrative law judge shall consider the potential impact and precedential and monetary value of the disputed item. A petition for removal to contested case hearing must be filed with the chief administrative law judge and the opposing party on or before the date on which its submission is due under paragraph (b) or (c). Within 20 days of receipt of the petition, the opposing party may submit its argument opposing the petition. Within 20 days of receipt of the argument opposing the petition, or if no argument is received, within 20 days of the date on which the argument was due, the chief administrative law judge shall issue a decision granting or denying the petition. If the petition is denied, the petitioning party has 60 days from the date of the denial to make a submission under paragraph (b) or (c).

(h) The department and a provider may mutually agree to use the procedures set forth in this subdivision for any disputed item not otherwise subject to this subdivision.

(i) Nothing shall prevent either party from making its submissions and arguments under this subdivision through a person who is not an attorney.

(j) This subdivision applies to all appeals for rate years beginning after June 30, 1988.

Sec. 14. Minnesota Statutes 1990, section 256B.501, is amended by adding a subdivision to read:

*Subd. 2a. [WORKERS' COMPENSATION SAVINGS TO BE USED FOR SALARY INCREASE.] Any reduction in workers' compensation costs experienced by an intermediate care facility for persons with mental retardation and related conditions between April 1, 1991, and July 1, 1993, must be used to provide salary increases and related personnel costs for positions below top management. The salary increase must be in addition to salary increases that would be provided using the prospective rate adjustment for inflation in salary and related personnel costs. Any portion of amount of the reduction in a facility's workers' compensation costs that is not accompanied by a corresponding salary increase attributable to that reduction is not an allowable cost in the reporting year.*

Sec. 15. Minnesota Statutes 1990, section 256B.501, subdivision 11, is amended to read:

*Subd. 11. [INVESTMENT PER BED LIMITS, INTEREST EXPENSE LIMITATIONS, AND ARMS-LENGTH LEASES.] (a) The provisions of*

Minnesota Rules, part 9553.0075, except as modified under this subdivision, shall apply to newly constructed or established facilities that are certified for medical assistance on or after May 1, 1990.

(b) For purposes of establishing payment rates under this subdivision and Minnesota Rules, parts 9553.0010 to 9553.0080, the term "newly constructed or newly established" means a facility (1) for which a need determination has been approved by the commissioner under sections 252.28 and 252.291; (2) whose program is newly licensed under Minnesota Rules, parts 9525.0215 to 9525.0355, and certified under Code of Federal Regulations, title 42, section 442.400, et seq.; and (3) that is part of a proposal that meets the requirements of section 252.291, subdivision 2, paragraph (2). The term does not include a facility for which a need determination was granted solely for other reasons such as the relocation of a facility; a change in the facility's name, program, number of beds, type of beds, or ownership; or the sale of a facility, unless the relocation of a facility to one or more service sites is the result of a closure of a facility under section 252.292, in which case clause (3) shall not apply. The term does include a facility that converts more than 50 percent of its licensed beds from class A to class B residential or class B institutional to serve persons discharged from state regional treatment centers on or after May 1, 1990, in which case clause (3) does not apply.

(c) Newly constructed or newly established facilities that are certified for medical assistance on or after May 1, 1990, shall be allowed the capital asset investment per bed limits as provided in clauses (1) to (4).

(1) The 1990 calendar year investment per bed limit for a facility's land must not exceed \$5,700 per bed for newly constructed or newly established facilities in Hennepin, Ramsey, Anoka, Washington, Dakota, Scott, Carver, Chisago, Isanti, Wright, Benton, Sherburne, Stearns, St. Louis, Clay, and Olmsted counties, and must not exceed \$3,000 per bed for newly constructed or newly established facilities in other counties.

(2) The 1990 calendar year investment per bed limit for a facility's depreciable capital assets must not exceed \$44,800 for class B residential beds, and \$45,200 for class B institutional beds.

(3) The investment per bed limit in clause (2) must not be used in determining the three-year average percentage increase adjustment in Minnesota Rules, part 9553.0060, subpart 1, item C, subitem (4), for facilities that were newly constructed or newly established before May 1, 1990.

(4) The investment per bed limits in clause (2) and Minnesota Rules, part 9553.0060, subpart 1, item C, subitem (2), shall be adjusted annually beginning January 1, 1991, and each January 1 following, as provided in Minnesota Rules, part 9553.0060, subpart 1, item C, subitem (2), *except that the index utilized must be the Bureau of Census composite fixed-weighted price index as published in the survey of current business.*

(d) A newly constructed or newly established facility's interest expense limitation as provided for in Minnesota Rules, part 9553.0060, subpart 3, item F, on capital debt for capital assets acquired during the interim or settle-up period, shall be increased by 2.5 percentage points for each full .25 percentage points that the facility's interest rate on its mortgage is below the maximum interest rate as established in Minnesota Rules, part 9553.0060, subpart 2, item A, subitem (2). For all following rate periods, the interest expense limitation on capital debt in Minnesota Rules, part

9553.0060, subpart 3, item F, shall apply to the facility's capital assets acquired, leased, or constructed after the interim or settle-up period. If a newly constructed or newly established facility is acquired by the state, the limitations of this paragraph and Minnesota Rules, part 9553.0060, subpart 3, item F, shall not apply.

(e) If a newly constructed or newly established facility is leased with an arms-length lease as provided for in Minnesota Rules, part 9553.0060, subpart 7, the lease agreement shall be subject to the following conditions:

(1) the term of the lease, including option periods, must not be less than 20 years;

(2) the maximum interest rate used in determining the present value of the lease must not exceed the lesser of the interest rate limitation in Minnesota Rules, part 9553.0060, subpart 2, item A, subitem (2), or 16 percent; and

(3) the residual value used in determining the net present value of the lease must be established using the provisions of Minnesota Rules, part 9553.0060.

(f) All leases of the physical plant of an intermediate care facility for the mentally retarded shall contain a clause that requires the owner to give the commissioner notice of any requests or orders to vacate the premises 90 days before such vacation of the premises is to take place. In the case of unlawful detainer actions, the owner shall notify the commissioner within three days of notice of an unlawful detainer action being served upon the tenant. The only exception to this notice requirement is in the case of emergencies where immediate vacation of the premises is necessary to assure the safety and welfare of the residents. In such an emergency situation, the owner shall give the commissioner notice of the request to vacate at the time the owner of the property is aware that the vacating of the premises is necessary. This section applies to all leases entered into after May 1, 1990. Rentals set in leases entered into after that date that do not contain this clause are not allowable costs for purposes of medical assistance reimbursement.

(g) A newly constructed or newly established facility's preopening costs are subject to the provisions of Minnesota Rules, part 9553.0035, subpart 12, and must be limited to only those costs incurred during one of the following periods, whichever is shorter:

(1) between the date the commissioner approves the facility's need determination and 30 days before the date the facility is certified for medical assistance; or

(2) the 12-month period immediately preceding the 30 days before the date the facility is certified for medical assistance.

## ARTICLE 2

Section 1. Minnesota Statutes 1990, section 144A.10, subdivision 4, is amended to read:

Subd. 4. [CORRECTION ORDERS.] Whenever a duly authorized representative of the commissioner of health finds upon inspection of a nursing home, that the facility or a controlling person or an employee of the facility is not in compliance with sections 144.651, 144A.01 to 144A.16, or 626.557 or the rules promulgated thereunder, a correction order shall be

issued to the facility. The correction order shall state the deficiency, cite the specific rule or statute violated, state the suggested method of correction, and specify the time allowed for correction. If the commissioner finds that the nursing home had uncorrected or repeated violations which create a risk to resident care, safety, or rights, the commissioner shall notify the commissioner of human services who shall ~~(1) review reimbursement to the nursing home to determine the extent to which the state has paid for substandard care and, (2) furnish the findings and disposition to the commissioner of health within 30 days of notification~~ require the facility to use any efficiency incentive payments received under section 256B.431, subdivision 2b, paragraph (d), to correct the violations and shall require the facility to forfeit incentive payments for failure to correct the violations as provided in section 256B.431, subdivision 2p.

Sec. 2. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

*Subd. 2p. [EFFICIENCY INCENTIVE REDUCTIONS FOR SUBSTANDARD CARE.] For rate years beginning on or after July 1, 1991, the efficiency incentive established under subdivision 2b, paragraph (d), shall be reduced or eliminated for facilities determined by the commissioner of health under section 144A.10, subdivision 4, to have uncorrected or repeated violations which create a risk to resident care, safety, or rights. Upon being notified by the commissioner of health of uncorrected or repeated violations, the commissioner of human services shall require the facility to use efficiency incentive payments to correct the violations. The commissioner of human services shall require the facility to forfeit efficiency incentive payments for failure to correct the violations. Any forfeiture shall be limited to the amount necessary to correct the violation.*

Sec. 3. [256B.81] [DEPOSITS INTO MEDICAL ASSISTANCE ACCOUNT.]

*All money collected under section 4 shall be deposited in the medical assistance account and is appropriated to the commissioner of human services for the purposes of section 5. Deposits into the account do not cancel but are available until expended.*

Sec. 4. [256B.82] [PAYMENTS INTO ACCOUNT.]

*Subdivision 1. [NURSING FACILITY LICENSE SURCHARGE.] Effective July 1, 1991, each nursing facility subject to the reimbursement principles in Minnesota Rules, parts 9549.0010 to 9549.0080, shall pay to the medical assistance account an annual surcharge of \$450 per licensed bed, according to the schedule in subdivision 6.*

*Subd. 2. [HOSPITAL SURCHARGE.] Effective July 1, 1991, each hospital shall pay to the medical assistance account an annual surcharge equal to ten percent of medical assistance payments received for inpatient and outpatient services according to the schedule in subdivision 6.*

*Subd. 3. [PHYSICIAN SURCHARGE.] Effective July 1, 1991, each physician and physician clinic shall pay to the medical assistance account an annual surcharge equal to five percent of medical assistance payments received according to the schedule in subdivision 6.*

*Subd. 4. [DENTIST SURCHARGE.] Effective July 1, 1991, each dentist and dental clinic shall pay to the medical assistance account an annual surcharge equal to five percent of medical assistance payments received*

according to the schedule in subdivision 6.

*Subd. 5. [SPECIAL TRANSPORTATION SURCHARGE.] Effective July 1, 1991, each special transportation provider shall pay to the medical assistance account an annual surcharge equal to 17 percent of medical assistance payments received for special transportation according to the schedule in subdivision 6.*

*Subd. 6. [PAYMENTS INTO THE ACCOUNT.] Payments into the medical assistance account under subdivisions 1 to 5 must be paid in quarterly installments due on the 15th of the month. The first payment is due September 15, 1991, with subsequent payments due on December 15, March 15, and June 15. The payment under subdivision 1 must be equal to the annual surcharge divided by 4. The payment under subdivisions 2 to 5 shall be determined by taking the amount of medical assistance payments received by each provider in the three months prior to the quarter in which the payment is due and multiplying that amount by the percentage surcharge for each provider.*

*Subd. 7. [NOT ALLOWABLE COST.] Provider payments into the medical assistance account under this section are not an allowable cost for purposes of the medical assistance program.*

*Subd. 8. [NOTICE; APPEALS.] The commissioner shall give each provider a ten-day notice of each payment due. A provider may request a contested case hearing under chapter 14 within 60 days of receipt of the notice. The decision of the commissioner regarding the amount due stands until the appeal is decided.*

*Subd. 9. [ENFORCEMENT.] The commissioner shall bring action in district court to collect provider payments due under subdivisions 1 to 6 that are more than 60 days in arrears.*

#### Sec. 5. [256B.83] [EXPENDITURES FROM THE ACCOUNT.]

*Subdivision 1. [HOSPITAL REIMBURSEMENT.] (a) Effective for services rendered on or after July 1, 1991, the commissioner shall make indigent care payments to hospitals, in addition to all other payments to hospitals, determined by dividing the amount received under section 4, subdivision 2, by the number of admissions, multiplying the result by 115 percent for the same quarter, and adding that amount to each admission in the following quarter.*

*(b) The commissioner shall not implement a peer grouping system for hospital reimbursement.*

*Subd. 2. [PHYSICIAN REIMBURSEMENT.] The commissioner shall make payments for the additional cost of increasing payments to physicians for services rendered on or after July 1, 1991, to the following levels:*

*(a) Payments for office and outpatient services, obstetrical services, and preventive care services must be calculated at the lower of (1) submitted charges, or (2) the median charges in 1989 with a 20 percent discount.*

*(b) Payments for critical care services and hospital medical services must be calculated at the lower of (1) submitted charges, or (2) the median charges in 1989 with a 30 percent discount.*

*(c) Payments for all other services must be calculated at the lower of (1) the submitted charges or (2) the median charges in 1989 with a 40 percent discount.*

*Subd. 3. [NURSING FACILITY REIMBURSEMENT.] For rate years beginning on or after July 1, 1991, the commissioner shall make payments for the additional cost of reimbursing nursing facilities participating in the medical assistance program as follows:*

*(1) all nonproperty related costs must be reimbursed under the laws and rules in effect on March 1, 1991, except as provided in paragraph (5);*

*(2) all property-related costs must be reimbursed under the laws and rules in effect on March 1, 1991, except as provided in paragraphs (3) and (4);*

*(3) property-related costs related to any modifications adopted by the 1991 legislature in article 1, sections 11 and 12, to increase property reimbursement above the level under laws and rules in effect on March 1, 1991;*

*(4) a capital equipment allowance of \$1.24 per day per bed shall be paid. For a licensed provider with an operating lease on the nursing facility, the capital equipment allowance shall not be the property of the lessor but shall be the property of the licensed provider for the duration of the operating lease or any renewal or extension of the operating lease; and*

*(5) the efficiency incentive per diem payment annually established under section 256B.431, subdivision 2b, paragraph (d), shall be increased by the inflation factor determined in section 256B.431, subdivision 21, clause (b).*

*Subd. 4. [PERSONAL NEEDS ALLOWANCE.] The commissioner shall make payments for the additional cost of providing cost-of-living increases in the personal needs allowance under section 256B.35, subdivision 1.*

*Subd. 5. [SPECIAL TRANSPORTATION.] The commissioner shall make payments for the additional cost of establishing maximum medical assistance reimbursement rates for special transportation services for persons who need a wheelchair lift van or stretcher-equipped vehicle and for those who do not need a wheelchair lift van or stretcher-equipped vehicle. The average of these two rates must not exceed \$18 for the base rate and \$1.20 per mile.*

*Subd. 6. [INTERMEDIATE CARE FACILITIES FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.] The commissioner shall make payments for the additional cost of reimbursing privately operated intermediate care facilities for persons with mental retardation that result from providing efficiency incentive payments and reimbursement for workers' compensation costs under the rules and laws in effect on March 1, 1991.*

*Subd. 7. [DAY TRAINING AND HABILITATION.] The commissioner shall make payments for the additional cost of reimbursing day training and habilitation services that result from promulgating rate-setting rules and providing rate variances under the rules and laws in effect on March 1, 1991.*

*Subd. 8. [DENTISTS.] The commissioner shall make payments for the additional costs of (1) reimbursing dentists for services rendered on or after July 1, 1991, at the lower of (i) submitted charges, or (ii) the median charges in 1989 with a 20 percent discount; and (2) providing dental services to medical assistance adult recipients in excess of \$150 per year.*

*Subd. 9. [INFLATIONARY INCREASES.] The commissioner shall make payments for the additional costs of providing inflationary increases to*



*providers of services to recipients receiving alternative care grant waiver services, community alternative care waiver services, community alternatives for disabled individuals waiver services, home and community-based waiver services, personal care attendant services, private duty nurse services, and day training and habilitation services.*

*Subd. 10. [COUNTY SHARE OF COSTS.] The commissioner shall make payments for the additional county share of costs under this section, in accordance with section 256B.19.*

*Subd. 11. [ADMINISTRATIVE COST.] The commissioner may expend up to \$1,750,000 for the administrative costs associated with sections 256B.81 to 256B.86.*

**Sec. 6. [256B.84] [CONTINGENT ON FEDERAL FINANCIAL PARTICIPATION.]**

*The provisions of sections 256B.81 to 256B.85 apply only as long as federal financial participation under Title XIX of the Social Security Act is available for payments made out of the medical care fund under section 256B.83. In the event federal financial participation is denied, (1) the commissioner shall discontinue collections from providers under section 4 and shall eliminate increases to providers and recipients under section 5 effective immediately, and (2) article 3 becomes effective immediately.*

**Sec. 7. [256B.85] [NO REDUCTIONS WHILE FEES IN EFFECT.]**

*The commissioner shall not reduce the payments under section 5 as long as the surcharges under section 4 remain in effect. The commissioner shall report to the legislature annually on January 15 regarding the amount of actual and anticipated surcharge collections and provider payments. The report shall include recommendations for improving the operation of sections 256B.81 to 256B.86, including any changes in surcharges or payments necessary to ensure that payments under section 5 do not exceed collections under section 4.*

**Sec. 8. [256B.86] [IMPLEMENTATION; RULEMAKING.]**

*The commissioner shall implement sections 3 to 7 on July 1, 1991, without complying with the rulemaking requirements of the administrative procedure act. The commissioner shall adopt permanent rules to implement this act by June 30, 1993.*

**Sec. 9. [REGULATORY REVIEW.]**

*The commissioner of health shall study the regulation of long-term care facilities and report to the legislature by January 15, 1992, with any recommendations for changes in the current regulatory structure. The study must address at least the following issues:*

- (1) the possibility of unifying the federal and state enforcement systems;*
- (2) the effectiveness of existing enforcement tools;*
- (3) the appropriateness of current licensure standards; and*
- (4) alternative mechanisms for dispute resolution.*

**Sec. 10. [NURSING HOME FINANCIAL PERFORMANCE MONITORING.]**

*The commissioners of health and human services shall recommend to the*

legislature by January 15, 1992, a system to monitor the financial performance of nursing homes on an ongoing basis. The system may provide for the inclusion of nursing homes in the health care cost information act of 1984 or for another method to obtain, analyze, and report financial data. The system must be coordinated with existing nursing home financial reporting requirements and must provide for periodic reports to the legislature on the financial condition of nursing homes.

### ARTICLE 3

#### Section 1. [DAY TRAINING AND HABILITATION RATE VARIANCES.]

*Notwithstanding Minnesota Statutes, section 252.46, subdivision 6, the commissioner of human services may grant a day training and habilitation rate variance only if the increase is necessary to demonstrate compliance with minimum licensing standards and the request for a variance satisfies all of the criteria in Minnesota Statutes, section 252.46, subdivision 6, other than clause (3). The commissioner shall not grant a variance to provide community integrated and supported employment services.*

#### Sec. 2. [HOSPITAL PEER GROUPS.]

*(a) Paragraph (b) applies to medical assistance payments to hospitals and supercedes any inconsistent provisions of Minnesota Statutes, sections 256.9685 to 256.969.*

*(b) For admissions occurring after the transition period specified in Minnesota Statutes, section 256.9695, subdivision 3, operating payment rates of each hospital shall be limited to the operating payment level within its peer group so that the statewide operating payment level is reduced by 4.5 percent. For subsequent rate years, the limits shall be adjusted by the hospital cost index. The commissioner shall contract for the development of criteria for and the establishment of the peer groups. Peer groups must be established based on variables that affect medical assistance cost such as scope and intensity of services, acuity of patients, location, and capacity. Rates shall be standardized by the case mix index and adjusted, if applicable, for the variable outlier percentage. The peer groups may exclude and have separate limits or be standardized for operating cost differences that are not common to all hospitals in order to establish a minimum number of groups.*

#### Sec. 3. [MEDICAL ASSISTANCE COVERAGE OF DENTAL SERVICES.]

*Notwithstanding Minnesota Statutes, section 256B.0625, subdivision 9, medical assistance only covers dental services for children under age 18, and dental services not to exceed \$150 annually for adults.*

#### Sec. 4. [MEDICAL ASSISTANCE COVERAGE OF SPECIAL TRANSPORTATION.]

*For medical assistance coverage of special transportation under Minnesota Statutes, section 256B.0625, subdivision 17, the commissioner of human services shall establish maximum medical assistance reimbursement rates for special transportation services for persons who need a wheelchair lift van or stretcher-equipped vehicle and for those who do not need a wheelchair lift van or stretcher-equipped vehicle. The average of these two rates must not exceed \$12.50 for the base rate and 60 cents per mile.*

**Sec. 5. [NURSING HOME WORKERS' COMPENSATION COSTS.]**

*Notwithstanding contrary provisions of Minnesota Statutes, section 256B.431, in determining medical assistance payments to nursing facilities, the commissioner must reduce the workers' compensation cost during the reporting year for each nursing facility by 16 percent for the purposes of computing the payment rates for the rate year beginning July 1, 1991, and for the first nine months of the rate year beginning July 1, 1992. For any nursing facility that cannot separately report the workers' compensation costs, the commissioner shall determine the amount of the workers' compensation costs to be reduced by identifying the nursing facility's portion of total workers' compensation costs by applying the individual Medicare stepdowns which the nursing facility used to allocate its payroll taxes and fringe benefits and multiplying that amount by 16 percent.*

**Sec. 6. [NURSING HOME COST LIMITS.]**

*(a) The provisions in paragraphs (b) to (e) apply to medical assistance payments to nursing facilities and supercede any inconsistent provisions in Minnesota Statutes, section 256B.431.*

*(b) [OTHER OPERATING COST LIMITS.] For the rate year beginning July 1, 1991, the commissioner, in conjunction with the rebasing for the reporting year September 30, 1990, shall establish the other-operating-cost limits in Minnesota Rules, part 9549.0055, subpart 2, item E, at 108 percent of the median of the array of allowable historical other-operating-cost per diems. The limits must be established according to Minnesota Statutes, section 256B.431, subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1992, the adjusted other-operating-cost limits must be indexed as in Minnesota Statutes, section 256B.431, subdivision 2l.*

*(c) [CARE-RELATED OPERATING COST LIMITS.] For the rate year beginning July 1, 1991, the commissioner, in conjunction with the rebasing for the reporting year September 30, 1990, shall establish the care-related operating cost limits in Minnesota Rules, part 9549.0055, subpart 2, items A and B, at 122 percent of the median of the array of the allowable historical case mix operating cost standardized per diems and the allowable historical other care-related operating cost per diems. The limits must be established according to Minnesota Statutes, section 256B.431, subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1992, the adjusted care-related limits must be indexed as in Minnesota Statutes, section 256B.431, subdivision 2l.*

*(d) [ADMINISTRATIVE COST LIMITS.] For rate years beginning on or after July 1, 1991, the cost limitation for costs in the general and administrative cost category in Minnesota Rules, part 9549.0055, subpart 2, item D, shall be modified as in clauses (1) to (4):*

*(1) the percentage limitation for nursing homes with 60 or fewer licensed beds shall be 14 percent;*

*(2) the percentage limitation for nursing homes with 61 to 100 licensed beds shall be 13 percent;*

*(3) the percentage limitation for nursing homes with 101 to 200 licensed beds shall be 12 percent; and*

*(4) the percentage limitation for nursing homes with more than 200 licensed beds shall be 11 percent.*

(e) [EFFICIENCY INCENTIVE.] *For rate years beginning on or after July 1, 1991, a nursing home's maximum efficiency incentive shall be \$1.*

Sec. 7. [NURSING HOME PROPERTY COSTS.]

(a) *The provisions of paragraphs (b) to (d) apply to medical assistance payments to nursing facilities and supercede any inconsistent provisions of Minnesota Statutes, section 256B.431.*

(b) *For the rate year beginning July 1, 1991, the property-related payment rate for a nursing home classified as a group A nursing home under Minnesota Statutes, section 256B.431, subdivision 3i, shall be the lesser of the nursing home's property-related payment rate in effect on July 1, 1990; or the sum of 115 percent of the nursing home's allowable principal and interest expense, plus its equipment allowance multiplied by the resident days for the reporting year ending September 30, 1990, divided by the nursing home's capacity days as determined under Minnesota Rules, part 9549.0060, subpart 11, as modified by Minnesota Statutes, section 256B.431, subdivision 3f, paragraph (c); but not less than the lesser of \$3.25 or the nursing home's July 1, 1990, property-related payment rate.*

(c) *For the rate year beginning July 1, 1991, a nursing home classified as a group B nursing home under Minnesota Statutes, section 256B.431, subdivision 3i, shall receive the greater of 90 percent of its property-related payment rate in effect on July 1, 1990; or the sum of 115 percent of the nursing home's allowable principal and interest expense, plus its equipment allowance multiplied by the resident days for the reporting year ending September 30, 1990, divided by the nursing home's capacity days as determined under Minnesota Rules, part 9549.0060, subpart 11, as modified by Minnesota Statutes, section 256B.431, subdivision 3f, paragraph (c); except that the nursing home's property-related payment rate must not exceed the property-related payment rate in effect on July 1, 1990.*

(d) *For the rate year beginning July 1, 1991, a nursing home classified as a group C nursing home under Minnesota Statutes, section 256B.431, subdivision 3i, shall receive the greater of 85 percent of its property-related payment rate in effect on July 1, 1990; or the sum of 115 percent of the nursing home's allowable principal and interest expense, plus its equipment allowance multiplied by the resident days for the reporting year ending September 30, 1990, divided by the nursing home's capacity days as determined under Minnesota Rules, part 9549.0060, subpart 11, as modified by Minnesota Statutes, section 256B.431, subdivision 3f, paragraph (c); except that the nursing home's property-related payment rate must not exceed the property-related payment rate in effect on July 1, 1990.*

Sec. 8. [ICF-MR PAYMENTS FOR PERSONS WITH SPECIAL NEEDS.]

(a) *Notwithstanding Minnesota Statutes, section 256B.501, subdivision 8, for medical assistance payments for intermediate care facilities for persons with mental retardation or related conditions, the commissioner of human services shall not authorize an excess payment or limitation exemption for very dependent persons with special needs unless:*

(1) *the need for specific level of service is documented in the individual service plan of the person to be served;*

(2) *the level of service needed can be provided within the rates established under Minnesota Statutes, section 252.46, and Minnesota Rules, parts*

9553.0010 to 9553.0080, without a rate exception within six months;

(3) staff hours beyond those available under the rates established under Minnesota Statutes, section 252.46, and Minnesota Rules, parts 9553.0010 to 9553.0080, necessary to deliver services do not exceed 720 hours within six months;

(4) there is a basis for the estimated cost of services;

(5) the provider requesting the exception documents that current per diem rates are insufficient to support needed services;

(6) estimated costs, when added to the costs of current medical assistance-funded residential and day training and habilitation services and calculated as a per diem, do not exceed the per diem established for the regional treatment centers for persons with mental retardation and related conditions on July 1, 1990, indexed annually by the urban consumer price index, all items, published by the United States Department of Labor, for the next fiscal year over the current fiscal year;

(7) any contingencies for an approval as outlined in writing by the commissioner are met; and

(8) any commissioner orders for use of preferred providers are met.

(b) Those provisions of Minnesota Statutes, section 256B.501, subdivision 8, and rules adopted under it, that are not inconsistent with paragraph (a) remain in effect.

(c) The commissioner may terminate a rate exception authorized under this section or Minnesota Statutes, section 256B.501, subdivision 8, at any time under any of the conditions outlined in Minnesota Rules, part 9510.1120, subpart 3, for county termination, or by reason of information obtained through program and fiscal audits which indicate the criteria outlined in this section or Minnesota Statutes, section 256B.501, subdivision 8, have not been, or are no longer being, met.

#### Sec. 9. [ICF-MR WORKERS' COMPENSATION COSTS.]

(a) Paragraph (b) applies to medical assistance payments to intermediate care facilities for persons with mental retardation or related conditions and supercedes any inconsistent provisions of Minnesota Statutes, section 256B.501.

(b) The commissioner must reduce the workers' compensation cost during the reporting year for each facility by 16 percent for the purposes of computing the payment rates for the rate year beginning October 1, 1991, and for the first nine months of the rate year beginning October 1, 1992.

#### Sec. 10. [ICF-MR EFFICIENCY INCENTIVE.]

(a) Paragraph (b) applies to medical assistance payments to intermediate care facilities for persons with mental retardation or related conditions and supercedes any inconsistent provisions of Minnesota Statutes, section 256B.501.

(b) For rate years beginning on or after October 1, 1991, a facility's maximum efficiency incentive shall be \$1.

#### Sec. 11. [REPEALER.]

Sections 1 to 10 are repealed effective July 1, 1993.

Sec. 12. [EFFECTIVE DATE.]

*Sections 1 to 10 are effective only if federal financial participation under Title XIX of the Social Security Act is available for medical assistance payments made under article 2, section 5. Sections 1 to 11 are effective on the date the commissioner of human services receives an official denial of federal financial participation or an official communication from the federal government stating that federal financial participation will not be available, or on the effective date of a federal law that specifically prohibits federal financial participation."*

Delete the title and insert:

"A bill for an act relating to human services; modifying requirements for metro transportation support grants; creating an exception to the nursing home moratorium; specifying inflationary indices to be used in determining rates for nursing homes and intermediate care facilities; revising provider reimbursement under the medical assistance program; establishing surcharges on providers; establishing an investment per bed limit for nursing homes; establishing an equipment allowance for nursing homes; establishing a capital replacement per diem for nursing homes; authorizing the recognition of debt from sales or refinancing occurring after May 22, 1983; amending Minnesota Statutes 1990, sections 144A.071, subdivision 3; 144A.10, subdivision 4; 144A.31, subdivision 4; 252.46, subdivision 14; 252.478, subdivisions 1 and 3; 256B.0641, by adding a subdivision; 256B.431, subdivisions 2l, 3f, and by adding subdivisions; 256B.50, subdivision 1d; and 256B.501, subdivision 11, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256B."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Mr. Waldorf questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Dahl from the Committee on Education, to which was referred

S.F. No. 942: A bill for an act relating to education; establishing a scholarship program; specifying conditions; providing for funding through special collegiate license plates; removing some responsibilities from higher education coordinating board and transferring others to the commissioner of education; amending Minnesota Statutes 1990, sections 135A.05; 135A.06, subdivisions 2, 3, and 5; 135A.08; 135A.10, subdivision 1; 135A.15; 136A.02, subdivision 5; 136A.04, subdivision 1; and 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapters 125; 126; 135A; and 168; repealing Minnesota Statutes 1990, sections 136A.02, subdivision 6; 136A.04, subdivision 2; 136A.041; 136A.043; 136A.044; 136A.85; 136A.86; 136A.87; and 136A.88.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [135A.30] [MINNESOTA ACADEMIC EXCELLENCE SCHOLARSHIP.]

*Subdivision 1. [CREATION.] The Minnesota academic excellence scholarship program is created to reward students who have demonstrated outstanding ability, achievement and potential in one of the following subjects: English/creative writing, fine arts, foreign language, math, science, or*

*social science.*

*Subd. 2. [ELIGIBILITY.] To be eligible to receive a scholarship under this section, a student must:*

*(1) graduate from a Minnesota public or nonpublic high school in the academic year in which the scholarship is awarded;*

*(2) successfully complete a college preparatory curriculum and demonstrate outstanding ability, achievement and potential in one of the specified subjects;*

*(3) be admitted to enroll full time in a nonsectarian, accredited baccalaureate degree-granting program at the University of Minnesota or at a Minnesota state university, or at a Minnesota private, accredited baccalaureate degree-granting college or university; and*

*(4) pursue studies in the subject for which the award is made.*

*Subd. 3. [SELECTION OF RECIPIENTS.] The governing board of an eligible institution shall determine, in consultation with its campuses, application dates and procedures, criteria to be considered, and methods of selecting students to receive scholarships. A campus, with the approval of its governing board, may award a scholarship in any of the specified fields of study (1) in which the campus offers a program that is of the quality and rigor to meet the needs of the talented student, and (2) that is pertinent to the mission of the campus.*

*Subd. 4. [AMOUNT OF SCHOLARSHIP.] The amount of the scholarship must be (1) at accredited public institutions, the cost of tuition and fees for full-time attendance for one academic year, or (2) at accredited private institutions, an amount equal to the lesser of the actual tuition and fees charged by the institution or the tuition and fees in comparable public institutions. Scholarships awarded under this section must not be considered in determining a student's financial need as provided in section 136A.101, subdivision 5.*

*Subd. 5. [RENEWALS.] The scholarship shall be renewed yearly, for up to three additional academic years, if the student (1) maintains full-time enrollment with a grade point average of at least 3.0 on a four point scale; (2) pursues studies and continues to demonstrate outstanding ability, achievement and potential in the field for which the award was made; and (3) is achieving satisfactory progress toward a degree.*

*Subd. 6. [NUMBER OF AWARDS.] The number of scholarships awarded each year shall be determined by the amount of money available in the scholarship account, as provided in section 168.129, subdivision 6, that is credited to a post-secondary institution or system through sales of its license plates. The number of new awards must be determined after subtracting the actual and projected amount necessary for renewals.*

*Subd. 7. [DISTRIBUTION AMONG CAMPUSES.] Post-secondary systems with more than one campus shall allocate at least three-fourths of the revenue available from the contributions received under section 2, subdivision 1, to the campuses to which the contribution is attributable. The governing board annually shall determine the distribution of the remaining portion among the campuses, after consideration of special needs or circumstances.*

*Subd. 8. [ADDITIONAL CONTRIBUTIONS.] A post-secondary system*

*or campus may accept contributions, beyond those raised through the sale of license plates, to supplement the campus fund for academic excellence scholarships.*

**Sec. 2. [168.129] [SPECIAL COLLEGIATE LICENSE PLATES.]**

*Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.] The commissioner of public safety shall issue special collegiate license plates to an applicant who (1) is an owner or joint owner of a passenger automobile, pickup truck, or van, (2) pays a fee determined by the commissioner to cover the costs of handling and manufacturing the plates, (3) pays the registration tax required under section 168.12, (4) pays the fees required under this chapter, (5) contributes at least \$100 to the scholarship account established in subdivision 6, and (6) complies with laws and rules governing registration and licensing of vehicles and drivers.*

*Subd. 2. [DESIGN.] After consultation with each participating college, university, or post-secondary system, the commissioner shall design the special collegiate plates.*

*In consultation with the commissioner, a participating college or university annually shall indicate the anticipated number of plates needed.*

*Subd. 3. [NO REFUND.] Contributions under this section must not be refunded.*

*Subd. 4. [PLATE TRANSFERS.] Notwithstanding section 168.12, subdivision 1, on payment of a transfer fee of \$5, plates issued under this section may be transferred to another passenger vehicle, pickup, or van owned or jointly owned by the person to whom the special plates were issued.*

*Subd. 5. [FEES CREDITED.] The fees collected under this section must be deposited in the state treasury and credited to the highway user tax distribution fund. Fees collected under this section do not include the contributions collected for the scholarship account.*

*Subd. 6. [SCHOLARSHIP ACCOUNT.] A scholarship account is created in the state treasury. Except for one percent that may be retained by the commissioner of public safety for administrative costs, all contributions received under this section must be deposited by the commissioner in the scholarship account. Money in the scholarship account is appropriated to the governing board of the institution to which it is attributable, as provided in subdivision 7.*

*Subd. 7. [RECORD.] The commissioner shall maintain a record of the number of license plates issued for each post-secondary institution or system in order to determine the amount of scholarship funds available to that institution or system.*

**Sec. 3. [GOVERNING BOARD DUTIES.]**

*The board of regents of the University of Minnesota, the state university board, and the governing boards of eligible private colleges and universities are requested to cooperate with the higher education coordinating board, the Minnesota academic excellence foundation, public and nonpublic Minnesota high schools, and school districts to publicize the availability of the scholarships and to identify qualified students.*

**Sec. 4. [COLLEGIATE PLATE INITIAL COSTS.]**

*The commissioner of public safety may ask the commissioner of finance*



*to lend general fund money to the commissioner of public safety to pay initial costs of manufacturing collegiate plates for the academic excellence scholarship program. The commissioner of public safety must first certify to the commissioner of finance that there will be adequate revenue from fees collected through the sale of collegiate plates to repay the loan. The commissioner shall use the revenue to make repayment to the general fund of the full amount loaned. Money necessary to meet cash flow difficulties in the manufacture of collegiate plates for the academic excellence scholarship program is appropriated to the commissioner of finance from the general fund for loans to the commissioner of public safety.*

**Sec. 5. [EFFECTIVE DATES.]**

*Subdivision 1. Section 1 is effective for high school graduates beginning in the 1991-1992 school year.*

*Subd. 2. Section 2 is effective for vehicle registrations after June 30, 1991."*

Delete the title and insert:

"A bill for an act relating to education; establishing a scholarship program; providing for funding through special collegiate license plates; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 135A and 168."

And when so amended the bill do pass and be re-referred to the Committee on Transportation. Amendments adopted. Report adopted.

**SECOND READING OF SENATE BILLS**

S.F. Nos. 772, 1168, 893, 1433, 802, 1414, 811, 1064, 820, 1300 and 476 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 726, 934, 594, 1551, 611, 74 and 1422 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Johnson, D.J. moved that the name of Mr. Merriam be added as a co-author to S.F. No. 490. The motion prevailed.

Ms. Johnston introduced—

Senate Resolution No. 61: A Senate resolution congratulating Emilie Hanson of Prior Lake, Minnesota, on earning the Minnesota AAA Award for her athletic, academic, and artistic achievements.

Referred to the Committee on Rules and Administration.

Mr. Hottinger introduced—

Senate Resolution No. 62: A Senate resolution congratulating the band director and members of the Janesville-Waldorf-Pemberton Concert and Jazz Bands for winning the Over-All Concert Band and Jazz Band competitions at the All American Music Festival.

Referred to the Committee on Rules and Administration.

Mr. Frank moved that S.F. No. 1323 be withdrawn from the Committee on Governmental Operations and re-referred to the Committee on Rules and Administration. 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. Beckman; Frederickson, D.J. and Vickerman introduced—

S.F. No. 1524: A bill for an act relating to state government; requiring that the principal offices of the department of agriculture be located in Waseca; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Governmental Operations.

Ms. Johnson, J.B. introduced—

S.F. No. 1525: A bill for an act relating to the town of Scandia; authorizing the establishment of a detached banking facility under certain conditions.

Referred to the Committee on Commerce.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Thursday, April 25, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate